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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

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Undeviating Inflation in France: A Perilous Menace

By DR. MELCHIOR PALYI

Well known economist, writing from France, delineates the enigmatical 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 frustrating, according to Dr. Palyi, is the self-evident fact that France is a very rich and fundamentally healthy country which requires but a modest amount of self-restraint to bring the situation under control—with 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 systematic tinkering 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 has no analysis or remedies to offer. But it would be equally difficult to find one analysis that points out the gist of the trouble, which is in four words, FORTY YEARS OF INFLATION.

Dr. Melchior Palyi

The Algerian Blind Alley

Of course she has other problems and no mean ones, either, which do not stem from, or have indirect connections only with, the long drawn out inflation. But inevitably 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

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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 official, in depicting significant changes over the next decade, warns 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 11-year 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—1945-1975." 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 unlikely, were that the 1975 population might be as large as 185 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 151 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 un-

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*From an address by Mr. Eckler at the Seminar on Population and Income, Harvard Business School Association Alumni Day Meeting.

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 37.

The Security I Like Best

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

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

This Week's Forum Participants and Their Selections

H. THEODORE BIRR, JR.

President and Chairman,
First California Company,
San Francisco, Calif.
Members
Pacific Coast Stock Exchange
Midwest Stock Exchange
American Stock Exchange (Associate)

Bank of America Common Stock

Our company recently mailed to clients (after much soul-searching by the more traditional members of our sales department) an amusingly drawn greeting card which showed a steer, dressed in Sunday best, bearing bouquet and bonbons and blushingly awaiting his best girl at a soda-fountain table. The caption was: "Would you like a good steer?", and inside the card our copy read as follows:

H. T. Birr, Jr.

"There is more than one kind of good steer. For over 20 years we have been placing the common stock of Bank of America with our clients. The total is now many millions of shares. And we've made many thousands of friends, because Bank of America stock has proved such a good steer over the years. And it's a better steer than ever right now. Growing even faster than the West. Paying a $1.80 dividend as secure as a dividend can be. Yielding investors around 5%, highest in a long time. Get yourself a good steer."

Bank stocks, needless to say, have not done well lately. This means nothing to us on the sell side, because we never sell a client out of BofA unless requested to do so. But on the buy side it has created a great opportunity, especially in BofA.

Why this dull market performance? BofA hit an all-time high of 43½ bid in October 1955. It declined to 36 by May 1956, improved, receded again, and to June this year has ranged between 34½ and 38. There would seem to be three reasons: the general apathy toward "money" stocks; the 1.6 million-share rights offering by the bank in 1956, which inevitably found some weak holders who had to be absorbed: and finally, and of course most important with respect to short-term prospects, the increased interest rate on savings deposits, which for BofA went to 3% last Jan. 1.

Reflect: This institution, barely 50 years old, is not only far and away the biggest bank in the world, but it is especially big in savings accounts—over $4 billion worth. Time deposits are highly desirable because they require roughly one-third the reserve of demand deposits; by the same token, when you raise your interest rate you pay a healthy short-term penalty for this long-term advantage. For BofA the estimated 1957 cost of the raise is $33 million. It is not hard to understand why this prospect has seemed like early winter to the bearish in habit.

But what actually is happening? Our continuing discussions with various BofA executives lead us to believe that the $33 million is being rapidly picked up — through increased loan rates, through increased service charges of many sorts, and through the economies of an expanding program of bank automation, as typified by the IBM 702's which service the bank's real estate and "Timeplan" loans (to say nothing of electronic "Erma" and her 36 scheduled sisters, whose effect is still to be felt). The timing on this pickup is hard to get exactly, but we think that by the end of this year it will be running at a $50-million annual rate and will continue to increase sharply into 1958. Earnings for 1957 should be in the range of $2.75 to $2.85 (vs. $2.89 for 1956), but for 1958 could rise to between $3 and $3.25.

When you see a $10-billion bank with about a 50-50 time-demand composition of deposits take an interest-cost rise in stride you are watching a very remarkable performance, as I have no doubt the bankers in my readership will affirm. The reason why BofA can do this, I think, is quite simple: branch banking in a tremendously growing state (though a less aggressive management might let the growth pass it by). The bank takes fullest advantage of this. It now has over 600 branches. In 1956 it increased the number of its deposit accounts by about 427,000, and now has over 6.6 million (in a state with 13.4 million people). I do think statistics on growth tend to become tiresome, so I will cite only the following which are basic to our investment attitude toward the stock:

To my mind these figures show quite clearly why I continue to regard Bank of America common as a very good steer.

15-Year Period 1942-1956

California population net increase (Census Bureau estimate)	5,698,000
BofA earnings increase per 1,000 of population increase	$1[illegible],226
California population increase, 1957-1965 (Census projection)	4,000,000
Value 100 shares BofA in January, 1942	$3,750
Value same investment by December, 1956	15,350
Dividend income 100 shares in 1942	249
Dividend income same investment in 1956	700
Per-share earnings 1942	0.9[illegible]
Per-share earnings 1956	2.8[illegible]

MORTON GLOBUS

Sutro Bros. & Co., New York City
Members New York Stock Exchange

E. J. Korvette, Inc.

The investor seeking to commit his funds in growth stocks normally thinks in terms of the chemical, nuclear, electronic, pharmaceutical industries and the like, but there are a number of factors that lead to the conclusion that E. J. Korvette, Inc. possesses the characteristics that will result in sharp expansion. While it is difficult for one who has not seen the Korvette operation to realize the full potential, I shall outline the various factors that lead to my conclusions.

Morton Globus

Korvette is believed to be the world's largest chain discount house. Slightly over nine years ago the company was not yet in business but despite this relatively short span of years is expected to report total sales of over $70 million this year with estimates for next year of over $150 million and over $210 million in 1959. It is this excellent growth potential that has aroused my enthusiasm coupled with the prospects for revolutionizing methods of merchandising hard and soft goods much as the supermarket so completely changed the retail distribution of food. On this basis, it appears quite plausible that eventually Korvette outlets will blanket the nation in much the same manner as they have achieved such prominence in the metropolitan New York retail market. And oddly enough, the retailers on whom the discount houses are encroaching are almost helpless to do anything about it. To understand why, it is necessary to trace the reason for the emergence of the discount house.

The discount house arose because the conventional retailer, the small appliance dealer and the department store was inefficient in the distribution of goods. Korvette and other discount houses have proved dramatically that by eliminating the frills in retailing they can effect substantial savings. These frills include credit, delivery, large sales forces, time-payment plans, fancy packaging, elaborate counter displays, etc.

Take the customer purchasing a brand name radio carrying the manufacturer's guarantee. The manufacturer's advertising has "sold" him the radio, he has the cash to pay for it, and he certainly can carry it out of the store with very little effort. Intelligent consumers have come to realize that it is senseless for them to pay list price which includes the regular retail markup. They know if they do they are paying for all the services and frills that they neither use nor want. (On big ticket appliances where delivery is a physical necessity, Korvette provides for it, but bills the customer separately for the service.)

In order for conventional retailers to compete with discount houses they would have to radically alter their present services. But to do so would place them in jeopardy with their many customers who want to keep the traditional services and frills.

However, the discount house pressure has been so intense that department stores have been forced into price competition on many items. But as long as department stores remain "department stores," they will be on the defensive. This immobility on the part of conventional retailers appears to have left the whole country wide open to Korvette.

In the meantime, Korvette has broadened its activities far beyond selling only appliances and other hard goods. Using its price cutting reputation in hard goods as a lever, Korvette has gone heavily into soft goods so that they now

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Making Economic Assumptions In Pension Fund Investments

By PETER L. BERNSTEIN*
Investment Counsel, Bernstein-Macauley, 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 adviser Bernstein finds even more dangerous the in-between course of doing what is fashionable, i.e., "faddism" and "follow-the-leaderism." In deflating 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 long-run yield of stocks and bonds based on past experience. Advises investment programs be based upon "assumptions objectively established and put through hard-headed analysis and testing at all times," rather than on mechanical projection of current trends into indefinite future.

Pension fund investment programs are characterized by certain special factors which cannot help but influence the choice of securities. First, these programs are, by their very nature, long term. Second, above-average current income—and the emphasis is on current—is not necessarily a primary consideration. And finally, the administrators of the program, while of course responsible to the ultimate beneficiaries, nevertheless have no equity themselves in the securities held, nor do they have any particular direct contact with the beneficiaries and this in turn gives the administration of these programs an essentially impersonal character.


Peter L. Bernstein

In my own experience, I have seen the impersonality and long term nature of pension funds, together with the secondary importance of high current income, lead to diametrically opposed investment policies, depending upon the basic attitudes of the administrators. At one extreme, I have witnessed a tendency to assume excessive risks, both because the administrator is not dealing with his own funds and because the expectation is that all will come out for the best in the long run in a growing and dynamic economy. At the other extreme, I have seen a stubborn refusal to invest in anything other than U. S. Government securities, in the belief that this would adequately and safely discharge the responsibility with a minimum of worry and effort, and, also because the management of "other people's money" all too frequently leads to excessive conservatism in administration.

A More Dangerous Course

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

If a satisfactory and consistently successful investment program is to be established, you simply cannot avoid the unpleasant necessity of arriving at certain basic assumptions concerning the character of the economic environment and the groundswells of business activity. Then these assumptions must be continuously re-examined and tested against the facts, or the investment program will become obsolescent and vulnerable to serious depreciation and loss.

The gist of my remarks is that faddism and follow-the-leaderism are most virulent and yet most dangerous in the most strategic area of determining the basic economic assumptions for an investment program.

For example, it is now very fashionable to consider U. S. Treasury bonds a highly undesirable investment. Indeed, the advisor who recommends Treasuries for anything except window-dressing or to cover possible needs for liquidity is now considered a fuddy-duddy, a scare-cat, or a boob. Possibly the characterization is appropirate at this time. But it is equally appropriate to understand and accept the assumptions which underlie this widely accepted fad.

Certainty of Bonds

The most certain economic prediction we can make is that the U. S. Government will pay the interest on its securities and redeem these securities as they mature. If things are so bad that the

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*An address by Mr. Bernstein before the New York University Tenth Annual Conference on Labor, June 14, 1957.

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Lilly of the Vaccine

By IRA U. COBLEIGH

Enterprise Economist

Containing a 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 very considerable resistance to depression (people get just as ill—perhaps more so—in bad times as in good); and it also has built-in growth characteristics due to a rising population and per capita income, higher standards of health and hygiene, and the constant development of remedies for age-old (and old age) degenerative diseases. Because of this unique linking of depression-resistance to growth, found in the ethical drug business, shares of leading companies here have developed broad investor acceptance; and they are widely found in the portfolios of our leading investment trusts.

Ira U. Cobleigh

Moving swiftly from the general to the specific, we have selected for today's topic, Eli Lilly and Company, now regarded as the world's largest ethical drug manufacturers—a company that has risen from a modest family proprietorship (founded in 1876 by its namesake Colonel Eli Lilly) to become an international company manufacturing over 1,200 biological and pharmaceutical products, and grossing (1957) at a rate above $200 million a year.

The title of this piece derives from the fact that Lilly turned out more than 70% of all the renowned Salk vaccine produced in both 1955 and 1956; and this polio vaccine accounted for about 18% of 1956 total sales — $32 million But eminent as is the Lilly name in this vaccine, consideration of the value of Lilly common solely by results in this field could be woefully incomplete; for Lilly is a major as well in antibiotics, insulin, hematinics and vitamins, sedatives and barbiturates. Let's take a closer look.

Lilly is the largest maker of antibiotics. The leading items are streptomycin and penicillin, including penicillin V, which can be taken orally. In insulin, the major therapeutic drug for diabetes, Lilly has, for some time, been the leader. Lilly has turned out a broad line of vitamins and has specialized in products indicated in the treatment of anemia. Many drugs and items conducive to mental serenity appear on the Lilly product list, including sedatives and barbiturates. These include the well accepted and advertised Sandril, a reserpine product, and Ultran, a moderate tranquilizer.

The foregoing relate to human consumption and use, but Lilly is also moving ahead rapidly with its Agricultural and Industrial Division. Lilly has pioneered with Stilbosol, a chemical which advances and accelerates the growth of cattle. There's a new antibiotic, hygromycin, which attacks effectively a whole range of animal parasites; and the new element Gibberellic acid which gives great promise as a stimulant for plant growth is being tested and researched by Lilly. Development in this area is being accelerated by the present construction of a new $3 million laboratory at Greenfield, Indiana, which will specialize in the research of agricultural chemicals.

Naturally mere productive breadth and excellence are not enough, alone, to assure corporate profitability and progress. Effective sales techniques are equally vital. On this count the Lilly organization shapes up well. Because of the diversity of its product line, Lilly has been able to sell its output through wholesale druggists, a method which has kept distribution costs within reason, and assured continuity and breadth of merchandising to retail outlets. Foreign sales are important and expanding, accounting for 17% of the 1956 total. Lilly sells its ware in 120 foreign countries and in countries where internal policies restrict or penalize imports from the U. S., Lilly has manufactured locally often borrowing capital funds, within the subject country, to provide the facilities.

During the years 1952, 1953 and 1954, there was no significant sales advance, and per share net did not vary for these three years by more than 14 cents. From 1955 on, however, the story has been different. Sales moved from $122 million for 1954 to $181 million for 1956 and, of more significance, per share net almost doubled, from $1.48 to $3.82. This notable change in corporate dynamics stems, in the main, from effective research. For example, 45% of 1956 sales derived from products researched, developed and introduced within the preceding five years. Current research outlay is at the rate of $10 million a year (about 5% of sales) and gives considerable assurance that the favorable trend of earning power at Lilly can be sustained.

Some have wondered about the fact that Eli Lilly shares are traded over-the-counter and not on the Big Board. The best answer to that is probably found in the corporate structure. There are 2,991,723 shares of Class "A" Common, and 4,846,161 shares of Class "B." These shares differ only in the fact that Class "A" stocks alone carries the vote; and is closely held by Lilly Endowment, Inc. and persons associated with the family management. The New York Stock Exchange has a rule against granting listing to corporation common stocks where the voting privilege is absent or restricted. Over-the-Counter dealing in Lilly "B" however, has not noticeably inhibited its distribution in breadth. Until 1950 Lilly was strictly a family company with only 209 shareholders. Occasional public offering of blocks of shares has since then added over 4,600 stockholders—rather an important tribute to the quality of this equity.

Financial position of Eli Lilly has been traditionally excellent. There is no funded debt, and only $2.4 million of preferred standing ahead of the two classes of common. Current position is exceedingly strong with $92 million of net working capital at the 1956 year-end. Even though about $85 million for plant modernization and expansion has been programmed for 1957/1961, it would appear that the company should be able to finance it all from internal sources, (although imagine how the public would eat up an issue of Eli Lilly convertible debentures!).

Now we have trundled out quite a few statistics about this company but perhaps we have not yet completely answered the query "Why is Eli Lilly 'B' so desirable at 70 when it only pays $1.80, and, on that basis, yields a meek 2.6%?" The answer to that question is a multiple one. First, if one seeks high current yield he should never even look at ethical drugs. Almost all of them sell from 16 to 25 times earnings. (Lilly sells at 18 times.) In the case of Lilly "B", however, the specific reasons for considering purchase at this particular time would seem to be among the following:

1. Per share for 1957 is expected to rise from $3.82 to $4.40 or better.
2. This leaves room for a cash extra (above the $1.80) of possibly 50 cents per share.
3. The Lilly profit margin has been rising for the past two years (it was 41% for the first quarter of this year against 34% for the full year 1956). And this at a time when many companies are feeling a profit squeeze.
4. Lilly research has been richly rewarding; and extensive current delving into curatives for cancer, and offsets to mental diseases, may well bring new prestige and profitability to Lilly.
5. The important capital additions projected for the next 5 years will substantially enlarge the base for future earnings.
6. The character of recent buying in Lilly "B" both by individual investors, and some of the major investment trusts, gives some indication of the solidity of the intrinsic values afforded here.

We hope we may not be accused of gilding the Lilly, but the visible current evidence about this company, and its capacity to earn money and pay dividends for so many years did make an impression upon us—even with 4% Federal money rates!

Lester, Ryons Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Calbe S. Mitchell is now connected with Lester, Ryons & Co., 623 South Hope Street, members of the New York and Pacific Coast Stock Exchanges.

With First California

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Robert A. Bliss is with First California Co. Inc., 647 South Spring Street.

Joins Merrill Lynch

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Robert B. Hicks is now with Merrill Lynch, Pierce, Fenner & Beane, 523 West Sixth Street.

Observations . . .

By A. WILFRED MAY

HOW HIGH IS TOO HIGH?

Re-examination of the testimony given by the nation's top investment experts in the so-called Fulbright Stock Market Investigation in March, 1955 — when the D. J. Average stood at its assumed peak of 400—reveals some interesting evidence in the areas of price appraisal and forecasting.

A. Wilfred May

It is true that those Hearings, held before the august Senate Banking and Currency Committee, were not, per Chairman Fulbright's insistent disclaimers, intended to be concerned with the lowly question of stock prices. But the first words of his own opening statement cited the market's comparative price action in 1929 and 1954. And the Committee's preliminary questionnaire asked for information concerning (1) principal factors causing the stock market rise, (2) significance of the stepping-up of the rate of the market's rise during the preceding closing months of 1954, (3) similarities to 1928-'29 markets, and (4) potential dangers inherent in further extension of the bull market.

Many of the witnesses warily sidestepped Senatorial quests for market forecasts; as the venerated Mr. Baruch (former short-seller *par excellence*) who closed the door on the legislator's insistent queries for light on he market's future with: "As your expert witness, I tell you no expert is good on that." Nevertheless, the persistent questioning did create at least a general atmosphere of skepticism; as evidenced in the market's decline midst the hearings, including the widest single-day reaction since the outbreak of the Korean hostilities in 1951.

1955 vs. 1929 — Statistically and Atmospherically

The impression of misgivings stemmed equally from the market level after its six-year 150% rise to 400; and from the surrounding speculative attributes, with discomforting reminiscences of "1929." Thus, the Harvard Professor of Economics John Kenneth Galbraith, noted for his book *The Great Crash* dealing with the 1929 embroglio, not only by his appearing but through his testimony brought forth ghoulish reminders of that Great Unpleasantness. The Professor did painstakingly point out the differences between the booms of the 1950's and 1928-1929; as the former's lesser magnitude and the economy's decreased vulnerability, rather likening the instant situation to late 1927-early 1928. But he also saw fit to call attention to the present period's similar tempo of increase in the stock averages, "the same sharp fall in yields," the repeated divergence of share prices to book values, and kindred accompanying speculative psychology; leading him to this forthright conclusion: "While it would be a gross exaggeration to say that there has been the same escape from reality that there was in 1929, it does seem to me that enough has happened to indicate that we have not yet lost our capacity for speculative self-delusion. So we should look to our defenses." This, with an accompanying suggestion that margins should be raised to 100% in case of resumption of the upward movement, and that the Government and the Exchanges issue anti-speculative warnings, touched off a 6-point market drop.

From the Scientific Corner

Also on the cautionary side, but on quantitative criteria of value appraisal, were the convictions expressed to the Committee in characteristically clear fashion by Benjamin Graham, an authority doubling over the years as author-teacher, recognized dean of the security analyst fraternity, and market-operating head of a highly successful investment company. He told the legislators that from the historial approach the market was distinctly on the high side. For appraisal based on figures and formulae, he used his "Central Value" figure, arrived at by capitalizing 10-year average earnings at twice the interest rate for high-grade bonds. Such appraisal justified the then-existing 400-level; but he also called attention to the possibility of a depression upsetting the basis of his appraisal; and followed with this discouraging conclusion: "This [a characteristically] speculative stage, we are convinced, is now at hand. Hence the principles of the prudent investor will require him to lighten significantly his holdings of common stocks. . . . His [the speculator's] chance of eventually holding on to the profits he makes beyond the current level [400], we should term no better than in former bull markets—and that is none too good."

* * * * * *

The ultimate significance of this top-level experts "bull session" lies not in the repeated evidence of the difficulty of forecasting (the record here was above average). Rather it authoritatively highlights the fact that whereas the various danger signs were, of course, pointed out quite correctly, the accompanying revealed inability to know when they would become decisively *operative* on the market—whether at the then 400, the present 520, or possibly at a future 600 level—demonstrates anew the impossibility of *timing* market changes.

Daniel Reeves Adds

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Berenice F. Chinberg has been added to the staff of Daniel Reeves & Co., 398 South Beverly Drive, members of the New York and Pacific Coast Stock Exchanges.

With Paine, Webber

(Special to THE FINANCIAL CHRONICLE)

LONG BEACH, Calif.—Hale D. Cissell is now affiliated with Paine, Webber, Jackson & Curtis, Locust at Fourth.

R. G. Murphy V.-P. Of B. J. Van Ingen

Richard G. Murphy

Richard G. Murphy, Manager of the trading department of B. J. Van Ingen & Co., Inc., 57 William Street, New York City, has been elected a Vice-President of this municipal bond underwriting organization.

Mr. Murphy joined B. J. Van Ingen & Co. Inc. in 1936. He is a member of the Municipal Bond Club of New York and Investment Association of New York.

McDaniel Lewis Co. Admits E. N. Beard Jr.

GREENSBORO, N. C. — Marshall H. Johnson, managing partner of McDaniel Lewis & Co., Jefferson Building, has announced that E. Neilson Beard Jr. has become a general partner in that firm.

Mr. Beard became associated with the Lewis firm in March of this year, having previously been an account executive with Merrill Lynch, Pierce, Fenner & Beane.

McDaniel Lewis & Co. has been active in the investment field in North Carolina since 1922. In addition to Mr. Johnson and Mr. Beard, other general partners include McDaniel Lewis, senior partner, and Edward R. Lowry.

Barbour, Cleland With Dempsey-Tegeler & Co.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Jack M. Barbour and Karsner Cleland have become associated with Dempsey-Tegeler & Co., 210 West Seventh Street. Both were formerly partners in Barbour, Smith & Co.

Robert H. Desbrow, recently with First California Company, has rejoined the staff of Dempsey-Tegeler.

Joins Daniel Weston

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif. — Nathan Himot has joined the staff of Daniel D. Weston & Co., Inc., 9235 Wilshire Boulevard.

The State of Trade and Industry

Steel Production
Electric Output
Carloadings
Retail Trade
Commodity Price Index
Food Price Index
Auto Production
Business Failures

A word of true warning, arguing for moderation, emanates from the "Monthly Business Review" written by Henry H. Heimann, Executive Vice-President of the National Association of Credit Men, and is worthy of repetition in this column, viz:

"On the highway of economic prosperity, warning signals are not so generally accepted. Because we have such a fabulous future ahead of us, 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, though short in duration, could be temporarily very injurious. When is it suggested that the speed at which we are moving along the highway of prosperity is a bit on the dangerous side, such observations are attributed to prophets of gloom and doom. Those who issue these warnings are labeled pessimists. It is an incontrovertible fact, however, that a measure of caution, even in the greatest of prosperity, is helpful to a continuation of real prosperity. It is 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.

"Perhaps it seems odd to say we may be moving too fast or to suggest that we might be on a sounder basis if we slowed down just a bit to catch our breath and get a slight rest, and so be in better condition to presume our forward march. Also, may we repeat that it does not jibe with all the Pollyanna talk that we just can't stub our toe. What is true of the speed with which we move in this country is true throughout the world.

"All are agreed that the future of our nation is fabulous over the long-range period of time, but many sound and progressive people believe that we are moving along too fast. They believe the speed at which we are going is not conducive to safety. They are not too impressed with the fact that the government has many ways in which it can operate to check a radical readjustment. Many of these are reflected in legislation but none of them can reflect the attitude, conduct or the condition of the individual. Even a reduced tax load or a synthetically low interest rate won't start wheels turning if the consumer is scared. When frightened, he holds onto his dollars and checks his buying.

"Perhaps there is a lesson here for business. It may be well to attempt to become more efficient with your present volume; to try to produce better and to manufacture more economically your present product, rather than to move out on a program that you believe necessary to keep up with the hectic pace that is being set in this day and age. The future is a long road and we shall be better off to travel it at a more evenly sustained speed than to sprint at its beginning and run out of breath or collapse before we can reach its end.

"Moderation in any activity is one of the elements essential to a continuation of good business, good health and a sound economic condition."

Weeks Expects 1957 Will Be Our Best Year

Speaking before the National Press Club in Washington on Tuesday, Secretary of Commerce, Sinclair Weeks declared that 1957 will wind up as "the best year ever in the history of our economy" although "spotty" conditions persist in several industries.

The Secretary said the total output of goods and services reached the record annual rate of $431,000,000,000 in the first half of the year, up 6% from first-half 1956.

On strictly domestic matters, Mr. Weeks said inflation continues to jeopardize the country's prosperity.

"The expenditures of government are a factor in this and they must be controlled," he said. "Prices and wages still are chasing each other up, and that is not healthy."

Mr. Weeks referred to a number of buoyant factors which are pushing the economy to new high levels of prosperity, including a record rate of personal income, a 5% gain in retail sales from last year and a record rate of business investment in new plant and equipment.

Secretary Weeks stated that he has no plans to leave the Cabinet.

Federal Reserve Bank Reports Latin America Increased Bankers Acceptances During June

Bankers acceptances drawn in Latin America to create dollar exchange increased materially during June, the Federal Reserve Bank of New York reported yesterday. The increase was all but offset by a decline in acceptances drawn to finance the domestic storage of readily marketable staples, largely cotton.

The net result of these and minor changes in other acceptance classifications was a small net seasonal decline of $4,830,000 in bankers' dollar acceptances outstanding in the United States during June, to a month-end total of $978,925,000. The net decline last month compares with a decrease of $34,125,000 in May this year and a contra-seasonal increase of $41,007,000 in June last year. The total at the end of last month was $294,889,000 greater than the amount of acceptances outstanding a year ago.

Except for brief periods at the begining and end of June demand in the market kept pace with supply. Dealers increased rates by one-eighth of 1% per annum on June 6

Major steel users may be touching bottom on inventories. The mills see indications of a delicate balance between inventories and production needs, according to "The Iron Age," national metalworking weekly.

The apparent reduction of steel stocks to near-working levels is just one reason for growing optimism for second-half steel demand. Even usually-cautious sales managers see a definite upturn in sight for the "easier" products — hot- and cold-rolled sheet.

August sheet demand will be little better than July. But the tail end of August is expected to mark beginning of the upswing. Some steel men foresee a relatively tight sheet market in November and December.

These forecasts are based on an expected buildup in demand from such major users as automotive and appliances. "The auto companies can't miss operating at capacity in the last quarter," says one steel maker. He adds that demand from appliance makers should begin to strengthen in September-October.

"The Iron Age" says steel men expect increased demand for sheets to affect the availability of light plate in the near future. Mills have been rolling light plate on sheet-strip mills. But as sheet demand strengthens, the rolling of these plates will be shifted to the regular plate mills. One mill already is restricting its acceptance of orders for light plate for August-September delivery.

The mills are warning their customers of the expected shift in market trends. But so far there is no sign of a concerted rush to place orders. This may come later, as the pattern for last half of the year takes more definite shape. The real push for tonnages may not materialize until November.

"The Iron Age" reports this week that fabricators of structural steel find their steel supply problem a little easier. Wide-flange structurals and sheared plate are still hard to come by. But lighter

Continued on page 32

From Washington Ahead of the News

By CARLISLE BARGERON

In Washington the one industry around which all life revolves is that of politics. Our merchants, our doctors, 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 billowing 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.

Carlisle Bargeron

By the same token, Washington is largely unconcerned about the great political issues of the day that arouse the country, particularly with respect to their merits and pros and cons. We are concerned in the rise and fall of the politicians engaged in these issues such as another community might be interested in a vice-president being elevated to the presidency of the concern.

The President makes a nationwide radio speech. The interest here is how it caught on, whether he advanced his prestige or not.

In this light a fascinating spectacle these days is to watch the maneuverings on Capitol Hill against organized labor, of the efforts to "get" Dave Beck and Jim Hoffa, and of the efforts of Walter Reuther to increase his power.

In the cocktail salons 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 they had "gotten" Hoffa too. But lo and behold, Hoffa goes scot 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 seized Hoffa in the alleged act of passing money to one Cheasty, a New York lawyer and investigator, who testified that it was for the purpose of his getting on the committee and instead he told the committee all about it, why the cocktail circuit 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 cocktail 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 example, another indictment pending against him is that of wiretapping to get information on his own employees.

But the McClellan committee which could see nothing gained in the public weal by ridding the Teamsters of Beck only to have Hoffa succeed him, readily entered into a plot with lawyer-investigator Cheasty to entrap Hoffa — get two birds with one stone, so to speak.

Well sir, Hoffa was acquitted and the McClellan committee is not acting very sportsmanlike or gamesmanlike, 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 the labor movement for purposes of legislation.

Members of the committee have said publicly that they can't argue with the fact that a jury, in the fondest American traditions, acquitted Hoffa but they remark pointedly about Joe Louis' presence at the trial. The jury was composed of seven Negroes and five whites. Louis' appearance at the trial was quite ostentatious. He walked into the courtroom just as the jury was returning from lunch and shook hands with his "old friend." He continued to sit throughout the trial.

It is no secret that this ruffled the feelings of the Government prosecutors and they gave consideration to having Louis cited for contempt of court. But the fact that the jury returned with its verdict so quickly and that there were five whites on the jury has now dissuaded them. Instead, they are wondering just what was wrong with their case.

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 and battle of wits, as Washington callously looks at it, there is the tragic figure of George Meany. Prominent in New York State labor circles, George for years cherished the ambition of succeeding old Bill Green as President of the American Federation of Labor. He accomplished this but instead of being able to lead 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 press as a movement to clean the movement up and the press and the senators applaud Meany and press him as to what he intends to do about this and that erring union. Meany avows he intends to kick them out, when he knows that to kick them all out there won't be any American Federation of Labor. He is a very unhappy man.

"Look Out—Better Business Ahead"

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

Convinced that the worst in homebuilding is over, the official Mortgage Bankers' nominee for President views 1957 as a year of penance for the overinvestment and undersavings in the past few years, praises the monetary authorities for their courage and for urging the freeing of VA and FHA rates, and calls attention to the increased volume of savings. Mr. Hall declares homebuilding is on its way back to last year's level in view of the sharp jump in housing starts from 800,000 in March to 940,000 in April, and claims that next year we should reach 1.1 million or more. Refutes charges that the monetary authorities discriminated against housing and condemns the Government's unrealistic attitude toward the house mortgage interest rate question.

When business doesn't look good, it is easy to conclude that it is likely to stay bad or get worse. They say that misery loves company; and I sometimes think we may make ourselves more miserable than we need to be in order to have more company. There is no question that we have been through a troublous time. There's no question either that our problems are not all over. Nevertheless I feel sure that we can be confident of a better time ahead.

John C. Hall

Economic Penance

The way I look at it is this. This year of 1957 is a year of economic penance. It is a year in which we are paying the penalty for overinvestment and undersaving last year and the year before and the year before that. I shouldn't need to remind anyone what we did in those years. The market was strong; money was easy; and when we couldn't get all the money we could use from the saving institutions we got it from the commercial banks in the form of warehousing credits, loans on accounts receivable, and other means. This was true not only in home financing. Similar activity was going on throughout the whole wide area of capital expansion.

In other words, we were using bank credit in a big way as a supplement for savings to finance our houses, our shops, and our factories. We were borrowing short and lending long. Whenever a country does that there is bound to be trouble ahead. Sooner or later an adjustment has to be made to bring the growth of capital expansion back into balance with the growth of real savings. It is exactly that kind of adjustment we are going through this year.

Thanks to alert and effective monetary policy, the adjustment has been made relatively painlessly. By putting a tight rein on the expansion of the money supply, the Federal Reserve authorities have been able to get the situation under control in time and to slow down the speed of the capital boom without actually contracting capital investment. This has been true everywhere in the economy with a single exception.

Finds No Discrimination

The exception is housebuilding. We have heard a lot of loose talk lately 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 in the area of home financing, where it was possible to roll with the punches with the shock absorber of a free interest rate, activity has remained at a high level. Conventional mortgage lending, in spite of the problems created by excess commitment in 1954 and 1955, remains pretty close to its peak level and is not likely to be reduced even in this present difficult year. In other words here, as in other types of investment, activity has been slowed in pace but it has not been crippled.

With the part of activity that is dependent upon insured and guaranteed mortgage financing, the story is different. This part, which made up more than 50% of the total in 1955, has been seriously crippled. But the crippling was due not to the desire of the action of the monetary authorities but to the effect of a rigid interest rate ceiling in an otherwise free money market. It is to the credit of the Federal Reserve officials that they alone in the government had the courage to point out the real problem and boldly to urge freeing the rate on FHA and VA mortgages.

Had their advice been followed, we in the homebuilding and home mortgage fields would not be in the plight we are today. As it is we face double the adjustment that has to be made elsewhere in the economy. Not only do we have to move slowly until the savings and investment situation is brought into better balance; but we have virtually to sit back until it comes into such balance that a still submarket rate of interest begins to be more widely attractive to investors.

Convinced the Worst Is Over

Severe as these handicaps have been and heavy as they still lay on us, I am not distressed or discouraged. I am convinced that the worst is over, and that our recovery, though gradual for the reasons I have mentioned, is none the less certain. We can take some satisfaction at least in the knowledge that our troubles have been due to artificial obstacles and not to any serious weakness in the underlying demand for housing.

We don't need to look hard to see that we have the makings of a strong demand, that will become effective as soon as our mortgage machine is again in good working order. The income situation is favorable. Each new report brings a fresh high point in personal income. The average family income is higher this year than last, and the proportion as well as the number of families with annual incomes of more than $5,000 is greater this year than

*An address by Mr. Hall before the Exchange Club of Birmingham, Ala., June 26, 1957.

last. Thus even without growth in the absolute number of families, we would have more of them in the effective income range so far as housebuying is concerned than was true a year ago. But the growth situation is also favorable.

Sees Underbuilding

The absolute number of families is increasing. The decline from the peak postwar level of family information reached the bottom of the trough two years ago. Since then it has been pointing upward—slowly, to be sure, but enough to remove this factor as a negative influence. Moreover, baby production continues in record numbers. While we must recognize that population growth is not in itself any guarantor of prosperity, nevertheless when it is combined with a rising average level of family income and a general upgrading of income, particularly in the lower ranges, it can give a powerful push to housing demand.

The vacancy situation 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 vacancy ratio was 2.2%. In the third quarter of 1956, the ratio was 2.8%. In other words, at the end of six months about 21% fewer houses were on the market than at the beginning, in spite of the fact that during that period about 500,000 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 seems to me 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 9.6% higher 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 certain to be reflected in an increased rate of asset growth in the savings institutions of the country which supply the housing market with its mortgage funds. Moreover, the forward commitments of these institutions are about at a postwar low; and the amount of bank credit advanced on warehouse accounts has been drastically reduced. All this means that these institutions are getting into much better shape to do business than they were even a few months ago. While the demand for corporate funds so far this year has been very high, there are definite signs of a leveling off in volume, which will reduce the competition which mortgage borrowers have felt from this source.

As the year develops, the availability of mortgage funds should gradually increase. Already the signs point in this direction. The seasonally adjusted annual rate of new private housing starts made 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 to Fannie Mae have shown a continual downtrend since the beginning of the year—a sign of increasing opportunities for private placement. Obviously, the turning point 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 now on the way.

Expects Expansion

We may safely expect the rest of this year to be a period of expansion rather than of contraction 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 940,000. Next year we should see the continuance of the revival at a somewhat lustier 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 how an unrealistic attitude toward the interest rate question has practically wiped out an important part of home mortgage activity. We have learned how capricious dickering 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 end up with FHA in somewhat better shape to meet current market demands than formerly. Most of the new forms of government competition have been eliminated and FNMA activity 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 put government more firmly in the field.

What next year will bring no one can say, though we can 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 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 can have a free market only if we are resolved to make it and keep it free.

Form Seaboard So. Secs.

(Special to The Financial Chronicle)

ATLANTA, Ga. — Seaboard Southern Securities, Inc. has been formed with offices at 1211 Fairview Road, N. E., to engage in a securities business. Officers are Harold G. Dempsey, president; Harry F. Strelow, vice-president; and Oliver H. Hine, secretary.

With Bennett-Gladstone

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Medardo Rangel has become connected with Bennett-Gladstone-Manning Co., 8417 Beverly Boulevard. He was previously with J. Logan & Co.

Edward Cronin Adds

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Lester V. Peterman 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 60. He was proprietor of R. F. Camden & Co., Chicago, dealer in municipal securities.

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 Aero-jet-General Corp., Daystrom, Inc., N. V. Phillips and Topp Industries, Inc.—Atomic Development Mutual Fund, Inc., Dept. C., 1033—30th Street, N. W., Washington 7, D. C.

Atomic Power—Not If but When & How Much—In current issue of "American Investor"—American Stock Exchange, 86 Trinity Place, New York 6, N. Y. Also in the same issue is an article on the **Textile Industry**, and **Cott Beverage Corp., Coro, Inc., Holly Corp., Creole Petroleum Corp.**

Burnham View—Monthly investment letter—Burnham and Company, 15 Broad Street, New York 5, N. Y. Also available is current **Foreign Letter.**

Canada—Survey with particular reference to **British American Oil Co., Ltd., Canadian Industries, Ltd., Dominion Steel & Coal Corp., Noranda Mines, Ltd., Price Brothers & Co. Ltd.,** and **A. V. Roe Canada Ltd.**—Thomson & McKinnon, 11 Wall Street, New York 5, N. Y. Also available is a report on **Western Pacific Railroad Co.**

Future Growth of the Natural Gas Industry—Study—The Chase Manhattan Bank, New York 15, N. Y.

Japanese Stock Market—Bulletin—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y.

Japanese Stocks—Current information—Yamaichi Securities Company of New York, Inc., 111 Broadway, New York 7, New York.

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

More Research . . . or Else—Highlights No. 33 on "research-rich companies" with particular reference to **American Research & Development Corp., Collins Radio, Electronic Associates, Electronic Specialty Co., Lithium Corp. of America, Metal Hydrides Inc.** and **Vitro Corporation of America**—Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y.

New York City Bank Stocks—Second quarterly analysis of 13 New York City Bank Stocks—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Northern New Jersey Banks—Comparative figures as of June 30, 1957—Parker & Weissenborn, Incorporated, 24 Commerce Street, Newark 2, N. J.

Over-the-Counter Index—Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 13-year period—National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Stock Market Analysis: Facts & Principles—Plus three weeks of regular service including strength ratings of 500 stocks with recommendations—$1—Dept. CF 101, American Investors Service, Larchmont, N. Y

Three Portfolios, for Capital Gain; High Income; Safety—Bache & Co., 36 Wall Street, New York 5, N. Y. Also available is a bulletin on **Lone Star Cement, Chrysler Corp.,** and **Atlantic Refining.**

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

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A. M. I., Inc.—Progress report—Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y.

American M. A. R. C. Inc.—Study—Manly-Markell Associates, 11 West 42nd Street, New York 36, N. Y.

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., Buhl Building, Detroit 26, Mich. Also available is a memorandum on **Brown McLaren Manufacturing Co.**

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

Burmah Oil Co., Ltd.—Analysis—New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Canadian Husky Oil Limited—Analysis—W. C. Pitfield & Co., Inc., 30 Broad Street, New York 4, N. Y.

Chrysler Corporation—Dreyfus & Co., 50 Broadway, New York 4, N. Y.

Cosden Petroleum Corporation—Annual report—Cosden Petroleum Corporation, 617 Petroleum Bldg., Big Springs, Tex.

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

Dunham Bush Inc.—Analysis—G. A. Saxton & Co., Inc., 52 Wall Street, New York 5, 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 **Cascade Natural Gas Co.**

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

Herold Radio & Electronics Corp.—Analysis—Amos Treat & Co., Inc., 79 Wall Street, New York 5, N. Y.

Hudson & Manhattan Railroad Co.—Memorandum—Oppenheimer & Co., 25 Broad Street, New York 5, N. Y.

Life Companies, Inc.—Report—The Milwaukee Company, 207 East Michigan Street, Milwaukee 2, Wis.

Loblaw Companies Limited—Analysis—McLeod, Young, Weir & Company, Ltd., 50 King Street, West, Toronto, Ont., Canada.

Marine Midland Corporation—Analysis—Parrish & Co., 40 Wall Street, New York 5, N. Y.

Maryland Shipbuilding & Drydock Company—Analysis—Auchincloss, Parker & Redpath, 52 Wall Street, New York 5, N. Y.

McKesson & Robbins—Memorandum—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

National Gypsum Company—Analysis—E. F. Hutton & Company, 61 Broadway, New York 6, N. Y.

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.**

Penn Dixie Cement—Data—Joseph Faroll & Co., 29 Broadway, New York 6, N. Y. Also available in the same bulletin are data on **Lone Star Cement.**

Punta Alegre Sugar Corp.—Bulletin—Security Adjustment Corporation, 16 Court Street, Brooklyn 1, N. Y.

Resort Airlines, Inc.—Report—Eisele & King, Libaire, Stout & Co., 50 Broadway, New York 4, N. Y.

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

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

U. S. Vitamin Corporation—Report—De Witt Conklin Organization, 120 Broadway, New York 5, N. Y. Also available is a report on **Koehring Company.**

Universal Transistor Products Corp.—Bulletin—Aetna Securities Corporation, 111 Broadway, New York 6, N. Y. Also available is a report on **Miami Window Corporation.**

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

NSTA Notes

NATIONAL SECURITY TRADERS ASSOCIATION INC.

BOND CLUB OF DENVER-ROCKY MOUNTAIN IBA SUMMER OUTING

The Bond Club of Denver and Rocky Mountain Group of the Investment Bankers Association on Aug. 1 and 2 will hold their annual summer frolic and golf tournament at the Albany Hotel, Denver, and at the Columbine Country Club, Littleton. Tariff for non-golfing members is $22; for golfing members $25; and guests $30. Hotel reservations may be made through Al Conklin, Bosworth, Sullivan & Co.

Committee chairmen for the outing are:

General Chairman—Robert M. Kirchner, Kirchner, Ormsbee & Wiesner, Inc.

Reservations—Al Conklin, Bosworth, Sullivan & Co.

Golf Tournament—Neil King, First National Bank.

Tickets—James A. Hill, Boettcher & Co.

Prizes—Gerald Peters, Jr., Peters, Writer & Christensen, Inc.

Invitations—Eaton Smith, Calvin Bullock, Ltd.

Publicity—William J. Garrison, Denver National Bank.

Entertainment—Charles Warren, Merrill Lynch, Pierce, Fenner & Beane.

COMING EVENTS

In Investment Field

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

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

Oct. 7-8, 1957 (San Francisco, Cal.)
Association of Stock Exchange Firms Board of Governors meeting at Mark Hopkins Hotel.

Oct. 10, 1957 (Omaha, Neb.)
Nebraska Investment Bankers Association annual frolic and field day at the Happy Hollow Country Club (to be preceded by a cocktail party, Oct. 9 at the Omaha Club).

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

Nov. 3-6, 1957 (Hot Springs, Va.)
National Security Traders Association Annual Convention at the Homestead.

Dec. 1-6, 1957 (Hollywood Beach, Fla.)
Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

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

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

Oct. 29-Nov. 3, 1958 (Colorado Springs, Colo.)
National Security Traders Association Annual Convention at the Broadmoor.

Benjamin Lewis Adds

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Paul L. Westfall is now with Benjamin Lewis & Co., 135 South La Salle Street.

Walter Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Kenneth H. Fairchild, Jr. has become affiliated with Walter & Company, First National Bank Building.

With Geddes, Andrews Co.

(Special to THE FINANCIAL CHRONICLE)

GRAND JUNCTION, Colo.—Theodore H. Royer has joined the staff of Geddes, Andrews & Co., 201 North Fifth Street.

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 economic and technological problems. States 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. Calls attention to success of governmental uranium and columbium measures; refers to intriguing possibilities of beryllium; notes that new ion exchanges techniques are changing and improving the methods of extracting and separating rare earth elements; and shows how the "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 erroneous theories that have been propounded so often that they have become accepted as fact. The first of these is that the great industrial nations, and particularly the United States, have reached their present pre-eminent position primarily because they possessed abundant mineral resources. Some of our mineral economists, echoed by the politicians, have taken this position so often that many of their theories and policies are based upon the presence of developed mineral resources as a *sine qua non* to our greatness. I submit that in our country the reverse is the case—that under a social and political system granting free rein to the initiative and creativeness of its people, many hidden mineral resources that otherwise would have lain fallow have been developed into productive enterprises to the benefit of our national industrial economy. Once the proper incentive was furnished, other countries have also been able to establish valuable mineral enterprises in recent years; resources that were long dormant for lack of a proper economic environment suddenly have become valuable and productive. I think that you and I can name immediately several countries where such domestic economic developments have had favorable repercussions within the last decade. The absence of productive mines in any country is no indication that workable deposits may not exist within its territory.

James Boyd

I should be the last to deny that the fortuitous juxtaposition of coal and iron deposits in the United States, Great Britain, France and Germany materially influenced the rapid development of their industrial economies. Nevertheless, a similar association of minerals exists in Russia, but it has taken a much longer time to take advantage of it under a less stimulating political system. An outstandingly interesting and favorable example of my thesis is demonstrated by the dynamic growth of the oil and iron ore industries of Venezuela, stimulated by the enlightened policies of her government. In contrast, the known oil resources of Mexico have languished under government expropriation, and potential resources of Brazil and Argentina remain undeveloped for similar policy reasons.

*An address by Mr. Boyd before the Southern California Section of AIME, Los Angeles, California.

Therefore, before we become worried about the further industrial development of the United States, based upon the location of the presently known resources of required materials, let us be certain that we start with a sound premise and base our reasoning upon opportunity as well as geology or geography.

No Uranium Shortage

To get closer to questions of reactive metals, let us review for a moment our uranium position. Only 10 or 12 years ago our political leaders, both in the administration and the Congress, were crying the blues about the unavailability of uranium within our borders. We were a "have not" nation dependent upon the Belgian Congo for our future and perhaps our lives. Fortunately, some in authority were not so defeatist. They reasoned that, given the incentive, the ingenuity of our people would correct this situation. A guaranteed market at a worthwhile price in a short 10 years changed the entire picture.

Today the Atomic Energy Commission tells us we are nearly self-sufficient for all foreseeable needs for some years to come. There are still vast areas of this country available for future exploration and, based upon our growing knowledge of the geology of uranium, I predict that we shall be able to find additional sources of reactive metals as they are needed. In the meantime, the largest known source is the Blind River area of Canada, the second largest coming as a by-product of gold in South Africa, both friendly countries.

Columbium Stockpiles Filled

Let us take another example from within the pertinent group of metals—columbium. Less than ten years ago—eight to be more precise (this was before we thought much of columbium as being of use in the reactive metal field)—the metal was considered so vital to our defense needs that the government, thinking in terms of the old have-not theory, decided to stockpile all available columbium not immediately required for military jet engines. It was withdrawn from use even in applications of considerable military and industrial importance. Yet the projected military requirement demanded more columbium by several fold than was available from all known world sources. To continue a stated requirement so far in excess of reality was "Stupid!" and "Ridiculous," according to the statisticians. Wiser and more experienced heads insisted that if the military required columbium to produce more efficient weapons, a concerted effort should be made to find new and additional sources of the metal.

Following the passage of the Defense Production Act in 1949 a program of guaranteed markets at an established price was instituted. Within four or five years new mines were opened, and a new form of columbium deposit was discovered to occur in such size as to assure the world of all the metal it could absorb in the indefinite future. Within six years the stockpiles were more than filled, the procurement program ended, and many mines that opened under the program had to close because the markets, previously dried up for lack of supply as a result of the channeling into the stockpile, had turned to substitutes. The new requirements of the atomic age have not yet developed sufficiently to support these mines in renewed operation.

Recent developments pertaining to columbium serve to illustrate other facts of economic life applicable to other metals and minerals in the field of reactive metals. The deposits opened to meet the immediate requirements of the crash program were, with one exception, in foreign countries —in this case primarily the columbite deposits of Nigeria. The important exception is in Idaho. The new type of mineralized material containing columbium is in the form of pyrochlore and such material occurs in large deposits in many parts of the world, notably portions of Africa, Brazil, and Canada. So far no important pyrochlore deposits have been found in the United States, but there is no reason to assume that they do not exist here.

As long as the total columbium requirement remains small, Nigerian and other by-product mines can satisfy the markets for a few years, but they cannot meet the full requirements of the atomic age; pyrochlore deposits will be required for this purpose and this will involve the solution of difficult metallurgical and economic problems. We know today that pyrochlore reserves are extensive and already experimental quantities of columbium metal have been produced from these sources. The development and mining of these deposits must await the demands of a market sufficient to warrant the construction of commercial plants sufficiently economical to process the ores through a complex metallurgical treatment. However, physical metallurgists can proceed with the confidence that when they have learned to use columbium effectively, and have provided the designing engineers with the necessary data, the metal can be made available for their purposes.

Supplies in Friendly Countries

A further lesson is to be learned from columbium. Although there are currently no known deposits within our borders, supplies are available in the hands of friendly countries and, therefore, we should not worry about self-sufficiency. Always remember that never in all of our history have we 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 acts as a guarantee that shortages in some materials need not restrain 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. Specifically applied to the reactive metals, stockpiling should be really effective because anticipated tonnages are not large and required government expeditures for purchasing and storage are by no means prohibitive.

Before I refer to other reactive metals, I wish to avoid in every way leaving the impression that because I have used governmental action by way of illustration, that I 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 effective production. In the case of columbium, the defense requirements have been more than met. From now on 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 agreeing with the industry's 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 made which predict a billion-ton bituminous coal year in 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 massive productivity necessary for victory. Today, four decades later, coal is still of the greatest importance to the American people, by virtue of its enormous continuing contribution to our national security, to the strength of the free world, and to the advancement 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. It produces more Btu's per dollar spent on it than any other fuel. Nearly 40% of the world's known supply is under American soil. And this coal represents by far the greatest 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. They exist in abundance.

Future Need for Coal

Just consider the growth of our population. Not long ago it passed the 170 million mark. Before long there will be 200 million of us. And as our numbers increase, 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 consumption 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 industry. As steel production and coke production expand to meet the need for both consumer goods and industrial equipment, coal requirements will increase correspondingly. Within the next decade the steel industry should require an additional 10 to 20 million tons of coal a year. And several weeks ago Roger Blough, President of the United States Steel Corporation, said that the steel industry will have to increase its annual capacity more than one-third by 1975. As the steel industry works to supply a growing nation's need for automobiles, ships, machine tools, buildings, and a host of other products, the producers of coal will be called upon to keep pace. According to one estimate, the country may need as much as 160 million tons of coke by 1975.

Overseas, too, the prospects are bright. Energy demands are increasing abroad, and indigenous fuel production cannot meet them. There are, of course, uncertainties in the market. But we can still reasonably say that the amount of coal which can be sold in foreign countries, including Canada, 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 entire energy consumption within the next decade. By 1967 the total overseas shipment of coal may possibly come to 90 million tons or more.

These figures are indeed reassuring. But there is an even clearer indication of the future demand for coal in the figures on our economy's expanding need for electric power.

Energy Food Requirements

Energy experts estimate that in the next two or three decades our national energy requirements will increase 65% to 80%. The Federal Power Commission estimates that by 1975 we shall have to spend $96,048,000,000 for new generation, transmission, and distribution facilities. A small part of our new generating capacity will be in hydroelectric plants. Somewhat more may be in atomic energy plants. But the great bulk of it — a little less than three-quarters—will be in steam plants, which are now 75% fueled by bituminous coal.

Now, it's not possible to be sure that these forecasts will turn out to be correct down to the last decimal. But every indication is that the energy load to supply our growing economy will increase phenomenally during the next few decades. The generation of electric power has increased greatly in recent years, and additional large new plants already are under construction and in planning to meet the almost explosive demand for electric power for homes, farms and industries.

I've mentioned that bituminous coal now supplies approximately 70% of the fuel used at electric utility steam plants. If it should supply no more than this percentage in the future, within the next decade electric power generation will require a great deal more bituminous coal per year than it does now. But the percentage will probably increase: one estimate is that by 1975 the electric utilities will be using as much as 600 million tons per year. Moreover, oil and gas are being diverted from boiler use to other higher priced uses. The stronger this trend becomes, the greater will be the demand for coal for electric power generation.

Adequate Supplies

Despite all these gigantic requirements, we don't have to worry about a shortage of supply. It has been found that in the eastern United States alone there are extensive coal reserves of present quality which can be mined under current conditions, and which are available at approximately current costs; these reserves alone are adequate to supply the entire country's energy demands for at least the next two decades. And the eastern United States is the area in which coal will be most needed for use by electrical utilities.

When you consider all these facts together, you can see why some forecasters predict a billion-ton year for the industry in 1975. The way ahead does indeed look bright.

But now let's come back to the present time again and face some problems. I recognize that the happy picture I have drawn is perhaps **too** happy. Caution is a good companion to optimism. Despite coal's resurgence, it still has a good way to go to equal its all-time production record of 631 million tons in 1947. The bright possibilities in the future do not mean that suddenly, or even consistently, it is going to have unrestrained growth and unlimited, steady markets. Even as the trend continues upward, there will be ups and downs in response to variations in total energy demand and to shifts and adjustments in the energy and consumption pattern.

Capital Needs

Moreover there is this problem: If the coal industry is to have its billion ton year in 1975, its plants and equipment will have to be expanded and modernized. This expansion, it has been estimated, will require enough capital to finance not just a 100% increase, but an increase of 150%. Accordingly, attracting investments is one of your biggest jobs. Its importance cannot be overstated. Capital means productive capacity. Productive capacity must keep pace with energy demand. If it does not, our country's economic progress will be retarded.

This is a major reason that the era which we are entering will be one of challenge—one which will put to the test all of coal's inventiveness, imagination, and competitive drive. The industry will have to do many things to meet this challenge. But one of the most important things is to add as much as possible to the fine program of technological and economic research which the industry has begun.

Research

The coal industry must make more and more efficient the mining, preparation, transporting, and marketing of its product. It must try continually to find new uses for coal in substantial quantities. It must learn more about low-temperature carbonization, coal gasification, and the production from coal of synthetic liquid fuels. To all these activities research—fundamental and applied—is the key. Such research, which is more or less traditional, must be pursued with resolved drive.

But new types of research must also be undertaken. To the scientist, coal is a fascinating mineral which, through processing, can be put to countless uses and turned into countless new products.

Many thousands of chemicals come from coal and coal gases—chemicals from which in turn come explosives, medicines, fertilizers, paints, plastics. Coal is also a source, though not yet an economic source, of gasoline. The more new methods that can be found for processing coal and its byproducts, the more opportunities your industry will have for finding new markets.

Attracting Investors

And the more opportunities for interesting prospective investors. I fear many uninformed people today think of coal as a sick or dying industry. Over the past 20 years it has had its ups and downs, and it has had powerful searchlights turned on its labor-management problems. But the time has now come to correct any misconceptions that exist and to try to focus attention on the industry's future. Don't be backward about letting people know about the developments in the laboratory, as well as about the place of coal in electric power production. There is a good story to tell. People must become familiar with it if there is to be widespread public confidence in the industry.

It is a story with many brilliant chapters. Just think, for example, of the advances that have been made in mine safety, in miners' working conditions, in labor-management relations. The record is a fine one and a credit both to employers and employees. Think also of the increase in productivity per worker and of the advances in mechanization. Some of these, to be sure, have brought new problems of roof control and ventilation, resulting from an increased rate of roof exposure and increased evolution of dust at the working face. But I feel certain these problems will eventually be solved. There is an economic as well as humanitarian reason for searching vigorously for solutions. Notwithstanding the technological advancements in mining machinery and methods, one of the keystones of economic production is a trained labor force. Although the industry employs less than half the number it employed two decades ago to turn out virtually the same annual production, the investment per employee is many times greater. The coal miner is a skilled artisan, difficult to replace in the highly competitive labor market. These facts help underscore the great necessity, which I am sure is recognized, of combating these new hazards.

Department's Role

I am glad to be able to say that the Interior Department has played an important part in many of the advances already made in American coal mining, both in human safety and technology. Without partiality, of course, we shall continue to do what we can properly do to assist the progress of the industry.

I think the coal industry will be interested to know, for example, that the Department has carefully considered the request that the Bureau of Mines collect and disseminate factual data on the distribution of bituminous coal. We plan to resume this work as funds become available for it. The Department will continue its investigations on our country's mineral reserves and on the mining, preparation, treatment and use of mineral fuels; it will continue to concern itself with resource conservation, health and safety conditions, efficiency, and economic development within the mineral industries. It will continue to cooperate with the industry in disseminating information, and in stimulating research.

In these and many other ways government and the coal industry will continue to work together. But the major part of the coal industry's future effort to meet its challenge must be undertaken by the industry itself. Increasing research, attracting capital, increasing efficiency — these are primarily the industry's tasks. As you work at them and thereby contribute to the growth of the American economy, we in the government shall do whatever we can to help.

*An address by Mr. Chilson before the National Coal Association Convention, Washington, D. C.

With First of Michigan

(Special to THE FINANCIAL CHRONICLE)

DETROIT, Mich. — Melvin L. Meyerhoven is now with First of Michigan Corp., Buhl Building, members of the Detroit Stock Exchange.

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 & Co., New York City
Former Ambassador to France

Former Wall Street investment banker concludes with the observation of how envious Europeans are of our Government's ability to obtain business community support, and begins with the observation of the great and growing importance of business and economics in foreign relations. In between these two observations, the State Department's economic affairs head explains why we should: (1) continue to supply Point IV technical assistance, amounting to less than $150 million per year, to the free world's less developed countries; (2) create a Development Loan Fund to assist newly emerging and needy countries to the point where they can obtain their capital needs through normal internal and external sources; and (3) at the same time, aid our own self interest in helping free governments of underdeveloped countries to survive.

During my years in France I was tremendously impressed by the great and growing importance of economic and business factors in foreign relations. Many of us have been habituated to thinking of foreign policy and diplomacy as something apart from the current flow of mundane matters. I found that although this may have been true in the past, it certainly is no longer the case in the post war world.

C. Douglas Dillon

I do not mean to say that business and economic influences are always determining in matters of foreign policy, because that is not the case. Political and military factors also have a vital bearing 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 pure economic factors.

Nevertheless, I found that business relationships were inextricably interwined into the warp and woof of foreign policy. Since the war this has been increasingly recognized in the administration of our Foreign Service. A working knowledge of economics is now required for all young men desiring to enter the Foreign Service. During the early years of their service they are required to complete at least one tour of duty devoted primarily to economic matters. This is all to the good, and I can assure you that the professional diplomat who is not conscious of the facts of business life has become a rare and rapidly disappearing phenomenon.

Foremost Economic Problem

There is one economic problem which has now become of particular importance to us all. This is the situation in the less developed countries of the free world. There are approximately a billion people in these countries, most of whom are living under conditions of dire poverty and misery. There is nothing new about this state of affairs as it has been prevalent throughout history. The difference today is that modern means of communication — radio and other methods of disseminating news—have brought to these peoples the realization that there are other people who live in far greater comfort than they. This has created among them an overpowering drive to better their status. They are demanding of their governments that prompt and effective action be taken rapidly to improve their living conditions.

Fortunately, these peoples are governed by free governments. But these governments, many of them newly established, are operating under tremendous pressures. They can only survive as free governments if they can respond in some way to the demands of their peoples for economic growth.

Two things in particular are needed to achieve this growth—increased technological knowledge and a supply of capital. It is in these two fields that the U. S. must act if we wish to help these countries to remain free.

Points Out the Alternative

The alternative is that they will fall under the control of extremist leaders. Totalitarian governments will then seek to extract from these peoples by force, the labor and money necessary to build their economies. This is the course being advocated by the Soviet Union. The Soviets say that only by adopting the Communist formula can these less developed countries assure the rapid growth of their economies. There is no doubt that this siren song contains considerable temptation. To back up their ideological offensive the Soviets are also beginning to offer trained technicians and credits on a relatively large scale, something like $700 million in the last two years. It is vitally important to us Americans that these underdeveloped countries remain free. Their loss to the Communists would immensely strengthen the Soviet Bloc and render it difficult, if not impossible to maintain the prosperity and cohesion of the remaining free world. Such a success might well embolden the Communists to undertake new adventures which would threaten our liberties and our peace.

This explains why it is in our own national self interest for us to do all we reasonably can to help these countries develop the economic growth which they must have if they are to remain free.

It is to meet this need for technological knowledge and to help the less developed countries obtain the necessary core of skilled workers that the U. S. has been embarked on our technical assistance or Point Four program for the past eight years. This program is designed to share with these peoples the skills and techniques which have been developed in the western world. It is primarily a teaching and demonstration program. As such it has paid great dividends in good will and in increased capacity for economic development. The cost of this program to the U. S. is now approximately $150 million a year less than one-fourth of one per cent of our Federal budget.

Proposed Development Fund

In addition to the need for "know-how," capital must also be supplied to enable the underdeveloped 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 are to avoid the Soviet Communist method by which the standard of living of the population is deliberately driven down in order to divert resources to development, these countries in the beginning 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 through savings out of their own increasing production. The need for development assistance will thus not prove unending.

As an example of what I mean we can take the situation in Latin America during the past decade. There, economic progress has been moving at a faster rate than in any other area of the world. Though a goodly portion of the capital necessary for this development has come from abroad, largely from the United States, it has been in the form of direct private investment and ordinary convenional dollar loans. This is possible because the Latin American countries have in general reached the stage in their development where reliance on such sources of capital is feasible. This is not yet true for many of the countries in Asia and Africa, or for a few of the less fortunate areas in Latin America.

Explains Financing

The proposed Development Loan Fund will be empowered to make loans that may either be repaid in local currencies or in dollars over long periods of time and at low rates of interest. Experience has shown that it is far better to extend development assistance in the form of loans than as grants. This is true even in cases where it becomes necessary to make the loans on unusually generous terms. Loans increase the sense of responsibility of the recipient country and help to ensure that the funds are used for really necessary projects.

The fund should operate with the flexibility and continuity which any bank requires to do its work effectively. We have asked Congress to provide an appropriation of $500 million for the coming fiscal year and to authorize the fund to borrow $750 million from the U. S. Treasury in each of the two following fiscal years. Thus, assured of continuity, the fund will be able to work closely with the Export-Import Bank and with the World Bank, both of whom have assured and continuing sources of capital. This will also make it possible for the fund to work with the less developed countries in the same careful and thorough manner that has characterized the operations of the World Bank and this to ensure the most effective use of our assistance.

Stimulate Private Financing

It is also our view that wherever possible, development should be carried on under private auspices. We know that private development is apt to be more effective than that which is carried out through governmental channels. Therefore, provision has been made to empower the new Development Loan Fund to join with private enterprise in carrying out development projects. We are hopeful that this will accomplish two important objectives—stimulate American business to enter the foreign field in areas where the capital risk might have seemed too great to be carried alone, and also stimulate private enterprise in the new and developing countries, thus providing the soundest possible bulwark for the cause of freedom.

In order to carry out these programs effectively, it is essential for the government to have the support and understanding of the American business community. One of the unique qualities of the United States Government during recent years has been its ability to call on the business community for help. Businessmen have gone to Washington in large numbers to serve tours of duty in the government, usually at great personal sacrifice to themselves. This situation is unparalleled in the world today. It is one of the major guarantees for the continuation of our free system of private enterprise.

Many a time while I was in Paris did Frenchmen, Britishers, and other Europeans comment on what to them was this peculiarity of the American system. In every case their comments were couched in tones of envy and wonder as to how the American Government had been able to obtain such support from the business community.

*From a talk by Mr. Dillon before the Advertising Club of New Jersey, Newark, N. J.

Two With Foster, Marshall

(Special to THE FINANCIAL CHRONICLE)

EUGENE, Oreg. — Arnett B. Johnson and John W. Roth are now connected with Foster & Marshall, 55 West 10th Street.

Sellers, Doe Branch

ATLANTA, Ga.—Sellers, Doe & Bonham have opened a branch office in the Fulton National Bank Building, under the direction of William Callaway.

Now With Hodgdon

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Thomas P. Kehoe, Jr. is now with Hodgdon & Co., 10 State Street. He was formerly with Bache & Co.

What Antitrust Means to The American Businessman

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

Principal antitrust lawyer for the Government discusses such disparate topics as the extent of pre-merger clearance his department is prepared to offer businessmen, problems and mutual benefits involved in consent decrees, impact of antitrust on U. S. overseas business operations, and the American businessman's vital stake in effective antitrust activity. Mr. Hansen explains why information obtained in pre-merger procedures is held in strictest confidence; points out the cost advantage of consent active to both the Government and business defendants; reveals importance of anti-cartel policy except in such overriding instances as national defense as in the case of the Middle East Emergency Oil Committee; and emphasizes why antitrust protects businessman's own welfare.

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.

Let me explain what I mean. Antitrust seeks to insure that all business remains responsive to competitive market pressures. This means that resources are allocated, goods produced, and wares distributed in response — not to Government fiat—but to consumers' desires as expressed in a free market.

When markets cease to be competitive, however, history teaches that demand for Government regulation waxes. The course of Government conduct in countries like Sweden, France, and the United Kingdom bear open witness that when a given industry becomes so concentrated that the public loses confidence in its ability to express itself through free markets, government regulation, or, even worse, Government nationalization follows.

Such pressures for Government control we in this country have, with few exceptions, resisted. Here credit is due, I would urge, to the major role antitrust has played in maintaining public confidence that free markets will persist. In short, antitrust seeks to insure that competitive markets, not government regulation, guide our economic growth. In a real sense, then, antitrust is Government action aimed at avoiding necessity for Government control.

I

This broader issue aside, I turn to what antitrust guidance the Department is prepared to offer the American businessman who seeks in good faith to live within the law.

Some years ago the late Mr. Justice Jackson observed: "If there is one thing that the people are entitled to expect from their lawmakers, it is rules of law that will enable individuals to tell *whether* they are married and, if so, *to whom*."[1] Almost, but not quite as important, are guides in the antitrust field. The same Justice, commenting somewhat less euphemistically on antitrust laws, observed that: "One-half century of litigation and judicial interpretations has not made the law either understandable or respected."[2]

National Antitrust Committee Study

To ease the hazards of uncertainty and increase public respect for antitrust, Attorney General Brownell, soon after his appointment, set up a National Committee to Study the Antitrust Laws. On March 31, 1955, that group rendered its report. Now gathered together for the first time in one place are one authoritative view, and occasionally several alternative versions, of most major decisions under the Sherman and Clayton Acts. This guide to what the law is should be of real help to those who consider what the law should be. Beyond that, the report sought to aid antitrust enforcement by creating a useful guide to businessmen and their counsel who seek in good faith to live within the law, and, of necessity, must first know what it is.

Pre-Merger Clearance Program

Beyond this report, this Division's most important tool for providing guidance is our pre-merger clearance program. Since 1953, pre-merger clearance has seemingly become increasingly important. Here some explanation of terms may be useful. By "cleared" the Department means that upon the information presently available, we do not currently intend to institute proceedings if the transaction is consummated. Thus, at the outset, clearance is based upon the accuracy and completeness of facts submitted. Should later investigation reveal facts supplied were either inaccurate or incomplete, clearance is of course withdrawn. Further, should the industry or relative market situation change after clearance, the Department reserves the right to proceed. Finally, even absent factual inaccuracy or market change, a clearance granted by one attorney general need have no binding effect on his successor. As a practical matter, however, no Antitrust Division head has failed to honor a clearance already given.

Sometime ago, an interesting issue involving this program arose. A Congressional Committee requested from this Department the identity of firms seeking merger clearance. I realize, of course, that successful operation of our representative processes demands legislative committees have maximum access to information. In this instance, however, I felt the evenhanded and fair administration of justice required our not identifying the firms seeking pre-merger clearance. We have explained our dilemma to the committee. We expect and hope the Congress will recognize and respect the validity of our position.

Confidences Are Protected

Were companies seeking pre-merger clearances to be identified, business would shun the Division's merger clearance program and this entire enforcement adjunct would collapse. This program, you will recall, the Antitrust Division instituted and maintains at the suggestion of Congress. To supplement the Division's own investigation of mergers, clearance procedures aim to encourage businessmen — voluntarily and on their own initiative — to submit proposed acquisitions before plans have ripened into final merger action or been bared to public view. A variety of obvious business reasons may prompt the businessman's desire to keep secret merger plans until acquisition has been completed. On the one hand, employee morale as well as market acceptance of merging companies' stock may be at stake. On the other, business competitors may be tipped off in advance of the acquiring company's expansion plan. Thus, too clear for challenge is the necessity, if our clearance program is to function, for keeping such information within the Department.

Supporting this conclusion is the fact that most parties submitting proposed mergers for Division approval specify such confidentiality as prerequisite to submission. In response, Division staff as well as Assistant Attorneys General have repeatedly assured the business community such data would remain within the Department. Thus, for us to specify names of companies seeking merger approval, would be to flaunt good faith assurances relied on by parties voluntarily entering the clearance program. To violate these assurances would, in turn, debase that integrity crucial to the operation of a law enforcement agency under our representative government.

Perhaps for these reasons, from this program's very beginning, each Assistant Attorney General —without exception—had deemed it crucial to hold in strictest confidence the names of the parties involved and the details of proposed acquisitions submitted for clearance. Thus, disclosure is made by the Department only for the purpose of litigation or after the merging companies have publicly announced seeking clearance. So much for this program aimed to provide guidance for businessmen.

II

Second, what about our consent settlement procedure? Settlement of any antitrust cause is, of course, heavily freighted with public interest. True, a consent judgment is, like a private agreement, a product of negotiation and compromise. But here all likeness ends; unlike any private agreement, a consent decree once entered embodies the essential force of a litigated judgment. As the Supreme Court put it in the second *Swift* case: "We reject the argument . . . that a decree entered upon consent is to be treated as a contract and not as a judicial act." The effect, the Court continued, "is all one whether the decree has been entered after litigation or by consent."[3] To "effectuate . . . the basic purpose of the original consent decree," courts may approve modifications after entry.[4] But if the party opposing modification can, in the language of the recent *Ford* case, show "actual disadvantage" or "the persistence of an inequality" stemming from change, the terms of the original decree must stand intact.[5]

With this in mind, the Division, fashioning consent judgments, frequently consults with those in the industry, both as customers and suppliers. Negotiating the recent *IBM* judgment, for example, we met with others in the industry to secure, first, a full understanding of industry problems, and industry views on effective relief, and, second, aid in understanding technical complications of tabulating and electronic data processing machines. Indeed, in one recent judgment the court declined entry until the Division could offer assurance we had obtained the views of complainants as to the effectiveness of proposed judgment provisions. Carrying this process one step further, in the various *Paramount* judgments specifying divestiture details, the Division publicly announced judgment provisions well in advance of submission to court. As a result, interested parties had ample notice to appear before the court and comment on proposed judgment provisions. At least in one instance an objector appeared, but the court nonetheless entered the judgment as submitted.

Regarding all these possible procedures, our view is that any rigid rule could do more harm than good. Our practice, instead, is to tailor the extent and form of consultation with other than defendants to the enforcement needs of each particular decree.

Emphasizes Joint Stake

In this consent decree process, let me emphasize, Government and business alike have a real stake. To the Government, consent judgments spell, first, effective enforcement without the cost of protracted trial. Initially, the Division is caught in a vise between increasing complaints of violation and decreasing appropriations. Complaints, on the one hand, have skyrocketed: In 1952, for example, the Division received some 692 complaints, but during the last calendar year, 1956, complaints jumped to 1,240 — an increase of almost 100%. Appropriations for current operation, on the other hand, have increased only slightly.

Sliced prosecution staffs must cope not only with more complaints of violations but also with higher evidentiary hurdles. Thus, more and more of the Division's resources are devoured by detailed market analyses required, for example, by *Columbia Steel* and *Alcoa II*, as well as by substitute products speculations which the recent *Cellophane* decision may be construed (improperly, we believe) to demand in certain instances. Against this background, results per enforcement dollar become a prime consideration in appraising alternative enforcement techniques.

Consent Cases Save Money

And consent settlements do mean real cost cuts. In 1954 we researched this problem. During one sample period, for example, the average litigated case endured some 66.2 months—over five years — from complaint filing to entry of final judgment. The time lapse for consent settlements, in sharp contrast, during this same time averaged only 29.7 months — less than one-half the time for litigated cases — between complaint filing and judgment entry. Since savings in time generally spell like savings of men and resources, consent settlements mean lower costs per judgment entered. And more important, it means quicker relief to the parties adversely affected by the acts charged in the complaint.

Beyond cost savings, further advantage stems from the informality of consent negotiations. Shirt-sleeve conferences replace formal court trials; the give and take of bargaining supplants the atmosphere of an adversary proceeding. In this informal context, disclosure and discussion may resolve issues of fact, proof of which would be difficult if not impossible in a contested suit. Thus, the Division may strike down violations in areas otherwise, as a practical matter, beyond its reach.

From the defendant's point of view, encouragement to enter consent judgments stems, in major part, from Section 5 of the Clayton Act. That statute permits treble damage plaintiffs to introduce final judgments or decrees, rendered in Government antitrust actions against the same defendants, as prima facie evidence of all issues determined in the prior adjudication. Exempt from its provisions, however, are judgments entered by consent before trial. Thus, defendants agreeing to consent decrees sharply cut chances of successful suits by future treble damage plaintiffs.

Avoidance of Treble Damage Suits

As a practical matter, avoidance of treble damage suits may be a real motive for defendants' entering a consent judgment. For as the latest available estimate concludes, "all of the movie litigation and approximately two-thirds of other private suits have followed successful government antitrust proceedings."[6] Based on this estimate, we gauged before the Antitrust Subcommittee of the House Judiciary Committee in July of 1955 that more than 75% of all private antitrust cases brought had trod a path worn smooth by Government victory.

Consent settlements may, in addition, avoid the possible adverse publicity of a protracted public trial. There a detailed pattern of abuses may be exposed to the discomforting glare of journal headlines. For example, in the recent Tennessee *Electrical Contractors* case, Chattanooga journals each day of the two-week trial headlined details of the defendants' alleged antitrust abuses. In that same city in the liquor cases, there was, in fact, so much comment in the public press that the court continued the imposition of sentence for two months, and on March 23, 1956, fined defendents $34,000 and placed eight on one-year probationary sentences. This had double headlines on the first page. In some instances, this publicity, largely avoidable in a consent settlement, may prove as damaging as the remedy decreed. So much for a brief sketch of consent settlement procedures.

III

A final aspect of antitrust policy suggested for discussion is the application of the antitrust laws in American overseas business operations. Many American businessmen seem to believe their foreign operations should be immune to antitrust, particularly in those countries where cartel operations are legal. They argue that antitrust subjects them to a "dual standard" not applicable to their foreign competitors.

Cartels Hamper Business Freedom

But, unquestionably, the Sherman Act sets a principle of competitive behavior which is applicable to our foreign and to our domestic trade. In a sense, this concern is primarily with the effect or restrictive trade practice as it affects the availability of goods to be imported for the American market and the freedom of all Americans to take advantage of foreign trade and investment opportunities abroad as at home. And, as in the wartime experience with synthetic rubber, we know that international cartels may well prejudice the defense of this country, at the least by hampering development of production and technology in the United States.

In addition, our Department of State has strongly urged the end of restrictive international business practices as a part of the world's struggle for political and economic freedom. For, in retarding the increase of the free world's productivity and its standard of living, such practices thereby weaken resistance to Communism.

Enlightening business groups agree. The NAM, for example, has strongly condemned cartels. It

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*An address by Mr. Hansen before the American Management Association, New York City.

1 Estin v. Estin, 334 U. S. 541, 553.

2 Jackson and Dumbauld, "Monopolies and the Courts," 86 Univ. of Penna. L. Rev. 231, 256 (1938).

3 United States v. Swift & Company, 286 U. S. 106, 114-115.

4 Chrysler Corporation v. United States, 316 U. S. 556, 562.

5 Ford Motor Company v. United States, 335 U. S. 303, 322.

6 See Antitrust Enforcement by Private Parties: Analysis of Developments in the Treble Damage Suits, 61 Yale L. J. 1010, 1060 (1952).

World Consumption Pattern Of Lead and Zinc

By R. HENDRICKS*
Vice-President, Charge of Sales
The Consolidated Mining & Smelting Co. of Canada, Ltd.

In his review of changes in world lead and zinc consumption, Canadian mining-smelting executive expresses concern about zinc consumption lagging behind production. To offset withdrawal into government stockpile, which is considered to be an unhealthy situation, Mr. Hendricks call upon industry to do "practical, applied research designed towards improving present applications. . . , making them more economic and developing new uses which will be competitive with other materials."

Since the end of World War II, world consumption of both lead and zinc has fluctuated up and down in rhythm with increased and decreased business activity and varying degrees of international tension, but on average the consumption of both metals, both on this continent and abroad, has increased significantly. Because of a number of factors, the most important of which were the United States Steel Strike and the Suez and Middle East Crisis, 1956 was a year when world consumption of both new lead and new zinc declined modestly from the record level of the preceding year. However, it still remained at a good level as measured by recent standards.

R. Hendricks

During the ten year period beginning 1947, some very interesting developments in the world consumption of these two metals have taken place. Some of these developments were obvious and could be predicted with reasonable certainty, others were not quite so obvious, but now that they are known may be useful as indicators of future trends.

In order to show trends, I have appended statistics showing the world consumption of new pig lead and slab zinc for various periods, and also figures showing the consumption of lead and zinc by various industries in the United States and in the United Kingdom.

Prior to the last war, the United States consumed about 27% of the world's lead an 33% of the zinc. Immediately after the war, due largely to the tremendous damage done to European industry, the American consumption of lead and zinc increased to about 44% and 42% respectively of the world consumption of these two metals. During the past decade, with the recovery of European industry and increasing consumption in other parts of the world, this trend has been reversing so that in recent years this country has consumed about 37% and 38% respectively of the lead and zinc used throughout the world.

Swing to Prewar Pattern

The swing of consumption away from this continent towards a prewar pattern is further illustrated by the rate at which consumption of lead and zinc has been increasing in various areas during the last ten years. During the period 1947 to 1956 world consumption of *new* lead increased at an average rate of about 4.4% per year. In the United States this annual average increase was only about 1.6% as compared to a rate of about 5.9% for Free Europe. Similarly for slab zinc, while the average annual increase for the world was about 5%, that in the United States was only 3.2%, compared to 4.3% in Free Europe and even greater rates in Russia and other areas throughout the world. A rate of increase for lead and zinc in Europe and elsewhere, faster than has taken place in the United States is one of the more obvious trends which could have been anticipated and which may be expected to continue with rising living standards in Europe and elsewhere.

Lead and zinc are in one sense old metals, that is, metals which have been used in some applications for a great number of years. In another sense they are new metals. The newer forms and very high purities in which they are now available are resulting in new applications. However, in spite of any new applications which have been developed, both lead and zinc in recent years have been subjected to competition from a number of substitute materials, and in some instances have lost ground to these materials. In some cases, this substitution has been on the basis of price only and this is unfortunate. In other cases substitution has been on the basis of technological advances, developed oftentimes by the producer of the substitute material. This is inevitable, and too, would be unfortunate unless the industry takes advantage of modern science to develop new uses for these metals.

In the United States, during the past 10 years, consumption of new lead or for that matter total lead, including secondary, has not kept pace with the increase in population. During the same period, the rate of increase in consumption of most other basic materials has at least kept pace with or exceeded the rate of population growth.

Principal Lead Uses

For many years, the principal uses for lead on this continent were for storage batteries for lead alloys, and for cable covering. In recent years consumption of lead for tetraethyl fluid has increased at such a rate that it now exceeds lead for cable.

During the ten year period we are considering, the use of lead for batteries has remained about constant and represents a good relatively steady market for some 350,000 tons of lead per year. However, upon closer examination we find that lead consumption in this case has lost out to technological advancements on two counts. During the first few years of the decade the pounds of lead used per battery remained quite steady at about 26 pounds. Then starting about 1951, the statistics indicate that by 1955-56 technological improvements made it possible to reduce the average weight of lead per battery to about 20 to 21 pounds. Secondly, the battery manufacturers are now able to make batteries with substantially longer life than formerly. All of ths has resulted in a situation where, although the replacement market representing the bulk of the battery business depends on the total number of cars in use rather than the number of cars produced in any given year, the production of batteries has not increased proportionately to the 73% increase in car registrations since 1947. As the transition to twelve volt batteries becomes more complete we can probably expect an increase in the average amount of lead per battery, but this average will probably not reach the 26 pounds mentioned previously.

The use of lead for cable covering last year showed a gain over the previous year but this we believe if taken to indicate a trend, may be misleading. The use of lead as a cable sheathing material has not kept pace with the growth in the Industrial Production Index or with the production of cable. From a rather detailed study of this application, which we have made, we have come to the conclusion that, in the long term, except for particular applications, the use of lead in the communication field is declining, and is being replaced by combination coverings such as Stalpeth or by plain polyethylene covering for applications where service conditions are not too severe. In the field of power cable the picture is somewhat brighter. The use of sheathed power cable is definitely increasing and for many applications the only satisfactory covering is a metal sheath. At the moment lead appears to be the preferred metal.

The consumption of lead for tetraethyl lead fluid has exhibited the most spectacular growth of any of the uses. In every year of the past decade the consumption in the United States has increased so that in 1956 the estimated consumption was almost three times that in 1947. This growth in the United States has come about despite the construction of plants in Canada and in the United Kingdom, to meet requirements formerly filled from American production.

Other miscellaneous uses for lead in the United States, although relatively small in themselves, collectively are important, representing about 45% of the total. These uses have not exhibited any spectacular increases or decreases in quantity of lead consumed.

United Kingdom Lead Consumption

The pattern of lead consumption in the United Kingdom differs substantially from that of this continent. In that country cable sheathing, sheet and pipe, and batteries in that order are the most important uses which collectively accounted for about 67% of the total in recent years. About the same amount of lead is consumed for cable sheathing as is consumed by this use in the United States. However, this does not represent home requirements as the United Kingdom is a large exporter of lead covered cable, some of which comes to this country. The cable industry in the United Kingdom, which is efficient and possesses a great deal of know how for the production of specialty cables, is well aware of the threat of substitution of plastics and other materials and is working in close cooperation with research associations to produce better alloys or better techniques for the application of lead sheaths in order to remain competitive. However, even if we assume that the world consumption of lead for cable sheathing remains at about current levels, it is probable that consumption for this use will decline in the United Kingdom as production facilities increase in those countries which are presently importing cable from that source.

Consumption of lead for sheet and pipe, while still the second largest application in Britain, is estimated to be about 50% of prewar consumption, in spite of a very great increase in domestic and industrial building in the postwar period. Since the war consumption of lead for sheet and pipe has remained fairly constant. Therefore the outlook for these applications is not bright and will require constant attention by promotion and research if further ground is not to be lost.

The third most important use of lead in Britain, storage batteries, is small by American standards because of the much smaller number of cars, trucks and buses in operation. In some special applications such as heavy trucks and buses, the nickel cadmium battery has replaced the lead battery in Britain and on the continent. However, this competition is not considered to be serious.

In Britain, because of the high cost of coal and the imperative need for cheap power, it is certain that the production of power from nuclear sources will develop rapidly, and as a result we would expect an interesting increase in consumption of lead for shielding.

Taken all in all it seems that lead, both on this continent and in Europe, has made the least progress of all the major non-ferrous metals in the postwar period. On the other hand it seems that the development of new sources of lead throughout the world have been also the least of all the major non-ferrous metals. However, we think that the situation is not one which producers of lead can afford to view with complacency.

Brighter Zinc Picture

Turning now to zinc consumption we find a somewhat brighter picture. Overall consumption of zinc in this country has more than kept pace with the growth of population so that per capita use is on the average a little better than a pound per person per year more than it was 10 years ago. This is largely due to the increased use of zinc for galvanizing and for die-casting. These two principal uses together account for 75% to 80% of the total.

In galvanizing, the continuous galvanizing of strip is a development which although known and applied prior to the war, did not reach prominence until the last decade. In 1947 there were less than a dozen lines for continuous galvanizing in operation in the United States. By the end of 1956 there were 34 lines in operation and five additional lines contemplated or under construction. Be-

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*An address by Mr. Hendricks before the Joint Session of American Zinc Institute and Lead Industries Association, Chicago,

"More Yankee Trade— Less Foreign Aid"

By EUGENE W. CASTLE*
Founder and Former President, Castle Films
Author, "The Great Giveaway"

Comparing the liberals' denunciation of "dollar diplomacy" of that day with what is said to be their blind acceptance of our present day new kind of extravagant—at public expense—dollar diplomacy, Mr. Castle critiques "the matter of getting a better and more honest deal for the American taxpayer and, at the same time, continue to support those countries whose friendship we can rely on. . . ." The author criticizes many Americans, in and out of Government, and Democrats and Republicans like Senators Kennedy and Knowland, to illustrate what to him are examples of why we fail to hold the respect and support of allies or neutrals. Asserts our foreign aid extravagances will never prove a substitute for firm foreign policies and sound pronouncements. Outlines more effective and less costly aid program; reproaches our foreign aid bookkeeping methods; and believes Congress has abdicated much of its responsibility over appropriations.

Eugene W. Castle

Early in the century when the then President Theodore Roosevelt urged that our nation "speak softly but carry a big stick," the United States established a policy which came to be known as "dollar diplomacy." It meant the use of American diplomatic power to promote our financial interests abroad so that Americans could invest in overseas enterprises with a minimum of risk. However, "dollar diplomacy" did not set well with the liberals of that day. They decried the use of diplomatic and military pressure to insure investments, and dollar diplomacy was roundly denounced as a wicked form of meddling in the affairs of foreign countries.

Today, we are confronted—and often confounded — with a new kind of dollar diplomacy. It, too, involves the use of American money abroad, but today we are dealing in billions instead of millions. And, since the billions are public funds provided solely by the American taxpayers, there is an amazing and ever-growing nonchalance in the way our bureaucrats in Washington ladle out the money overseas. When mistakes, waste and unwarranted extravagances result from our giveaways, no apologies for the errors in public spending are ever made. Instead, the demands for foreign spending are increased, as year after year, particularly at appropriation time, "new crisis" and dangers are brought forth until the aid budgets are rammed through the Congress. As soon as this is accomplished the "crisis" and urgency to spend promptly disappears until the next year rolls around.

Motive Is Not Profit

Of course, profit is no longer our motive. Instead the requesters yell to Congress and to high heaven that if they can't obtain all of the money they demand—every billion of it, the world will come to an end. But the world does not come to an end.

The Marshall Plan was originally offered to a skeptical Congress as a means of rehabilitating the war-ravaged countries of Europe. We were told that $17 billion and four years would do the job.

But it did not stop there. Since the world began, the Marshall Plan has had no parallel in the resultant spending of the resources of one nation for foreign aid.

We sent our dollars marching 60 billion strong over the far reaches of the earth in quest of Mutual Security. The prize, like a will-o'-the-wisp, elude us. The world is still in turmoil and danger. There is no security, mutual or otherwise.

Before I express my views further, let me make it perfectly clear that even if Congress did not appropriate one single dollar of new money for foreign aid, there will be spent not less than $3.3 billion during the fiscal year that begins July 1. Additionally, there are $7½ billion already appropriated and in the Washington pipeline to continue foreign aid for more than two years.

Wants a Better "Deal"

What I am going to discuss briefly is the matter of getting a better and more honest deal for the American taxpayer and, at the same time, continue to support those countries whose friendship we can rely on — countries who are determined to help themselves and are therefore worthy of our support.

In the light of recent events, surely the time has arrived for all Americans, both in and out of government, to reappraise critically our foreign aid spending as a matter of our own self-interest.

From the year 1792 to 1950, our government collected $406 billion in taxes.

From 1950 through 1956, our government collected $433 billion in taxes.

For $406 billion in 158 years, we fought and won six wars.

For $433 billion in 7 years we fought one war in Korea without victory; we fought and are still fighting a Cold War that we seem to be losing even in Formosa and, more recently, with our allies in Great Britain.

We cannot continue to support those who, if the chips were down, would not support us. We cannot buy allies and friends, but we could spend ourselves into bankruptcy and war.

President Eisenhower once realized this when he publicly stated: "The United States cannot be an Atlas; it cannot, by its financial sacrifices, carry all other nations of the world on its shoulders and we should stop giveaway programs."

Our foreign-aid careerists are gripped in the spirit of a "Crusade" — emotional, intolerant of criticism or investigation. Those who dare question their activities are looked upon as isolationists, short-sighted "penny-pinchers" who are lacking in vision.

Neither individuals or nations are made friendly or even grateful by handouts. Those who are given money soon think it is owed to them. The assumption that the more money we give away the more good we accomplish is wrong—very wrong. For the emotions which really influence people —pride, custom, race, religion and national enthusiasms are completely ignored. It is also wrong because it leads to frantic efforts on the part of our foreign aid representatives to stir up projects in other countries which have not been requested and, in many cases, not wanted.

Offers Examples

Let us consider a few of these projects:

It was recently announced that the United States has given one million dollars to Pakistan to bolster that country's fishing industry!

In Formosa, we have set up a pension program for overaged Chinese soldiers.

In the Philippines we have provided costly electronic microscopes and technical equipment for a section of that country where no power is available.

In Afghanistan we have provided expensive airfields in a country where most travel is still done on the backs of camels.

In Thailand we started to build a highway for $6.5 million that has already cost us $18 million for half of the originally planned stretch and in a country which has fewer than 9,000 automobiles.

In India we provided $1,500,000 to build hundreds of prefabricated grain silos. The material, still uncrated, rests in warehouses in Calcutta and we are probably paying the storage bill.

In India, too, we have 400 people to administer our giveaway program. They can't spend the money as fast as it is piped to them. They have a backlog of $135,000,000 and the International Cooperation Administration is trying desperately to obtain $80,000,000 or more a year on top of what we are already giving India.

To Tito we are still exporting military jets and treasure despite the fact that the Yugoslav dictator repeatedly reminds us that his relations with Moscow are improving. His Defense Minister, at this writing, is enroute to the Kremlin. Tito is now playing coy about receiving our free airplanes, while he again makes goo-goo eyes at the Soviets.

Every year, at Appropriation time, the giveaway mania has become a non-partisan path to the headlines for our legislators in Washington. For instance:

Senator Kennedy, a Democrat is anxious to give away $100,000,000 to the government of Communist Poland. This will not help the people of Poland. It will only help to relieve Moscow of some of its satellite overhead that it is so anxious to get rid of. Half of this gift is already on the way. The other half will soon be sent. We should have sent it all direct to Moscow. This would have saved the carrying and transfer charges. Gomulka, the Polish Communist Party Chief, has already complained that this $100,000,000 handout is "very small considering our needs" and the Moscow errand boy adds that President Eisenhower's statement last October offering aid to Poland "proved to be a sheer illusion."

Under-Secretary of State Dillon, a Republican, has become an eager-beaver sponsor for the new two billion dollar handout, without strings, to be underdeveloped nations of the world, Dillon, very properly and politely calls it a loan. I hope exporters will never have to conduct an export transaction on a similar basis. If they do, the sheriff may be looking for them.

Congressman Roosevelt, a Democrat, seriously suggests that we should internationalize our Panama Canal to please Egypt's Nasser who has shown no desire to please us. We built the Panama Canal. We paid for it. We own it. If we should ever internationalize it. Heaven forbid, some Russian Commissar could decree that ships flying the Stars and Stripes could not enter the canal. In time of war our fleet would be bottled up. The memories of most of us are short. Too many of us forget that our Armed forces fought, bled and died by the tens of thousands to win the war in Europe. After victory was accomplished and the enemy lands were reduced to piles of rubble, our politicians and the Military Comander of that day forgot to get a road out of Berlin for Americans. The costly Berlin airlift in half free, half slave Germany resulted. This fatal error is largely responsible for the precarious position we find ourselves in today. This tragic mistake became immediately apparent to Stalin. He detected our weakness and determined that we could be pushed around. The Cold War that has cost us tens of billions of dollars resulted. We are still being shoved around and humiliated before friends and foe alike by Stalin's successors.

Senator Knowland, Republican Minority Leader, recently propelled himself into the headlines when he suggested on a TV program that we barter Norway, for Communist-dominated Hungary. The Senator, in all seriousness, offered the idea that we trade the membership of Norway in the North Atlantic Alliance in return for Soviet withdrawal from Hungary. Norway, unlike Hungary, is not a satellite. It is our firm friend and an independent nation, which determines its own destiny. Those of us with long memories will recall that the German war lords invaded Norway first, in their attempt to bottle up all Scandinavia.

These are but a few examples of why perhaps we fail to hold the respect and support of allies or neutrals. Our foreign aid extravagances will never prove a substitute for firm foreign policies and sound pronouncements.

One month ago, Senator Lyndon Johnson, Majority Leader of the United States Senate and a respected legislator, stated publicly that Congress would not write any "blank checks" for foreign aid and "will not surrender the right to annual checkup on the program." That's what the Senate Majority Leader said a month ago.

But only a few days ago the powerful Senate Foreign Relations Committee after reducing the White House multi-billion dollar aid request by less than 6%, en-

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*An address by Mr. Castle before The Export Managers Club of New York.

European Free Trade Prospects Under Invisible Tariffs

By PAUL EINZIG

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, are cited by Dr. Einzig to indicate the greater 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 at the altar of their dogmatic 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.

Paul Einzig

This scheme was recently rechristened by Mr. Macmillan 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 agriculture would be excluded from it. While manufactures would become freely exchangeable between the participating countries, land products would remain subject to the existing arrangements.

British official spokesmen have made it 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 Commonwealth 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 more important. The significance of the preferential rates adopted at Ottawa in 1932 has declined considerably as a result of the rise in the prices of land products, so that Empire preference today is a sentimental rather than economic issue. On the other hand, any British Government that would sacrifice British agriculture for the sake of European Free Trade would sign its own political death-warrant.

Declaration Weakens 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 aloof from European free trade than by joining in. Such admissions were considered necessary in order to counteract the propaganda campaign of the Beaverbrook newspapers against British participation in the scheme. They were made for domestic consumption, but they produced more effect abroad than at home. It is true, some industrial interests which have hitherto opposed the scheme have become converted in its favor. Indeed the Federation of British Industries is now keener 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 stiffen 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 in the matter of agriculture 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 if any 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 Coal-Steel Community had caused much concern in Western European capitals. It would be a bad day for European unity when it is definitely decided to have the Free Trade scheme without Britain. It is no wonder that the view is held in London that the continental statesmen are bluffing when talking about Britain's exclusion from the scheme unless she is prepared to join 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 becoming a full partner or keeping away altogether, the former alternative would be chosen. It would be in accordance with traditional British economic liberalism. The quasi-religious belief in free trade that developed in Britain during the 19th century dies hard. There are still millions of people in Britain who would cheerfully sacrifice agriculture at the altar of their dogmatic free trade creed.

Resort To Invisible Tariffs

There is much criticism of the official British attitude on the continent. Italian and French critics bitterly complain that, while Britain is anxious to secure for British industries the benefits of the Common Market, she is unwilling to pay the price for such benefits by allowing continental agriculture freer access to the British market. Such criticisms overlook the fact that, even if the Common Market is confined to manufactures, there are bound to be industries in Britain which would stand to lose through intensified continental competition. Moreover, continental countries 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 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 this secures them considerable 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, Dabney Co.

(Special to THE FINANCIAL CHRONICLE)

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

Weir, Lincoln Adds

(Special to THE FINANCIAL CHRONICLE)

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

With Inv. Service

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Hyman P. Silverman has become associated with Investment Service Co., First National Bank Building. He was formerly with Carroll & Co. and Continental Investments, Inc.

With Stone, Moore & Co.

(Special to THE FINANCIAL CHRONICLE)

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

With Bache & Co.

(Special to THE FINANCIAL CHRONICLE)

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

THE MARKET . . . AND YOU

By WALLACE STREETE

The summer rally remained stalled for the most this week as stocks dawdled, with the industrial average consolidating a bit under its all-time high. Hopes were still high that there would be a renewed thrust to forge through the old 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 subsequent setback didn't spur any important selling and the retreat so far has still held inside a range of half a dozen points. Volume, moreover, slid off into a rut typical of the summer doldrums. In short, there was little evidence of any widespread chagrin.

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Confirmation that the money market would remain tight, provided by the government moving to a 4% rate in its latest refunding operation — and a peak since 1933 — failed to 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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About all it proved definitely was that the wishful thinking of a move toward easier money wasn't at all well founded.

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The market also largely ignored some of the profits squeeze items which in most cases had been anticipated well in advance. The feeling is general 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 report which, it is no secret, will be a thoroughly comforting one. The ups and downs from one year to the next, however, kept the stock marketwise from anywhere near the $101 tag it reached in 1955 when the issue showed earnings of $11. The first half of this year alone is expected to come close to equalling that full-year figure.

* * *

The shadow over Chrysler is that its good results this year have been achieved largely at the expense of General Motors and with GM going into extensive changes for its 50th anniversary year, Chrysler should be in for some stiff competition. It isn't by any means clear that Chrysler will have to have a "down" year as sharp as those of 1954 and 1956, however. To Chrysler followers there is plenty of room in its low profit margin for improvement. Even in 1955 when it had a good year, its 6% pretax margin was well behind Ford's 17% and GM's 20%. There have been important steps taken to boost this margin and the issue could start to iron out the rather violent cycles that have afflicted it in recent years.

Individual Casualties

Despite the high standing of the industrial average, some individual issues have been harshly handled recently and the bargain hunters had a long list to scan for well-deflated items where the prospects were not as bad as the market action would indicate.

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Easiness in metals generally, possible aviation cutbacks and refusal of the government to offer price guarantees to International Nickel all conspired to make it one of the more depressed of the quality issues, down below par from its all-time peak of 115. On the same dividend it paid last year the yield approaches 4% at recent levels, which is one of the more attractive in fields where large potential growth is as assured as it is in the nickel business. The aviation cutback threat was largely psychological because any of the metal not needed for defense work would find ready acceptance in civilian uses for which there has been a shortage for several years now.

Aircrafts Oversold

In fact, the general easiness in aircrafts could be overdone in specific cases. The late cutbacks in jet engines anticipated recently have not yet been noted for United Aircraft and company predictions hold to a 20% increase in sales this year with a $2 billion backlog still predicted.

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Douglas Aircraft has also been hovering near its low, although first half earnings showed a jump of about 40%. Here, too, the backlog predictions are unchanged and high level operations are projected not only through this year but through most of next year. The company's large commercial sales indicate that any military cutbacks will be pretty much shrugged off. The backlog currently is half military, half commercial.

Natural Gas Issues Hit

El Paso Natural Gas issues also have had to weather some blows: first a plan to build a Canada-California pipeline and second from government attempts to upset its acquisition of Pacific Northwest Pipeline. These do not alter the fact that El Paso is an important gas supplier to the West Coast and will 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 placid market life, a good share of the neglect stemming from the fanfare over lower housing starts. The shares have just about managed to carve out a 10-point range so far this year, and lately have been available at a price a score of points under last year's peak.

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Earnings haven't been impressive, and aren't being projected to any startling levels this year. But National Gypsum still is busily 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 end of the program run to double or more than the present level. Last year sales exceeded the $150 million level and the added expansion now has raised the sales potential to above $200 million. The cash payment at recent price levels has been an above-average 4½% with the important strides in sales and earnings still in the future.

Dynamic Pepsi

A dividend-increase candidate, also enjoying a good 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 comparisons from this year's improved outlook.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Copley Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

COLORADO SPRINGS, Colo.— George W. Gear is now affiliated with Copley and Company, Independence Building.

Joins Hathaway Inv. Corp.

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Edward L. Shelton is now with Hathaway Investment Corp., 900 South Pearl Street.

Wayne Jewell Adds

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Frank E. Bauserman has been added to the staff of Wayne Jewell Company, 818 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, "pursued with common sense and intelligent self-restraint," to avoid the pitfalls of inflation and labor-management conflicts. In turn, according to the AFL-CIO head, this requires management's complete 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 free enterprise system, which the Communists are fervently hoping for, and that friendly, cooperative, labor-management climate helps prevent internal subversion.

When representatives of trade unions and employers can work together, live together and get together at sociable affairs it speaks well of our free enterprise system.

George Meany

Unfortunately harmonious labor-management relations do not prevail everywhere in the United States. Yet there are compelling reasons why they should.

As I see it, the free enterprise system is made up of three basic elements—free government, free management and free labor. Take away the freedom of one and you destroy the freedom of the others. The formula won't work unless the freedom of all is assured.

It is quite clear that there is one overshadowing outside threat today to our free way of life. That comes from Communism. The philosophy of Communism is quite simple and we owe it to ourselves to understand it 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 permit any freedom either to labor or to management.

Under Communist rule, as under any other dictatorial rule, the State is supreme. Everything and everyone is subjugated to the State. Private ownership and private profit cannot exist, because the State owns everything. Free labor cannot exist, because the Communist system is a system of enslavement to the State, which owns everybody.

Now, under ordinary circumstances, we 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. Peaceful coexistence, after all, is fundamental to our free way of life.

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 don't dare. In order to stay in power they have to erect an iron curtain shutting off their people from any real knowledge or direct communication with us. Because if the people behind the iron curtain had the opportunity to compare their conditions with those enjoyed by the people of a free country, they wouldn't stand for Communism very long.

Significance of Hungary

This, of course, is not just theory. The facts were made painfully clear to the entire world by the recent tragic events in Hungary. Here was a tiny country whose people wanted to be free from the heavy yoke of dictatorship and the intolerable oppression of Russian Communist occupation.

In one of the most inspiring episodes in all human history, the Hungarian students and workers spontaneously revolted against their foreign masters last October. By sheer courage and daring, they took the secret police and the occupation forces by surprise, and won temporary control of their country.

Now what did Soviet Russia have to fear from a free and independent Hungary? Surely not military aggression. Hungary had no organized army, no fighting planes, no weapons of any kind which could threaten Soviet Russia. Surely not economic competition. Hungary was a starved, despoiled and amputated chunk of land which would require generations of peace and reconstruction before it could even become self-sustaining.

Where, then, was the threat to Communism from a free Hungary? Solely and exclusively from that little word free. Soviet Russia could not permit a free land to exist so close to its borders. Freedom so near by was potentially too contagious, too dangerous to the security of the compulsory system of slavery enforced by the rulers of the Kremlin. So Soviet troops and tanks and planes were ordered to re-invade Hungary and crush the rebellion by overpowering military might.

There may be some people in this country who do not or will not see the significance of the lesson of Hungary to our own future. Yet even the most confirmed isolationist cannot ignore the warning uttered by Premier Imre Nagy in his last broadcast to the Hungarian people. With the eloquence which seems to inspire leaders of men at great turning points in history, Nagy said:

"I should like, in these last moments, to ask the leaders of the revolution, if they can, to leave the country. They should turn to all the people of the world and explain that today it is Hungary and tomorrow, or the day after tomorrow, it will be the turn of other countries. Because the imperialism of Moscow does not know borders and is only trying to play for time."

That is so unmistakably true that the government of our country is spending each year a terribly high percentage of the earnings of the American people for every conceivable kind of armament to strengthen our national defenses.

Internal Threat to Our Way of Life

But what all of us in civilian life have to consider is that military defenses are not enough to safeguard the way of life we cherish and wish to perpetuate. The threat to that way of life comes not only from the outside, but from the inside.

In other free lands today, the overriding internal danger is from

Continued on page 29

*An address by Mr. Meany at the Chicago-land Fair, co-sponsored by the Chicago Federation of Labor and the Chicago Association of Commerce and Industry, July 9, 1957.

Securities Salesman's Corner

By JOHN DUTTON

The Value of Knowledge

In the investment business there is no substitute for background. This will give you a foundation upon which you can make sound investment decisions. It is very encouraging that more investment firms today are carefully screening the men they hire as representatives. Also, even some of the smaller organizations are conducting classes and training the men and women that are going out to represent them.

The time you spend in study and in keeping up with the ever changing panorama of the investment world is money in the bank. It will give you confidence and, more important, it will create confidence in you on the part of those with whom you wish to do business. If you are able to demonstrate that you have a fund of information, or know where to get it and interpret it, you are going to open now accounts that you would otherwise never sell. Your customers must be emotionally sold on you as an investment advisor and friend before they are going to entrust you with their hard earned savings. Then it it up to you to do a good job for them. If you have developed this combination, you will build a successful investment business.

With Skill Comes Confidence

Sometimes it is the very small things you do and say that bring a prospective client to you. The other day I was calling on a retired couple that had answered one of our advertisements and, after sitting with them for a few minutes, I noticed that the husband was trying to convince his wife that the modest investment they had made in certain common stocks was something which should not give her concern. He told me that he had retired, that he had sold some real estate, and that since he no longer cared for the trouble of watching over his properties, he had bought some common stocks. Then his wife spoke up and told me that she remembered 1929, and that some friends had lost so much in stocks that she still did not want to take any chances. This is not an unusual pattern among people who have not bought securities for years and who have long memories.

I mentioned to her that I could understand that she was correct that peace of mind was important, and with that I asked the husband to tell me of the common stocks they had bought. It was an excellent but small list of high grade common stocks which included an outstanding oil company, the largest steel and automobile companies in the country, a great natural gas concern, a large merchandising organization, and several others in this category. As he continued I made a few favorable comments. Then we discusse these stocks briefly and it was possible for me to quote current dividend rates, approximate market prices and certain background information without referring to any reference data. As we went along I noticed that the wife began to relax and listen. This conversation was without any attempt to display knowledge on my part (certainly this would be the last thing any sensible investment man would attempt—there is so much we don't know) but it all came out naturally as we continued the discussion.

The interview concluded and as a result a new account was opened. When I arose to say good-by the wife said to me. "I feel so much better now, you see we haven't invested in stocks very much and I just wasn't sure about it. Somehow I think we will sleep a lot better and we do need the extra income."

Every Day—Study and Learn

After many years there is no credit on the part of any experienced salesman if he knows the current market price, the dividend rates, the background of not only 20 to 30 market leaders, but also hundreds of other securities. But it is important to your clients that you do know these things. It is not the man who fumbles, who evades, who lacks poise that builds the confidence of clients. With reading and study you will gain assurance. You can rely upon your statistical department for specialized help, but you must be the focal point of your customer's confidence.

Cultivate a mind that stores the essentials, read hard, and don't waste time on it. Several days ago I read a brief coment by one of the statistical organizations of a member firm that a certain stock, now a market favorite, might become involved in a merger, and a possible rate of exchange was mentioned. In talking with a prospective client referred to me by another customer, he mentioned this stock and he left the door wide open for me to give him this information. I mentioned it, gave the source as a reliable member firm, but underscored that this was entirely unofficial and that it was just conjecture and rumor. His own firm did not give him this information, he had been trying to obtain more background on what was going on, and he was most appreciative. If I had not read between two and four hours a day about my business I wouldn't have known about this interesting item. People want to do business with investment men who know what they are doing, who are conservative, deliberate, informed, and willing to go all out to help them do the best job possible with their investments.

L. W. Stayart With Municipal Securities

DALLAS, Texas — Municipal Securities Company, First National Bank Building, has announced the association of Louis W. Stayart, Sr., with their organization effective July 22, 1957.

Louis W. Stayart

Mr. Stayart, who has been engaged in the investment banking business in Texas for the past 28 years, was formerly a partner in the firm of Hudson, Stayart & Co. Investment Bankers, Dallas, Texas.

Pac. States Secs. Opens

(Special to THE FINANCIAL CHRONICLE)

OAKLAND, Calif.—Pacific States Securities Corporation has been formed with offices in the Financial Center Building to engage in a securities business. Officers are Thomas F. J. Carroll, Jr., president; John H. Bunce, Jr., vice-president: and William B. Acton, secretary-treasurer.

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: tight 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.

Roger W. Babson

Regarding Empty Stores

(1) **Why do we find empty stores on our business streets?** Because more money is 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 are buying. As soon as the community produces more than it consumes, every store is rented.

Reasons for Unemployment

(2) **Why are good people out of work at 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 white-collar jobs. Perhaps there are too many business offices and not enough factories, services, farms, or fisheries. Perhaps those who 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 who 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 until it is satisfactory. 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 1930's when stocks were selling so 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 hurt by a new shopping center?** 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 shopping centers. The best way to compete with them, therefore, 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 its factories, farms, services, or fisheries.

What About Taxes?

(5) **Why are local taxes so high?** First let me say that the taxes of most communities have not gone up any more than have wages or commodities. Most 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. Otherwise, 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.

(6) **Do you believe in Turnpike Bonds?** The simplest method of avoiding Federal and State taxes is to buy turnpike bonds. Issues carrying 3½% coupons can now be purchased in the 70's and 80'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 protection should be preached by the newspapers, schools, and even churches. Ministers might more often preach from the first eight verses of the 15th Chapter of St. John and the first 30 verses of the 25th Chapter of St. Matthew.

With J. B. Hanauer

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Carl M. Hanauer is now with J. B. Hanauer & Co., 140 South Beverly Drive.

News About Banks & Bankers

The appointment of Robert Whytock as a Vice-President of the **Chase Manhattan Bank, New York,** was announced on July 22 by George Champion, President. A member of the staff for 30 years, Mr. Whytock has been an Assistant Vice-President since 1955.

He will be in charge of the bank's Staten Island branches. The five offices are located at Port Richmond, West New Brighton, St. George, New Dorp and Tottenville. Formerly operated by 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.

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Irving Trust Company, New York announces the promotion of Alpheus 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 1951.

Mr. Schutt is in charge of the bank's branch office at Lexington Avenue and 46th Street which was opened last October. He joined the Irving staff in 1946.

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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 separate 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 $35,560,000 and deposits of $31,759,000. Chase Manhattan at midyear had $7,524,331,000 in total assets and deposits of $6,693,722,000.

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Guaranty Trust Company of New York announces the appointment of Winfield Bonynge, Jr., Elmer R. Coffeen, Joseph Katrausky, Ernest J. Kocsis, and Lawrence M. Pritchard 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.

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Chemical Corn Exchange Bank, New York, has appointed Herman D. Ruhm, Jr. to its Thomas and Church Streets Advisory Board, it was announced on July 17 by Harold H. Helm, Chairman.

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The Manufacturers 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 Federal Reserve Board 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 located 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 Manufacturers Trust Company banking offices throughout Greater New York

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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 par value of $100 each, to $35,000,000 consisting of 350,000 shares of the same par value.

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Vernon Munroe of New York City, a former associate of J. P. Morgan & Co., Incorporated, died July 15 at Hanover, N. H. His age was 82.

Mr. Munroe joined the Morgan organization in 1920.

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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 W. Bennigsen has been elected President and a Trustee, it was announced.

Mr. Catherine, who joined the bank in 1936 as Executive Vice-President and a Trustee, was elected President in 1941. He is a director of **Chase Manhattan Bank, New York.**

Mr. Bennigsen came to the bank in 1936, was made Comptroller in 1942, and Vice-President in 1946.

Dollar Savings Bank, which in 1936 had $93,000,000 on deposit, today has $690,000,000.

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E. Robert Heitzman, Vice-President of the **Marine Midland Trust Company of Central New York,** died on July 14 at the age of 59.

Mr. Heitzman started his banking career with the **Syracuse Trust Company** on May 10, 1919. After serving with many of the bank's departments, he was appointed Manager of the Credit Department named an Assistant Secretary on June 17, 1939, elected Assistant Vice-President on July 16, 1948, and Vice-President on Jan. 15, 1951.

In May, 1944, Mr. Heitzman completed 25 years of service and was recognized for his service by being elected to the bank's "Twenty-Five Year Club."

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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 would be **City Trust Company.**

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The Directors of **Provident Tradesmens Bank and Trust Company, Philadelphia, Pa.,** and **The Merchants National Bank of Quakertown, Pa.,** have approved a plan under the terms of which Provident Tradesmens will purchase the assets and assume the deposit and other liabilities of The Merchants National Bank, excepting Federal income taxes and costs incident to liquidation. The purchase price will be $1,604,250.

The plan, which is subject to the approval of the stockholders of The Merchants National Bank and the bank supervisory authorities, provides for the continuance of the present banking offices in Quakertown and Sellersville as offices of Provident Tradesmens. Both offices will be staffed by the present officers and employees of The Merchants National Bank who will become officers and employees of Provident Tradesmens.

As of June 30, 1957, Provident Tradesmens Bank and Trust Company had total deposits of $415,-219,000, and The Merchants National Bank of Quakertown had deposits of $11,538,000.

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Thomas E. Millsop of Weirton, W. Va., President of National Steel Corporation, has been elected a director of **Fidelity Trust Company, Pittsburgh, Pa.,** according to John A. Byerly, President.

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A new office of **Mellon National Bank and Trust Company, Pittsburgh, Pa.,** will be opened this fall in Monessen Hills, according to an announcement made on July 17 by Frank R. Denton, Vice-Chairman of the bank.

The office will be located in the Monessen Park Shopping Center on Grand Boulevard.

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The First National Bank of Morgantown, W. Va., increased its common capital stock from $250,-000 to $450,000 by a stock dividend and from $450,000 to $500,000 (50,-000 shares, par value $10) by sale of new stock effective July 12.

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Mahoning National Bank of Youngstown, Ohio, announced on July 16 that it was offering to its stockholders the right to subscribe for 66,000 additional shares of capital stock (par $10) on the basis of two new shares for each five shares held. Price $24 per share. Proceeds received from the sale will be used to increase capital and surplus accounts.

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THE FIFTH THIRD UNION TRUST CO., CINCINNATI, OHIO

	June 30,'57	June 30,'56
	$	$
Total resoures	350,924,034	355,094,271
Deposits	317,321,883	323,437,208
Cash and due from banks	84,095,486	88,218,362
U. S. Govt. security holdings	84,254,105	87,001,504
Loans & discounts	163,283,396	154,983,026
Undivided profits	4,705,307	3,941,539

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By a stock dividend **The Grafton National Bank, Grafton, N. D.** increased its common capital stock from $100,000 to $200,000 (2,000 shares, par value $100), effective July 12.

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The common capital stock of **The First National Bank of Olathe, Kan.,** was increased from $100,000 to $200,000 (2,000 shares, par $100) by a stock dividend effective July 11.

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Merchants Bank of Kansas City, Kansas City, Mo., and **Produce Exchange Bank, Kansas City, Mo.,** merged under charter of Merchants Bank of Kansas City and new title **Merchants-Produce Bank** effective July 1.

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The National Bank in North Kansas City, North Kansas City, Mo., increased its common capital stock from $100,000 to $500,000 (5,000 shares, par value $100) by a stock dividend effective July 8.

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The First National Bank of Princeton, Princeton, Ky., with capital stock of $100,000 was converted into a state bank under the title **First Bank and Trust Co., Princeton, Ky.,** effective as of July 1.

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In line with its policy of expanding facilities to meet the growing needs of the area it serves, the **First National Bank of Mobile, Ala.,** has opened its fourth branch office at Toulminville, a municipality adjacent to Mobile.

Walter J. Smith, an Assistant Vice-President of First National, is branch Manager. Robert F. Casey is Assistant Manager.

Organized in 1865 with charter No. 1595, the First National is the oldest bank in Alabama.

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Promotion of Edward J. McGough to Assistant Vice-President in **Bank of America's** Corporation and Bank Relations department at the head office in San Francisco was announced by Frank E. Young, Vice-President and personnel relations officer.

Mr. McGough is contact officer for correspondent banks in Northern California and is in charge of making all transit and collection arrangements with correspondent banks throughout the nation.

With the statewide Bank since 1929, Mr. McGough received his first officer appointment in 1947 as head of the Collection department. He had charge of the Central Office Transit and Clearing from 1949 until 1951 when he entered the Corporation and Bank Relations department.

Pratt Elected a Gov. Of Inv. Bankers Ass'n

BOSTON, Mass.—Albert Pratt, partner of Paine, Webber, Jackson & Curtis, was elected a governor of the Investment Bankers Association of America, it has been announced.

Albert Pratt

Mr. Pratt, formerly Assistant Secretary of the Navy, is a member of the New England Group of the Investment Bankers Association and served as its Chairman in 1952-1953.

In 1946, Mr. Pratt joined Paine, Webber, Jackson & Curtis, nation-wide stock exchange firm, in their office here. He was admitted to the firm as a general partner in 1950, specializing in corporate underwriting activities. From 1954 to Feb. 1, 1957, Mr. Pratt served as Assistant Secretary of the Navy.

Continued from page 13

World Consumption Pattern Of Lead and Zinc

cause of the tightly adhering, ductile zinc coating, the product of these lines lends itself to many applications where hot-dipped sheet was unsuitable. This has contributed greatly to the use of zinc for galvanizing, despite an appreciable reduction in the pounds of zinc required per ton of product from that required for hot-dipped sheets. The estimated consumption last year for all galvanizing was only about 3.8% below the previous year as compared to a decline of about 18% for die-casting. In fact the zinc consumed for sheet galvanizing, the bulk of which is now produced on continuous lines, was almost the same in 1956 as it was in the record year of 1955 in spite of the steel strike last year.

The American Die Casting Institute has recently issued a report for the year 1956 which reveals some very interesting information.

Requirements of zinc for die casting in 1956, although some 50,000 tons less than in the exceptional year 1955, were still about 100,000 tons greater than in the next highest year in the 1947-56 period, and 72% above that in 1947. It was, therefore, a good year for zinc in die castings. However, we find that in 1956 aluminum consumption for die casting was some 4.3% greater than in 1955 and was more than 300% greater than in 1947. All this gain in aluminum has not been made at the expense of zinc. However, we know that in many applications in the automotive and other fields zinc base die castings are facing stiff competition from substitute materials. Despite this continued competition from aluminum, stainless steel, plastics and other materials, the average pounds of zinc used per car increased from 68.7 in 1955 to 71.3 in 1956 and is estimated at 77 pounds in the current year's production. It is our belief that the stability of price which was maintained last year and the adequate supply were major factors contributing to this growth.

Zinc Applications

In recent years, technological advancements have produced a variety of relatively cheap materials, which are sold at a relatively stable price and with which zinc must compete in many applications. This is also true for lead. In order to compete effectively, particularly in these times when everybody is making every effort to reduce costs, lead and zinc producers must also make every effort to see that their products are priced competitively.

The great bulk of the captive zinc die casting facilities which represent approximately 33% to 35% of the total are for automotive use. In addition to this the automotive industry in 1956 took 53% of the zinc base die castings produced by the job shops. Home appliances accounted for 22% from these sources, the balance going to a large variety of miscellaneous uses. It is therefore quite obvious that zinc base die castings must be kept competitive by every appropriate means in this most important field of automotive manufacturing.

The consumption of zinc for brass and bronze, which is third, after galvanizing and die casting, has remained relatively stable during our base period, except for one year 1949 when consumption dipped rather badly. Other uses have also remained fairly steady with a tendency to increase.

The pattern of consumption of slab zinc in the United Kingdom differs somewhat from that on this continent. Galvanizing is the largest user of slab zinc followed closely by brass, with die casting a very poor third using only a little better than one-third of the slab zinc consumed by the other two uses.

During the past ten years the consumption of zinc in the United Kingdom has remained fairly steady, exhibiting an average annual growth of only one-tenth of one percent as compared to the 5% per year for the world as a whole and 4.3% per year for Free Europe including Britain. Although accurate statistics are not available it is apparent that the greatest percentage increase in zinc consumption since the war has taken place outside the United States and the United Kingdom.

Turning back to consumption in Britain we find that consumption for galvanizing has made the only progress, having increased at a rate of about 3.2% per year. As in this country continuous strip galvanizing has made rapid strides so that by the end of this year, if present plans are completed, there will be four lines in operation.

The job galvanizing trade in the United Kingdom is progressive and its technical committees have published and disseminated much information on galvanizing and galvanizing practices. One field which is under very active investigation is the protection of overhead steel structures, required for the modernization and electrification of many sections of the British Railways. Should zinc be chosen as the protective material it should promote a considerable demand in that country.

Other uses for slab zinc such as brass, die casting, rolled zinc, etc., have either remained about stable or have declined slightly. Here again the zinc base die casting industry is very closely tied to the automotive industry which consumes some 65%-68% of the castings produced, so that the recent difficulties of this industry were quickly reflected in zinc consumption for die casting.

From the statistics which are available it appears that of all the countries of Free Europe, West Germany has made the best recovery in zinc consumption and current consumption is almost five times that of 1947.

Canadian Pattern

In Canada, where the pattern of consumption is not too different from that of this country, zinc consumption has increased by about one-third, while in Australia and New Zealand the increase has been close to 90%. In Japan, India and Africa the increase has been most encouraging. If it were not for one important circumstance we could take an optimistic view of the future of the zinc industry. Although zinc consumption throughout the world has been increasing, zinc production over the same period has increased at an even greater rate so that a substantial world surplus of production over consumption exists. There is every indication that this condition will continue. At the present time these world surpluses are being withdrawn from the market and absorbed by the government stockpile. This is an expedient measure, but the industry cannot base its future on the continuance of this or a similar program. From our point of view there is only one practical long term solution to this very serious problem and that is to increase consumption.

How can this best be accomplished? We believe that extensive research on the present and future applications of zinc by the industry is the only practical and feasible course to be taken if this problem of over production is to be overcome. As an illustration, during the 1947-1956 period, while zinc consumption in this country increased at a rate of 3.2% per year the consumption of aluminum increased at an annual rate of about 11.9%. This was brought about largely through extensive and intensive research and promotion on the part of the aluminum industry. We find that, to many people, the word research conjures up a picture of a long haired scientist, probably a little untidy, working in a secluded laboratory on some abstruse problem which even if he is successful, is of little interest to anyone. A certain amount of this type of research is essential and provides the foundations upon which others may build. However, what we have in mind is practical applied research designed towards improving present applications of zinc, making them more economic and developing new uses which will be competitive with other materials.

Need For Research

Earlier I mentioned purer forms in which lead and zinc are now available. I have here part of a crystal of zinc which is 99.9999% pure. Perhaps it is too expensive for general applications but on the other hand it may have special properties which make it the only material suitable for some new application. Certainly metals of comparable purity open up new avenues for research never before feasible. The effects of minor impurities can sometimes have disastrous effects. For example, not too long ago, the use of zinc anodes for cathodic protection was rapidly falling into disrepute, because they were really not effective. Research, sponsored by the American Industry revealed that the generally acceptable iron content of commercial grades of zinc was the villain. Now it will take arduous selling and promotion to overcome the prejudices which have been built up. With the assistance of industry, the Mines Branch of the Department of Mines and Technical Surveys in Ottawa has undertaken a research program on die casting alloys based on high purity commercial zinc to which is added controlled amounts of various impurities. Whether or not this specific work will yield useful results, of course, cannot be foretold and in fact may not be important. The important thing is that some producers and consumers of zinc have recognized the need for research and are willing to co-operate in its execution.

What we have said for zinc applies equally to lead. At the present time lead is being consumed at a greater rate than new reserves are being discovered, and as a result world reserves are being gradually depleted. However, this situation could quickly reverse itself. We have heard a great deal about the research work that the automotive industry is engaged in in connection with the development of a gas turbine engine for passenger cars. These engines would not require high octane fuel. If this work is successful and the market for tetraethyl lead is lost to the industry we could have a world surplus of lead about equal to the present world surplus of zinc. Also, no new major uses for lead have been developed in recent years, although some uses such as in frits for low temperature glazes for steel and aluminum show promise. However, the fact remains that without some new applications to balance off the loss of even part of one of the major present uses could make the future of lead look very gloomy. We of the lead and zinc industries cannot afford to wait until this happens, in fact we have possibly waited too long as it is. Recent economic studies conducted in this country indicate that three top industries which allocated 5.7% of sales to research and development had a 52% gain in profits. At the other end of the scale the three lowest industries which allocated only 0.2% of sales to research and development showed a 3% decline in profits. It seems to me that it is up to the Lead and Zinc Industries as a whole to decide now which category we will be in.

If we are to increase consumption to balance production now and in the future, the producers of lead and zinc must engage in extensive research individually, in co-operation with each other and in co-operation with consumers, not only to develop important new uses for lead and zinc but to improve the natural advantages which these metals have in present applications.

WORLD

Consumption of New Pig Lead

(tons of 2,000 lbs.)

	Avg. Year 1935-37	% of Total	Avg. Year 1947-49	% of Total	Avg. Year 1953-55	% of Total
United States	476,600	27.3	689,467	44.4	785,867	37.2
No. America (incl. U.S.A.)	499,867	28.6	756,967	48.7	866,833	41.1
Europe	963,633	55.2	552,067	35.5	810,700	38.4
Other	282,399	16.2	244,533	15.8	433,067	20.5
Total	1,745,899	100.0	1,553,567	100.0	2,110,600	100.0

Consumption of Slab Zinc

	Avg. Year 1935-37	% of Total	Avg. Year 1947-49	% of Total	Avg. Year 1953-55	% of Total
United States	555,033	33.4	771,967	41.6	995,400	38.1
No. America (incl. U.S.A.)	572,366	34.5	825,100	44.4	1,061,567	40.6
Europe	858,233	51.6	653,367	35.2	882,067	33.8
Other	231,291	13.9	378,533	20.4	669,033	25.6
Total	1,661,890	100.0	1,857,000	100.0	2,612,667	100.0

SOURCE: 1935-37 Metal Statistics and American Bureau of Metal Statistics.
1947-55 American Bureau of Metal Statistics.

UNITED KINGDOM

Consumption of Total Lead by Industries

(tons of 2,000 lbs.)

	1947	1948	1949		1951	1952	1953	1954	1955	1956
Storage Batteries	50,380	51,458	52,137	57,314	69,141	53,481	58,057	65,171	68,060	59,311
Lead Alloys	30,992	33,361	31,300	42,570	43,521	32,982	34,997	41,974	43,783	45,046
Tetraethyl	(2)	5,264	5,692	6,007	5,991	6,853	8,093	17,056	24,382	23,687
Cable	106,673	129,537	135,952	96,503	102,674	121,718	102,022	96,124	122,181	123,421
Pigments	56,688	52,150	46,807	56,325	61,081	29,858	39,756	43,888	44,472	39,967
Lead Products	96,261	93,610	78,068	89,686	81,151	73,532	85,786	96,756	97,667	91,515
Miscellaneous (1)	14,314	16,126	18,007	19,094	18,546	10,288	11,492	15,224	14,744	13,727
Total	355,308	381,506	367,963	367,499	382,105	328,712	340,203	376,193	415,289	396,674

(1) Includes some lead used in lead Products 1957-1951 incl. (2) Included in Miscellaneous uses.
SOURCE: British Bureau of Non-Ferrous Metal Statistics.

Consumption of Total Slab Zinc by Industries

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
Galvanizing	80,[illegible]19	89,393	94,039	105,932	65,915	73,760	95,675	111,838	113,129	110,568
Zinc Base Alloys	43,048	30,109	27,749	36,003	34,737	25,034	29,969	39,406	46,426	39,842
Brass	65,614	60,482	45,755	57,132	57,576	60,117	47,989	69,256	74,987	60,048
Rolled Zinc	29,232	30,294	27,581	30,756	22,852	18,740	24,676	24,526	25,070	25,572
Other	31,584	39,744	27,426	35,499	29,678	13,740	17,916	24,179	21,900	17,576
Total	249,997	250,022	222,550	265,322	210,758	191,391	216,225	269,205	281,512	253,606

SOURCE: British Bureau of Non-Ferrous Metal Statistics.

UNITED STATES

Consumption of Total Lead by Industries

(tons of 2,000 lbs.)

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956 (1)
Storage Batteries	380,000	373,300	280,600	406,800	353,800	330,000	356,500	337,200	375,000	366,131
Lead Alloys	168,300	183,200	130,600	187,900	156,700	146,100	158,800	168,600	199,300	221,738
Tetraethyl	66,600	83,800	101,700	111,100	127,500	148,000	158,300	160,700	165,100	191,990
Cable	158,700	184,300	130,100	136,800	136,900	146,200	151,500	127,900	121,100	133,924
Pigments	120,600	93,300	69,200	109,900	104,400	86,100	85,200	95,300	106,800	115,225
Lead Products	116,500	101,000	82,000	121,700	104,500	103,100	99,500	102,700	118,000	116,938
Miscellaneous	161,300	110,100	73,800	136,800	167,200	141,500	141,200	102.500	120,400	44,054
Total	1,172,000	1,129,000	868,000	1,211,000	1,151,000	1,101,000	1,151,000	1,094,900	1,205,700	1,190,000

Consumption of Slab Zinc by Industries

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956 (1)
Galvanizing	361,327	370,969	350,880	441,686	400,279	377,688	406,988	403,463	451,141	421,218
Zinc Base Alloys	214,469	234,628	202,181	289,527	296,434	236,689	307,445	290,846	430,807	352,451
Brass	112,347	109,140	85,534	139,373	143,292	155,608	178,182	108,268	146,243	122,395
Rolled Zinc	70,680	76,672	55,200	68,444	64,085	51,318	54,649	47,486	51,589	45,382
Other	27,537	26,326	18,046	28,104	29,881	31,480	38,663	34,236	40,032	36,251
Total	786,360	817,735	711,841	967,134	933,971	852,783	985,927	884,299	1,119,812	977,697

(1) Preliminary U. S. B. M. SOURCE: American Bureau of Metal Statistics.

P. W. Smith V.-P. of Walston & Co. Inc.

Philip W. Smith, Jr., member of the New York Stock Exchange, on Aug. 1 will become a Vice-President of Walston & Co., Inc., 120 Broadway, New York City, members of the New York and Pacific Coast Stock Exchanges. Mr. Smith was formerly a partner in John J. O'Brien & Co.

Mason Bros. Add

(Special to THE FINANCIAL CHRONICLE)

SACRAMENTO, Calif. — Estelle B. Diamond has been added to the staff of Mason Brothers, Financial Building.

Edwin J. Schlesinger, Pioneer Investment Counselor Dies at 70

Edwin J. Schlesinger, pioneer in the investment counsel field, passed away at the age of 70 due to a heart ailment at the Polyclinic Hospital, this city. Until July 7th he was actively engaged as an investment counsel with offices at 41 East 42nd Street, New York City.

Edwin J. Schlesinger

Mr. Schlesinger was one of the first to obtain investment counsel status, and was active in the development of the Investment Advisers Act of 1940 which gave professional status to this field. He wrote extensively for many publications on financial matters, particularly the *Commercial & Financial Chronicle*. He was active in civic affairs including the Grand Jurors Association, West Side Republican Club, and was a former Chairman of New York County Prison Committee.

Mr. Schlesinger, who was born in New York City, attended the public schools in New York and also pursued his professional studies at Cornell, Columbia and New York Universities.

First Boston Group Offers McLouth Steel 5% Conv. Pfd. Stock

The First Boston Corp. headed an underwriting group that yesterday (July 24) offered for public sale 105,000 shares of McLouth Steel Corp. 5% cumulative convertible preferred stock at par ($100 per share) and accrued dividends.

The new preferred is convertible into common stock of the company at any time prior to redemption at a conversion price per share of common stock of $46, each share of convertible preferred being taken at $100. The newly issued preferred is subject to redemption at $105 per share before July 1, 1962; $103 per share thereafter and before July 1, 1967; $101 per share before July 1, 1972 and $100 per share thereafter.

The company plans to use the proceeds from the sale to provide a portion of the funds for the 1957-58 expansion program to involve the spending of approximately $34,000,000 for improvements designed to cut production costs and for increasing steel production capacity. Completion of the program will give the company an annual rated capacity of about 1,812,000 net tons of steel ingots compared with a present capacity of 1,574,000 tons. The company operates three plants all in the Detroit area.

McLouth Steel Corp. is a major producer of carbon steel and stainless steel in the Detroit area, distributed principally to the automotive industry. In 1955, 1956, and the first 4 months of 1957, General Motors Corporation accounted for 40.6%, 37.7% and 35.1%, respectively, of the company's gross dollar sales. An agreement with General Motors Corp. provides the latter company will purchase annually at least through May 31, 1967, 5% of its total steel tonnage requirements for use in the United States.

Altamil Stock Offered At $5.50 Per Share

Van Alstyne, Noel & Co. and associates yesterday (July 24) offered 250,000 shares of Altamil Corp. common stock at $5.50 per share.

The company intends to add the net proceeds from 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 $989,000 for machinery and equipment to be acquired or constructed by the company. Such machinery and equipment will be owned by the government 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 machined structural components for use in high speed military and commercial aircraft and missiles. Through highly refined sculpture-milling techniques, used in conjunction with machine tools designed by the company, integrally stiffened airframe components and structures, such as wing sections, beams, spars, ribs and bulkheads, are produced from aluminum bar and plate stock. Sales rose from $363,000 for the year ended Aug. 31, 1952 to $4,568,000 for the year ended Aug. 31, 1956. For the eight-month period ended April 30, 1957 sales totaled $7,696,000.

With McKendrick Haseltine

(Special to THE FINANCIAL CHRONICLE)

MINNEAPOLIS, Minn.—Donald G. Rush has become connected with McKendrick, Haseltine & Wilson, Inc., 114 South Ninth St.

With State Bond & Mtg.

(Special to THE FINANCIAL CHRONICLE)

NEW ULM, Minn.—Anthon M. Hesch has become affiliated with State Bond & Mortgage Co., 28 North Minnesota Street.

Chemical Corn Exchange Bank
C. J. Devine & Co.
Continental Illinois National Bank and Trust Company of Chicago
The Northern Trust Company
R. H. Moulton & Company
Goldman, Sachs & Co.
Kidder, Peabody & Co.

Eastman Dillon, Union Securities & Co.
Bear, Stearns & Co.
Merrill Lynch, Pierce, Fenner & Beane
Blair & Co. Incorporated
Weeden & Co.
The First National Bank of Boston
The First National Bank of Portland, Oregon

The Philadelphia National Bank
Seattle-First National Bank
Equitable Securities Corporation
Stone & Webster Securities Corporation
Dean Witter & Co.
Phelps, Fenn & Co.

White, Weld & Co.
Salomon Bros. & Hutzler
R. W. Pressprich & Co.
Paine, Webber, Jackson & Curtis
Mercantile Trust Company
Shields & Company
Reynolds & Co.
Ladenburg, Thalmann & Co.

American Securities Corporation
J. Barth & Co.
Alex. Brown & Sons
Clark, Dodge & Co.
Dick & Merle-Smith
Dominick & Dominick
First of Michigan Corporation
First Western Bank and Trust Company
Hallgarten & Co.
Hayden, Stone & Co.

Hemphill, Noyes & Co.
Laidlaw & Co.
Lee Higginson Corporation
Carl M. Loeb, Rhoades & Co.
F. S. Moseley & Co.
National State Bank Newark
John Nuveen & Co. (Incorporated)
L. F. Rothschild & Co.
Schoellkopf, Hutton & Pomeroy, Inc.

William R. Staats & Co.
Stroud & Company Incorporated
Andrews & Wells, Inc.
Bache & Co.
Baxter & Company
A. G. Becker & Co. Incorporated
J. C. Bradford & Co.
Branch Banking & Trust Company
Braun, Bosworth & Co. Incorporated
Coffin & Burr Incorporated
Francis I. duPont & Co.

Estabrook & Co.
E. F. Hutton & Company
W. E. Hutton & Co.
Kean, Taylor & Co.
The Marine Trust Company of Western New York
Laurence M. Marks & Co.
W. H. Morton & Co. Incorporated
Roosevelt & Cross Incorporated
Shearson, Hammill & Co.
Tucker, Anthony & R. L. Day

B. J. Van Ingen & Co. Inc.
Bacon, Stevenson & Co.
Bacon, Whipple & Co.
Barr Brothers & Co.
City National Bank & Trust Co. Kansas City, Mo.
Commerce Trust Company Kansas City, Mo.
R. S. Dickson & Company Incorporated
Eldredge & Co. Incorporated
Fitzpatrick, Sullivan & Co.

Fidelity Union Trust Company Newark
Geo. B. Gibbons & Company Incorporated
Gregory & Sons
Ira Haupt & Co.
Hirsch & Co.
The Illinois Company Incorporated
A. M. Kidder & Co., Inc.
Wm. E. Pollock & Co., Inc.
F. S. Smithers & Co.
Spencer Trask & Co.

Trust Company of Georgia
Wachovia Bank and Trust Company
G. H. Walker & Co.
Robert W. Baird & Co. Incorporated
Baker, Watts & Co.
Barrett, Fitch, North & Co.
William Blair & Company
Bramhall, Falion & Co., Inc.

Dempsey-Tegeler & Co.
King, Quirk & Co. Incorporated
Mercantile-Safe Deposit and Trust Company
National Bank of Commerce of Seattle
Newhard, Cook & Co.
New York Hanseatic Corporation

The Ohio Company
Schwabacher & Co.
Stern Brothers & Co.
J. S. Strauss & Co.
Taylor and Company
Tripp & Co., Inc.
Van Alstyne, Noel & Co.
Chas. E. Weigold & Co. Incorporated
Robert Winthrop & Co.
Wood, Struthers & Co.

A. G. Edwards & Sons
Glickenhaus & Lembo
G. C. Haas & Co.
Hannahs, Ballin & Lee
Lawson, Levy & Williams
Irving Lundborg & Co.
Model, Roland & Stone
Moore, Leonard & Lynch
Rand & Co.

Rauscher, Pierce & Co., Inc.
Republic National Bank of Dallas
Shuman, Agnew & Co.
Stern, Lauer & Co.
Stone & Youngberg
Third National Bank in Nashville
R. D. White & Company
Wood, Gundy & Co., Inc.
H. E. Work & Co.

Auchincloss, Parker & Redpath
C. F. Childs and Company Incorporated
City National Bank & Trust Company of Chicago
Julien Collins & Company
Courts & Co.
Cruttenden, Podesta & Co.
Shelby Cullom Davis & Co.
Elkins, Morris, Stokes & Co.

Fahey, Clark & Co.
Dittmar & Company, Inc.
The First National Bank of Memphis
Freeman & Company
Hayden, Miller & Co.
Kenower, MacArthur & Co.
McDonald & Company
The National City Bank of Cleveland
Raffensperger, Hughes & Co. Incorporated

Reinholdt & Gardner
Rippel & Co.
Stephens, Inc.
Ryan, Sutherland & Co.
Atkinson and Company
Blunt Ellis & Simmons
A. Webster Dougherty & Co.
Federation Bank and Trust Co.
Field, Richards & Co.

Fulton Reid & Co., Inc.
Ginther & Company
Granbery, Marache & Co.
Hill Richards & Co.
J. A. Hogle & Co.
McCormick & Co.
McDonald-Moore & Co.
The Milwaukee Company
Mullaney, Wells & Company

W. H. Newbold's Son & Co.
D. A. Pincus & Co.
Singer, Deane & Scribner
Stubbs, Smith & Lombardo, Inc.
Talmage & Co.
Thomas & Company
Chas. N. Tripp Company
Anderson & Strudwick
Allan Blair & Company

Brush, Slocumb & Co. Inc.
Cunningham, Schmertz & Co., Inc.
Ernst & Co.
Folger, Nolan, Fleming-W. B. Hibbs & Co., Inc.
Garrett-Bromfield & Co.
Robert Garrett & Sons
Goodbody & Co.
Hooker & Fay

Kalman & Company, Inc.
A. E. Masten & Company
McDonnell & Co.
Wm. J. Mericka & Co., Inc.
J. A. Overton & Co.
Park, Ryan, Inc.
The Peoples National Bank of Charlottesville, Va.
Pierce, Carrison, Wulbern, Inc.
Piper, Jaffray & Hopwood

The Robinson-Humphrey Company, Inc.
Rockland-Atlas National Bank of Boston
Schaffer, Necker & Co.
Seasongood & Mayer
Shaughnessy & Company, Inc.
Herbert J. Sims & Co., Inc.
John Small & Co., Inc.
Soden Investment Company

Stein Bros. & Boyce
Stix & Co.
Stranahan, Harris & Company
Sutro Bros. & Co.
Thornton, Mohr & Farish
Townsend, Dabney and Tyson
J. C. Wheat & Co.
Winslow, Cohu & Stetson
Arthur L. Wright & Co., Inc.

Zahner and Company
Bosworth, Sullivan & Company, Inc.
Burns, Corbett & Pickard, Inc.
Channer Securities Company
The Continental Bank and Trust Company Salt Lake City, Utah
Davis, Skaggs & Co.
The First Cleveland Corporation

First of Texas Corporation
Janney, Dulles & Battles, Inc.
Lucas, Eisen & Waeckerle Incorporated
Lyons & Shafto Incorporated
McMaster Hutchinson & Co.
Northwestern National Bank of Minneapolis
Pacific Northwest Company
Prescott & Co.
Rodman & Renshaw

H. V. Sattley & Co., Inc.
Scott, Horner & Co.
Stern, Frank, Meyer & Fox
The Weil, Roth & Irving Co.
Fred D. Blake & Co.
Boettcher and Company
Doll & Isphording, Inc.
Dwinnell, Harkness & Hill Incorporated
Clement A. Evans & Company Incorporated

Fauset, Steele & Co.
The First of Arizona Company
Foster & Marshall
Frantz Hutchinson & Co.
J. B. Hanauer & Co.
Interstate Securities Corporation
Magnus & Company
J. Earle May & Co.
Merrill, Turben & Co., Inc.

Penington, Colket & Co.
Walter Stokes & Company
Wagenseller & Durst, Inc.
Walter, Woody and Heimerdinger
C. N. White & Co.
I. L. Brooks Securities Co.
Ferris & Company
Wilson, Johnson & Higgins

July 25, 1957

A circular relating to these bonds may be obtained from any of the above underwriters.

Bank and Insurance Stocks

By ARTHUR B. 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 just how 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, and after the announcement of the plan thus to increase capital, the market for First City declined several points. This in turn gave the rights negligible value, and the first day of trading in them saw an opening quotation of 3 cents 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 afforded on the newly announced cash dividend of $3 annually?

Bank managements have, for the greater part, been fairly generous over the past several years to their shareholders. Empire Trust in February of this year paid a 4% stock dividend, maintaining the new capital set-up on the old $3 annual rate; in other words, paying what in essence was a 4% increase in cash for the old stock. But preceding this, Empire had paid several other stock dividends, getting capital up to $10,000,000 before the 4%, and in each case adhering to the $3 rate. This resulted in a substantial increase in the cash payment of the shareholder who held the stock through these capital increases; and still Empire is disbursing less than one-fifth of its present rate of operating earnings.

Guaranty in February, 1957, declared a 20% stock dividend, continuing the $3.20 old rate on the new capitalization, an effective 20% increase in cash.

Hanover Bank disbursed a 20% stock dividend in August, 1956. It had only several years earlier ordered several stock dividends and a two-for-one split. The unsplit stock had been on a $4 annual rate; the split stock received $2, so, effectively, the 1956 20% was an increase of that amount in the cash disbursement.

J. P. Morgan & Co., Inc., have just voted a 16⅔% stock dividend. It, too, will retain the old $10 annual dividend on the new capitalization, so that the old holder of 10 shares with a dividend of $100, will now get $116.67 annually.

Manufacturers had a two-for-one split in January, 1956.

United States Trust had a five-for-one split in the same month.

Chase Manhattan Bank gave rights to purchase new stock on a favorable 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 Corn Exchange Bank in January, 1956, issued rights to stockholders to subscribe to new stock. The stock is higher today.

New York Trust in 1955 issued a 100% stock dividend. It is rumored that New York Trust will be merged, but the President of the bank has denied it. The first rumors had First National City Bank as the one to take over New York Trust. Other rumors, for which there has been no confirmation, have been going the rounds.

Chase Manhattan paid $2.25 in 1956; now it is on a $2.40 annual basis.

In 1955, Irving Trust added to its string of dividend increases, going from $1.30 (including a 10-cent extra) to $1.70 (also including a like extra).

Such are the earnings of Bank of New York (it disburses in dividend only about 43% of operating earnings) relative to the dividend that it is logical to expect at least an extra of, say, $2 at the end of this year. After all, the shares once paid $24, equivalent to $12 on the present stock.

Despite all this favorable news for bank shareholders, these banks continue to sell at more favorable price: earnings ratios; at higher rates of operating earnings to equity; and they continue to show lower pay-outs to operating earnings. A comparison with utility stocks or fixed-rate non-convertible preferreds favors the bank shares. And market prices are beginning to confirm this appraisal.

Herman Borchardt Joins Sutro & Co.

SAN FRANCISCO, Calif.—Sidney L. Schwartz, senior partner of Sutro & Co., 460 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges, has announced that Herman Borchardt, a security analyst of wide experience, has joined the company to head its analytical and research department. Mr. Borchardt brings to his new association, according to Sidney L. Schwartz, experience and training in analyses of corporate managements, their financial structure, products, markets, raw material supplies, labor situations and the corporation's position in the overall industry of which it is a part. For many years he was senior analyst with the securities division of Investors' Diversified Service, Inc., of Minneapolis.

Herman Borchardt

Mr. Borchardt started his business career with Babson's Reports, Inc., Wellesley Hills, Mass. His business career was interrupted by four years service in World War II. When he returned to civilian life he joined the field investigation division of Keystone Custodian Funds, Inc., in Boston. From Keystone he went to Investors' Diversified Securities and from there to his present position with Sutro & Co.

Berry & Co. Offers Haydu Electronic Stk.

Berry & Co., of Plainfield and Newark, N. J., are publicly offering 100,000 shares of common stock (par 10 cents) of Haydu Electronic Products, Inc., at $3 per share on a best efforts basis.

The net proceeds are to be used for tooling purposes and to expand the company's operations. Any balance will be used for working capital and other corporate purposes.

Haydu was organized in New Jersey on June 26, 1956, for the purpose of acquiring the major portion of a business known as Haydu Brothers of New Jersey, a subsidiary of the Burroughs Corporation.

Production facilities and executive offices of the corporation are located at 1426 West Front St., Plainfield, N. J., in a modern, one-story building of approximate 20,000 square feet.

Haydu Electronic Products is divided into three basic divisions. The Precision Products Division is engaged in quality and precision manufacturing of intricate machined component parts for the electronics industry.

The second major activity of the company is the Industrial Gas Burner Division which is a well-accepted product line representing the culmination of many years of research and development work in design and precision manufacturing.

The newest phase of this corporation is the Instrument Division. The company currently has a prime contract with the U. S. Army Signal Corps and is in the process of negotiating for other prime contracts with the other branches of the Armed Forces. Haydu Electronic Products is preparing a completely new, air conditioned and dust-free section of their plant facilities for the manufacture and overhaul of airborne and electronic instruments.

McClure, Saxton With Pierce, Carrison Firm

TAMPA, Fla. — Louis C. McClure and Louis M. Saxton have become associated with Pierce, Carrison, Wulbern, Inc. of Jacksonville, as Vice-Presidents, in their newly opened Tampa office, 617 Madison Street. Mr. McClure will be in charge of the corporate investments division, and Mr. Saxton in charge of the Florida Gulf Coast offices. Both were formerly officers of Stevens, White & McClure Inc.

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

Three With King Merritt

(Special to THE FINANCIAL CHRONICLE)

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

Continued from first page

Undeviating Inflation in France—A Perilous Menace

the mother country, not a colony—has shifted from the Arabs to the WHITES. The fighting nationalists of Arab or Berber race scarcely muster more than 15,000 men. Their military position is extremely difficult, their losses pro-rata excessively high, and their morale low. The rest of the colored population is sick and tired of the whole thing. By all indications, they could be appeased by some concessions along the lines of a partial self-administration. But no such concession is possible because of the resistance of the 1.5 million white Frenchmen living in that country, most of them for two or three generations, who are determined not to come under the thumb of the 7,000,000 indigenous people, overwhelmingly illiterate and medieval in their outlook (if any). The danger is that the Algerian Whites would declare an independent Algeria, and that the French army may jolly well join them.

If the French patience—or the French pocketbook—does not run out, they are likely to subdue the rebels. But the cost will be appalling: $1 million a day at present. However, it is not these costs alone that are responsible for France's unprecedented national difficulties.

Inflation and the Dollar Shortage

Military expenditures are one major cause of the deficit in the French budget, but only one. Welfare expenditures in the broadest sense of the word are even more damaging. Most of the nationalized industries are running at a loss. This is true at least for almost all of those run by the government—the Post Office, the Railroads, Electricity, Gas and Coal, to mention the most important ones. Social Security, which takes 6% out of the workers' payroll and adds an additional 25% to the employers' wage bill, is another deficit-industry, the gap to be filled every year by contributions from general tax revenues. Then comes the whole array of subsidies: to the wheat farmers, to the sugar beet farmers, to the exporters, etc. Subsidies in the form of tax reductions and exemptions pour fuel on the fire by reducing the fiscal revenues. The extreme complexity of the tax system and the high level of taxation invite evasion and avoidance by every trick in the book—and age-old pastime of the Frenchmen, anyway.

If the deficit is inflationary in effect, it has the further consequence of ruining the Government's credit and causing more inflation by detracting the savers from investment in Government paper. Consequently, recourse to the banks and ultimately to the Central Bank is one of two ways of covering the deficit. The other is not immediately inflationary, but is tending to be just that. It consists in selling Government Bonds at 5½% yield, or so, with additional premiums and escalator features thrown into the bargain. Thus, the budget is being burdened with high interest charges on the debt, and an automatic vicious spiral is written into it.

Criticizes French Central Bank

Budget deficit is the Number One source of monetary inflation in France. Number Two and Number Three are not to be forgotten either. Whatever happens to the country's gold and dollar reserves, French consumers keep raising their living standards, and French business keeps expanding its outlays. That is what makes for perpetual full employment, France had no serious unemployment even during the worst days of the depression. The trouble is that the Central Bank, the Bank of France, does not seem to care much either and proceeds to supply the funds which permit the banks to lend to business. The Bank of France does one more thing which is an appreciable factor in upsetting the price structure: for the last two years it has financed housing construction. This was supposed to be a short-term transaction. The National Mortgage Bank (Credit Foncier) borrows from the central banks and then repays out of the proceeds of the sale of mortgage bonds. But there is no market for mortgage bonds in an inflation, and the Central Bank is stuck with its "short-term" housing credits. So is the circulation with the money printed for that purpose.

The dollar crisis is an outright product of this monetary policy. The excess money and the expectation of further rising prices induces people to import. France cannot export enough because the prosperous domestic market distracts the producers from foreign outlets, and because the inflation-fostered rise of costs incapacitates the French exporter on the International Markets.

The most vicious of all vicious circles, and the most illusory of all illusions with which the French people live, is the full employment, or rather over-full employment, arising out of this set-up. A nation with 44,000,000 population and with hundreds of thousands of foreign workers has barely 200,000 unemployed on record. Full employment means good business, good wages and good profits, above all, the illusion that everything is going well. Why worry about such little troubles as an Algerian guerrilla war, a good chunk of deficit in the budget and the prospect that before the end of the year there will be no gold or dollars left in the Central Bank? Since everything is going well and jobs are plentiful, wages keep rising, providing even an ever-fresh impetus to this unhealthy boom and to rising prices.

The Roots of Frustration

What is most frustrating about this French picture is the self-evident fact, expounded time and again by experts and others, that France is a very rich and fundamentally healthy country. With a modest amount of self-restraint—such as cutting out a number of subsidies, reducing the cost-raising and incentive-killing protectionism, proceeding toward currency convertibility—the situation could be brought under control, with or without Algeria's pacification. Four years of relative stability, from 1952 to mid-1956, have shown how little it takes to restore the Frenchman's confidence in his currency, to lure his savings into bonds and institutional accounts, to discourage gold hoarding. Also, if France tried to put her house in order, she would be offered short and long term credit not only from New York, Toronto and Zurich, but also from Frankfurt and elsewhere. What then is wrong with France and the Frenchman? What keeps them from "going straight?"

It is a long story, of course, but the essentials may be brought out in a few points, drastic as they may sound.

The first point has to do with politics and the Constitution. The

French National Assembly of 1945 made a terrible mistake (which it regrets now) of abolishing the upper chamber, the Senate. As the monetary reforms of 1928 and 1938 have shown, it was the Senate, and the Senate alone, that could and did put over unpleasant, unpopular measures—being an assembly of financially independent men, each representing a larger territory rather than a fairly small circle as the Deputy does. The latter could tell his voters that it was the wicked Senate that forced on him the measures of stabilization without regard for their (the voters') feelings. Presently the poor deputy has nowhere to take refuge and the single Chamber, the sole organ of sovereignty, consisting largely of national and local pressure group representatives, 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 over $1. And what do the French do? One scarcely hears a protest in this country which is 100% literate and at least 150% articulate. What happens is that those who have money buy things durable or semi-durable, if only a bicycle. The rich go for oil stocks (which went up five-fold in two years' time), 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 gold coins they already have, but do not add to this "liquid" reserve, having been discouraged 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 get them, too. The shopkeepers pronto start raising their prices. A new price inflation is threatening France—one that is not likely to be held back by the moderate "counter poison" in the form of credit restrictions with which Monsieur Baumgartner, the President of the Bank of France, tries to offset the effect of the money outpour to cover the budget deficit.

Responsibility for Demoralization

The true tragedy of France is the near-complete fatalism with which her people take a new inflation-wave "on the chin." Few bother to ask where this process leads. For the moment, the national gold reserve (the $1,000 million left of it) and the country's international credit—an additional $200 million from the European Payments Union—are being squandered. In a year or so, the new export premiums and import restrictions will restore the balance of trade, so the French figure. Beyond that, they do not even figure either nationally or individually.

How many more times can the franc still depreciate? What will happen to the average Frenchman, his business or job, to say nothing of the fixed income recipient, and the (some 9 million 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 the Sickness Security's expense. If pressed for an answer about the future, his answer is unalterably: the government will have to take care of us. And who takes care of the government? Why, Uncle Sam, of course.

Craig-Hallum Adds

(Special to The Financial Chronicle)

MINNEAPOLIS, Minn. — Clifford E. Severson has been added to the staff of Craig-Hallum, Inc., Rand Tower.

Charles Tabor Opens

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

Bankers Offer Sears Roebuck Acceptance 5% Debentures at Par

A nation-wide syndicate managed by Goldman, Sachs & Co., Halsey, Stuart & Co. Inc. and Lehman Brothers placed on the market yesterday (July 24) $50,000,000 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 their 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, 1957, 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, 1957, Sears' outstanding installment receivables arising from credit sales totaled $1,039,128,814 in 8,587,764 accounts. Total sales of Sears, Roebuck and Co. were over $3.5 billion during the fiscal year ended Jan. 31, 1957. Sears, Roebuck and Co. operates 11 mail order plants, 720 retail stores and more than 780 calalog sales offices throughout the United States, its territories and possessions.

Parker, Connaway, Holden

PORTLAND, Oreg. — Hunter Parker, Connaway & Holden has been formed with offices at 430 Southwest Morrison Street to engage in a securities business. Partners are Hunter C. Parker, Dean H. Connaway, and Glen A. Holden.

Two With Peirsol

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif.—Leroy A. Owens and Adolph E. Mora have joined the staff of T. R. Peirsol & Co., 9645 Santa Monica Boulevard. Mr. Owens was previously with Walston & Co., Inc.

Public Utility Securities

By OWEN ELY

Delaware Power & Light Company

Delaware Power & Light serves Wilmington and vicinity with electricity and gas, and three counties of Delaware with electricity. Its subsidiaries, Eastern Shore Public Service Co. of Maryland and Eastern Shore Public Service Co. of Virginia, provide electricity in most of the rest of the "Delmarva" peninsula. The population served with electricity is 557,000, and about 232,000 receive gas.

Major industries in the Wilmington area include shipyards and carshops and the manufacture of paint and chemicals and rubber, steel, paper and fibre products. Du Pont is, of course, an important customer and is represented on the board. Food processing and poultry raising are of importance in 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 15 miles south of Wilmington. Under an agreement with Tidewater, the company is reimbursed for all expenses incurred in operating this plant, and receives amortization payments at the annual rate of 3½% of the cost of the plant, plus a return (after Federal income taxes) of about $1,300,000 per year on the investment of $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 amortized value.

System revenues amounted to $41,554,101 for the 12 months ended March 31, 1957, of which 90% was derived from electric operations, 14% from gas and 6% from refinery service operations. The latter are expected to yield annual revenues of $8 million which would have reflected an increase of 19% in 1956 if the refinery had operated for 12 months instead of one.

During the five years and three months ended March 31, 1957, the System spent about $87 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 $52 million including about $23 million for the Indian River Generating Station in southern Delaware which will consist initially of two 80,000 kw. steam units. The first unit is expected to 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 the Vienna Stations interconnected with the Wilmington area by high voltage transmission lines.

The gas distribution system in the Wilmington area is being strengthened in several areas to meet future demands. Application for increased quantities of natural gas were recently made to the pipeline supplier, and it is expected that an additional 4,000,000 cf of natural gas per day will be available for the next heating season.

The consolidated capital structure as of Dec. 31, 1956, pro forma for the recent sale of $15 million first mortgage and collateral trust bonds of 1987, is approximately as follows:

	Millions	%
Long-term debt	$82	50
Preferred stock	32	19
Com. stock equity (2,091,000 shares)	52	31
	$166	100

As indicated in the table below share earnings did not show much net change in the first half of the postwar decade, and declined in 1951. Since that year, however, they have increased steadily and gains since 1953 have been particularly good. For the 12 months ended March 30, 1957, they reached $2.64 compared with $2.43 in the corresponding previous period. In the first quarter share earnings of 79c ran ahead of the budget, and compared with 74c in the first quarter of last year, when there were 12% fewer shares. Share earnings for calendar year 1957 were forecast at $2.88 early this year, which amount seems conservative—based on the first quarter results.

Electric revenues were up 9% and gas 17% in the March 12 months While deliveries of steam and electricity to Tidewater Oil Company's new refinery commenced only on Dec. 1, 1956, earnings from such service contributed to both higher revenues and increased net income. Stockholders were advised by President Plank at the annual meeting that the long range outlook continued optimistic. "We are experiencing increased interest by concerns looking for new plant sites in this area," he stated. "We believe that our location with respect to markets, living conditions and climate is favorable to a continuing high rate of growth."

The stock has been selling recently around 47 compared with this year's range of 51½-41½. At this price it is selling at 17.8 times the March earnings, and 16.4 times the estimated earnings for the calendar year 1957.

Paying $1.80 currently, the stock yields about 3.8%.

—Common Stock Record—

Year	Revenues (Mills.)	Earned	Paid	Approx. Range
1956	$39	$2.50	$1.58	47-37
1955	34	2.32	1.48	41-30
1954	31	2.08	1.40	34-27
1953	29	1.84	1.30	27-24
1952	26	1.75	1.20	26-23
1951	23	1.68	1.20	26-21
1950	21	1.95	1.20	24-19
1949	19	1.95	1.20	22-17
1948	18	1.86	1.00	19-15
1947	15	1.60	1.00	25-16
1946	14	1.82	1.00	27-19

Three With Kerr & Bell

(Special to THE FINANCIAL CHRONICLE)

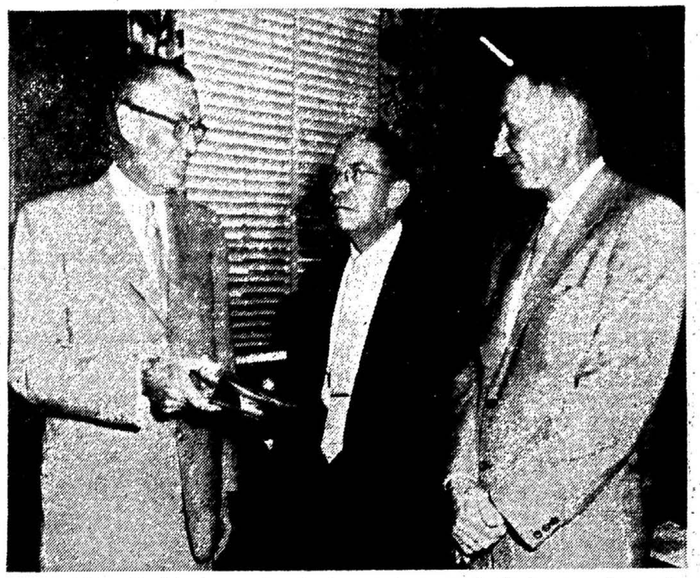
LOS ANGELES, Calif.—Bryan B. Odom, Milton B. Sheftall and Roy E. Warnock have become associated with Kerr & Bell, 210 West Seventh Street, members of the Pacific Coast Stock Exchange. All were previously with Akin-Lambert Co., Inc.

Join H. W. Peters

(Special to THE FINANCIAL CHRONICLE)

GRAND JUNCTION, Colo.—Dwain T. Jackson and John E. Te-Grotenhuis have become affiliated with Harry W. Peters, 411 Main Street.

P. F. Hartung 50 Years With Harris, Upham Co.



Philip F. Hartung (center), partner and floor member of Harris, Upham & Co. on the American Stock Exchange, has completed fifty years with the nationwide investment brokerage firm, starting at the age of 14 in July, 1907, with the predecessor organization of Harris, Winthrop & Co. He was presented with a gold cigarette box inscribed with the names of all partners by George U. Harris (left), and Henry U. Harris, senior partners.

A native of New York City and resident of Teaneck, N. J., 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, Upham & Co. on December 12, 1929.

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What Antitrust Means to The American Businessman

has, moreover, campaigned against the restrictive practices which accompany cartelization — price fixing, allocation of markets and customers, production limitations and restriction on technological improvements — as repugnant to the freedom of enterprise upon which our economy is based.

Overriding Considerations

Of coure, antitrust, though important, is but one aspect of Government policy toward foreign commerce. Other considerations, principally questions of national security, may override the antitrust policy in special situations. Thus, provision is made by the Defense Production Act for concerted industry action necessary to defense, although such arrangements must be strictly supervised by the Attorney General. An example is the recent Middle East Emergency Committee acting to maintain the oil supply to Western Europe. Other statutes, such as the Webb-Pomerene Act, provide limited immunities for concerted action in special circumstances. Even where no statutory immunity exists, the Department of Justice consults other interested agencies before filing cases which might affect our relations with foreign governments or our defense interests abroad.

But any exception must be limited to the need which gave rise to it. Basically, the antitrust philosophy is paramount in our foreign trade policy. Admittedly, it raises many problems as yet unresolved. Its operation may be inconvenient in some instances. Our own Department of Defense has stated that procurement overseas is complicated by this policy in those areas where restrictive practices are the rule, but it affirms its belief that the long term benefits far outweigh those inconveniences.

Small Price to Pay

Let me emphasize, however, that the inconveniences are a small price to pay for the maintenance of the free enterprise system. In the main, the antitrust standard requires only the same competitive conduct abroad as at home. It has been recognized that the United States has the right to protect itself from restraints upon our foreign trade even though involving acts and agreements performed or made abroad. The legal test of whether antitrust laws apply to any particular act or practice may generally be said to be whether or not such acts or agreements intend or have a substantial effect upon our imports, exports or domestic trade and commerce.

Antitrust enforcement is an important step in *promoting* international trade. Where Americans are prevented by our laws from agreeing to exclude themselves from trade in certain markets as a condition of trade in others, or where Americans invest patent rights and technological knowhow abroad on the condition that they do not make future capital investments in those markets, trade is definitely restrained in the long run. Private restrictive agreements in international trade, as at home, prevent natural expansion and continual growth of trade and commerce. It would be anomalous to attempt the promotion of economic strength and stability in the free world, while at the same time allowing private restrictive agreements to undermine that policy.

IV

In sum, then, the American businessman has a very vital stake in the antitrust laws. These laws protect his liberty and his freedom to act like a businessman — they seek to keep him free from artificial restrictions imposed by group pressure and monopoly power—free from state regulation and control.

Businessmen, for their own welfare, must appreciate antitrust's role in safeguarding freedom for initiative. By pressuring for legislative sanctuary from competition, this principal guarantee for business freedom is undermined, and will eventually be lost. Exemptions tailored to immediate problems, strict as they may seem at the moment, threaten inroads on our fundamental economic liberties. Only by cherishing these liberties and the laws which protect them, can the businessman avoid regulation, either by government, or by a monopolist or trade group which dominates his particular area of endeavor. Antitrust, then, re-emphasizes America's fundamental belief that a dynamic democracy rests secure only on the foundation of a free economy—and that economic freedom like political freedom belongs only to the vigilant.

Polymer Stock Sold by A. G. Edwards Group

A. G. Edwards & Sons on July 18 headed an underwriting syndicate which offered 70,000 shares of The Polymer Corp. common stock, class A (par $1 per share—non-voting) at a price of $19.50 per share. This offering was quickly completed.

Net proceeds from the sale of the additional 70,000 shares will be used by the company to retire existing bank loans and for working capital, including the purchase and installation of additional production and development machinery, the advance of additional funds to the company's recently formed English subsidiary, the construction of a new Research and Development Laboratory and for other corporate purposes.

The Polymer Corp. is a major producer in the United States of nylon rod, strip and tubing and one of the important producers of "Teflon" in semi-finished shapes. The principal uses of nylon are in gears, bearings, valve seats, cams, rollers, washers, wear surfaces and electrical insulators. Among other uses, "Teflon" is widely employed by the electrical industry as insulation for high temperatures and as coil and cable wrapping, by the chemical industry for gaskets, seals and valve parts and by other industries where a material requiring "non-sticking" properties is required. The company also has acquired an exclusive license (with right to sub-license) for the United States from the firm of Knapsack-Griesheim of Frankfurt, Germany, for a new coating process which is called the "Whirlclad" process in this country. The process consists essentially of dipping a preheated article into a fluidized bed of finely powdered, dry thermoplastic material. The properties thus added may be resistance to wear, low surface friction, anti-galling, chemical and corrosion resistance, or color.

For the three months ended March 31, 1957, the company had net sales of $1,378,938 and net income of $162,786, equal to 28 cents per share. In the like period of 1956, net sales totaled $1,051,476 and net income was $101,519, or 19 cents per share.

Joins Harold Wood

(Special to THE FINANCIAL CHRONICLE)

ST. PAUL, Minn.—Frank H. Winsor has joined the staff of Harold E. Wood & Co., First National Bank Building.

Three With Paine, Webber

(Special to THE FINANCIAL CHRONICLE)

COLUMBUS, Ohio—J. Edward Finneran, Jr., LeRoy E. Freter, and Jane P. Mykrantz have become associated with Paine, Webber, Jackson & Curtis, Huntington Bank Building. Mr. Freter was previously with Merrill Lynch, Pierce, Fenner & Beane.

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The Security I Like Best

account for about 50% of the total volume.

Over the next 18 months plans call for the opening of 10 new stores with a total floor area of about one million square feet, about tripling the company's present store space. Revenues from the new units are expected to range between $10 million and $25 million annually. One of the new stores will be built in New York City, another north of it in Scarsdale, two in Philadelphia, three in New Jersey (one with a supermarket), and one each in Poughkeepsie, N. Y.; Hartford, Conn.; and Harrisburg, Pa.

But why out of all the discount houses does Korvette appear **destined** to become the Sears, Roebuck of its field? There are several reasons:

(1) It has gotten a head start, and is off to a big lead—always difficult to overcome in any economic sphere.

(2) Management has the good fortune of not being schooled in the "old" methods of merchandising; all the top people grew up with the company.

(3) Stores begin to show a profit at opening or shortly thereafter, with profit and sales potential improving for a number of years thereafter.

(4) Lastly, the current expansion program is expected to cost approximately $28 million and should be available without resort to common stock or convertible equity financing.

The gradual appreciation of Korvette's common stock may be expected as earnings increase from the profitable reinvestment of internally generated cash. By limiting cash dividends (none are currently paid) the company makes available a large and growing pool of funds. These factors seem to indicate that future expansion can be accomplished without any dilution of the common stock.

Korvette has 1,242,000 shares outstanding of which management is understood to hold about half. In addition, there are warrants outstanding expiring Nov. 30, 1959 for purchase of 75,000 shares at $11 each, and employee options expiring Dec. 31, 1959 for the purchase of 51,800 shares at $10 each. The shares are listed on the New York Stock Exchange and are currently selling at around 19 down from a high of almost 26 established last year.

In conclusion, it appears that Korvette is approaching the position of one of the 50 largest merchandising firms from the standpoint of sales in the U. S. For the six months ended March 31, 1957 sales exceeded the same period of the year earlier by over 32% while earnings increased to 70 cents per share from 49 cents reported in 1956. Earnings for the fiscal year to end Sept. 30 are expected to be about $1.60 per share compared with $1.26 for the year earlier.

These excellent year-to-year comparisons are expected to continue in the future with the aid of Korvette's very aggressive and dynamic management. For this reason, purchase of the shares is recommended by those desiring capital appreciation.

Hayden Stone Opens Two Branches in France

Hayden, Stone & Co., members of the New York Stock Exchange, have opened two offices in France, at 17 Place Vendome, Paris, and at the Carlton Hotel, Cannes.

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

A group headed by The First Boston Corp. and Halsey, Stuart & Co. Inc. offered yesterday (July 24) $60,000,000 of Pacific Gas & Electric Co. first and refunding mortgage bonds, series BB, 5%, due June 1, 1989, at 100.798% and accrued interest, to yield 4.95%. The group won award of the issue at competitive sale July 23 on a bid of 99.92%.

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 proposes to retire 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 $479,042,476 while net income was $75,644,256.

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 88% 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. S. Dickson & Co.

Continued from first page

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 commemoration of the foundation of the Republican party that 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 task that confronted his party. 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," he also made it clear that he was not prepared to proceed with vigor to get rid of the New Deal nonsense. It was at that time that 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 disappointingly small."

"Does the Republican party . . . 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 discriminating taxes and other penalties, to reduce acreage or production and bring higher prices," we then pointedly asked. "There is equal need of clarity regarding such important matters as the return to the gold standard, silver purchases and credit or currency inflation, price fixing and wage fixing, government loans to industry 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 expanding 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 results in both 1934 and 1936 are well known. And essentially so matters remained 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 candidate was at the time rather widely regarded as weak the Republican party again was unable to gain the confidence of the electorate. By 1952 the Democratic party had begun to feel the handicaps and the impediments which prolonged political success is apt to bring. There was a "mess 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, and for a time had a slim majority in Congress. Congressional support for the party, however, soon slipped away, and the Republican President soon proved to be nearly as New Dealish 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 major parties is more 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 were 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 President Roosevelt not only initiated programs which 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. Much of this, thanks to the influence of these false leaders, has 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 popularity of President Eisenhower, along with his obvious tendency to think along much the same lines, will fasten these unfortunate ideas more firmly than ever in the minds of the American people. Real leaders with convictions, courage and the ability to lead popular thought back to good Americanisms will be required to undo the mischief that has been done.

It is disheartening to observe that despite dissatisfaction in the Republican party, and a good deal of jockeying for political preferment, there is next to no indication that dissident elements have the courage or the understanding to formulate a really sound program and to make it an issue in forthcoming campaigns. To be sure, there is demand for reduced expenditures, but no willingness to do the things which must be done if much saving is to be effected. There is much resentment among certain groups at President Eisenhower's insistence upon "Modern Republicanism," but when it comes to seriously undertaking to place the party on record as favoring sound and tested national policies, whether by one or the other faction in the party, there is little to bring much cheer to the heart of the voter with the good of his country at heart and with a real understanding of what needs to be done.

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Our Reactive Metal Resources And Industrial Development

market should provide the necessary incentives for the development of the metal.

Even without price incentive, considerable assistance is available from the government for the asking. By this I refer to the vast amount of metallurgical research being carried out by and for the military and the A.E.C. The results of such work are generally available to those who can show a legitimate need for them. The curtain of secrecy surrounding this research is rapidly being raised.

How to Solve Problems

Furthermore, I do not want to appear to be "Pollyannaish" about all of this in my obvious optimism for the future. True, while there are tremendous economic possibilities inherent to some of the reactive metals, there are difficult collateral problems to be solved. For example, research on a given metal may be inhibited by lack of immediate ore availability, while at the same time exploration and extractive metallurgy may be held back by lack of immediate markets. To resolve such technologic and economic dilemmas, it is necessary to approach the problem on several fronts, and it becomes necessary to tackle simultaneously physical and extractive metallurgical research, marketing, and exploration development methods.

There are long gambles to be taken in each step of the program. For instance, one company may put its chips on a given mineral deposit only to find that after its money is invested somebody else has discovered another deposit of similar material that is cheaper and easier to mine or process; another company may have developed a metallurgical process only to find it is made obsolete through a new method developed by a competitor; another company may invest in one metal only to find that research in the meantime has proved another metal to be more suitable or superior to the need. This, however, is one of the hazards of a free enterprise system, and also a source of its strength. A free enterprise system ensures and guarantees efficient competition by the greatest number and puts a premium on brains and ability.

Up to now I have discussed by way of illustration only one metal; it happens to be one in which my company has been interested. Other metals present similar problems in each phase of production and use. Even were I wise enough or experienced enough to treat them separately, there would not be sufficient time to review their individual problems. I should be unwise, however, to dismiss the topic without pointing out some specific aspects of the problem that have an important bearing upon the future of reactive metals.

Specific Aspects Affecting Reactive Metals' Future

In the first place, it is important to remember that as far as we can see at the moment, the problems of reactive metals are of lesser magnitude than those to be faced by oil, iron, copper, lead, zinc, aluminum, etc. The tonnage requirements will be smaller and consequently the mines, metallurgical plants, and marketing facilities will be on an entirely different scale. A tungsten, zirconium, or columbium mine, with its metallurgical facilities located in Southern California, cannot possibly have an economic impact upon the area similar to that of Kaiser's steel plant near San Bernardino, or the discovery of Signal Hill. The impact of these metals will be felt where they are used in the production of power—but that is not the subject of this paper.

However certain specific problems of individual metals require comment. In regard to self-sufficiency, large reserves of many of these metals are known to exist within the confines of the United States, and this should guarantee our self-sufficiency for the foreseeable future. They are: potassium, sodium, vanadium, zirconium, hafnium, uranium and boron. These metals at the moment present no problems of discovery or of a serious extractive metallurgical nature not already solved, but some of them will require the construction of plants as the needs materialize.

There is currently a shortage of molybdenum for other than reactive uses. A large part of its supply is dependent upon copper production, and the capacity of the largest single mine source at Climax, Colorado. Other smaller deposits are known but currently undeveloped. Rhenium occurs only associated with molybdenum in a few of the copper properties. Any substantial long-term use would be limited by the sale of copper, and hence molybdenum, in these particular mines. Its current supply and known uses are small, but if it were required on a large scale we would have to scramble for new sources.

Most of our titanium is currently imported, but there are ample sources to meet foreseeable requirements for metal already known and developed within the confines of the United States and Canada. Whether the ore is supplied from Australia, India, Florida, New York or Canada at the moment is essentially an economic question.

Thorium is known to exist in the Blind River deposits in Canada in far greater quantities than can be visualized for current use.

Tantalum, with few exceptions, comes as a by-product of columbium. The known world resources of high tantalum, low columbium ores could not support a greatly increased demand; the large new pyrochlore ores are notoriously low in tantalum. The columbium incentive program should also have brought forth tantalum, but it failed to do so. Hence, if tantalum were required in large quantities, those who search for it would require a stable market at a high price to warrant the kind of investigation which led to the discovery and development of our potential supplies of columbium and tungsten. Fortunately, columbium can replace tantalum in many applications, and about half, by weight, of columbium is required to do the same job that tantalum would do.

Beryllium As An Exception

There are exceptions to every rule; the metal, beryllium, may be one of these exceptions. Recurrently, metallurgists are intrigued by the potentialities presented by the metallurgical characteristics of this wonder metal. It is light, strong, fatigue and corrosion resistant, and it has a low nuclear cross section. From time to time great splurges of excitement are stimulated by the desire to use it in quantity, but each time hopes are dashed by its apparent scarcity in nature. Many geologists have searched longingly and hard, but without success, with the expectation that somehow, somewhere, there may be large concentrations of beryllium minerals in the earth's crust. If a large-scale indispensable (meaning irreplaceable) use were developed, where cost was not a serious factor, perhaps an extensive high-priced campaign could be launched to find it. I am not too pessimistic about the possibility of finding more beryllium if we can find the proper prospecting tools. The minerals in which beryllium occurs as a constituent are low grade in metal; they are difficult to analyze and difficult to detect (except spectrographically or microscopically — both expensive prospecting tools). For the time being at least, if I were one engaged in the research or development of the reactive minerals, I should not count on using beryllium in anything but small quantities. This condition may change, however.

Rare Earth Metals

At this point we come to a veritable "Pandora's Box" of elements that may or may not have uses in the reactive metal field—the rare earth metals. Four of these metals are: cerium (the most plentiful), gadolinium, lanthanum, and yttrium. As will become apparent, it is difficult to discuss these metals separately. The term "rare earth metals" is used to designate a group of elements originally known as "rare earths." They were misnamed because they are in some cases far from rare and although their oxides resemble those of the alkaline earths, the nomenclature is weak. The group consists of more than a dozen elements (there are actually two groups involved which historically have been called the "yttria" and "ceria" groups). They are for the most part past the middle of the Periodic Table and carry atomic numbers ranging from 57 to 71.

This group of elements has another distinction: there are more unpronounceable jaw-breaking names in this category of substances than exist in all the remaining list of elements. The names and their origin of nomenclature are a nightmare. Thus we have yttrium (Swedish), Lutitium (named from the old Latin designation for the City of Paris), samarium (named for a Russian), lanthanum (Greek), thulium, (named for the ancient designation of Scandinavia). Some of the tongue-twisters in this group are: preseodymium, yttebium, neo, dymium dysprosium and promethium. The list does not include delirium and pandemonium, but that is through no error on the part of chemists.

Found in Combination

As a rule, these rare earth metals are found associated with each other, and a single mineral may contain oxides of as many as a half-dozen of these strange elements. Monazite sands, the important source of thorium (the radioactive rare earth metal with which many are familiar), is also an important source of this series of elements. Monazite sands are widely scattered geographically, and productive deposits are located in India, Brazil, Union of South Africa, and in the United States, Montana, California, the two Carolinas and in Florida beach sands. There are other monazite sources about which less is known in Australia, Ceylon, Indonesia, Malaya and Korea; some of them may constitute important future rare earth metal sources.

Experimentation and uses of the rare earth metals have been inhibited in the past because of their complex chemistry and the extreme difficulty encountered in making separations of one element from another or extracting a pure constituent. The metals used to be extracted through tedious methods of fractional precipitation followed by electrolysis at high temperatures to reduce the compounds to metal—a time consuming and often an expensive procedure. Today, however, new ion exchange techniques are changing and improving our methods of extraction and separation.

These elements have suddenly become of importance in the reactor field. Cerium oxide of high purity permits us to make a safe glass through which the scientist and technologist can view reactions within the atomic pile. Other extensive uses of rare earth metals appear to be indicated in reactor applications. We have still to learn their potential.

Discovery in the U. S. A.

Until a few years ago the United States was not considered as an important source for these esoteric elements. Historically they came from Scandinavia and localities such as the Travancore sands of India, or Bahia, Brazil and were assumed to be adequate for all foreseeable future demand. Now these conditions have changed. Although rare earth metal requirements have not currently approached those of base or alloy metals, their use and application are increasing, and here again, under the stimulus of need, we appear to be meeting our requirements and finding new and important sources of rare earth minerals here in the United States.

At Mountain Pass in California, in 1949 there was discovered a very large deposit of bastnaesite, a fluocarbonate of the rare earths. This deposit is extensive and coupled to other domestic sources is capable of supplying all of the foreseeable raw material requirements for the ceria group of rare earth metals to American industry for years to come. Again we have the example of a resource that until recently was on the nation's list of materials in the scarce category—a resource that through search that was stimulated by a free system, is no longer in short supply.

The technology of the rare earth metals is still in its infancy but these elements excite the interest of every research metallurgist. They offer a fascinating field for investigation both in respect to their intrinsic properties and their possible industrial application. Therefore, the existence of the deposit at Mountain Pass may have important implications in California's industrial history, even though rare earth metal production today barely makes a noticeable dent in our minerals economy.

Taken all in all, the very little I have contributed can be summed up in a few short sentences.

Each of the reactive metals taken individually presents few insoluble problems from the point of view of supply, compared to the steel, lead, copper and aluminum required in the construction of the plants and the distribution of the energy and useful by-products. Almost all of them are available either in the United States or from safe nearby sources. Hence, we can conclude that their location will have nothing but the most beneficial effects upon the industrial growth of the United States, especially in the field of atomic power.

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Preserving Three Basic Elements In Our Free Enterprise System

subversion. Fortunately that is not the case in America. Let me say, with some pride, that the free trade union movement of our country has virtually eliminated that possibility. We have exposed and driven out the Communist from our movement. At this time, and in my judgment for all time, the American labor movement, as represented by the AFL-CIO, is free from Communist influence and immune from Communist subversión. No other free nation in the world enjoys such built-in insurance.

This is matter of direct interest and advantage to the American business community, as well, as I shall explain shortly.

But first let me point out that the real internal threat to our way of life is the possible collapse of the free enterprise system under which we operate. In fact, the leaders of Soviet Russia for years have been playing a waiting game in the fervent hope and belief that such a collapse is inevitable.

Their thinking is based upon two apparent weaknesses in our economy—first, the constant danger of inflation followed by deflation, what used to be called boom and bust; secondly, the purported clashing interests of management and labor.

Cooperative Division of Output

These two problems are closely inter-related. In the very nature of the free enterprise system, production is geared to a basic incentive. On the one hand, capital and management want more. On the other hand, labor wants more. Both want more constantly.

Now these desires are natural and healthy and possible of attainment, if pursued with common sense and intelligent self-restraint. As this dynamic economy of ours keeps going, it keeps growing and greater rewards are available for those who contribute to the processes of production. But labor cannot make progress at the expense of the rest of the economy and business cannot make progress at the expense of the rest of the economy. Neither can take out more than they put in.

Let me put it another way. Labor can't put the fellow out of business who fills the pay envelope and then still have a filled pay envelope. The employer can't over-price the customer beyond his customer's means and still expect to have customers.

Both have a responsibility to each other, to the community and to the nation as a whole. Only through the exercise of such responsibility can we avoid the pitfalls of inflation and eliminate some of the labor-management conflicts which have plagued us in the past.

Obviously, the best antidote to labor - management conflict is greater labor - management cooperation. It can be achieved, in my considered judgment, once there is complete acceptance on the part of employers of the idea of trade unions. Strange to relate, there are still business people in this country, who feel that the whole country would be better off if the trade union movement were to be destroyed—and some employer organizations are still working overtime to bring about that very result. I don't see how an employer can expect cooperation from a union when he is aiming a knife at its back.

Assesses Labor's Responsibility

Naturally, the blame is not all on one side. Labor must bear its share of the responsibility. As the trade union movement grows bigger and bigger, it must realize that it has obligations to fulfill—obligations to clean out racketeering as well as Communism, obligations to make it possible for a fair employer to operate his business without fear of being caught in the middle of a jurisdictional dispute, obligations to temper collective bargaining demands to the realistic ability of business to pay.

Human nature being what it is, I don't expect all this to happen overnight. But I am convinced that employers and trade union leaders will be willing to shoulder a greater share of responsibility once they realize that our whole future—the future of labor and business and all the American people—is tied right up in one bundle.

This is the time when American employers must ask themselves this question — what is the long range percentage in carrying on an endless fight against a free trade union movement which is the only labor instrumentality that defends and protects our right to stay in business?

As for the AFL-CIO, insofar as I can direct its policies, it will stick to the simple purpose for which it was founded—to build up the standards of American workers. In pursuance of that purpose, it will live up to the high principles embodied in its Constitution. It will cooperate in every possible way, with management, with community groups and with the public authorities. Above all, it will do its part to defend and safeguard our free, American way of life against any and all aggressors.

J. Herbert Evans Adds

(Special to THE FINANCIAL CHRONICLE)

ST. PETERSBURG, Fla.—Frank S. Smith has become affiliated with J. Herbert Evans & Co., 90 31st Street, South. He was previously with Bache & Co.

With Fulton Reid Co.

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Eugene C. Stringer, Jr. is now affiliated with Fulton Reid & Co., Inc., Union Commerce Building, members of the Midwest Stock Exchange.

With G. L. Sommer & Co.

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Marvin T. Filiar is now connected with G. L. Sommer & Co., Tudor Arms.

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.

"We 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 likewise moving rapidly, more rapidly than some people think wise. They deserve great credit for their efforts instead of being denounced as they frequently are as 'colonialists.'"
—Adlai E. Stevenson.

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 settled conditions can be restored and maintained in the presence of even the semi-colonialism now existing.

Continued from first page

Significant Population Changes Over Next Decade

critical acceptance of the uniformly optimistic projections which we see featured so generally in technical journals and business reviews. I believe it is safe to say that demographers are about as well 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 demographic 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.

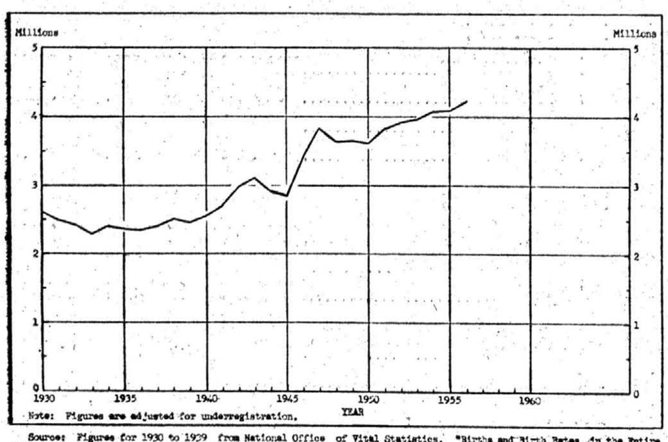
The past 10 years have been notable for many changes, but those in the field of demography have been among the most dramatic and most widely discussed. We are now in our 11th year of high birth rates, and demographers have ceased to explain the high levels as a temporary phenomenon to be explained by the effects of the war and making up for depression losses. Repeatedly, sets of projections have become obsolete because of the fact that the birth rate remained so high that the actual population was appreciably above the highest of the series of projections. The rapid growth of population and the prospects for further substantial increases have received much attention from economists and sociologists, as well as from many business analysts. There is little doubt that confidence in the prospects for increased markets for most kinds of consumer goods has been an important element in the substantial expenditures of business for new plant and equipment in the past few years.

Our Projections for 1965

We believe that it is a useful function of the Bureau of the Census to prepare 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.

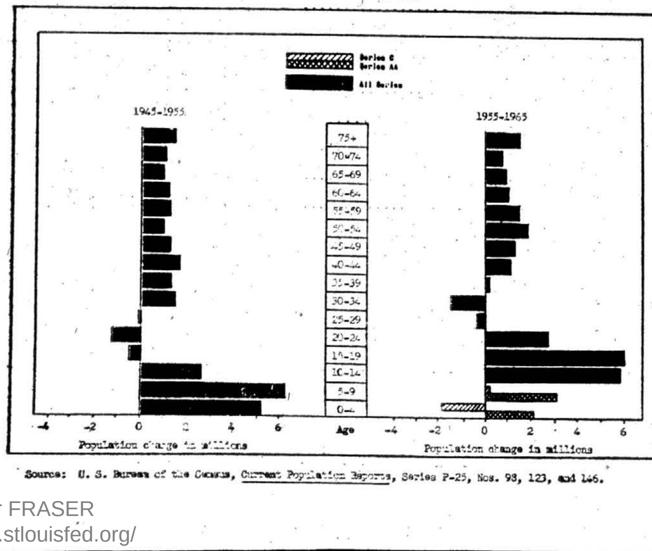
I shall not undertake to describe the particular assumptions which we have used, but will indicate merely that the projections for 1965 range from 186 million to 193 million, increases of 12% to 17% respectively over 1955 (Table I). By far the most important and most uncertain element in these projections is the course of the birth rate in the next 8 years. Chart I indicates the considerable increase that took place between 1945 and 1947, after which the changes have been relatively small. Most population experts have been chastened by the abrupt change in the 'Forties and would hesitate to rule out the possibility of another change which would greatly affect the projections we have made. 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, that the effect of variations in these components is likely to be much smaller than the effect of changes in the birth rates.

Chart 1.--ANNUAL NUMBER OF BIRTHS IN THE UNITED STATES: 1930 TO 1956



Source: Figures for 1930 to 1939 from National Office of Vital Statistics, "Births and Birth Rates in the Entire United States, 1909-1948," Vital Statistics--Special Reports, Vol. 33, No. 8 (September 1950). Figures for 1940 to 1956 from reports of the National Office of Vital Statistics.

Chart 2.--ESTIMATED AND PROJECTED CHANGES IN THE POPULATION OF THE UNITED STATES, BY AGE GROUPS: 1945 TO 1955 AND 1955 TO 1965



Source: U. S. Bureau of the Census, Current Population Reports, Series P-25, Nos. 98, 123, and 146.

Comparisons of Current Growth

It may be of interest to note that the present rate of natural increase (i.e., excess of birth rates over death rates) in this country, although extremely large by comparison with that in the '30s and early '40s, is not particularly high when compared with rates of increase in the 19th century.

Precise historical comparisons with the 19th century experience are not possible since birth and death figures are not available for analysis of the components of population change in that period. It appears, however, that the present rates of natural increase are about as high as any experienced since 1900. During the 19th century, a considerable part of our rapid growth was due to the large flow of immigrants from European countries. After allowance is made for this element, it seems likely that the natural increase was still somewhat higher than the current rate, but not sharply higher.

When our current rates of population growth (including net immigration) are compared with those of other countries for which comparable figures are available, we find that we are currently growing at a more rapid rate than most of the highly industrialized countries of the world, but at a lower rate than most of the countries that are commonly referred to as "underdeveloped." Our annual growth rate of about 1⅔% in the last 6 years is much above the rates for most countries in Northern and Western Europe. Our rate also exceeds that for the satellite countries in Eastern Europe, except for Poland and Albania. On the basis of available data, it is likely that the rate of increase for the USSR is about the same as our own. In general, the rates of growth are considerably higher than ours in Central and South American countries and in a great many countries in Asia and Africa. Thus, growth rates of 2% or more may be noted for such countries as Brazil, Ceylon, Turkey, and Egypt. The growth rates for three of the British Dominions, Canada, Australia, and New Zealand, are also over 2%, but the influence of immigration is considerably greater in those countries than in the United States.

Rates of Change for Individual Age Groups

It is important to bear in mind that all the population projections which have been prepared show widely varying rates of change for different age groups of the population. To be sure, the dependability of the projections varies greatly from one age group to another according to whether we are projecting the expected number of births in future years, or simply projecting the survivors of a group already born.

Perhaps the easiest way to call attention to the differences in rate of change from one age class to another is to look at Chart 2. The rapid growth for the groups between 10 and 20 years is, of course, explained by the sharp increase in birth rates that took place after 1945. The considerable variation between the high and low assumptions for births is reflected by two sets of bars presented for the groups "0" to "4" years and "5" to "9" years of age. It is obvious that companies concentrating on goods sold largely to particular age groups will be well advised to give careful attention to the prospective changes in the different groups. On the one hand, there are in prospect extremely sharp increases in the younger school-age groups, these changes creating, of course, the need for large school construction programs in most communities. On the other hand, there is a 1955-65 decline in numbers for the 25-34 year group. In the older age classes moderate increases are indicated in the next decade. The effects of the higher birth rate will not be reflected in these age groups, until the cohort born in the 1945-54 period reaches these later ages. In the age groups above 65, relatively large percentage increases will take place between 1955 and 1965.

Areas

When we turn to population projections for States, the complications increase, since assumptions regarding internal migration are required in addition to those for births, deaths, and net immigration. The Census Bureau has recently prepared four new sets of population projections for States to 1965. Reflecting assumptions that the extensive population shifts in recent years will continue, these projections show quite wide differences in rates of change over the decade. Rapidly growing States like California and Florida show increases of one-fourth to two-fifths above the 1955 level. At the other extreme, the various projections for Oklahoma and Arkansas show a population decline as high as 10% to 15%. As examples of intermediate changes, the projections for New York are between 10% to 16% higher than the 1955 level, and those for Massachusetts from 7% to 9% higher. Clearly, if we are to judge by the record of interstate migration in past years, the population prospects vary greatly from State to State.

Labor Force

Labor force projections have the added complication of requiring assumptions regarding the rates at which various population groups will participate in the labor force. Most of us are familiar with the long-run tendencies for labor force participation rates to decline in the case of teenagers and of men near retirement ages. On the other hand, for many years the percentage of women in the labor force has been increasing. Recently there have been particularly sharp increases in the percentages of women 35 years and older who are members of the labor force, since high level employment has furnished attractive opportunities to many who, under other conditions, would remain at home. Low birth rates in the '30s and high rates in the postwar years have limited the supply of younger workers, making it easier for women past 35 to get jobs.

In most of the projections which we have made for the year 1965, the percentage of males 14 and over in the labor force decreases a little and the percentage of females increases, the increase for the latter being particularly sharp for those 35 years old and over. Our projections suggest that in the next decade the number of women added to the labor force will be about as great as the number of men added, roughly 5 million each. This will represent an important change in the composition of the labor force and its suitability for certain kinds of pursuits, but it does not appear likely that the distribution of work to be done will be at all out of line with the new labor force distribution. The situation may be unfavorable, however, in certain age - sex groups. For example, if males from 25 to 34 years old are a prime source of young executives to train for heavier responsibilities in later years, it is worth

TABLE I

High and Low Projections for 1965 and Comparisons With 1955 for Population, Labor Force and Households, for the United States

(Population and households relate to July 1. Labor force figures are annual averages. See appropriate sources for explanation of series listed.)

Item	Number 1955	Number 1965	Change, 1955 to 1965 Amount	Change, 1955 to 1965 Percent
Population—				
All ages—high (AA)	165,271,000	193,346,000	28,075,000	+17.0
low (C)		186,291,000	21,020,000	+12.7
Under 5 yrs.—high (AA)	18,305,000	20,413,000	2,108,000	+11.5
low (C)		16,265,000	—2,040,000	—11.1
5 to 9 years—high (AA)	17,151,000	20,252,000	3,101,000	+18.1
low (C)		17,345,000	194,000	+ 1.1
10 to 14 years	13,342,000	19,152,000	5,810,000	+43.5
15 to 19 years	11,191,000	17,199,000	6,008,000	+53.7
20 to 24 years	10,775,000	13,461,000	2,686,000	+24.9
25 to 29 years	11,752,000	11,355,000	—397,000	— 3.4
30 to 34 years	12,400,000	10,900,000	—1,500,000	—12.1
35 to 39 years	11,608,000	11,791,000	183,000	+ 1.6
40 to 44 years	11,217,000	12,327,000	1,110,000	+ 9.9
45 to 49 years	10,096,000	11,369,000	1,273,000	+12.6
50 to 54 years	8,815,000	10,714,000	1,899,000	+21.5
55 to 59 years	7,854,000	9,307,000	1,453,000	+18.5
60 to 64 years	6,694,000	7,735,000	1,041,000	+15.6
65 to 69 years	5,349,000	6,354,000	1,005,000	+18.8
70 to 74 years	4,067,000	4,813,000	746,000	+18.3
75 years and over	4,653,000	6,204,000	1,551,000	+33.3
Labor Force—				
Both sexes—high (II)	68,899,000	79,442,000	10,543,000	+15.3
low (IV)		77,446,000	8,547,000	+12.4
Male (II)	48,040,000	52,536,000	4,496,000	+ 9.4
(IV)		53,554,000	5,514,000	+11.5
Female (II)	20,859,000	26,906,000	6,047,000	+29.0
(IV)		23,892,000	3,033,000	+14.5
Households—high (I)	47,788,000	56,145,000	8,357,000	+17.5
low (IV)		53,345,000	5,557,000	+11.6

SOURCE: U. S. Bureau of Census, "Current Population Reports," Series P-25, Nos. 123 and 146; Series P-20, No. 69; and Series P-50, No. 69.

TABLE II

Estimated Distribution of Families and Unrelated Individuals by Family Personal Income After Taxes, for the U. S.: 1955 and 1965

(In 1955 dollars)

Family personal income after taxes*	Number (thousands) 1955	Number (thousands) 1965	Percent 1955	Percent 1965
Total	52,200	60,500	100.0	100.0
Under $3,000	15,764	14,278	30.2	23.6
$3,000 to $3,999	8,091	7,381	15.5	12.2
$4,000 to $4,999	8,300	8,168	15.9	13.5
$5,000 to $7,499	12,737	17,181	24.4	28.4
$7,500 to $9,999	3,967	7,623	7.6	12.6
$10,000 and over	3,341	5,869	6.4	9.7
Mean income	$4,950	$5,890	---	---

*Includes money income as defined by the Bureau of the Census plus nonmoney items such as wages in kind, the value of food and fuel produced and consumed on farms, the net imputed rental value of owner-occupied homes, and imputed interest. Moreover, the family personal income estimates, unlike the Census Bureau estimates, are adjusted for consistency with the national income accounts.

SOURCE: Unpublished estimates prepared by Hyman Kaitz, formerly of the Office of Business Economics, Department of Commerce.

noting that the number in this class will decrease until about 1965.

Households and Families

Projections of the future numbers of households or families are of particular interest to builders and to others producing goods that are sold to families rather than to individuals. Such projections depend upon assumptions regarding total population growth, and attention must also be given to changes in marriage rates and in the average age at first marriage. From 1955 to 1965 the range of increase in number of households according to our projections is from 12% to 18% or about the same as the projected increase in the number of persons over the same period.

Income

We have seen that projections become progressively more complex as we proceed from projections of survivors among people already born to projections of births, and then to the projection of the numbers in the labor force, and finally to marriage rates. When we undertake to make projections of income, we need to make a series of assumptions regarding the level of economic activity, the demand for goods, changes in the price level, changes in productivity, and changes in the length of the workweek, to mention some of the most obvious points. If the problem is extended to projecting income size distributions, additional assumptions must be made about household formation, tax policy, other government programs, etc. Various people have engaged in making projections of income and, fortunately, the differences among their assumptions are small enough so that the conclusions reached for the present purposes are largely independent of the set of assumptions used. Obviously, no great assurance is justified in areas such as these, and none is claimed by those who prepare the projections.

I should like to mention the projections of national income made by Dr. Grover Ensley, who until recently was Staff Director of the Joint Economic Committee, and who has developed a 1965 economic model based upon assumptions that are reasonably consistent with others that have been made. In this model the Gross National Product was projected at 37% above 1955 and personal income was projected at 40% above 1955.

For many purposes, of course, it is interesting to look at projections of the distribution of income in the year 1965. For this purpose I should like to invite your attention to some unpublished estimates prepared by Mr. Hyman Kaitz, formerly of the Office of Business Economics, Department of Commerce (Table II). These figures were prepared according to a relatively simple formula. The 1955 data were projected into the future on the general assumption that the annual rate of increase in average real income that prevailed in the postwar period would continue, although slightly dampened. On this basis, the mean income and the income limits for each interval were increased at a compounded annual rate of 1.7%. Over the decade, this resulted in a 19% increase in average family personal income after taxes from about $5,000 to about $6,000 (in 1955 dollars). It also resulted in a sharp decrease in the proportion of families and individuals with income under $3,000 and a marked increase in the proportion at the highest income level. Despite an expected 16% increase in the total number of families over the decade, the number in the lowest income level is expected to decrease slightly. In contrast the number of families and individuals with incomes of $10,000 or more (in 1955 dollars) is expected nearly to double during the decade.

Summary

In summary I am confident that market analysts as well as many business statisticians will find it desirable to study carefully the various projections of population and its components for the years ahead. The prospective large increases should contribute greatly to our nation's economic development. The marked differences in pattern from area to area and from one population component to another will require particular attention, if business enterprise is to take full advantage of the opportunities that lie before it.

Carter Products, Inc. Common Stock Offered

Eastman Dillon, Union Securities & Co. headed an underwriting group which yesterday (July 24) made a secondary offering of 500,000 shares of Carter Products, Inc. common stock (par $1) at $22 per share. This is the first public offering of Carter stock.

Carter Products, Inc., a successor to a business started in 1880, is engaged in the manufacture and marketing of ethical, proprietary and toiletry products, the most important of which are Miltown (meprobamate), a tranquilizer and muscle relaxant; Arrid, a deodorant; Rise, an aerated shaving cream; Carter's Little Liver Pills; and Nair, a depilatory.

Carter's principal plant and research laboratory are at New Brunswick, N. J.

The shares offered are a portion of the holdings of certain stockholders, and no financing by the company is involved.

Consolidated net sales for the fiscal year ended March 31, 1957, were $41,835,609, compared with $22,748,873 for the corresponding 1956 fiscal year. Net earnings for the 1957 fiscal year were $4,473,131, equivalent to $1.74 per share on the 2,565,000 shares outstanding, compared with 80 cents per share in 1956. Carter has paid dividends every year since 1883.

Corresponding Course In Investment Banking

A correspondence course in investment banking is being offered by the Education Committee of the Investment Bankers Association of America in cooperation with The School of Business and the Home-Study Department of The University of Chicago. The course is designed to make available in all parts of the country a training program in the fundamentals of investment banking. The course includes a study of the financing of business enterprises; security analysis; problems in financing corporations; marketing of securities and investment policy. The New York Stock Exchange will accept the course in partial satisfaction of the requirements necessary to qualify individuals as registered representatives.

Information regarding the course may be obtained from Educational Director, Investment Bankers Association of America, 425 Thirteenth Street, N. W., Washington 4, D. C.

Registrations are accepted at any time, and may be made with the Home-Study Department, University of Chicago, 1375 East Sixtieth Street, Chicago 37, Ill. Check to cover tuition, $60, must accompany the enrollment.

Joins Dempsey-Tegeler

(Special to The Financial Chronicle)

ST. LOUIS, Mo. — Joseph M. Rowley has joined the staff of Dempsey-Tegeler & Co., 10th and Locust, members of the New York and Midwest Stock Exchanges.

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 well within the limits of what is usually termed to be a favorable undertaking. By making a three-way offer to the August owners of the maturing issues, and a two-way offer to the holders of the October maturities, it 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-ins were kept at a minimum.

The short certificate will have appeal to corporations and deposit banks, while the one-year certificate will most likely be taken by the Central Banks, as well as some of the 3⅝% obligation. The four-year 4% note, optional redemption at the end of two years by the owners, evidently will find favor among savers 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 as low as possible decided to offer holders of the maturing August and October obligations a choice of securities, with a 4% rate being used for the first time in more than 24 years. In a move that was somewhat of a surprise, the Treasury decided to combine the August maturities of $15.8 billion with the October maturities of $8.1 billion into one operation and, in this way, clear the decks of Government financing for the balance of the year 1957, except for the refunding of the 3⅝% certificates which come due on Dec. 1. (The $24 billion operation was probably responsible for the 4% rate.)

However, if there should be a sizable attrition in the refunding, and Government revenues should not come up to expectations, there might have to be some new-money financing by the Treasury before the end of the year.

The Treasury offered holders of the August maturities an option to exchange their holdings for a four-month 3⅝% certificate, a one-year 4% certificate and a four-year 4% note. The latter obligation would be redeemable at par at the option of the holder on Aug. 1, 1959, on three months' advance notice. The owners of the October maturities had a choice of taking either the one-year 4% certificate or the four-year 4% note with an optional payment on Aug. 1, 1959, if they should so desire.

Only $9.3 Billion Held by Public

The current refunding, while involving in total about $24 billion of maturities, is not quite as large an operation as it seems at first since only about $9.3 billion of the total is in the hands of the public. The balance of the maturing issues are held by the Federal Reserve System and Government investment accounts. There is little doubt but what the latter holders will accept the exchange offer and will not ask for cash. It is believed in some quarters that the Federal holdings of the maturing obligations will be turned in for both the four-month certificates and the one-year 4% obligation.

It has been customary for the Central Banks to take a one-year certificate, but due to the fact that their holdings in such an issue (in this case) would be so large, it is felt that there will be a division of the turn-ins, into the two shortest maturities of the refunding issues.

Small Cash Pay-Out Seen

Of the $9.3 billion of the maturing issues in the hands of the public, about $6 billion is held by corporations, and other non-bank investors, with the remaining $3.3 billion owned by commercial banks. It is expected that corporations will be attracted mainly to the four-month certificate in order to maintain their liquid position. If this should be true, and there seems to be considerable opinion to this effect, it should cut down the amount of cash the Treasury will have to pay out in this very large refunding operation.

The Two-Year Optional Feature

The four-year note contains an unusual feature in that the holders of this obligation can turn it in for cash at the end of two years. If interest rates should continue to rise and the Treasury as well as non-Government investors have to pay more for borrowings there will no doubt be sizable cash-ins at the optional pay date on Aug. 1, 1959. On the other hand, should interest rates be easing or easier by the late summer of 1959, there will be very little if any redemptions of the 4% note at the optional due date.

Investors Going for 4% Rate

It is reported that money from savings banks, Government savings bond redemptions, as well as that of certain pension funds, has been put to work in the refunding issues, with indications that the bulk of it has gone into the 4% note. There has also been some trading out of corporate bonds into the 4% issue.

Coburn & Middlebrook Opens New Branch

STAMFORD, Conn.—Coburn & Middlebrook, Incorporated, have opened a branch office at 30 Park Row, under the direction of Herbert E. Greene.

J. M. Dain Branch

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

With McMahon & Hoban

(Special to The Financial Chronicle)

CHICAGO, Ill.—John J. Frank is now with McMahon & Hoban, Inc., 105 South La Salle Street. He was formerly with First Securities Company of Chicago.

With J. J. B. Hilliard

(Special to The Financial Chronicle)

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

Williams, Freiberger Join Murch & Co., Inc.

CLEVELAND, Ohio — Warren D. Williams and Lloyd S. Freiberger have become associated with Murch & Co., Inc., Hanna

Warren I. Williams Lloyd S. Freiberger

Building. Mr. Williams will act as municipal bond adviser. Mr. Freiberger will be assistant to Fred Leustig, Vice-President, and coordinate with Warren G. Steffen, Vice-President in charge of sales until such time as he becomes a registered representative.

Mr. Williams, formerly a partner in Baxter, Williams & Co., began his career with the Provident Savings Bank & Trust Company of Cincinnati. In 1939 he joined Ryan, Sutherland & Co., Toledo, and in 1948 became associated with Prescott & Co., Cleveland, later joining Ball, Burge & Kraus.

Mr. Freiberger has recently been engaged in advertising and promotional work; prior thereto he was with the Cleveland Trust Company.

Forms Fleet Co.

SAN DIEGO, Calif. — Reginald S. Fleet is engaging in a securities business from offices at 530 Broadway, under the firm name of Fleet & Co.

Forms SuJan Company

DALLAS, Texas — The SuJan Company is conducting a securities business from offices in the Burt Building. Jesse E. Flick is a principal.

Morrison Opens Branch

HICKORY, N. C.—Morrison & Company has opened a branch at 511 Fourth Street, S. W., under the direction of Roby W. Long.

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Making Economic Assumptions In Pension Fund Investments

Federal Government of the United States has insufficient tax revenue and credit standing to cover its obligations, then surely no local government, corporation, or individual is likely to be solvent either. Thus, when we purchase an obligation of the United States, we can be more certain than we can in the case of **any other** investment as to the exact number of dollars we shall have at some specified date in the future. 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 other types of debt obligations and ultimately to equities, we are shifting from the highest degree of certainty to a lesser degree of certainty, and, ultimately, to a rather large area of uncertainty. Thus, if I can make **any** prediction, I can predict that the U. S. Treasury 3s due Feb. 15, 1995 will be worth par on Feb. 15, 1995. I can say it is very probable that the Atchison 4s of 1995 and the New York State Thruway Guaranteed 2.40s of 1995 will be worth par in 1995. But I can make no prediction as to the value of General Motors common stock in 1995, and I cannot even guess whether General Motors will still be in the automobile business in 1995.

In short, the further we downgrade our investment selections, the greater the importance of making correct predictions as to the trend and nature of the future economic environment. Today, the movement away from Treasuries is based upon the assumption that this country does not face a serious depression in the foreseeable future. I am happy to share that assumption. But it is absolutely essential to recognize that it is an **assumption** or an educated guess, and by no stretch of the imagination is it a guaranteed promise of things to come. As an assumption, it must be subjected to continuous, objective, and critical analysis and testing.

Uncertainty of Stocks

For example, can we be sure that corporations will continue to sink billions of dollars into fixed capital equipment in the face of a heavy tax load, inexorably rising labor costs, and a rapid rate of obsolescence? Can they finance the expenditure, even if willing to make it? Will consumers continue to spend such a high proportion of their income—so much higher a proportion than that suggested by the prewar relationship between income and spending? With so much consumer expenditure devoted to goods and services which are not essential to the sheer process of existence, isn't it as least conceivable that consumers might pull in their horns rather rapidly and decisively if concerned about their future incomes or if unwilling to pay higher prices? I am not suggesting that these questions have unfavorable answers, but I am arguing that, if the answers should in fact turn out to be unfavorable, the fashionable trend away from Treasury bonds could be dangerous in the extreme.

There is an additional assumption which in fact follows from the one I have just discussed. Most people now believe that inflation will continue as a permanent feature of the economic scenery. Again, I must emphasize, this is an assumption, not a promise. Most people assume further that common stock prices and dividends will 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

The widespread and unquestioning acceptance of these assumptions shows that we too easily forget that the inflation of recent years has been associated with two unusual and by no means permanent developments. First, a good part of the so-called inflation of the 1950's is the result of rising labor costs, which in turn reflect the inadequate growth in the size of our labor force and the consequent shortage of labor, and that shortage in turn is due to the extraordinarily low birthrates of the 1930's. Second, we emerged from World War II with a money supply which had expanded very much faster than the physical volume of production—in other words, with both consumers and business firms in a highly liquid condition. This abnormally large money supply contributed to the financing of rising costs and a rising price level as well as to an expanding volume of production.

Now, however, that the output of goods and services has grown up to the money supply, to what extent is the **general** price level likely to continue rising? Won't the pressures of rising prices in one part of the economy result in corresponding deflationary pressures in other areas? Furthermore, what will happen to the supply of labor and to the upward pressure of the wage level in just a few years from now, say, after 1960, when the fabulous number of kids born during the 1940's and 1950's start hitting the labor market?

These questions suggest that there is no firm assurance that all of today's fashionable assumptions can be accepted uncritically. Yet, my impression is that their acceptance is becoming more uncritical all the time. I shall not dwell at length on this, but my point is nowhere illustrated better than in the current institutional enthusiasm for blue chip growth stocks virtually regardless of price.

Dividend Records

Here is what I mean. The very best quality corporate bond today can be purchased to yield better than 4½%. During the next ten years this bond will provide an income of more than $450 for every $1,000 invested. A common stock yielding 3% today would have to raise its dividend at a compounded annual rate of over 7%—that is to say, at least double its dividend over the ten year period—in order to provide the same $450 per $1,000. That is rather fancy going from the very high level upon which we stand today.

I would remind you that the dividend on the Dow-Jones Industrials was **halved** between 1929 and 1939; that the enormous expansion and inflation of the war period following the relatively depressed levels of 1939 was required to double the dividend between 1939 and 1949; and that even today, almost thirty years later the cash dividend is still not double the 1929 level. A longer historical perspective tells us that dividends per share on industrial common stocks **failed** to double in every ten year period between 1871 and 1929. Indeed, only the extreme inflation of World War I resulted in the dividend more than doubling in the twenty year period ending 1929 and the dividend failed to double in all other twenty year periods ending prior to the war.

I am not denying the possibility of a continued rapid rise in dividend payments in the years to come. I am not even saying that it is unlikely. What I am saying is that this consummation devoutly to be wished is most certainly dependent upon favorable answers to every single one of the questions I have raised in this discussion—and to many other questions besides. No one can deny that the margin for error in common stock investing is very narrow indeed when high grade bonds are yielding so much more than the most popular institutional growth stocks.

Mechanical Projections

I submit that the follow-the-leaderism which has led to this state of affairs has occurred without regard to arithmetic and with very little regard to reality. It is based more upon hindsight than foresight and rests upon the completely uncritical acceptance of the assumption that the future will be **at least** as bright as the present. I repeat—this may well be so, although a future which is bright but not so extraordinary as the present might make some of these investments look a little sour. What really disturbs me is the inflation of security values on the basis of assumptions which are not God-given and not necessarily valid for eternity, but which are nevertheless accepted without question by such a large majority of investors.

That is why I have argued that no investment program can be consistent or successful unless it is based upon assumptions objectively established and put through hard-headed analysis and testing at all times. For the burden of my message is that the future is as uncertain as ever. Recognition of that fact, in my opinion, is the first and the most essential step to successful investing in any field —if not, indeed, to successful living as well! The most imprudent step an investor can take is to make a mechanical projection of current business trends into the indefinite future—yet this is being done all the time. It turned out to be a mistake on the bullish side in the 1920's, on the bearish side in the 1930's, and it could just as easily be a mistake today. The future is always uncertain.

Now First Republic

The firm name of The Sands Company has been changed to The First Republic Corporation. Offices are located at 49 West 32nd Street, New York City.

Forms R. J. Baker Co.

MENLO PARK, Calif.—Roland J. Baker is engaging in a securities business from offices at 1110 University Drive under the firm name of R. J. Baker & Co. Mr. Baker was previously with Irving Lundborg & Co.

James Ortasic Opens

DALLAS, Tex.—James J. Ortasic is engaging in a securities business from offices at 1165 Parkcrest.

Arthur Primack Opens

BROOKLYN, N. Y.—Arthur Primack is engaging in a securities business from offices at 44 Court Street.

Alan Russell Opens

Alan Russell has opened offices at 309 West 57th Street, New York City to conduct a securities business.

Donald Scott

Donald Scott passed away July 17th at the age of 71 following a long illness. Prior to his retirement he had been an officer of the United States and Foreign Securities Corporation and United States and International Securities Corporation. In the past he was associated with Dillon, Read & Co.

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The State of Trade and Industry

sizes are relatively easier. And the mills are sticking closer to their delivery promises.

There is little chance of an easing soon in the market for heavy structurals and plate. The mills are hard put to take care of orders on hand. And the pressure continues. But there's some hope for the future as some mills predict that new capacity will help them balance supply with demand by the middle of 1958.

The shortage of cement due to strikes is slowing down construction in some areas. But this is having little or no effect on demand for structural steel. Builders are taking in everything the mills offer.

A survey of foundry equipment makers indicates that some steel users are finding it hard to pass along higher steel prices to their customers. Foundry equipment companies are in a highly-competitive market, says "The Iron Age." They probably will absorb the steel price boost, at least temporarily.

June New Business Incorporations Decline Moderately

New business incorporations in June fell moderately below that of both the previous month and June 1956. For the fifth consecutive month the number of new concerns was below the year-ago level. At 11,154 in June, new charterings were 6.7% below of 11,952 of the similar 1956 month, and 7.0% less than the 11,986 of the prior month.

New business charters during the first six months of 1957 totaled 71,211. This was 6.6% below the record high of 76,257 filed during the corresponding 1956 period.

Steel Output Up to 81%; "Steel" Says July Will Exceed Expectations

Steel ingot production edged upward for the second straight week after hitting the year's low point in the first week of July, "Steel" magazine reported July 22. With operations up a half point to 81% of capacity, mills turned out 2,073,000 net tons.

The weekly metalworking publication said July is going to be a better month saleswise than some people had expected. The improvement comes not from any one industry but from a wide group of consumers.

Sharing in the upturn are widely used products like hot-rolled and cold-rolled carbon steel sheets, hot-rolled and cold-finished carbon bars.

Demand for heavy plates is not as strong as it was early this year, but it still exceeds the supply and is expected to do so through the fourth quarter. Strip mill plates are not as easy to get as they were a few weeks ago, due to expectations of increased demand by auto makers for sheets—also produced on the same equipment.

Structural steel demand has been easing, and the need for structurals and reinforcing bars is being shrunk temporarily by a cement industry strike.

Orders for August are shaping up for even a better month than July, "Steel" said. Demand for steel for the 1958 models should make September even better than August.

The publication noted that optional equipment on automobiles is gaining in popularity. Automatic transmissions, power brakes and power steering show a 6% gain this year. Air conditioning installations are going into 22% of the luxury cars, compared with 16% a year ago.

Steel prices continue to be adjusted upward. The publication's base price index for finished steel moved up 45 cents. At $146.19 a net ton in the week ended July 17, it was $145.74 the previous week and $140.24 a month ago. Warehouses are beginning to mark up prices to pass on increases from the mills.

Pig iron is up. Northern producers marked up prices $1.50 a ton, restoring a $4 differential between northern and southern prices prevailing earlier this year.

Scrap prices edged downward for the third straight week. At $54.33 a gross ton in the week ended July 17, "Steel's" composite on steelmaking grades was down 84 cents from the previous week. A late summer pickup in buying is anticipated.

In the nonferrous markets, zinc and lead production continued ahead of last year's, but consumption is lagging. Copper demand stays weak. Aluminum sales are disappointing, but producers report an upswing in demand.

First effects of the Air Force shift in emphasis from aircraft to missiles are being felt: North American Aviation Inc. will lay off 15,600 men because further development of its Navaho missile was canceled. Lockheed is looking for a civilian market for its C-130 cargo transport. And declining use of subcontractors is expected.

"Steel" noted that manufacturing employment in June turned up for the first time since the fourth quarter of last year.

The American Iron and Steel Institute announced that the operating rate of steel companies, having 96.1% of the steelmaking capacity for the entire industry will be an average of 81.2% of capacity for the week beginning July 22, 1957, equivalent to 2,079,000 tons of ingot and steel for castings, as compared with 79.3% of capacity, and 2,030,000 tons (revised) a week ago.

The industry's ingot production rate for the weeks in 1957 is based on annual capacity of 133,495,150 tons as of Jan. 1, 1957.

For the like week a month ago the rate was 84% and production 2,159,000 tons. A year ago the actual weekly production was placed at 419,000 tons.

The operating rate is not comparable because capacity is higher than capacity in 1956. The percentage figures for 1957 are based on an annual capacity of 133,495,150 tons as of Jan. 1, 1957.

Ward's Reports That Auto Sales Will Rise During Last 20 Days of July

Chrysler Corporation "stole the thunder" from both General Motors and Ford Motor Co. as early July new car sales results poured in this week, "Ward's Automotive Reports" said July 19. Chrysler accounted for better than one of every four new car sales the first 10 days in July, said the publication. Its market share was 27% during the period contrasted to totals of 42% for GM and 28% for Ford. "Ward's" added that American Motors' Rambler sales and Studebaker deliveries continued at a healthy pace also.

Slumps by GM and Ford the early part of this month, however, dragged July 1-10 industry sales (141,200 new cars) to the lowest 10-day level since last October. The performance apparently was the lull after one of a series of brief sales storms enjoyed this year. June 21-30 dealer deliveries (213,500) were the highest in 15 months.

Despite the early July decline, "Ward's" predicted that sales will rise during the last 20 days of the month to provide a total of nearly half a million new car sales for the entire month.

Meanwhile, production continued strong this week. Output of 118,834 cars was a 6.2% increase over last week's 111,943 total. July automobile production so far has been running at a rate that will provide 500,000 units for the month. Original schedules call for 510,000.

Truck production will hit 22,749 units this week compared to 22,610 last week.

Electric Output Last Week Increased 342,000,000 KWH Over Prior Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, July 20, 1957, was estimated at 12,306,000,000 kwh., according to the Edison Electric Institute.

The past week's output increased 342,000,000 kwh. above that of the previous week; it rose above the comparable 1956 week 1,181,000,000 kwh. and 1,686,000,000 kwh. over the week ended July 9, 1955.

Car Loadings Up 11.6% Over 1956 Week

Loading of revenue freight for the week ended July 13, 1957 totaled 691,991 cars, the Association of American Railroads announced. This was an increase of 72,003 cars or 11.6% above the corresponding week in 1956, but a decrease of 102,147 cars or 12.9% below the corresponding week in 1955.

Loadings in the week ended July 13 which were affected by two days of the coal miners' annual vacation were 156,657 cars or 29.3% above the preceding week which was affected by the July 4 holiday and a full week of the coal miners' vacation.

Coal loading amounted to 99,975 cars, a decrease of 6,575 cars below the corresponding week a year ago, but an increase of 70,449 cars above the preceding week this year.

Miscellaneous freight loading totaled 325,212 cars, an increase of 9,592 cars above the corresponding week last year, and an increase of 41,715 cars above the preceding week.

Business Failures Continue Up for Week Ended July 18

Commercial and industrial failures rose to 266 in the week ended July 18 from 256 in the preceding week, reported Dun & Bradstreet, Inc. The toll was moderately heavier than the 223 last year, while it exceeded considerably the 172 in 1955. Also, failures edged 6% above the prewar level of 251 in the comparable week of 1939.

Business casualties with liabilities of $5,000 or more increased to 227 from 216 a week ago and 189 in 1956. On the other hand, small failures, those involving liabilities under $5,000, dipped to 39 from 40, but remained above the 34 of this size last year. Liabilities in excess of $100,000 were incurred by 23 of the failing concerns as compared with 19 in the previous week.

Manufacturing and trade accounted for the week's rise, while the construction toll held steady at 38 and the commercial service toll held at 20. Among manufacturers, failures edged up to 40 from 37, among wholesalers to 22 from 20, and among retailers to 146 from 141. More businesses failed than a year ago in all functions except wholesaling. The sharpest year-to-year increase occurred in manufacturing.

Higher tolls were reported during the week in five of the nine major geographic regions. Failures in the South Atlantic States climbed to 18 from 9, while milder increases lifted the Pacific States to 77 from 63, the East North Central to 25 from 24, the West South Central to 21 from 18, and the Mountain to 10 from 7. There was no change in the New England and East South Central States, while the Middle Atlantic toll dipped to 78 from 92 and the West North Central to 13 from 14. Casualties exceeded last year's level in seven regions, remained even with 1956 in the West North Central States, and declined moderately in the East North Central States.

Total Dollar Volume of Retail Trade Week Ended July 17 4% Higher Than a Year Ago

FURNITURE SALES HIGH—Dun & Bradstreet Trade Review of the week stated that consumer purchases of furniture and bedding were sustained at a high level this week, and volume was moderately higher than a year ago. Sales of air conditioners, fans and major appliances lagged, but clearance sales promotions stimulated interest in housewares and floor coverings. Volume in women's Summer apparel climbed somewhat, with gains in cotton dresses, sportswear, lingerie, and some fashion accessories. There was a slight year-to-year increase in the call for men's and boys' apparel. Another rise in sales of passenger cars occurred this week, and volume was slightly higher than a year ago. Dealer inventories in the first two weeks of July ran somewhat higher than those of the comparable 1956 period for the first time this year.

REGIONAL ESTIMATES—The total dollar volume of retail trade in the week ended this Wednesday was unchanged to 4% higher than a year ago, according to estimates by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1956 levels by the following percentages: New England, West North Central, and South Atlantic +1 to +5; Middle Atlantic and West South Central +2 to +6; East North Central, East South Central, and Pacific Coast —2 to +2; Mountain —4 to 0.

FALL APPAREL ORDERS UP — An upsurge in orders for men's and women's Fall apparel occurred this week, with interest centering primarily on women's dresses, sweaters, and sportswear; volume in men's slacks and suits advanced appreciably. Retailers again stepped-up their reorders for women's Summer sportswear and beachwear, as stocks dwindled. Although bookings at furniture shows in New York and Los Angeles were somewhat below expectations, they equaled those of a year ago. There was a noticeable rise in the buying of China and housewares. Textile wholesalers reported a slight rise in transactions in cotton print cloths, but volume in woolens remained close to that of the prior week. Buyers increased their orders for rayons and acetates. While trading in fresh meat, fresh produce, and some dairy products advanced, sales of poultry and canned goods were slow.

INDUSTRIAL OUTPUT STEADY — The Federal Reserve Board Index of Industrial Production stood at 143 (1947-49 = 100) in June unchanged from April and May. Although it was below the record level of last December, it exceeded that of June 1956. The most noticeable output increases in June were reported in the electric power and television industries. Officials expect total output in July to be close to that of June; the cement workers strike and reductions in steel and automotive output may prevent any increase in over-all industrial activity.

EMPLOYMENT AT JUNE HIGH—Employment rose noticeably to 66.5 million in mid-June, the highest for any June on record, according to the United States Departments of Commerce and Labor. Students and college graduates accounted for most of the increase from mid-May. At $82.59, weekly earnings of factory workers were 1% higher than in mid-May, reflecting a longer work-week and slight increases in hourly earnings.

STEEL ORDERS EDGE UP—There was a slight rise in new orders for flat rolled steel this week, and bookings were higher than anticipated. Steel producers expect a noticeable rise in incoming orders in August. Steel output was set at 81.0% of capacity this week, reflecting a slight increase from the prior week and a sharp rise from a year ago when the steel strike was underway. Steel ingot production for the first half of 1957 was the second highest on record; it was 3% less than the previous high set in the first six months of 1956.

AUTO PRODUCTION ADVANCES—In spite of some shutdowns for vacation periods and flood conditions in Detroit, automotive output expanded, and slightly exceeded that of the similar 1956 week. Total output of cars and trucks from Jan. 1 to July 13 of this year was about 4% higher than the comparable 1956 period.

Bank Clearings on the Down Side Over a Year Ago

Bank clearings this week will show a decrease compared with a year ago. Preliminary figures compiled by us based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, July 20, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 3.1% below those of the corresponding week last year. Our preliminary totals stand at $22,526,225,431 against $23,238,973,400 for the same week in 1956. At this center there is a loss for the week ending Friday of 3.3%.

A comparative detailed statement of clearings for all the Federal Reserve districts for various periods is given weekly in the Monday edition of the "Chronicle" under the caption of "The Course of Bank Clearings."

Wholesale Food Price Index Up for Fourth Successive Week

Rising for the fourth successive week, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., went to $6.35 on July 23, from $6.31 the week before, to set a new high since June 28, 1955 when it stood at $6 42. The current figure represents an increase of 4.4% over the $6.08 for the corresponding date a year ago.

Higher in wholesale price this week were flour, corn, barley, hams bellies, beans, eggs, hogs, and lambs. Lower in cost were wheat, rye, oats, lard, sugar, cottonseed oil, cocoa, and potatoes.

The Dun & Bradstreet Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Retail trade volume in New York City advanced 6% to 8% above the corresponding period a year ago, store executives reported.

Weather was generally favorable, though not hot enough to stimulate sales of fans and air conditioners.

As a result of heavy promotions, sales of furniture were better during the week than they have been for some time reports the "New York Times."

"Ready-to-wear sales were generally below last year's volume, except for the better lines. Shoe volume was up and children's wear made a fairly good showing. Lingerie, men's wear and sportswear sales were disappointing in many stores."

With Bache & Co.

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Luis Miguel del Camino-Royales is now affiliated with Bache & Co., 445 North Roxbury Drive. He was formerly with Waddell & Reed, Inc.

H. Carroll Adds

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Paul E. Fest has been added to the staff of H. Carroll & Co., 324 North Camden Drive.

John R. Lewis

John R. Lewis passed away July 18th at the age of 70. Mr. Lewis prior to his retirement had been a partner in Benjamin D. Bartlett & Co., Cincinnati.

Joins Harris, Upham

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Alan C. Weinberger has joined the staff of Harris, Upham & Co., 9860 Wilshire Boulevard.

Now With T. R. Peirsol

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif. — Leo D. Bartelme, Jr., is now with T. R. Peirsol & Co., 9645 Santa Monica Boulevard. He was formerly with Nance Investment Co. and First California Company.

Cortese to Admit

A. J. Cortese & Co., 40 Wall Street, New York City, members of the New York Stock Exchange, on Aug. 1 will admit Vincent Constantino to partnership.

E. W. Liphardt Joins Goldman, Sachs & Co.

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill. — Edward W. Liphardt has become associated with Goldman, Sachs & Co., 208

Edward W. Liphardt

South La Salle Street. Mr. Liphardt was formerly Vice-President of the Milwaukee Company in charge of their Chicago office.

Form Potter Securities

NASHVILLE, Tenn. — Justin Potter and Mrs. Valere B. Potter have formed Potter Securities Co. with offices at 4106 Hillsboro Road to engage in a securities business. Mrs. Potter was previously with Paul Frederick & Co.

New Krensky Officer

CHICAGO, Ill.—On Aug. 1 Ida M. Krensky will become Secretary of Arthur M. Krensky & Co., Inc., 141 West Jackson Boulevard, members of the New York and Midwest Stock Exchanges.

Shareholders of Managed Fds., Inc. Can Feel Anaconda

Featured with the July issue of "A Product Profile," being mailed to the 15,175 mutual fund shareholders of the $54 million Managed Funds, Inc., is an actual sample of Anaconda's "Electro-Sheet" copper which plays a vital role in the efficiency of the nation's radar warning system.

The text of the publication explains the uses of this important material and the processes used in its manufacture, in addition to a brief analysis of Anaconda Copper Co.

With Penington, Colket

PHILADELPHIA, Pa.—Penington, Colket & Co., 123 South Broad Street, announces that Michael A. Amato has become associated with them as a registered representative.

Mutual Funds

By ROBERT R. RICH

Next Year To Be Best in U. S. History

The investment counselors of a $56 million mutual fund flatly predicted today that 1958 will be the best year in the history of American business for the fourth consecutive 12-month period.

In its mid-year review and forecast, distributed this morning to the 15,250 shareholders of Managed Funds, Inc., Slayton Associates, Inc. said it sees no signs of a change in the pattern of the expansion movement which began in mid-1954 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 150 by the Summer of next year, with a total 1958 output of goods and services of some $460 billion in actual dollars.

The Slayton review noted that the first half of this year "once again" demonstrated the ability of the postwar economy to keep declines localized by industries, and added:

"The truly significant fact is that, while these important declines were proceeding, Gross National Product has been able to rise $10 billion. Now, homebuilding has begun to turn up, automobile sales have been better the last couple of months, and inventories in a good many lines are approaching the point where they will need to be built up again to support present sales volume."

The interim review forecast a $5 billion rise in Federal expenditures next year "despite a growing desire to limit them, both in the Administration and Congress," with state and local government spending also due to increase. It predicted that total spending by all governmental bodies will climb another $8 billion in 1958.

The bulletin said consumer income after taxes should also continue upward next year, resulting in a $13 billion increase in consumer spending.

Pointing out that the Dow-Jones Industrials have closed higher on Sept. 30 than at their June low in all but one of the last 33 years, the Slayton bulletin said:

"The statistics of the 'Summer rise' plus the general business outlook add 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 managed portfolio investments by U. S. investors in Canada and other foreign countries, four of the largest Canadian investment companies announced formation of a Commitee of Canadian Investment Companies, as a central public information source.

The Committee's member companies comprise Canada General Fund, Ltd.; Keystone Fund of Canada, Ltd.; New York Capital Fund of Canada, Ltd. and Scudder Fund of Canada, Ltd. Other similarly new companies in the field are: Canadian International Growth Fund, Ltd.; Investors Group Canadian Fund, Ltd., Templeton 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 organized to distribute securities to U. S. investors.

The Committee will coordinate educational and public information activities delineating the constructive role of private foreign portfolio investments by U. S. investors in Canada and in other nations of the Free World.

The Committee pointed out that Canada and other countries have "increasingly welcomed portfolio investments by U. S. citizens because such indirect investments supply essential capital in a manner that does not and cannot constitute intrusion in their national, or corporate affairs, since the extent of such investments in individual foreign or domestic corporate enterprises 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. passed the $400,000,000 mark during the quarter ended June 30, making it the second common stock mutual fund in history to reach this size.

Assets of the fund, at June 30, totalled $406,555,415, a gain of $36,689,641 over the figure on March 31, end of the first quarter.

Net asset value per share advanced more than a dollar—from $15.67 to $16.91—during the quarter. Shares outstanding rose to 24,039,337 and shareholders to 86,132.

"Of all the thousands of U. S. corporations," according to the fund's quarterly report now in the mail to shareholders, "Fewer than 50 now have as many shareholders as Fundamental Investors, Inc."

Since March 31, Fundamental Investors has materially reduced its holdings in transportation issues. Railroads, which represented 6.5% of the fund's net assets on March 31, are now down to 5.0%. Investments in air line shares have been completely eliminated. Increased were holdings in automotive, building, chemical and oil shares.

Although American Marietta Co. was the only common stock newly added to the fund's portfolio during the quarter, substantial increases were made in previous holdings of American Broadcasting-Paramount Theaters, Inc.; Avon Products, Inc.; Chesapeake & Ohio Ry. Co.; General Motors Corp.; Gillette Co.; Outboard Marine Corp.; Timken Roller Bearing Co.; and Trane Co.

Common stocks completely eliminated from the fund's holdings during the quarter were Northern Pacific Ry. Co.; United Airlines, Inc. and Western Pacific RR. Co. Reductions were made in holdings of Atchison, Topeka & Santa Fe Ry. Co.; Boeing Airplane Co. and Illinois Central RR. Co.

Broad Street Funds Report

Asset value of Whitehall Fund shares stood at $11.64 at June 30, it was reported by Francis F. Randolph, Chairman and President of this balanced mutual fund. This compared with $11.55 three months earlier. Common stock holdings increased in value in the period but prices of bonds and preferred stocks held in the portfolio were depressed by tight money market conditions. Net assets totaled $8,265,590 at mid-year, according to Mr. Randolph, and compared with $7,942,047 six months earlier.

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

He stated that during the past quarter purchases for the portfolio were concentrated in senior securities to maintain this balance, and that within this category of investments emphasis was placed on new issue bonds which, because of current money market conditions, offered relatively favorable rates of return. Mr. Randolph added that some shifts also were made within the bond and preferred stock category to take advantage of opportunities for improved income provided in the new issue market.

In the common stock portfolio a new position was established with 1,000 shares of Safeway Stores received upon conversion of preferred stock, and the holding in Montana Power was increased by 800 shares. The Fund eliminated holdings by the sale of 1,200 shares of National Cash Register, 1,000 shares of Republic Natural Gas and 800 shares each of American Natural Gas and Pacific Gas & Electric. Reductions consisted of the sale of 500 shares of Minneapolis-Honeywell Regulator, 400 shares of U. S. Gypsum and 300 shares of National Lead.

Broad Street Investing Corporation net assets were $100,061,360 at June 30, a new quarter-end high. This compared with $94,518,508 at the start of 1957.

Per share asset value was $21.95 at the mid-year as compared to $21.37 at March 31 and $21.35 at the beginning of 1957.

The Broad Street Investing Accumulation Plan continued to gain in popularity with shareholders, and, at mid-year 5,023 plans were in use. This meant that about one out of every four of the Corporation's 21,590 shareholders was availing themselves of the facilities and services provided by the Plan.

Common stock holdings made up 78.4% of Broad Street Investing's net assets on June 30, as compared with 77.3% three months earlier.

A new common stock position was established with 8,600 shares of Safeway Stores received upon conversion of preferred stock of that company. More important increases in common stock holdings included 12,700 shares of Montana Power, 12,000 shares of American & Foreign Power, 7,100 shares of Skelly Oil, 4,300 shares of Middle South Utilities, 4,000 shares of Oklahoma Gas & Electric, 3,900 shares of Atlantic City Electric, 3,400 shares of I-T-E Circuit Breaker, and 2,200 shares of Kroger. Holdings were eliminated by the sale of 10,000 shares of American Natural Gas and 1,200 shares of Amerada Petroleum. The more important decreases in holdings included sales of 5,000 shares of Pacific Gas & Electric, 3,300 shares of Shell Oil, 3,200 shares of Union Bag-Camp Paper, 2,100 shares of Sunray-Midcontinent Oil, and 2,000 shares of Kennecott Copper.

National Investors shares set a new quarter-end record level of $10.76 at June 30. This was up 11% from $9.69 three months earlier, reflecting the fact that growth stocks in the investment portfolio over-all fared considerably better in the market than stocks in general.

Net assets of the corporation totaled $73,379,011 at June 30. This also set a new high, up $6,969,635 from $66,409,376 at the beginning of the year.

National Investors continues to be fully invested in common stocks. New investment positions were established with the purchase of $500,000 principal amount of Ampex Corp. debentures, 5%, 1972, with warrants attached and 30,600 shares of common stock of ACF-Wrigley Stores. Holdings were increased by the purchase of 5,400 shares of common stock of Skelly Oil, 5,000 shares of Lily-Tulip Cup, and 4,900 shares of U. S. Vitamin. Reductions in portfolio holdings included sales of 5,000 shares of Hooker Electrochemical, 3,600 shares of Shell Oil, 2,000 shares of American Airlines, 2,000 shares of Eastern Air Lines, 2,000 shares of Minnesota Mining & Manufacturing and 1,600 shares of National Lead.

M. I. T. Makes New Records

Massachusetts Investors Trust, the nation's oldest mutual investment company, reports for the three months ended June 30, 1957 total net assets of $1,156,024,565 with 97,645,594 shares outstanding, owned by 172,642 shareholders. These are record high figures for the end of any quarterly period in the Trust's 33-year history.

The net asset value per share was $11.84 which, together with a capital gain payment of 14 cents in February, is equivalent to $11.98 and compares with a per share asset value of $11.69 on June 30, 1956.

The report calls attention to the Trust's continued growth in the number of its shareholders. Shareholder accounts have increased by 13,228 since the first of this year and have nearly doubled from 88,000 to over 172,000 in the past five and one-half years.

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

Century Shares Trust, a mutual fund company specializing in insurance company and bank stocks, reports total net assets of $50,347,364 on June 30, 1957, equal to $23.11 per share as compared with $22.05 on Dec. 31, 1956 when total net assets were $47,097,030. Including the capital gains distribution of 78 cents per share paid last Jan. 31, this represents an increase of 8.3%.

fund specializing in insurance company and bank stocks, reports total net assets of $50,347,364 on June 30, 1957, equal to $23.11 per share as compared with $22.05 on Dec. 31, 1956 when total net assets were $47,097,030. Including the capital gains distribution of 78 cents per share paid last Jan. 31, this represents an increase of 8.3%.

Commenting on recent results in insurance and in banking, the trustees observe that:

"Premium volume and investment income for the fire and casualty insurance industry continue to increase and are expected to establish new records in 1957. All the fire and casualty insurance companies represented in the portfolio have paid 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 instituted after the generally unsatisfactory underwriting experience of the year 1956 should be progressively reflected in the results as policies now in force expire and are renewed.

"It is reported that life insurance company sales in the United States in the first five months of 1957 were 29% in excess of the similar period of 1956. Another good year for 1957 is indicated for the life insurance industry based on rising premium volume, favorable mortality experience and a higher rate of earnings on investments.

"Most of the banks represented in the portfolio have reported higher earnings in the first six months of 1957 than in the similar period of 1956. As the demand for loans at favorable interest rates continues strong the outlook is for a continuation of this improvement during the remainder of the year."

Eaton-Howard Fund Assets Gain in Half

Combined assets of the two Eaton & Howard mutual funds were at new high of $267,146,922 on June 30, 1957, compared with $243,071,203 a year ago.

Eaton & Howard Balanced Fund semi-annual report, issued to 26,228 shareholders, shows assets of $180,348,933, an increase of $3,574,557 during past 12 months. Shares outstanding on June 30, 1957, totaled 8,070,559, compared with 7,833,594 on June 30, 1956. Value per share was $22.35 on June 30, 1957, compared with $22.57 a year ago. After adjustment for the distribution of realized profits of $0.42 a share in December, the share value represents an increase of 1.0% above the June 1956 figure. Common stocks totaled 69.8% of fund on June 30, 1957; 9.9% was invested in preferred stocks; 11.7% in corporate bonds; 8.6% in cash, U. S. Government bonds and short-term notes. Largest common stock holdings by industries were oil (19.6%); power and light (9.7%); insurance (4.8%); banking (4.0%); chemical (3.9%).

Eaton & Howard Stock Fund semi-annual report, issued to 18,942 shareholders, shows assets of $86,797,989, an increase of $20,501,162 during past 12 months. Shares outstanding on June 30, 1957, totaled 4,013,781 compared with 3,157,084 on June 30, 1956. Value per share was $21.62 compared with $21 a year ago. After adjustment for the distribution of realized profits of $0.35 a share in December, the share value represents an increase of 4.6% above the June 1956 figure. Common stocks totaled 87.7% of fund on June 30, 1957; 12.3% was in U. S. Governments, short-term notes and cash. Largest stock holdings by industries were oil (16.6%); insurance (8.6%); power and light (7.9%); chemical (5.9%); natural gas (4.9%).

With W. H. Newbold

PHILADELPHIA, Pa. — W. H. Newbold's Son & Co., 1517 Locust Street, members of the New York Stock Exchange and other leading Exchanges, announce that Richard H. Beardsley is now associated with them as a registered representative.

Mr. Beardsley was formerly associated with Parrish & Co.

In addition to its main office in Philadelphia, W. H. Newbold's Son & Co. has offices in the Suburban Square Building, Ardmore, Pa.

Joins Sills Co. Staff

MIAMI, Fla.—Arthur P. Green is now with Sills & Company, Ingraham Building.

Continued from page 14

"More Yankee Trade— Less Foreign Aid"

dorsed, by an almost overwhelming majority, an aid program for the new fiscal year which Senator Johnson now both supports and sponsors.

Questions Bookkeeping

If the four items contained in this overall aid authorization, which I am about to detail briefly were adopted by the responsible officials of any publicly held United States corporation, these officials would, very likely, face Federal prosecution:

Here are the items:

(1) The budget of the Department of Agriculture includes $750,000,000 of foreign aid for the next three years, which certainly should be added to the total foreign aid bill. This item should not be concealed from the American people as at present.

Moreover, foreign currency received from these food sales spells trouble for us because it means interference in the internal banking affairs of other countries through lending and relending large sums of money within their country. Only 10% of the "soft" currencies received from food aid sales is used for the maintenance of our own overly-populated government establishments within a given country. The balance of 90% puts us in the foreign banking business with foreign currency, obviously a threat to the normal conduct of the fiscal affairs of any country.

Furthermore, it dumps a large volume of government held food supplies, at less than cost, on foreign countries receiving them, thereby restricting the normal procedures of foreign trade. This has led to an ever growing number of complaints from U. S. exporters and others affected.

(2) Nearly a billion dollars of "defense support" largely duplicates economic aid. The sum of $900,000,000 now demanded for "defense support" is another scheme to attempt to justify the expenditure of this vast sum in countries where we already have military aid programs. This, to a large degree, constitutes a duplication of aid funds, regardless of any reason given for it.

Year after year, the President, the State Department and the highest officials and lobbyists for the Executive Departments plead for larger foreign aid appropriations.

Year after year, the principal argument is that we are spending three-quarters of all aid funds for military purposes and only one-quarter for economic aid. However, in the case of this latest plan, the "defense support" funds are to be reallocated to the International Cooperation Administration, so that it ends up as before in the economic aid pipeline and not in the percentages that are given to stimulate the superspending.

(3) Now it is planned to hide foreign military aid from the Congress by incorporating it in our Defense budget where it will forever repose in the spending stream that runs through the catacombs of the Pentagon!

If Congress allows this to happen it means that the so-called military aid funds will be separated from the economic aid funds in the overall budget. Actually $2 billion will be hidden from Congressional supervision, so that it will be almost impossible for our legally constituted legislators to know how much is being spent for military aid and whether or not it is being used exclusively for military hardware and training.

The purpose of this is, of course, to reduce the overall foreign aid budget in the eyes of the public—to conceal $2 billion annually from both the Congress and from the American people. In the end, it will cost the American taxpayers more billions because the visible part of the aid budget will go up and the defense budget already plagued by inflation, will become a military secret, and a more costly one. This is a dishonest technique. It should be condemned and rejected.

(4) A new two billion dollar "blank check" with no strings. The new "blank check" proposal calls for an outright authorization of two billion dollars to be spent at the rate of $500,000,000 for the first year and $750,000,000 for each of two succeeding years. No strings are to be attached to the spending. This vast sum will be given away at the discretion of the Department of State and the International Cooperation Administration and no geographical spread has been defined. It is important to recognize the inescapable fact that the first year's half billion dollars will become the incentive, the urge and the itch to get rid of the additional one billion five hundred million dollars over the two succeeding years. The only problem will be to see that the money is fully spent and never mind how!

It should be recalled that the last Congress flatly refused to give the President a blank check for $100,000,000 per year for ten years. Now under a new authorization the same President boldly demands another "blank check" for his appointed, not elected, global spenders to ladle out two billion dollars over a three year interval. And to toss out these billions where they please, when they please and as they please! If Congress permits this new foreign aid folly the American taxpayers are stuck not only for three years and two billion dollars but very possibly forever and for many times two billion dollars! Secretary of State Dulles, pleading for bigger foreign spending and as little Congressional supervision of the spending as is possible, told a committee of Congress that foreign aid must go on for at least ten years more. This means $50 to $60 billion dollars more!

What Our Aim Should Be

Our aim should be to reduce the annual appropriation for all foreign aid, both economic and military, to one billion dollars. This would stop the present waste and extravagance in our global giving ventures. It would end the bureaucratic superstructure that the American people must now support to keep the giving in high gear. It would stop our policy-making politicians from creating their annual cry of "crisis," which immediately disappears as soon as the appropriation is made. And most important of all, it would stop the threat to our overall economy and the further spread of creeping inflation.

There are many more effective and less costly ways of assisting other countries in their economic development than direct handouts from the Federal Treasury.

We need more Yankee traders and less foreign aiders to stimulate the flow of American capital into needy and underdeveloped nations through the incentive of fast tax write-offs, such as are now granted to industries engaged in defense production.

Another way would be to expand the capacity of the World Bank to make long-term, low-interest loans to worthy nations upon the security of such collateral as natural resources or industrial potential.

In so doing, the United States would be able to achieve its goal without insulting the beneficiaries of its assistance — and without bankrupting the American people. One thing is certain—we cannot save the world by destroying ourselves.

We are told repeatedly that "it is folly" if we do not continue and expand our giveaway program. I can assure you it is the height of folly if we do continue such spending.

The present policy of weakening this nation's economy and defenses by giving ourselves away makes it inevitable that we will be forced again to send our sons to fight and die in a third World War.

To me, one of the most alarming aspects of our foreign aid program is that so many well meaning people have been persuaded that this vast array of money we are spending will buy us future security.

The record shows and will continue to show that we have not bought one iota of protection in case of necessity in spite of the great sacrifices we have been called upon to make. Recent news dispatches from Japan, Formosa, and other countries report numerous manifestations of anti-American sentiment. Even Western Europe, according to the United Press, is extending a cool reception to American tourists. This has been shown in country after country that have been the recipients of our bounty.

Not being satisfied with giving aid to our friends and allies, we have given billions to the so-called "neutralist" nations, together with vast quantities of military supplies. No thought has been given to the stark peril that in some future time these very arms might be hurled against our own sons.

We have already seen Tito, Nehru, Nasser and others visit and play host to the Communists in wild orgies of friendship and anti-western demonstration.

Now it is solemnly proposed that we begin a program of "aid" to the Communist satellite countries of Eastern Europe.

What is the reason for our "policy of panic"?

Why must our policies be governed by crude Russian propaganda rather than the application of our own reasoning and logic?

One wonders why this country, with its reputation for ingenuity, organization and production, cannot secure favorable agreements in carrying out its foreign policy and programs of foreign aid.

Perhaps the answer lies in the fact that Congress has abdicated much of its constitutional responsibility over appropriations. When larger amounts than can possibly be spent in a single year are appropriated for economic aid, Congress loses control of the purse strings.

Congress has been handing to the ICA, and its predecessor agencies, billions of dollars of the people's money without any previous determination of how the money is to be spent, and without audit or accurate check to determine whether the money was spent for the purposes intended.

Lack of specific information, general vagueness and absence of coordination is a true index to the nature and character of the foreign aid program that the Congress is being asked to continue.

With the world's problems so difficult and varied and the solution so hard to find, it is wonderful to be able to hit upon so simple and easy a way out—give away more money! But is it good, or is it harmful?

Foreign aid has become more than a continuous drain upon the American taxpayer. It has become an opiate which blinds us to the appalling fact that we are doing little more than drift in our foreign policy course. It has given us a comfortable and deceptive belief that money is a substitute for strength and firmness in a Cold War. Behind our Maginot Line of foreign-aid billions, we have hoaxed ourselves with the conviction that we have purchased security.

And these are added reasons why we need more Yankee traders. The ability to trade commands respect, wins friends and prevents wars. The foreign aid program is today supplanting the private investor and in a large measure competing with the sound expansion of foreign trade. The dead hand of the government bureaucrat cannot take the place of American initiative — it can only dry it up.

The sterile hand of state is now interposed between human wants and demands and the private initiative which can supply them.

This is happening more and more in both our Domestic and Foreign dealings.

Never before, at a time when the guns are not booming, have the American people been subjected to more "brainwashing" from Washington than at present. Never before has the will of the Executive been more forcefully imposed upon both the Congress and the American people. Never before have we been confronted with a more bloated Federal budget — $71,800,000,000 — the greatest danger to inflation that has ever been forced upon the American people.

These are factors that compel reappraisal. Several months ago our Congressmen got the surprise of their lives. The people rebelled against the excesses of the super-spenders in Washington and their protests descended upon the legislators in an avalanche, the like of which they had never seen before. For a time, Congress took notice and took out the economy knife. Then the people stopped protesting and the spending went into high gear again, spurred by the powerful propaganda from the President, his assistants and lobbyists. Unless the people reassert their concern and maintain their protests we may soon be confronted with an inflation that not only will curl our hair but may result in the tragedy of our losing it, as well as our shirts. If that happens we will be unable to aid ourselves or anyone else in the world. Then Moscow would win without firing a shot and our own politicians would blame us for their fiscal madness.

Americans both at home and abroad can surmount any problem when, as a Nation, we put our minds and hearts to the problem at hand.

One problem now before us is to get politicians and their appointed global givers out of foreign aid and substitute the safer, surer and sounder methods of our own Yankee traders.

Alfred Stembridge With W. E. Hutton & Co.

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Alfred R. Stembridge has become associated with W. E. Hutton & Co., 74 Federal Street. Mr. Stembridge for many years was an officer of Distributors Group, Inc., in charge of the Boston office.

Real Property Assoc.

BEVERLY HILLS, Calif.—Real Property Associates, Inc., 208 South Beverly Drive, is now engaging in a securities business. Officers are Robert P. Alford, president; Nathan M. Dicker, vice-president; and George W. Jackson, treasurer.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (percent of capacity)	July 28	§81.2	*79.3	84.0	17.0
Equivalent to—					
Steel ingots and castings (net tons)	July 28	§2,079,000	*2,030,000	2,150,000	419,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	July 12	6,882,050	6,952,000	7,294,050	7,083,950
Crude runs to stills—daily average (bbls.)	July 12	¶7,972,000	7,840,000	7,727,000	8,028,000
Gasoline output (bbls.)	July 12	26,861,000	25,876,000	27,254,000	27,196,000
Kerosene output (bbls.)	July 12	1,752,000	1,743,000	1,722,000	2,265,000
Distillate fuel oil output (bbls.)	July 12	13,000,000	12,446,000	11,846,000	12,606,000
Residual fuel oil output (bbls.)	July 12	7,739,000	7,730,000	7,645,000	7,893,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	July 12	181,973,000	185,920,000	191,317,000	178,366,000
Kerosene (bbls.) at	July 12	29,253,000	28,597,000	26,787,000	27,415,000
Distillate fuel oil (bbls.) at	July 12	125,564,000	119,592,000	106,171,000	104,521,000
Residual fuel oil (bbls.) at	July 12	47,020,000	46,248,000	42,870,000	40,926,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	July 13	691,991	535,234	746,125	619,988
Revenue freight received from connections (no. of cars)	July 13	481,118	523,987	612,560	484,050
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	July 18	$386,363,000	$325,465,000	$370,829,000	$391,347,000
Private construction	July 18	202,280,000	111,090,000	185,672,000	234,279,000
Public construction	July 18	184,083,000	214,375,000	185,157,000	157,068,000
State and municipal	July 18	141,904,000	124,359,000	136,014,000	121,059,000
Federal	July 18	42,179,300	90,016,000	49,143,000	36,009,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	July 13	7,500,000	1,500,000	10,335,000	7,306,000
Pennsylvania anthracite (tons)	July 13	77,000	69,000	612,000	441,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	July 13	104	94	129	99
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	July 20	12,306,000	11,964,000	12,337,000	11,125,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	July 18	266	256	241	223
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	July 16	5.967c	5.967c	5.670c	5.179c
Pig iron (per gross ton)	July 16	$64.95	$64.76	$64.56	$60.61
Scrap steel (per gross ton)	July 16	$54.17	$54.50	$56.17	$46.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	July 17	28.750c	28.775c	31.100c	39.600c
Export refinery at	July 17	26.900c	27.350c	28.775c	35.175c
Lead (New York) at	July 17	14.000c	14.000c	14.000c	16.000c
Lead (St. Louis) at	July 17	13.800c	13.800c	13.800c	15.800c
‡Zinc (delivered) at	July 17	10.500c	10.500c	11.500c	14.000c
Zinc (East St. Louis) at	July 17	10.000c	10.000c	11.000c	13.500c
Aluminum (primary pig, 99%) at	July 17	25.000c	25.000c	25.000c	24.000c
Straits tin (New York) at	July 17	96.000c	96.750c	98.250c	96.000c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	July 23	86.32	87.11	85.98	93.69
Average corporate	July 23	92.91	92.35	93.23	103.97
Aaa	July 23	95.92	96.54	96.85	107.80
Aa	July 23	94.26	94.56	95.77	105.86
A	July 23	92.50	93.23	94.41	103.80
Baa	July 23	85.59	85.85	86.65	99.04
Railroad Group	July 23	89.92	90.34	91.91	102.46
Public Utilities Group	July 23	92.93	93.23	94.71	104.31
Industrials Group	July 23	93.08	93.52	93.23	105.34
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	July 23	3.69	3.61	3.72	3.00
Average corporate	July 23	4.28	4.25	4.19	3.51
Aaa	July 23	4.01	3.97	3.95	3.29
Aa	July 23	4.12	4.10	4.02	3.40
A	July 23	4.24	4.19	4.11	3.52
Baa	July 23	4.74	4.72	4.66	3.81
Railroad Group	July 23	4.42	4.39	4.28	3.60
Public Utilities Group	July 23	4.21	4.19	4.09	3.49
Industrials Group	July 23	4.20	4.17	4.19	3.43
MOODY'S COMMODITY INDEX	July 23	427.7	428.3	422.6	408.6
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	July 13	199,159	238,939	254,633	220,607
Production (tons)	July 13	153,861	158,025	287,444	202,972
Percentage of activity	July 13	55	54	94	70
Unfilled orders (tons) at end of period	July 13	488,517	446,373	419,664	528,096
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	July 19	110.21	110.22	110.22	108.97
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS:					
Transactions of specialists in stocks in which registered—					
Total purchases	June 29	1,307,310	1,544,090	1,248,990	1,220,570
Short sales	June 29	227,670	277,620	219,690	186,110
Other sales	June 29	1,134,930	1,228,100	1,043,990	1,044,810
Total sales	June 29	1,362,600	1,505,720	1,263,680	1,230,920
Other transactions initiated on the floor—					
Total purchases	June 29	246,100	253,850	211,520	228,850
Short sales	June 29	29,200	20,300	15,800	12,000
Other sales	June 29	218,990	268,600	218,520	221,550
Total sales	June 29	248,190	288,900	234,320	233,550
Other transactions initiated off the floor—					
Total purchases	June 29	452,091	562,635	371,930	465,644
Short sales	June 29	84,090	93,460	102,450	80,650
Other sales	June 29	445,372	641,606	387,990	483,273
Total sales	June 29	529,462	735,066	490,440	563,923
Total round-lot transactions for account of members—					
Total purchases	June 29	2,005,501	2,360,575	1,832,440	1,915,064
Short sales	June 29	340,960	391,380	337,940	278,760
Other sales	June 29	1,799,292	2,138,306	1,650,500	1,749,633
Total sales	June 29	2,140,252	2,529,686	1,988,440	2,028,393
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION:					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	June 29	1,243,296	1,321,026	1,040,077	971,034
Dollar value	June 29	$67,174,539	$71,218,077	$58,590,113	$50,851,492
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	June 29	918,676	1,099,282	887,430	875,500
Customers' short sales	June 29	4,958	8,895	7,490	5,513
Customers' other sales	June 29	913,718	1,090,387	879,940	869,987
Dollar value	June 29	$47,024,644	$57,518,106	$44,688,041	$43,198,565
Round-lot sales by dealers—					
Number of shares—Total sales	June 29	207,870	297,550	237,090	253,030
Short sales	June 29	----	----	----	----
Other sales	June 29	207,870	297,550	237,090	253,030
Round-lot purchases by dealers—					
Number of shares	June 29	536,590	469,070	354,260	349,540
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	June 29	405,140	465,770	428,110	349,860
Other sales	June 29	9,471,820	10,968,610	8,802,590	9,194,310
Total sales	June 29	9,876,960	11,434,380	9,230,700	9,544,170
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	July 16	118.0	*117.7	117.3	114.0
Farm products	July 16	92.7	91.5	90.7	90.3
Processed foods	July 16	107.2	*106.4	105.2	102.4
Meats	July 16	99.2	97.1	92.6	81.2
All commodities other than farm and foods	July 16	125.4	*125.4	125.3	121.3

*Revised figure. ¶Includes 1,154,000 barrels of foreign crude runs. §Based on new annual capacity of 133,495,150 tons as of Jan. 1, 1957, as against Jan. 1, 1956 basis of 128,363,090 tons. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of June 29:			
Imports	$219,798,000	$227,394,000	$264,465,000
Exports	501,593,000	501,029,000	251,236,000
Domestic shipments	15,111,000	15,061,000	12,334,000
Domestic warehouse credits	43,264,000	58,008,000	21,780,000
Dollar exchange	21,459,000	5,259,000	8,924,000
Based on goods stored and shipped between foreign countries	177,700,000	177,004,000	125,297,000
Total	$978,925,000	$983,755,000	$684,036,000
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of June:			
Manufacturing number	179	205	183
Wholesale number	95	132	115
Retail number	553	600	551
Construction number	164	181	163
Commercial service number	93	82	93
Total number	1,084	1,200	1,105
Manufacturers' liabilities	$12,966,000	$14,888,000	$10,684,000
Wholesale liabilities	7,156,000	6,430,000	7,331,000
Retail liabilities	17,715,000	15,686,000	12,812,000
Construction liabilities	10,066,000	10,820,000	8,598,000
Commercial service liabilities	3,551,000	4,728,000	3,588,000
Total liabilities	$51,454,000	$52,552,000	$43,013,000
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD — Month of June (000's omitted):			
Total U. S. construction	$1,561,367	$1,856,731	$1,621,580
Private construction	730,187	803,194	895,828
Public construction	831,180	1,053,537	725,752
State and municipal	685,777	712,252	597,135
Federal	145,403	341,285	128,617
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of May 31:			
Total consumer credit	$41,707	$41,015	$38,919
Instalment credit	31,901	31,532	29,763
Automobile	14,852	14,659	14,059
Other consumer goods	7,731	7,671	7,401
Repairs and modernization loans	1,783	1,760	1,677
Personal loans	7,535	7,442	6,626
Noninstalment credit	9,806	9,483	9,156
Single payment loans	3,741	3,536	3,258
Charge accounts	3,785	3,687	3,701
Service credit	2,280	2,260	2,197
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of May:			
Cotton Seed—			
Received at mills (tons)	11,115	10,132	19,474
Crushed (tons)	224,145	278,391	257,523
Stocks (tons) May 31	319,714	53,744	285,057
Crude Oil—			
Stocks (pounds) May 31	107,760,000	116,696,000	74,437,000
Produced (pounds)	81,446,000	99,742,000	91,144,000
Shipped (pounds)	79,033,000	96,151,000	120,866,000
Refined Oil—			
Stocks (pounds) May 31	245,087,000	277,876,000	384,109,000
Produced (pounds)	74,543,000	90,323,000	112,797,000
Consumption (pounds)	106,940,000	100,139,000	125,619,000
Cake and Meal—			
Stocks (tons) May 31	293,212	279,436	245,736
Produced (tons)	112,023	135,735	123,115
Shipped (tons)	98,247	120,255	135,760
Hulls—			
Stocks (tons) May 31	73,338	75,372	125,993
Produced (tons)	51,325	60,474	58,780
Shipped (tons)	53,359	61,363	70,958
Linters (running bales)—			
Stocks May 31	218,600	216,921	164,626
Produced	69,534	84,940	76,314
Shipped	67,855	88,480	109,481
Hull Fiber (1,000-lb. bales)—			
Stocks May 31	60	658	584
Produced	(a)	231	(a)
Shipped	(a)	373	(a)
Motes, Grabbots, etc. (1,000 pounds)—			
Stocks May 31	1,973	2,738	3,760
Produced	582	835	613
Shipped	1,347	983	1,566
MOODY'S WEIGHTED AVERAGE YIELD OF 100 COMMON STOCKS—Month of June:			
Industrials (125)	3.79	3.82	3.82
Railroads (25)	6.31	6.24	5.35
Utilities (not incl. Amer. Tel. & Tel.) (24)	4.96	4.69	4.68
Banks (15)	4.84	4.77	4.41
Insurance (10)	2.97	2.91	3.19
Average (199)	4.05	4.05	4.01
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of June:			
Net sales	----	----	----
Net purchases	$115,813,200	$313,420,450	$239,762,900
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS — Month of April (000's omitted):			
Exports	$1,862,200	$2,142,700	$1,511,700
Imports	1,117,500	1,130,300	901,100
U. S. GOVT. STATUTORY DEBT LIMITATION —As of June 30 (000's omitted):			
Total face amount that may be outstanding at any time	$278,000,000	$278,000,000	$281,000,000
Outstanding—			
Total gross public debt	270,527,171	275,233,787	272,750,813
Guaranteed obligations not owned by the Treasury	107,137	103,223	73,888
Total gross public debt and guaranteed obligations	$270,634,309	$275,337,011	$272,824,702
Deduct—other outstanding public debt obligations not subject to debt limitation	445,988	447,594	463,485
Grand total outstanding	$270,188,321	$274,889,417	$272,361,216
Balance face amount of obligations, issuable under above authority	7,811,678	3,110,582	8,638,783
UNITED STATES GROSS DEBT DIRECT AND GUARANTEED—(000's omitted):			
As of June 30	$270,634,309	$275,337,011	$272,824,702
General funds balances	5,589,952	5,839,874	6,546,183
Net debt	$265,044,357	$269,497,137	$266,278,519
Computed annual rate	2.730%	2.746%	2.576%

(a) Not given to avoid disclosure of figures for individual companies.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

★ Abbott Laboratories, North Chicago, Ill.
July 18 filed 600 participations in the company's Stock Retirement Plan, together with 32,000 common shares which may be acquired pursuant thereto.

All America Expansion Corp., Pasadena, Calif.
May 3 filed 184,000 shares of common stock, of which 92,000 shares are to be offered to public and 92,000 shares issued to promoters. **Price**—To public, $1 per share; no proceeds from sale to promoters. **Proceeds**—For general corporate purposes. **Business**—Purchase and resale of oil fruits grown in Brazil and other countries. **Underwriter**—None. LeRoy R. Haynes, of Pasadena, Calif., is President.

• Allied Paper Corp., Chicago, Ill.
July 15 filed 21,000 shares of common stock (par $8) to be offered in exchange for outstanding common stock of Allied-Albany Paper Corp. on the basis of 5/22nd of a share of Allied stock for each share of Allied-Albany stock; offer to expire on Sept. 6.

Alsco, Inc., Akron, Ohio
June 28 filed 200,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** — For expansion, repayment of loans and for working capital. **Underwriter**—To be named by amendment.

★ Aluminum Co. of America
July 24 filed $30,000,000 of interests in the company's Savings Plan for Salaried Employees, together with 300,000 shares of common stock which may be acquired pursuant thereto.

American Income Fund, Inc., New York
May 24 filed 500,000 shares of capital stock (par $1). **Price**—At market. **Proceeds**—For investment. **Underwriter**—None. Burton H. Jackson is President. **Investment Adviser** — Securities Cycle Research Corp., New York.

American Provident Investors Corp.
Feb. 15 filed 50,000,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds** — For working capital and general corporate purposes. **Office**—Dallas, Tex. **Underwriter**—Peoples Securities Co., J. D. Grey, of New Orleans, John S. Tanner, of Dallas, and C. L. Edmonds, of Houston, three of the 22 directors, are Chairman, Vice-Chairman and President, respectively.

American Trailer Co., Washington, D. C.
July 11 (letter of notification) $120,000 of 10-year 6% first mortgage bonds (in denominations of $1,000 each), 120 warrants for common stock and 1,500 shares of common stock (no par). Each $1,000 bond has detachable warrants for 10 common shares at $15 per share exercisable at any time through June 30, 1959. **Price**—Of bonds, at par. **Proceeds** — For construction and improvements, payment of debts and working capital. **Office**—5020 Wisconsin Ave., Washington, D. C. **Underwriter**—Mackall & Coe, Washington, D. C.

★ Apache Oil Corp., Minneapolis, Minn.
July 22 filed 200 participating units in Apache Oil Program 1958. **Price**—$10,000 per unit. **Proceeds**—To acquire, develop and operate oil and gas leaseholds; and for other corporate purposes. Underwriter none; sales to be made through corporation and APA, Inc., its subsidiary.

★ Associates Investment Co. (8/1)
July 24 filed $50,000,000 of senior debentures due Aug. 1, 1977. **Price**—To be supplied by amendment. **Proceeds**—For working capital, etc. **Underwriter**—Salomon Bros. & Hutzler, New York.

Bankers Fire & Marine Insurance Co.
April 25 (letter of notification) 19,854 shares of common stock (par $5) to be offered to stockholders of record May 30, 1957 on a basis of two new shares for each 11 shares held; rights to expire July 30, 1957. **Price**—$11 per share. **Proceeds** — To increase capital and surplus accounts. **Office** — 312 N. 23rd St., Birmingham 3, Ala. **Underwriter**—None.

Bonanza Oil & Mine Corp., Sutherlin, Ore.
Feb. 11 (letter of notification) 71,710 shares of common stock (par 10 cents). **Price** — 75 cents per share. **Proceeds**—To go to selling stockholder. **Underwriter**—L. D. Friedman & Co., Inc., New York, N. Y.

C & D Batteries, Inc.
March 28 (letter of notification) 14,000 shares of common stock (par $10) to be offered for subscription by stockholders and employees. **Price**—$12.50 per share. **Proceeds** — For machinery, equipment, inventories and working capital. **Office** — Washington and Cherry Sts., Conshohocken, Pa. **Underwriter**—None.

Calidyne Corp., Winchester, Mass.
May 1 filed $1,250,000 of Limited Partnership Interests to be offered first to present limited partners at the rate of one $1,000 unit for each $1,000 of his present investment; then to public. **Price**—$1,000 per unit. **Proceeds** — To construct plant; to purchase machinery and equipment; and to reduce outstanding demand notes. **Business**—Produces electro-dynamic shaker and other vibration test equipment. **Underwriter**—None. Robert C. Lewis, Philip C. Efromson and Thomas Gouzoula, all of Winchester, Mass., are the general partners of this Massachusetts Limited Partnership.

Cameron Industries, Inc., New York (8/2)
June 7 filed 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For exploration and development program. **Underwriter**—R. G. Worth & Co., Inc., New York.

★ Caramba Mokafe Corp. of America
July 12 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For machinery, equipment, inventory and working capital. **Office**—701 Monroe St., Hoboken, N. J. **Underwriter**—Garden State Securities, Hoboken, N. J.

★ Casware, Inc.
July 17 (letter of notification) $150,000 of 7% convertible sinking fund debentures due July 1, 1962 and 150,000 shares of common stock (par 50 cents) to be offered in units of $50 of debentures and 50 shares of common stock. **Price**—$100 per unit. **Proceeds**—For working capital. **Office**—700 Second National Bank, Bldg., Wilkes-Barre, Pa. **Underwriter**—None.

• Central Telephone Co., Lincoln, Neb. (8/15)
July 15 filed $1,750,000 of convertible subordinated debentures due July 1, 1972. **Price**—To be supplied by amendment. **Proceeds**—Together with other funds, to purchase properties and to make advances to and investments in stock of subsidiaries. **Underwriters**—Paine, Webber, Jackson & Curtis, New York; and Loewi & Co., Milwaukee, Wis.

Charter Oil Co. Ltd. (Canada (8/1)
July 11 filed $2,250,000 of 15-year subordinated convertible debentures due Aug. 1, 1972. **Price**—To be supplied by amendment. **Proceeds** — To repay bank loans, for exploration and development of properties and for general corporate purposes. **Underwriters** — Lehman Brothers and Bear, Stearns & Co., both of New York, to handle sales in the United States; part to be sold in Canada through Canadian underwriters.

Chess Uranium Corp. (8/20)
May 14 (letter of notification) 600,000 shares of common stock (par $1—Canadian). **Price**—50 cents per share. (U. S. funds). **Proceeds**—For exploration costs, etc. **Office**—5616 Park Ave., Montreal, Canada. **Underwriter**—Jean R. Veditz Co., Inc., 160 Broadway, New York.

Coastal Chemical Corp., Yazoo City, Miss.
May 1 filed 150,000 shares of class C common stock to be offered for sale to farmers and other users of fertilizer materials. **Price**—At par ($25 per share). **Proceeds**—To construct and operate facilities for manufacture of anhydrous ammonia. **Underwriter**—Mississippi Chemical Corp., Yazoo City, Miss.

Colonial Aircraft Corp., Sanford, Me.
July 5 filed 248,132 shares of common stock (par 10¢). **Price**—At market. **Proceeds**—To selling stockholders. **Underwriter**—Glick & Co., Inc., New York.

Comico Corp., Memphis, Tenn. (8/1)
May 2 filed 750,000 shares of common stock. **Price**—$2 per share. **Proceeds**—To construct mill; for payment on mining leases and royalty agreement. **Underwriter**—Southeastern Securities Corp., New York.

Consolidated Fenimore Iron Mines, Ltd.
June 26 (letter of notification) 150,000 shares of common stock (par $7). **Price**—At market (closing price on Toronto Stock Exchange as of June 14, 1957 was $1.82 bid and $1.85 asked, per share). **Proceeds**—For mining expenses. **Office**—c/o Roy Peers, 9 De Casson Rd., Montreal, Canada. **Underwriters**—Thomason, Kernaghan & Co., Ltd., Toronto, Canada, and R. P. Mills & Co., Ltd., Montreal, Canada.

Conticca International Corp., Chicago, Ill.
March 13 filed 558,100 shares of class A common stock (par $1). **Price**—$5 per share. **Proceeds** — To discharge current notes payable, including bank loans, and long term debt in the total sum of approximately $1,030,000; for new equipment; and for working capital. **Underwriters** — Allen Shaw & Co., 405 Lexington Ave., New York 17, N. Y.; and Shaw & Co., San Marino, Calif.

Continental Mineral Resources, Inc.
June 11 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For mining expenses. **Office**—c/o Registrar & Transfer Agent, Nevada Agency & Trust Co., Cheney Bldg., Reno, Nev. **Underwriter**—Birkenmayer & Co., Denver, Colo.

Continental Mines & Metals Corp., Paterson, N.J.
April 24 filed 400,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For exploration and development of properties. **Underwriter** — Leward M. Lister & Co., Boston, Mass.

Cougar Mine Development Corp.
March 15 (letter of notification) 560,000 shares of common stock (par one cent). **Price** — 50 cents per share. **Proceeds** — For diamond drilling on company's lands, prospecting expenses, working capital and other corporate purposes. **Office**—33 Campfield St., Irvington, N J **Underwriter**—Roth & Co., Maplewood, N. J. **Offering**—Expected this month (July).

Daybreak Uranium, Inc., Opportunity, Wash.
May 7 filed 631,925 shares of common stock (par 10 cents). **Price** — At market (approximately 53 cents per share). **Proceeds**—To selling stockholders. **Underwriter** Herrin Co., Seattle, Wash.

Federal Insurance Co.
June 7 filed 400,000 shares of capital stock (par $4) being offered in exchange for 100,000 shares of Colonial Life Insurance Co. of America capital stock (par $10) on the basis of four Federal shares for each Colonial Share. Offer will become effective upon acceptance by holders of 90% of Colonial stock, or, at option of Federal, acceptance by not less than 80% of the Colonial shares. Offer will continue to and including July 26, unless extended. **Dealer-Managers** — The First Boston Corp. and Spencer Trask & Co., both of New York. **Exchange Agent** — Fidelity Union Trust Co., Newark, N. J.

Florida Trust, Pompano Beach, Fla.
March 4 filed 850 certificates of beneficial interest in the Trust. **Price**—$1,000 per certificate. **Proceeds**—To acquire by purchase, lease or otherwise, and to hold, own, subdivide, lease, mortgage, exchange, bargain, sell and convey lands and every character of real property. **Underwriter**—None.

Fluorspar Corp. of America
May 28 (letter of notification) 30,000 shares of common stock (par $1) to be offered for subscription by common stockholders on the basis of one new share for each four shares held. **Price**—$8.50 per share. **Proceeds**—For mining operations. **Office**—433 S. E. 74th Ave., Portland, Ore. **Underwriter**—None.

★ Foreign Inclusive Tour Experts, Inc.
July 12 (letter of notification) 585 shares of preferred stock (par $500) and 585 shares of common stock (par 10 cents) ot be offered in units of one share of each class of stock. **Price**—$500.10 per unit. **Proceeds**—For corporate revolving fund for charter arrangements for groups ($250,000) and for working capital and other corporate purposes. **Office**—223 East 74th St., New York 21, N. Y. **Underwriter**—None.

Frigikar Corp.
June 6 (letter of notification) 9,000 shares of common stock (par 50 cents). **Price** — At market (estimated $5.50 per share). **Proceeds**—To go to Daniel D. Dillingham. **Office**—1602 Cochran St., Dallas, Texas. **Underwriter**—Muir Investment Corp., San Antonio, Texas.

General Aniline & Film Corp., New York
Jan. 14 filed 426,988 shares of common A stock (no par) and 1,537,500 shares of common B stock (par $1). **Proceeds**—To the Attorney General of the United States. **Underwriter**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc., and The First Boston Corp. (jointly); Kuhn, Loeb & Co., Lehman Brothers and Glore, Forgan & Co. (jointly). **Bids** — Had been scheduled to be received up to 3:45 p.m. (EDT) on May 13 at Room 654, 101 Indiana Ave., N. W., Washington 25, D. C., but bidding has been postponed.

General Automatics Corp., Atlanta, Ga.
May 23 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To establish production facilities for manufacture and assembly of controls; and for other corporate purposes. **Address**—c/o Positronic Corp., 2572 Ridgemore Road, N. W., Atlanta, Ga. **Underwriters**—Armstrong & Co., Atlanta, Ga.

General Credit, Inc., Washington, D. C.
Aug. 17, 1956 filed $2,000,000 of 6% subordinated sinking fund debentures, due Sept. 1, 1971, with detachable warrants to purchase 160,000 shares of participating preference stock, to be offered in units of $500 of debentures and 40 warrants. **Price**—$500 per unit. **Proceeds**—For expansion and working capital. **Underwriter**—None named. Offering to be made through selected dealers. Application is still pending with SEC.

General Parking, Inc.
June 18 (letter of notification) 240,000 shares of common stock (par $1). **Price**—$1.25 per share. **Proceeds**—To retire outstanding debt; for expansion of subsidiary corporation and for working capital. **Office**—c/o Edwin F. Clements, 5312 Glenwood Ave., Youngstown, Ohio. **Underwriter**—L. L. LaFortune & Co., Las Vegas, Nev.

★ General Telephone Co. of the Southeast
July 18 filed 120,000 shares of 5.80% cumulative preferred stock (par $25) to be offered in exchange for the following outstanding securities on a share-for-share basis, plus, in each case, cash equivalent to the redemption premium for each such share offered in exchange: 5½% and 6% cumulative preferred stocks of Durham Telephone Co., the 6% cumulative preferred stock of Georgia Continental Telephone Co., and the 5½% cumulative preferred stock of South Carolina Continental Telephone Co. and of Southern Continental Telephone Co. All shares not surrendered for exchange will be redeemed in September, 1957.

General Telephone Corp., New York
May 24 filed 1,480,787 shares of common stock (par $10) and 170,000 shares of 5.28% convertible preferred stock

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(par $50) being offered in exchange for common and preferred stocks of Peninsular Telephone Co. on the basis of 1.3 shares of General common for each share of Peninsular common, and one-half share of General preferred share for each share of Peninsular $1 preferred, $1.30 preferred and $1.32 preferred. No exchange of preferred stock will be made unless at least 80% of the Peninsular preferred stock is exchanged. Offer will expire on Aug. 14. **Dealer-Managers**—Paine, Webber, Jackson & Curtis and Stone & Webster Securities Corp.

Genie Craft Corp., Washington, D. C.
June 28 (letter of notification) $150,000 of 10-year 6% subordinate convertible debentures. **Price**—At par (in denominations of $100 each). **Proceeds**—To discharge short term obligations and for working capital. **Office**—1022 18th St., N. W., Washington, D. C. **Underwriter**—Whitney & Co., Inc., Washington, D. C.

★ **Geonautics, Inc.**
July 18 (letter of notification) 10,000 shares of capital stock (no par). **Price** — $1 per share. **Proceeds** — For working capital. **Office**—1346 Connecticut Ave., N. W., Washington 6, D. C. **Underwriter**—None.

Georgia Casualty & Surety Co.
May 10 (letter of notification) 10,000 shares of common stock (par $5) to be offered first to stockholders and agents, then to the public. **Price**—$30 per share. **Proceeds** — To expand and finance the company's regular line of business. **Office**—70 Fairlie St., N. W., Atlanta, Ga. **Underwriter**—None. Dan D. Dominey is President.

Getty Oil Co., Wilmington, Del.
June 17 filed 100,000 shares of common stock (par $4) to be offered for sale from time to time on the New York Stock Exchange. Certain private placements may be made. **Price**—Either at the market or at a price not lower than the bid price nor higher than the asking price quoted on the Exchange at time of such offering. **Proceeds**—To J. Paul Getty, President, who is the selling stockholder. **Underwriter**—None.

Gibbs Automatic Moulding Corp.
May 22 filed $1,000,000 of 6% convertible debentures due March 31, 1967. **Price**—At par. **Proceeds**—To increase company's activities and for working capital. **Office**—Henderson, Ky. **Underwriter**—Cook Enterprise, Inc., 111 S. 7th St., Terre Haute, Ind.

★ **Gibbs & Hill, Inc.**
July 10 (letter of notification) 1,050 shares of common stock (par $5) to be offered about July 24 for subscription by selected officers, employees and stockholders. **Price**—$34.74 per share. **Proceeds**—To repurchase or redeem outstanding 6% cumulative preferred stock. **Office**—Pennsylvania Station, New York 1, N. Y. **Underwriter**—None.

★ **Gold Medal Studios, Inc.**
July 19 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For capital improvements and to exercise option to acquire property. **Office**—807 East 175th St., Bronx, New York City. **Underwriter**—None.

Great Lakes Natural Gas Corp.
July 15 filed 779,393 shares of common stock (par 50 cents) to be offered for subscription by common stockholders of Great Lakes Oil & Chemical Co. on basis of one-fourth share of Natural Gas stock for each share of Oil & Chemical stock. **Price**—$1.25 per share. **Proceeds**—For exploration costs, improvements, expansion, etc. **Office**—Los Angeles, Calif. **Underwriter** — Dempsey-Tegeler & Co., St. Louis, Mo.

Holy Land Import Corp., Houston, Texas
Feb. 27 (letter of notification) 100,000 shares of common stock. **Price**—At par ($3 per share). **Proceeds**—For inventory, working capital, etc. **Underwriter**—Benjamin & Co., Houston, Tex.

Horace Mann Fund, Inc., Springfield, Ill.
June 27 filed 100,000 shares of capital stock (par $1). **Price**—At market. **Proceeds**—For investment. **Distributor and Investment Manager**—Horace Mann Investors, Inc., Des Moines, Ia., of which Charles F. Martin is also President. **Office**—216 E. Monroe St., Springfield, Ill.

● **Ignacio Oil & Gas Co., Denver, Colo.**
May 20 filed 650,000 shares of common stock (par 50 cents). **Price**—$1 per share. **Proceeds**—For drilling and completion of test wells; for acquisition and exploration of additional properties; and for working capital. **Office**—1749 Pennsylvania St., Denver 3, Colo. **Underwriter**—None. W. Clay Meredith is President. Statement effective July 15.

★ **Indianapolis Power & Light Co. (8/7-8)**
July 18 filed 60,000 shares of cumulative preferred stock (par $100). **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and for new construction. **Underwriters**—Lehman Brothers; Goldman, Sachs & Co.; and The First Boston Corp.; all of New York.

International Duplex Corp., San Francisco, Calif.
Dec. 21, 1956 filed 500,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—To equip and establish five super launderettes and for working capital. **Underwriters**—Names to be supplied by amendment.

International Fidelity Insurance Co.
March 28 filed 100,000 shares of common stock (no par) to be offered for subscription by stockholders at the rate of one new share for each seven shares held. **Price**—To be supplied by amendment. **Proceeds**—For working capital, etc. **Underwriter**—Franklin Securities Co., Dallas, Texas.

International Insurance Investments, Inc.
June 10 filed 118,140 shares of common stock (par $1) and warrants to purchase 354,420 additional shares of common stock to be offered in units of one common share and three warrants to buy three common shares **Price**—$3.75 per unit. Each warrant entitles holder to purchase one common share at $2.75 per share. **Proceeds**—To acquire stock of fire insurance unit and for general corporate purposes. **Office** — Englewood, Colo. **Underwriter**—American Underwriters, Inc., also of Englewood, Colo.

Isthmus Steamship & Salvage Co., Miami, Fla.
May 21 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To purchase a ship and for working capital. **Underwriter**—Anderson Cook Co., Inc., Palm Beach, Fla.

★ **Lee Telephone Co., Martinsville, Va.**
July 16 (letter of notification) 24,950 shares of common stock ((par $10). **Price**—$12 per share. **Proceeds**—To reduce short-term bank loans. **Underwriter**—None.

Marion Finance Corp., Ardmore, Pa.
March 28 filed $250,000 of 6% renewable subordinated debentures, due upon demand May 1, 1967, without demand May 1, 1972. **Price**—At par (in units of $100 and $500 each). **Proceeds**—For working capital. **Office**—17 W. Lancaster Ave., Ardmore, Pa. **Underwriters**—Walnut Securities Corp., Philadelphia, Pa.; B. Ray Robbins Co., New York; and Berry & Co., Plainfield, N. J.

Mascot Mines, Inc., Kellogg, Idaho
June 3 (letter of notification) 800,000 shares of common stock. **Price**—At par (17½ cents per share). **Proceeds**—For mining expenses. **Office**—Sidney Bldg., Kellogg, Idaho, Malcolm C. Brown is President. **Underwriter**—Standard Securities Corp., Spokane, Wash., and Kellogg, Idaho.

★ **McDermott (J. Ray) & Co., Inc. (8/6)**
July 18 filed $20,292,000 of convertible subordinated debentures due Aug. 1, 1972, to be offered for subscription by common stockholders of record Aug. 6, 1957 on the basis of $100 of debentures for each 10 common shares held; rights to expire on Aug. 20, 1957. **Price**—To be supplied by amendment. **Proceeds**—For expansion of operations. **Underwriters**—Dominick & Dominick and Kidder, Peabody & Co., both of New York.

● **Mercast Corp., New York, N. Y.**
June 24 filed 420,778 shares of capital stock (par 10 cents) being offered for subscription by stockholders of record July 18, 1957 on the basis of two new shares for each three shares held; rights to expire on Aug. 2. **Price**—$4.25 per share. **Proceeds**—For expansion program, to repay outstanding notes to Atlas Corp. and for working capital. **Underwriter**—None.

● **Merchants Co.**
June 10 (letter of notification) $300,000 of 6% convertible subordinate debentures due 1972 being offered to common and preferred stockholders of record of July 11, 1957, on the basis of $125 of debentures for each 18 shares of stock held; rights to expire on Aug. 5, 1957. **Price**—At par in units of $125 each and multiples thereof. **Proceeds**—For working capital. **Office**—300 East Pine St., Hattiesburg, Miss. **Underwriter** — Lewis & Co., Jackson, Miss.

Minneapolis-Honeywell Regulator Co.
June 24 filed 331,237 shares of common stock (par $1.50) being offered for subscription by common stockholders of record July 16, 1957 at the rate of one share of new for each 20 shares held; rights to expire on Aug. 1, 1957. **Price**—$85 per share. **Proceeds**—For expansion program. **Underwriter**—Eastman Dillon, Union Securities & Co., New York.

Mississippi Valley Portland Cement Co.
Dec. 26, 1956 filed 1,600,000 shares of capital stock (no par) of which 708,511 shares are subject to an offer of rescission. **Price**—$3 per share. **Proceeds**—For completion of plant, provide for general creditors and for working capital. **Office**—Jackson, Miss. **Underwriter**—None, offering to be made through company's own agents.

NEW ISSUE CALENDAR

July 25 (Thursday)
Southern Pacific Co.______________Equip. Trust Ctfs.
(Bids noon EDT) $6,000,000

July 26 (Friday)
Precision Transformer Corp.__________Debentures
(John R. Boland & Co., Inc.) $299,880
Seminole Oil & Gas Corp.______________Common
(Albert & Co., Inc.) $206,250

July 30 (Tuesday)
National Tea Co.____________________Debentures
(Hemphill, Noyes & Co.) $12,000,000

July 31 (Wednesday)
Norfolk & Western Ry._____Equipment Trust Ctfs.
(Bids noon EDT) $4,320,000

August 1 (Thursday)
Associates Investment Co.______________Debentures
(Salomon Bros. & Hutzler) $50,000,000
Charter Oil Co., Inc.__________________Debentures
(Lehman Brothers and Bear, Stearns & Co.) $2,250,000
Comico Corp. __________________________Common
(Southeastern Securities Corp.) $1,500,000

August 2 (Friday)
Cameron Industries, Inc.________________Common
(R. G. Worth & Co., Inc.) $300,000

August 6 (Tuesday)
McDermott (J. Ray) & Co., Inc.__________Debentures
(Offering to common stockholders—underwritten by Dominick & Dominick and Kidder, Peabody & Co.) $20,292,000
Sanders Associates, Inc.________Class A Common
(Kidder, Peabody & Co.) 110,000 shares

August 7 (Wednesday)
Indianapolis Power & Light Co.__________Preferred
(Lehman Brothers; Goldman, Sachs & Co.; and The First Boston Corp.) $6,000,000

August 12 (Monday)
Walter (Jim) Corp.____________Bonds & Common
(Carl M. Loeb, Rhoades & Co. and Prescott, Shepard & Co., Inc.) $2,425,000

August 13 (Tuesday)
Northern States Power Co. (Minn.)__________Bonds
(Bids 10 a.m. CDT) $18,000,000
Thompson Products, Inc.________________Debentures
(Offering to common stockholders—underwritten by Smith, Barney & Co. and McDonald & Co.) $19,729,500

August 15 (Thursday)
Central Telephone Co.__________________Debentures
(Paine, Webber, Jackson & Curtis and Loewi & Co.) $1,750,000

August 20 (Tuesday)
Chess Uranium Corp.______________________Common
(Jean R. Veditz Co., Inc.) $300,000
Pacific Telephone & Telegraph Co._____Debentures
(Bids to be invited) $90,000,000

August 27 (Tuesday)
El Paso Natural Gas Co.__Debentures & Preferred
(White, Weld & Co.) $70,000,000
Southern California Edison Co.______________Bonds
(Bids to be invited) $40,000,000

September 3 (Tuesday)
Cincinnati & Suburban Telephone Co._____Common
(Offering to stockholders—no underwriting)

September 4 (Wednesday)
Louisville Gas & Electric Co.________________Bonds
(Bids to be invited) $15,000,000

September 10 (Tuesday)
Duke Power Co._____________________________Bonds
(Bids to be invited) $50,000,000

September 11 (Wednesday)
New Jersey Bell Telephone Co._______Debentures
(Bids to be invited) $30,000,000

September 12 (Thursday)
Philadelphia Electric Co.____________________Bonds
(Bids to be invited) $40,000,000

September 17 (Tuesday)
Consolidated Natural Gas Co.__________Debentures
(Bids 11:30 a.m. EDT) $25,000,000

September 18 (Wednesday)
Norfolk & Western Ry.______Equipment Trust Ctfs.
(Bids noon EDT) $4,260,000
Pacific Power & Light Co.____________________Bonds
(Bids to be invited) $20,000,000
Public Service Electric & Gas Co.____________Bonds
(Bids to be invited) $50,000,000

September 24 (Tuesday)
Northern Illinois Gas Co.______Bonds or Preferred
(Bids to be invited) $8,000,000 to $10,000,000
Utah Power & Light Co.______________________Bonds
(Bids to be invited) $15,000,000
Utah Power & Light Co.____________________Common
(Bids to be invited) 400,000 shares

October 1 (Tuesday)
Southwestern Bell Telephone Co.______Debentures
(Bids to be invited) $100,000,000

October 3 (Thursday)
Columbia Gas System, Inc.______________Debentures
(Bids to be invited) $25,000,000

October 8 (Tuesday)
Commonwealth Edison Co.________Bonds or Preferred
(Bids to be invited) $25,000,000 to $50,000,000

October 15 (Tuesday)
Indiana & Michigan Electric Co.______________Bonds
(Bids 11 a.m. EST) $20,000,000

October 16 (Wednesday)
Consumers Power Co.____________________Debentures
(Offering to common stockholders—bids noon EDT) $35,156,760

October 21 (Monday)
Consumers Power Co.__________________________Bonds
(Bids 11:30 a.m. EDT) $35,000,000

October 22 (Tuesday)
Consolidated Edison Co. of New York, Inc.___Bonds
(Bids 11 a.m. EDT) $50,000,000

October 29 (Tuesday)
American Telephone & Telegraph Co.___Debentures
(Bids to be invited) $250,000,000

November 19 (Tuesday)
Ohio Power Co.________________________________Bonds
(Bids 11 a.m. EST) $28,000,000
Ohio Power Co.____________________________Preferred
(Bids 11 a.m. EST) $7,000,000

December 3 (Tuesday)
Virginia Electric & Power Co.________________Bonds
(Bids to be invited) $20,000,000

Mon-O-Co Oil Corp., Billings, Mont.
July 11 filed 22,474 shares of class A common stock and 539,376 shares of class B common stock to be offered in units of one class A share and 24 class B shares, which shall not be separately transferable until May 1, 1960. Of the units, 14,474 are to be issued in exchange for or conversion of working interests in joint lease acreage operations, etc., and 8,000 are to be offered for subscription by existing stockholders, on a pro rata basis. **Price**—$75 per unit. **Proceeds**—For development and exploration costs, etc. **Underwriter**—None.

Monticello Associates, Inc.
Feb. 18 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds** — For capital expenditures, including construction of motel, roadside restaurant and gas station. **Business**—Has been processing and selling of gravel. **Office**—203 Broadway, Monticello, N. Y. **Underwriter**—Walnut Securities Corp., Philadelphia, Pa.

Mount Wilson Mines, Inc., Telluride, Colo.
June 24 filed 400,000 shares of class A common stock (par 50 cents). **Price**—$1 per share. **Proceeds**—For exploration and related purposes, including construction of a mill. **Underwriter** — Investment Service Co., Denver, Colo.

Mountain States Telephone & Telegraph Co.
June 5 filed 584,176 shares of capital stock (par $100) being offered for subscription by stockholders of record June 20, 1957 on the basis of one new share for each five shares held; rights to expire on July 31. **Price** — At par ($100 per share). **Proceeds** — To repay advances from American Telephone & Telegraph Co., the parent, which owns 86.74% of the presently outstanding shares. **Underwriter**—None.

Municipal Investment Trust Fund, Inc. (N. Y.)
May 9 filed 5,000 units of undivided interests in Municipal Investment Trust Fund, Series A. **Price**—At market. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., New York.

★ Music Fair Ltd.
July 11 (letter of notification) $100,000 of 6% debentures due Nov. 30, 1963 and 10,000 shares of non-voting preference stock (par $10-Canadian) to be offered in units of $250 of debentures and 25 preference shares. **Price**—$500 per unit. **Proceeds**—To acquire plant and equipment and for working capital. **Business**—Entertainment. **Office**—Room 2200, 25 King Street West, Toronto, Ont., Canada. **Underwriter**—None.

Mutual Investment Trust for Profit Sharing-Retirement Plans, Inc., Richmond, Va.
March 19 filed 50,000 shares of capital stock (par $1), to be offered trustees of profit sharing retirement plans. **Price**—At market. **Proceeds**—For investment. **President** —T. Coleman Andrews. **Office** — 5001 West Broad St., Richmond, Va.

Mutual Investors Corp. of New York
May 17 (letter of notification) 295,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To acquire real estate properties and mortgages. **Office**—550 Fifth Ave., New York 36, N. Y. **Underwriter** — Stuart Securities Corp., New York.

Nassau Fund, Princeton, N. J.
May 8 filed 250,000 shares of common stock. **Price**—At market. **Proceeds**—For investment. **Office**—10 Nassau St., Princeton, N. J. **Investment Advisor** — Harland W. Hoisington, Inc., same address.

National Lithium Corp., New York
Feb. 19 filed 3,120,000 shares of common stock (par one cent). **Price**—$1.25 per share. **Proceeds**—For acquisition of properties; for ore testing program; for assessment work on the Yellowknife properties; and for cost of a concentration plant, mining equipment, etc. **Underwriter**—Gearhart & Otis, Inc., New York. Statement expected to be amended.

National Tea Co., Chicago, Ill. (7/30)
June 28 filed $12,000,000 sinking fund debentures due Aug. 1, 1977. **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and other indebtedness and for other corporate purposes. **Underwriter**—Hemphill, Noyes & Co., New York.

New Brunswick (Province of)
Dec. 14, 1956, filed $12,000,000 of 25-year sinking fund debentures due Jan. 1, 1982. **Price**—To be supplied by amendment. **Proceeds**—To be advanced to The New Brunswick Electric Power Commission to repay bank loans. **Underwriter**—Halsey, Stuart & Co. Inc., New York and Chicago. **Offering**—Indefinitely postponed.

Northern States Power Co. (Minn.) (8/13)
July 3 filed $18,000,000 of first mortgage bonds due Aug. 1, 1987. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner and Beane, Kidder, Peabody & Co. and White, Weld & Co. (jointly); Lehman Brothers and Riter & Co. (jointly); The First Boston Corp. and Blyth & Co., Inc. (jointly); Equitable Securities Corp.; Kuhn, Loeb & Co.; Harriman Ripley & Co. Inc. **Bids**—Expected to be received up to 10 a.m. (CDT) on Aug. 13.

Oil Ventures, Inc.
May 13 (letter of notification) 2,500,000 shares of common stock. **Price**—At par ($10 cents per share). **Proceeds**—For development of oil and gas properties. **Office** —725 Judge Bldg., Salt Lake City, Utah. **Underwriter**—Mid America Securities, Inc. of Utah, Salt Lake City, Utah.

★ Old American Life Co., Seattle, Wash.
July 22 filed 15,825 shares of class A stock (par $10) and 3,165 shares of common stock (par $10) to be offered in units of one common share and three class A shares. **Price**—$260 per unit. **Proceeds** — For working capital and other corporate purposes. **Underwriter**—None.

Oxford County Telephone & Telegraph Co.
April 18 (letter of notification) 6,000 shares of common stock to be offered to present stockholders on the basis of preemptive rights, thereafter to the public. **Price**—At par ($5 per share). **Proceeds** — For converting exchange at Turner from a manual service to a dial automatic exchange. **Office**—Buckfield, Me. **Underwriter**—None.

● Pacific Natural Gas Co.
May 28 filed $1,225,000 of 6½% subordinate interim notes due 1963 and 83,000 shares of common stock (par $1), of which the notes and 49,000 shares of stock are being offered in units of a $25 note and one common share. The remaining 34,000 shares of stock are being offered for subscription by common stockholders of record July 1 on a 1-for-3 basis (with certain oversubscription privileges); rights to expire on July 30. **Price** —To stockholders $7 per share. To public $27 per unit. **Proceeds**—To repay short-term debt and other current liabilities and for construction program. **Underwriters**—White, Weld & Co., New York; Wm. P. Harper & Son & Co., Seattle, Wash.

Pacific Power & Light Co.
June 4 filed 376,600 shares of common stock (par $6.50) being offered for subscription by common stockholders of record July 10, 1957 on the basis of one new share for each 10 shares held; rights to expire on August 1. **Price**—$28 per share. **Proceeds**—For construction program. **Underwriters**—Lehman Brothers, Eastman Dillon, Union Securities & Co., Bear, Stearns & Co. and Dean Witter & Co. (jointly).

★ Packer Publishing Co., Kansas City, Mo.
July 17 (letter of notification) 2,000 shares of common stock (no par) to be offered for subscription by employees. **Price**—$25 per share. **Proceeds**—For working capital. **Underwriter**—None.

Pancal Oil Corp.
May 13 (letter of notification) 299,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For oil drilling expenses. **Office**—27 William St., New York, N. Y. **Underwriter** — Bush Securities Co., New York, N. Y.

● Pepsi-Cola Mokan Bottlers, Inc.
April 11 (letter of notification) 60,000 shares of common stock (par 50 cents). **Price**—$5 per share. **Proceeds**—For general funds of the company. **Office**—207 West 8th St., Coffeyville, Kan **Underwriter** — G. F Church & Co., St. Louis, Mo. **Offering**—Expected today (July 25).

Plymouth Fund, Inc., Miami, Fla.
Feb. 5 filed 500,000 shares of capital stock (par $1). **Price**—At market. **Proceeds**—For investment. **Underwriter** — Plymouth Bond & Share Corp., Miami, Fla. Joseph A. Rayvis, also of Miami, is President.

● Precision Transformer Corp. (7/26)
June 12 (letter of notification) $294,000 of 6% 10-year convertible debentures due June 1, 1967 and 29,400 shares of common stock (par 20 cents) to be offered in units of $500 of debentures and 50 shares of stock at $510 per unit, or $100 of debentures and 10 shares of stock at $102 per unit. **Proceeds** — To repay outstanding indebtedness and for general corporate purposes. **Office**—2218 W. Lake St., Chicago, Ill. **Underwriter**—John R. Boland & Co., Inc., New York.

● Public Service Electric & Gas Co.
May 29 filed 250,000 shares of cumulative preferred stock (par $100). **Price**—To be supplied by amendment. **Proceeds**—For construction program. **Underwriter**—Merrill Lynch, Pierce, Fenner & Beane, New York. Statement withdrawn.

Pyramid Productions, Inc., New York
Sept. 27, 1956, filed 220,000 shares of com. stock (par $1) of which 200,000 shares are to be offered to public and 20,000 shares issued to underwriter. **Price**—$5 per share. **Proceeds**—To retire $125,000 of outstanding 15% debentures as well as a $173,180 debt to Trans-Union Productions, Inc.; and for working capital. **Business**—Television releases. **Underwriter**—E. L. Aaron & Co., New York. **Offering**—Date indefinite.

Resource Fund, Inc., New York
March 29 filed 100,000 shares of common stock (par $1). **Price**—At market. **Proceeds**—For investment. **Underwriter**—None. D. John Heyman of New York is President. **Investment Advisor**—Resource Fund Management Co., Inc., 60 Broadway, New York, N. Y.

St. Louis Insurance Corp., St. Louis, Mo.
March 27 filed 1,250 shares of class C cumulative preferred stock (par $57). **Price**—$97 per share. **Proceeds** —To R. M. Realty Co., who is the selling stockholder. **Underwriter** — Yates, Heitner & Woods, St. Louis, Mo. **Offering**—Expected in the near future.

St. Paul Fire & Marine Insurance Co.
June 25 filed 417,000 shares of capital stock (par $6.25) to be offered in exchange for the outstanding capital stock of Western Life Insurance Co., Helena, Mont., at rate of 1.39 shares of St. Paul stock for each share of Western stock. The offer is condiitoned upon acceptance by holders of not less than 240,000 shares (80%) of the outstanding Western stock. **Exchange Agent**—First National Bank & Trust Co., Helena, Mont.

● St. Regis Paper Co.
April 1 filed 850,000 shares of common stock (par $5) being offered in exchange for common stock of St. Paul & Tacoma Lumber Co. on the basis of 56⅔ shares of St. Regis stock for each share of Lumber company stock The offer, which will expire on July 31, will be declared effective if 95% of the latter stock is deposited for exchange (and may be declared effective at option of St. Regis, if not less than 80% of the stock is deposited). The Bank of California, N. A., Tacoma, Wash., is depositary and exchange agent. Statement effective June 21.

● Sanders Associates, Inc., Nashua, N. H. (8/6)
July 12 filed 110,000 shares of class A common stock (par $1) of which 100,000 shares are to be offered publicly and 10,000 shares are to be offered for subscription by employees. **Price** — To be supplied by amendment. **Proceeds**—To reduce bank loans and for working capital and other corporate purposes. **Underwriter** — Kidder, Peabody & Co., New York.

Sareze, Inc., Miami, Fla.
June 27 (letter of notification) 50,000 shares of 30-cent cumulative convertible preferred stock (par $2) and 50,000 shares of common stock (par $1) to be offered in units of one share of each class of stock. **Price**—$5 per unit. **Proceeds**—For working capital. **Office**—2621 Northwest 2nd Ave., Miami, Fla. **Underwriter**—Floyd D. Cerf, Jr. Co., Chicago, Ill.

★ Seattle-Toledo Oil Co., Inc.
July 17 (letter of notification) 1,000,000 shares of common stock (par 10 cents). **Price** — 25 cents per share. **Proceeds** — For oil development expenses. **Office**—714 Securities Bldg., Seattle 1, Wash. **Underwriter**—None.

● Seminole Oil & Gas Corp., Tulsa, Okla. (7/26)
June 24 (letter of notification) 275,000 shares of common stock (par five cents). **Price**—75 cents per share. **Proceeds** — For development of oil and gas properties. **Underwriter**—Albert & Co., Inc., New York, N. Y.

★ Sire Plan, Inc., New York
July 18 filed $4,000,000 of nine-month 8% funding notes. **Price**—At par (in denominations of $100 each). **Proceeds** —For working capital and other corporate purposes. **Underwriter**—Sire Plan Portfolios, Inc., New York.

● Southeastern Fund, Columbia, S. C.
June 3 filed $2,000,000 of 6½% sinking fund subordinated debentures due June 15, 1972, of which $1,500,000 principal amount are being offered for subscription by stockholders; rights to expire on Aug. 1. The remaining $500,000 principal amount, plus any unsubscribed debentures, to be publicly offered. **Price**—To stockholders, 95% of principal amount; and to public, at 100%. **Proceeds**—For working capitla. **Underwriters**—Smith, Clanton & Co., Greensboro, N. C.; Powell & Co., Fayetteville, N. C.; and Frank S. Smith & Co., Inc., Columbia, S. C.

Southern Industrial Corp., Jacksonville, Fla.
June 25 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To be added to the general funds of the company. **Underwriter** — Pierce, Carrison, Wulbern, Inc., Jacksonville, Fla.

Steadman Investment Fund, Inc., East Orange, N. J.
May 10 filed 100,000 shares of common stock (par $1) to be offered in connection with merger into this Fund of Fund of Fortune, Inc., Fortune II, Inc., Fortune III, Inc. and Fortune IV, Inc. **Underwriter** — William Allen Steadman & Co., East Orange, N. J. **Offering**—Expected early in July.

Stratford (John G.) Film Corp.
June 27 (letter of notification) 199,999 shares of common stock (par 25 cents). **Price**—$1.50 per share. **Proceeds**—For production of films, working capital, etc. **Office**—113 West 57th St., New York. **Underwriter** — Joseph Mandell Co., New York.

Strato-Missiles, Inc.
June 7 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To develop Hatfield propulsion system, and other projects; for purchase of additional facilities and for working capital. **Business**—To produce machinery and equipment. **Office**—70 East 45th St., New York, N. Y. **Underwriter**—Kesselman & Co., Inc., New York.

★ Super Food Services, Inc.
July 22 (letter of notification) 55,000 shares of class A stock (par $1) and 27,500 shares of class B stock (par one cent) to be offered in units of one class A share and one-half class B share. **Price**—$5.10 per unit. **Proceeds**—For working capital, etc. **Office**—c/o Donald B. Davis, Vice-President, 400 Walnut Ave., Bronx, New York, N. Y. **Underwriter** — Wm. T. Tegtmeyer & Co., Chicago, Ill.

Tax Exempt Bond Fund, Inc., Washington, D. C.
June 20 filed 40,000 shares of common stock. **Price**—$25 per share. **Proceeds** — For investment. **Underwriter**—Equitable Securities Corp., Nashville, Tenn.

Telestudios, Inc.
June 14 (letter of notification) 180,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds** — To purchase and install two Ampex videotape recorders, for equipment and working capital. **Office**—1481 Broadway, New York City. **Underwriter**—Joseph Mandell Co., New York.

Texam Oil Corp., San Antonio, Texas
May 29 filed 300,000 shares of common stock (par $1), to be offered for subscription by common stockholders on a basis of two new shares for each share held. **Price** —To be supplied by amendment. **Proceeds**—To repay indebtedness, for acquisition and exploration of oil and gas leases, for drilling and completion of wells, and for other corporate purposes. **Underwriter**—None.

★ Texas Eastern Transmission Corp.
July 22 filed 1,000,000 shares of common stock (par $7) to be offered in exchange, on a share-for-share basis, for capital stock of La Gloria Oil & Gas Co. of Corpus Christi, Tex. The offer is conditioned upon deposit of at least 81% (810,000 shares) of outstanding La Gloria stock prior to Sept. 6, 1957. Offer may be extended from time to time but not beyond Dec. 5, 1957.

Texas Glass Manufacturing Corp., Houston, Tex.
May 28 filed 3,000,000 shares of common stock (par $1), of which 2,700,000 shares are to be offered to public at

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$2 per share. The remaining 300,000 shares are under option to original stockholders at $1 per share. **Proceeds**—For expansion and working capital. **Underwriter**—T. J. Campbell Investment Co., Inc., Houston, Texas.

★ Thermo-Form Co., Inc.
July 17 (letter of notification) 2,500 shares of common stock (par $10) to be offered in accordance with the company's Employees' Stock Purchase Plan. **Price**—Not less than $15 or more than $20 per share or a maximum aggregate price of $50,000. **Proceeds**—For working capital. **Office** — 122 Eucalyptus Drive, El Segundo, Calif. **Underwriter**—None.

★ Thompson Products, Inc. (8/13)
July 24 filed $19,729,500 subordinated debentures due Aug. 1, 1982 (convertible into common stock until Aug. 1, 1967) to be offered for subscription by common stockholders in the ratio of $100 of debentures for each 14 shares of stock held of record on Aug. 12, 1957; rights to expire on Aug. 27, 1957. **Price** — To be supplied by amendment. **Proceeds**—For working capital and other general corporate purposes. **Underwriters**—Smith, Barney & Co., New York; and McDonald & Co., Cleveland, Ohio.

Titanic Oil Co.
May 6 (letter of notification) 6,000,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds**—For exploration of oil properties. **Office** — 704 First National Bank Bldg., Denver, Colo. **Underwriter**—Wayne Jewell Co., Denver, Colo.

Tripac Engineering Corp.
Feb. 27 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—For working capital; machine tools; equipment and proprietary development. **Office** — 4932 St. Elmo Ave., Bethesda 14, Md. **Underwriter**—Whitney & Co., Inc., Washington, D. C.

★ Truly Nolen Products, Inc.
July 19 (letter of notification) 100,000 shares of common stock (par 50 cents). **Price**—$2 per share. **Proceeds**—For plant and laboratory expansion, advertising and working capital. **Office**—6721 N. E. 4th Ave., Miami, Fla. **Underwriter**—Alfred D. Laurence & Co., Miami, Fla.

Uranium Corp. of America, Portland, Ore.
April 30 filed 1,250,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment (expected to be $1 per share). **Proceeds**—For exploration purposes. **Underwriter**—To be named by amendment. Graham Albert Griswold of Portland, Ore., is President.

★ Walter (Jim) Corp., Tampa, Fla. (8/12)
July 22 filed $1,250,000 of 9% subordinated bonds due Dec. 31, 2000, and 50,000 shares of common stock (par 50 cents) to be offered in units of $25 principal amount of bonds and one share of stock. **Price**—$48.50 per unit. **Proceeds**—For working capital. **Business**—Construction of "shell" homes. **Underwriters**—Carl M. Loeb, Rhoades & Co., New York; and Prescott, Shepard & Co., Inc., Cleveland, Ohio.

★ Whitaker Cable Corp.
July 22 (letter of notification) 19,870 shares of common stock (par $1) to be offered to officers and employees of the company and its subsidiaries pursuant to an employees' stock option plan. **Price**—At market on day the particular option is granted ($11.12½ per share on July 18, 1957). **Proceeds**—To general funds of company. **Office**—1301-35 Burlington St., North Kansas City, Mo. **Underwriter**—None.

• Woodland Oil & Gas Co., Inc., New York
May 28 filed 700,000 shares of common stock (par 10 cents), of which 600,000 shares are to be offered for account of company and 100,000 shares for account of a selling stockholder, Ralph J. Ursillo, General Manager of the company. **Price**—$1.50 per share. **Proceeds**—To drill and complete oil wells on the company's Pennsylvania and Kentucky properties and for two "deep tests" on its Pennsylvania property, as well as for working capital. **Underwriter**—Name to be supplied by amendment. "Stop order" proceedings ordered by SEC on July 23, 1957.

Prospective Offerings

Airborne Instruments Laboratory, Inc.
May 16 it was announced company plans to issue and sell $2,000,000 of 15-year 5¼% unsecured subordinated convertible debentures. American Research & Development Corp., owner of 31,500 shares or 15.8% of Airborne's stock, propose to purchase $320,000 of the new debentures. **Proceeds**—Together with $4,000,000 to be borrowed from institutional investors, for a building and expansion program.

Aircraft, Inc.
July 9 it was reported company plans to issue and sell up to $12,500,000 common stock, following spin-off by California Eastern Aviation, Inc. of its subsidiaries, Land-Air, Inc. and Air Carrier Service Corp. into Aircraft, Inc., a new company. **Underwriter**—Cruttenden, Podesta & Co., Chicago, Ill.

All States Freight, Incorporated, Akron, O.
June 21 it was announced company plans to offer publicly $2,250,000 of 15-year 6% debentures (with common stock warrants). **Proceeds**—Together with funds from private sale of 425,000 shares of common stock at $4 per share to pay part of cost of purchase of an operating carrier truck line. **Underwriter**—Fulton, Reid & Co., Inc., Cleveland, Ohio.

Aluminum Specialty Co.
March 18 it was announced company plans to issue and sell 15,000 shares of $1.20 cumulative convertible preferred stock series A (par $20). **Underwriters**—Emch & Co. and The Marshall Co., both of Milwaukee, Wis.

American Telephone & Telegraph Co. (10/29)
July 17 it was announced that company plans to issue and sell $250,000,000 of debentures to be dated Nov. 1, 1957 and to mature on Nov. 1, 1983. **Proceeds**—For improvement and expansion of system. **Underwriter**—To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co.; The First Boston Corp. and Halsey, Stuart & Co. Inc. (jointly). **Bids**—Expected to be opened on Oct. 29.

Atlantic City Electric Co.
April 9, Bayard L. England, President, announced that later this year the company will probably issue about $5,000,000 of convertible debentures. **Proceeds**—For construction program. **Underwriter**—May be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., American Securities Corp. and Wood, Struthers & Co. (jointly); White, Weld & Co. and Shields & Co. (jointly); The First Boston Corp. and Drexel & Co. (jointly); Eastman Dillon, Union Securities & Co. and Smith, Barney & Co. (jointly); Lee Higginson Corp.; Blyth & Co., Inc.

★ Atlantic Refining Co.
July 23 it was announced company plans to issue and sell $100,000,000 of convertible subordinated debentures. **Proceeds**—To retire bank loans and for expansion program and working capital. **Underwriter**—Smith, Barney & Co., New York. **Offering** — Expected sometime after the middle of August. **Registration**—Expected in about a week or so.

Byers (A. M.) Co.
May 7 stockholders approved a proposal to authorize a new class of 100,000 shares of cumulative preference stock (par $100) and to increase the authorized outstanding indebtedness to $15,000,000, in connection with its proposed recapitalization plan. There are no specific objectives involved. **Control**—Acquired by General Tire & Rubber Co. in 1956. **Underwriter**—Dillon, Read & Co., Inc., New York, handled previous preferred stock financing, while Kidder, Peabody & Co. underwrote General Tire & Rubber Co. financing.

Carolina Natural Gas Co.
July 2 it was reported company plans to issue and sell $1,600,000 of first mortgage 6% bonds, $800,000 of 6% subordinated sinking fund debentures due 1977 and 112,000 shares of common stock in units of $100 of bonds, $50 of notes and seven common shares. **Price**—$164 per unit. **Proceeds**—For construction program. **Underwriters**—Cruttenden, Podesta & Co., Chicago, Ill.; and Odess, Martin & Herzberg, Inc., Birmingham, Ala. **Offering**—Expected in August, 1957, with registration about the middle of July.

Central Hudson Gas & Electric Corp.
April 22 it was announced company plans to issue and sell this year, probably in the fall, approximately $7,500,000 of sinking fund debentures. **Proceeds**—To finance construction program. **Underwriter**—Probably Kidder, Peabody & Co., New York.

Central Illinois Public Service Co.
April 9 it was reported company plans to issue and sell $10,000,000 of 1st mtge. bonds. **Proceeds**—To reduce bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Equitable Securities Corp.; Eastman Dillon, Union Securities & Co.; Blyth & Co., Inc.; Kidder, Peabody & Co.; and Merrill Lynch, Pierce, Fenner & Beane (jointly); Kuhn, Loeb & Co. and A. C. Allyn & Co., Inc. (jointly). **Offering**—Expected late in 1957.

Central Louisiana Electric Co., Inc.
April 8 it was announced company plans to issue and sell late this year $6,000,000 of first mortgage bonds. **Proceeds** — Together with $4,500,000 of 4⅜% 12-year convertible debentures placed privately, to be used to repay bank loans and for construction program. **Underwriters**—Kidder, Peabody & Co. and White, Weld & Co. about the middle of last year arranged the private placement of an issue of $5,000,000 series G first mortgage bonds.

Chesapeake Industries, Inc.
June 3 it was reported company plans early registration of $3,500,000 of 5½% collateral trust sinking fund bonds due 1972 and 350,000 shares of common stock. Each $10 of bonds will carry a warrant to purchase one share of common stock. **Underwriter** — Van Alstyne, Noel & Co., New York.

Chesapeake & Ohio Ry.
July 15 it was reported company plans to issue and sell in August about $5,000,000 of equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

★ Cincinnati & Suburban Telephone Co. (9/3)
July 15 it was reported company plans to offer to its stockholders of record Aug. 27, 1957, the privilege of subscribing for additional common stock on a 1-for-10 basis; rights to expire on Oct. 3, 1957. **Underwriter**—None. American Telephone & Telegraph Co. owns approximately 30% of the outstanding common stock.

Cleveland Electric Illuminating Co.
Nov. 12 it was reported company plans to issue and sell $25,000,000 of first mortgage bonds in the Summer of 1957. **Proceeds**—To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Blyth & Co., Inc.; Dillon, Read & Co. Inc.; Blair & Co. Inc. and Baxter, Williams & Co. (jointly); Glore, Forgan & Co.; White, Weld & Co.

Coastal Transmission Corp.
July 1 it was reported the company plans to offer publicly about 191,000 units of securities for about $20,000,000 (each unit expected to consist of a $25 debenture or $35 interim note and five shares of $1 par common stock). **Proceeds**—Together with other funds, for construction program. **Underwriters**—Lehman Brothers and Allen & Co., both of New York.

Columbia Gas System, Inc. (10/3)
June 6, company announced that it plans the issuance and sale of $25,000,000 debentures later in 1957. **Proceeds**—To help finance 1957 construction program, which is expected to cost approximately $84,000,000. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Beane and White, Weld & Co. (jointly). **Bids**—Expected to be received on Oct. 3.

• Columbus & Southern Ohio Electric Co.
July 22 company announced it is planning to sell publicly in October an issue of $8,000,000 par amount of cumulative preferred stock. **Price**—To be determined later. **Proceeds**—To reduce short term bank loans. **Underwriter**—Dillon, Read & Co. Inc., New York.

Commerce Oil Refining Co.
June 10 it was reported this company plans to raise about $64,000,000 to finance construction on a proposed refinery and for other corporate purposes. The major portion will consist of first mortgage bonds which would be placed privately, and the remainder will include debentures and common stock (attached or in units). **Underwriter**—Lehman Brothers, New York. **Offering**—Expected in August.

Commonwealth Edison Co. (10/8)
June 25 company stated that it plans to offer $25,000,000 to $50,000,000 of new securities (kind not yet determined). **Proceeds** — For construction program. **Underwriter**—(1) For any preferred stock, may be The First Boston Corp. and Glore, Forgan & Co. (jointly). (2) For any bonds, to be determined by competitive bididng. Probably bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Glore, Forgan & Co. **Bids** — Expected to be received on Oct. 8.

Connecticut Light & Power Co.
Feb. 18, it was reported company plans to sell not less than $20,000,000 of first mortgage bonds, possibly this Fall, depending upon market conditions. **Proceeds**—For construction program. **Underwriter** — Putnam & Co., Hartford, Conn.; Chas. W. Scranton & Co., New Haven, Conn.; and Estabrook & Co., Boston, Mass.

Consolidated Edison Co. of New York, Inc. (10/22)
Charles B. Delafield, Financial Vice-President, on July 8 announced that the company has tentatively decided to issue and sell $50,000,000 of first and refunding mortgage bonds (probably with a 30-year maturity). This may be increased to $60,000,000, depending upon market conditions. **Proceeds**—From this issue and bank loans, to pay part of the cost of the company's 1957 construction program which is expected to total about $146,000,000. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; The First Boston Corp. **Bids**—Tentatively scheduled to be received up to 11 a.m. (EDT) on Oct. 22.

Consolidated Natural Gas Co. (9/17)
May 9 it was announced company plans to issue and sell $25,000,000 25-year debentures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Paine, Webber, Jackson and Curtis (jointly); Morgan, Stanley & Co. and the First Boston Corp. (jointly. **Bids**—Expected to be received up to 11:30 a.m. (EDT) on Sept. 17.

Consumer Power Co. (10/21)
July 9 it was announced company plans to issue and sell $35,000,000 of first mortgage bonds due 1987. **Proceeds**—To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Morgan Stanley & Co.; The First Boston Corp. and Harriman Ripley & Co. Inc. (jointly). **Bids**—Expected to be received up to 11:30 a.m. (EDT) on Oct. 21.

Consumers Power Co. (10/16)
July 9 it was announced that the company plans, in addition to the bond financing, to offer to its common stockholders the right to subscribe for $35,156,760 convertible debentures maturing not earlier than Sept. 1, 1972, on the basis of $100 of debentures for each 25 shares of stock held. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co (jointly); Morgan Stanley & Co.; The First Boston Corp. and Harriman Ripley & Co. Inc. (jointly); Ladenburg, Thalman & Co. **Bids**—Expected to be received up to noon (EDT) on Oct. 16.

Cook Electric Co.
July 15 it was reported that company is planning some equity financing. **Underwriter**—Probably Blunt Ellis & Simmons, Chicago, Ill.

Detroit Edison Co.
June 27 company announced Michigan P. U. Commission has authorized issue and sale of $70,000,000 general and refunding mortgage bonds, series P, due 1987. **Proceeds**—To repay bank loans and for construction program. **Underwriter** — If determined by competitive bidding, probable bidders may be The First Boston Corp. and Halsey, Stuart & Co. Inc. (jointly); Coffin & Burr, Inc., and Spencer Trask & Co. (jointly). **Offering**—Expected in August.

Duke Power Co. (9/10)
April 22 it was reported company plans to issue and sell $50,000,000 of first refunding mortgage bonds. **Proceeds**—To repay bank loans and for new construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Morgan Stanley & Co.; Stone & Webster Securities Corp. **Bids**—Tentatively scheduled to be received on Sept. 10.

Eastern Gas & Fuel Associates
April 3 it was announced company may need additional capital of between $25,000,000 and $35,000,000 during the next two years. **Underwriter**—For any bonds to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; White, Weld & Co., and Kidder, Peabody & Co. (jointly).

Eastern Utilities Associates
April 15 it was announced company proposes to issue and sell $3,750,000 of 25-year collateral trust bonds. **Proceeds** — For advances to Blackstone Valley Gas & Electric Co., a subsidiary. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Blyth & Co., Inc.; White, Weld & Co.; Stone & Webster Securities Corp. and Estabrook & Co. (jointly).

★ El Paso Natural Gas Co. (8/27)
July 17 directors authorized filing early in August of a registration statement with the SEC covering the proposed issue and sale of $60,000,000 convertible debentures and $10,000,000 first preferred stock. It is planned to offer the debentures for subscription by common and common B stockholders of record Aug. 26, 1957. **Price**—To be determined later. **Proceeds**—Together with funds from private sale of $60,000,000 first mortgage pipe line bonds, for current expansion program. **Underwriter**—White, Weld & Co., New York.

Employers Group Associates
July 1 it was announced company plans to file a registration statement with the SEC covering the proposed issuance and sale of up to 88,761 additional shares of capital stock to be offered for subscription by stockholders on the basis of one new share for each four shares held. **Price**—To be supplied by amendment. **Proceeds**—For working capital and general corporate purposes. **Underwriter**—Morgan Stanley & Co., New York. **Offering**—Expected in late August or early September.

General Telephone Co. of California
July 10 it was announced that the company has been granted authority by the California P. U. Commission to issue and sell 500,000 shares of 5% cumulative preferred stock (par $20). **Proceeds** — For construction program. **Underwriters**—Paine, Webber, Jackson & Curtis, Boston, Mass.; and Mitchum, Jones & Templeton, Los Angeles, Calif.

• General Tire & Rubber Co.
May 10 it was announced that this company is considering an issue of $15,000,000 to $20,000,000 convertible subordinated debentures (with stock purchase warrants attached) which may first be offered for subscription by common stockholders. **Proceeds**—For working capital. **Underwriter**—Kidder, Peabody & Co., New York. **Offering**—Expected in the next few months.

Goodman Manufacturing Co., Chicago, Ill.
June 21 it was announced company plans to issue and sell 150,000 shares of capital stock (par $16.66⅔), following approval on Aug. 5 of 3-for-1 split up of present $50 par stock. **Proceeds**—For general corporate purposes.

Gulf Interstate Gas Co.
May 3 it was announced company plans to issue some additional first mortgage bonds, the amount of which has not yet been determined. **Proceeds** — For construction program. **Underwriters**—Carl M. Loeb, Rhoades & Co. and Merrill Lynch, Pierce, Fenner & Beane.

Gulf States Utilities Co.
March 4 it was reported company plans to issue and sell $16,000,000 first mortgage bonds in November. **Proceeds**—To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner and Beane and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Kuhn, Loeb & Co. and A. C. Allyn & Co. Inc. (jointly); Stone & Webster Securities Corp.; Lee Higginson Corp.

Gulf States Utilities Co.
April 8 it was reported company tentatively plans to issue and sell some preferred stock this year. **Proceeds**—To finance construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Stone & Webster Securities Corp.; Lehman Brothers and Equitable Securities Corp. (jointly); Lee Higginson Corp. and Carl M. Loeb, Rhoades & Co. (jointly); Kuhn, Loeb & Co.; Glore, Forgan & Co. and W. C. Langley & Co. (jointly).

Hanna Steel Co., Birmingham, Ala.
April 8 it was reported company plans to issue and sell 120,000 shares of class A common stock. **Price**—$5 per share. **Underwriters**—Cruttenden, Podesta & Co., Chicago, Ill.; and Odess, Martin & Herzberg, Inc., Birmingham, Ala. **Offering**—Expected in June.

Hathaway (C. F.) Co., Waterville, Me.
June 24 it was announced company plans soon to offer to its common stockholders some additional common stock. **Underwriter**—Probably H. M. Payson & Co., Portland, Me.

Houston Lighting & Power Co.
Feb. 13 it was reported company may offer late this Fall approximately $25,000,000 first mortgage bonds, but exact amount, timing, etc. has not yet been determined. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler (jointly); Lazard Freres & Co. and Blyth & Co., Inc. (jointly); Kidder, Peabody & Co.

Idaho Power Co.
May 16 it was reported company plans to issue and sell around 200,000 to 225,000 shares of common stock in the Fall in addition to between $10,000,000 to $15,000,000 first mortgage bonds after Nov. 1. **Underwriter**—To be determined by competitive bidding. probable bidders: (1) For bonds—Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Blyth & Co. Inc., Lazard Freres & Co. and The First Boston Corp. (jointly); Kidder, Peabody & Co. and White, Weld & Co. (jointly); Equitable Securities Corp. (2) For stock—Kidder, Peabody & Co.; Blyth & Co., Inc., and Lazard Freres & Co. (jointly).

Indiana & Michigan Electric Co. (10/15)
May 20 it was reported company plans to issue and sell $20,000,000 of first mortgage bonds due 1987. **Proceeds**—For reduction of bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Harriman Ripley & Co. Inc.; The First Boston Corp.; Eastman Dillon, Union Securities & Co. **Bids**—Tentatively expected to be received up to 11 a.m. (EST) on Oct. 15.

• Iowa Southern Utilities Co.
July 17 it was announced company plans to offer $5,000,000 of first mortgage 30-year bonds. **Proceeds**—To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kuhn, Loeb & Co.; Lehman Brothers and Bear, Stearns & Co. (jointly); The First Boston Corp.; Dean Witter & Co.; Shields & Co.; Equitable Securities Corp. and Salomon Bros. & Hutzler (jointly). **Offering**—Expected in latter half of August 1957.

★ Janaf, Inc.
July 22 it was reported company plans early registration of $10,000,000 of debentures and 100,000 shares of common stock to be offered in units of a $100 debenture and one share of stock. **Price**—$100 per unit. **Proceeds**—For general corporate purposes. **Underwriter**—Mason & Lee, Inc., Lynchburg, Va.

Jefferson Lake Sulphur Co.
Dec. 27, 1956, Eugene H. Walte, Jr., announced company plans in the near future to sell an issue of convertible debentures. **Proceeds**—For expansion program.

Long Island Lighting Co.
April 16 it was announced company plans to sell later this year $40,000,000 of rist mortgage bonds, series J. **Proceeds**—To refund $12,000,000 of series C bonds due Jan. 1, 1958 and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp. and Blyth & Co. Inc. (jointly); W. C. Langley & Co. and Smith, Barney & Co. (jointly).

Louisville Gas & Electric Co. (9/4)
May 14 it was reported company plans to issue and sell $15,000,000 of first mortgage bonds. **Proceeds**—To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. and American Securities Corp. (jointly); Kidder, Peabody & Co. and Goldman, Sachs & Co. (jointly); Harriman Ripley & Co. Inc.; Lehman Brothers and Blyth & Co., Inc. (jointly); The First Boston Corp.; Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly). **Bids**—Tentatively scheduled to be received on Sept. 4.

Louisville & Nashville RR.
Bids are expected to be received by the company some time in the Fall for the purchase from it of $14,400,000 of equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

Mangel Stores Corp.
June 19 it was reported early registration statement is expected of an issue of $3,000,000 of convertible debentures due 1972. **Underwriter**—Lee Higginson Corp., New York.

Manufacturers National Bank of Detroit
July 11 stockholders were given the privilege of subscribing for 156,600 additional shares of capital stock (par $10) on the basis of one new share for each seven shares held as of July 9; rights to expire on July 26. **Price**—$35 per share. **Proceeds**—To increase capital and surplus. **Underwriters**—Blyth & Co., Inc.: First of Michigan Corp.; and Watling, Lerchen & Co.

Middle South Utilities, Inc.
May 8 it was announced company may consider an offering of new common stock within the next year or so. **Proceeds**—About $19,000,000, for investment in common stocks of the System operating companies during the three-year period 1957, 1958 and 1959. **Underwriter**—Previous stock offering was to stockholders, without underwriting, with oversubscription privileges.

Molybdenum Corp. of America
July 16 it was announced company plans to offer its common stockholders the right to subscribe for about 196,851 additional shares of common stock (par $1), plus warrants to purchase an additional 196,581 shares, on the basis of one new common share and one warrant for each seven shares presently held. The holders of record date will be the fifth day following the effective date of registration with the SEC. **Proceeds**—For expansion program. **Office**—Grant Bldg., Pittsburgh, Pa. **Underwriter**—None.

Montana Power Co.
May 20 it was reported company may issue and sell in the fall about $20,000,000 of debt securities. **Proceeds**—For construction program and to reduce bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.; White, Weld & Co.; Kidder, Peabody & Co.; Smith, Barney & Co., and Blyth & Co., Inc. (jointly); Merrill Lynch, Pierce, Fenner & Beane and Stone & Webster Securities Corp. (jointly).

New England Electric System
May 23 it was announced SEC has approved the merger of the five following subsidiaries: Essex County Electric Co.; Lowell Electric Light Corp.; Lawrence Electric Co.; Haverhill Electric Co. and Amesbury Electric Light Co., into one company. This would be followed by a $20,000,000 first mortgage bond issue by the resultant company, to be known as Marrimack-Essex Electric Co. **Underwriter**—May be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Company; Salomon Bros. & Hutzler; Eastman Dillon, Union Securities & Co., and Wood, Struthers & Co. (jointly); Lehman Brothers; The First Boston Corp.; Equitable Securities Corp.; Merrill Lynch, Pierce, Fenner & Beane; Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Offering**—Expected in first half of 1957.

New Jersey Bell Telephone Co. (9/11)
May 1 it was announced company plans to issue and sell $30,000,000 of debentures. **Proceeds**—Together with proceeds from sale of 900,000 shares of common stock (par $100) to parent, American Telephone & Telegraph Co., will be used to pay for expansion program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Morgan Stanley & Co.; Shields & Co.; White, Weld & Co.; The First Boston Corp. **Bids**—Tentatively expected to be received on Sept. 11.

New Jersey Power & Light Co.
Sept. 12, 1956, it was announced company plans to issue, and sell $5,000,000 of first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kuhn, Loeb & Co.; Lehman Brothers and Salomon Bros. & Hutzler (jointly); Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly); Equitable Securities Corp.; The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane.

Niagara Mohawk Power Corp.
April 22 it was reported company tentatively plans to issue and sell this fall about $40,000,000 of bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Morgan Stanley & Co.; Kuhn, Loeb & Co. and Eastman Dillon, Union Securities & Co. (jointly).

Norfolk & Western Ry. (7/31)
Bids are expected to be received by the company up to noon (EDT) on July 31 for the purchase from it of $4,320,000 equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

Norfolk & Western Ry. (9/18)
Bids are expected to be received by the company up to noon (EDT) on Sept. 18 for the purchase from it of $4,260,000 equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

Northern Illinois Gas Co. (9/24)
July 1 this company announced that it is planning to raise between $8,000,000 and $10,000,000 early this fall. No decision has been made as to the form of the proposed financing, but no consideration is being given to sale of common stock or securities convertible into common stock. **Proceeds**—For construction program. **Underwriter**—For any bonds, to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Glore, Forgan & Co.; Blyth & Co., Inc. **Bids**—Expected to be received on Sept. 24.

Ohio Power Co. (11/19)
May 15 it was reported that this company now plans to issue and sell $28,000,000 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.; Blyth & Co., Inc.; Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler (jointly). (2) For preferred stock—Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler (jointly); Harriman Ripley & Co. Inc. and Stone & Webster Securities Corp. (jointly); The First Boston Corp.; Blyth & Co., Inc.; Kuhn, Loeb & Co.; Lehman Brothers. **Bids**—Expected to be received up to 11 a.m. (EST) on Nov. 19.

★ Pacific Power & Light Co. (9/18)
July 19 it was reported that company plans to issue and sell $20,000,000 of first mortgage bonds due 1987. **Proceeds**—To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Kidder, Peabody & Co. (jointly); Lehman Brothers and Bear, Stearns & Co. (jointly). **Bids**—Tentatively expected to be received on Sept. 18.

Pacific Telephone & Telegraph Co.
May 24 it was announced company plans to offer to its stockholders the right to subscribe for 1,822,523 additional shares of common stock on the basis of one new share for each six shares of common stock and/or preferred stock held. **Price**—At par ($100 per share). **Pro-**

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ceeds—To repay advances from parent. **Underwriter**—None. American Telephone & Telegraph Co. owns 89.6% of the voting stock of Pacific T. & T. Co. **Offering**—Expected some time in August.

Pacific Telephone & Telegraph Co. (8/20)
May 24 it was announced company plans to issue and sell $90,000,000 of new 23-year debentures due 1980. **Proceeds**—To repay advances from parent and for improvements and additions to property. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected to be received on Aug. 20. **Registration**—Expected in the latter part of July.

Pennsylvania Electric Co.
Sept. 12, 1956 it was announced company plans to issue and sell $6,000,000 of first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Beane, Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly); Equitable Securities Corp.; The First Boston Corp.; Harriman Ripley & Co. Inc.; Kuhn Loeb & Co.

Permian Basin Pipe Line Co.
May 20 it was announced company, a subsidiary of Northern Natural Gas Co., may issue about $25,300,000 of new securities, in the following form: $15,000,000 of mortgage bonds, $3,700,000 of preferred stock and $6,600,000 of common stock. **Proceeds**—To repay advances of $9,300,000 from parent, and the remaining $16,000,000 for new construction. **Underwriter** — Glore, Forgan & Co., New York.

● Philadelphia Electric Co. (9/12)
July 22 it was announced company plans sale of $40,000,000 additional bonds to mature in 1987. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; The First Boston Corp.; Morgan Stanley & Co. and Drexel & Co. (jointly). **Bids**—Expected to be received on Sept. 12.

Public Service Co. of Indiana, Inc.
Feb. 11 it was announced that it is expected that a new series of first mortgage bonds (about $25,000,000 to $30,000,000) will be issued and sold by the company during the year 1957. **Proceeds**—To repay bank loans (amounting to $25,000,000 at Dec. 31, 1956) and for new construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; The First Boston Corp.; Harriman Ripley & Co. Inc.; Glore, Forgan & Co.; Kuhn, Loeb & Co., Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly).

★ Public Service Electric & Gas Co. (9/18)
July 19 it was reported company plans to issue and sell $60,000,000 of first and refunding mortgage bonds due 1987. **Proceeds**—To repay bank loans and for new construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Kuhn, Loeb & Co. and Lehman Brothers (jointly). **Bids**—Expected to be received on Sept. 18. **Registration**—Planned to be made in August.

San Diego Gas & Electric Co.
April 23, E. D. Sherwin, President, announced that company will probably raise about $7,500,000 late this fall through the sale of preferred stock. **Underwriter**—Blyth & Co., Inc., San Francisco, Calif.

Siegler Corp.
June 25 it was announced company plans to issue and sell in September or October of this year a maximum of 200,000 additional shares of common stock. **Underwriter**—William R. Staats & Co., Los Angeles, Calif.

★ Southern California Edison Co. (8/27)
July 23 it was announced company plans to issue and sell $40,000,000 of first and refunding mortgage bonds, 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., Inc.; Kuhn, Loeb & Co. **Bids**—Expected to be received on Aug. 27.

Southern Pacific Co. (7/25)
Bids will be received by this company in New York up to noon (EDT) on July 25 for the purchase from it of $6,000,000 equipment trust certificates, series XX, to be dated June 1, 1957 and to mature in 15 equal annual instalments. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

Southern Union Gas Co.
May 16 it was reported company plans to issue and sell about $10,000,000 of debentures this summer. **Proceeds**—For construction program. **Underwriter**—May be Blair & Co. Incorporated, New York.

Southwestern Bell Telephone Co. (10/1)
May 24 directors approved the issuance of $100,000,000 new debentures. **Proceeds** — For expansion program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids** — Tentatively expected to be received on Oct. 1.

Transocean Corp. of California
May 21 it was announced company plans a public offering of securities to provide about $6,700,000 of new working capital.

Utah Power & Light Co. (9/24)
March 12 it was announced company plans to issue and sell about $15,000,000 of first mortgage bonds due 1987. **Proceeds** — To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp. and Blyth & Co., Inc. (jointly); Salomon Bros. & Hutzler; Eastman Dillon, Union Securities & Co. and Smith, Barney & Co. (jointly); Lehman Brothers and Bear, Stearns & Co. (jointly); White, Weld & Co. and Stone & Webster Securities Corp. (jointly); Kidder, Peabody & Co. **Bids** — Tentatively scheduled to be received on Sept. 24.

Utah Power & Light Co. (9/24)
March 12 it was also announced company plans to offer to the public 400,000 shares of common stock. **Underwriter**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Eastman Dillon, Union Securities & Co. and Smith, Barney & Co. (jointly); Lehman Brothers; Blyth & Co., Inc. **Bids**—Tentatively scheduled to be received on Sept. 24.

Valley Gas Co.
April 15 it was announced company, a subsidiary of Blackstone Valley Gas & Electric Co., plans to issue within one year, $4,000,000 of bonds, $1,100,000 of notes and $900,000 of preferred stock to its parent in exchange for $6,000,000 of notes to be issued in exchange for certain assets of Blackstone. The latter, in turn, proposes to dispose by negotiated sale the first three new securities mentioned in this paragraph.
April 15 it was also announced Blackstone plans to offer to its common stockholders (other than Eastern Utilities Associates its parent) and to common stockholders of the latter the $2,500,000 of common stock of Valley Gas Co., it is to receive as part payment of certain Blackstone properties. **Dealer-Manager**—May be Kidder Peabody & Co., New York.

Virginia Electric & Power Co. (12/3)
March 8 it was announced company plans to sell $20,000,000 of first mortgage bonds. Probable bidders for bonds may include: Halsey, Stuart & Co. Inc.; Kuhn Loeb & Co. and American Securities Corp. (jointly); Salomon Bros. & Hutzler; Eastman Dillon, Union Securities & Co.; Stone & Webster Securities Corp.; White, Weld & Co. **Bids**—Expected to be received on Dec. 3.

Wisconsin Public Service Co.
May 29 it was announced company plans to issue and sell about $7,000,000 of first mortgage bonds and about $5,000,000 common stock. **Proceeds** — For construction program and to repay bank loans. **Underwriters** — (1) For bonds, to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane; Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Dean Witter & Co.; Lehman Brothers; White, Weld & Co. (2) For any common stock (first to stockholders on a 1-for-10 basis): The First Boston Corp., Merrill Lynch, Pierce, Fenner & Beane, Robert W. Baird & Co. and William Blair & Co. (jointly). **Registration**—Of bonds in September; and of stock in August.

● Wisconsin Southern Gas Co., Inc.
July 8 it was reported company plans to offer up to $300,000 of additional common stock to its stockholders. **Underwriter**—The Milwaukee Co., Milwaukee, Wis.

Our Reporter's Report

With the Treasury's huge refunding operation now effected, involving some $24 billion of obligations maturing currently and through October, things have taken on a little more cheerful hue in the corporate new issue market place.

True, the 4% coupon set for the Government's four-year issue is the highest on U. S. debt since the early 30's. But that this development had been discounted is apparent from the behavior of the Treasury and corporate markets in the wake of the news.

In the preceding fortnight or so the market for securities carrying an AA rating had backed off a bit. But in so doing, it appears, it had been engaged in discounting pretty much the type of announcement which came from the Treasury.

From conjecture around the market place it is indicated that the projected new 4% Treasury issue is attracting no end of interest. A great many institutions and corporations, it is reported, are inclined to regard this issue as a good "hedge" against eventualities of the next two to three years.

Consensus seems to be that the buyer can realize a good rate of return during the life of the issue and, at the same time, enjoy the degree of liquidity which this type of security affords.

Meanwhile the Treasury should be able to stand clear of the Fall market, except for its weekly bill rollover, unless, of course, it should decide to raise funds by a different type of security

Finds Ready Market

Shaking off the lethargy which had marked the last few new corporate offerings, Pacific Gas & Electric Co.'s new issue of 32-year, first and refunding bonds encountered brisk demand when brought to market yesterday.

The best of two bids submitted by banking groups was 99.92 for a 5% coupon rate. The bid of the runners-up was only 32 cents per $100, or $3.20 per $1,000 bond lower and named the same interest rate.

Reoffering was priced at 100.798 for an indicated yield of 4.95% which appeared to attract brisk demand and to stir up interest in issues, that had been lagging.

Other Issues Move Well.

While not quite as impressive as the foregoing operation, it was reported that good demand made its appearance for the $50 million of 5% debentures brought out for Sears, Roebuck Acceptance Corp., and for Tennessee Gas Transmission's $25 million of 6% debentures.

The Sears offering was at par, while Tennessee Gas's offering was made at 99 for a slightly better than 6% yield to the purchaser.

Meanwhile, it was indicated that the current stock offerings, namely McLouth Steel's 105,000 shares of preferred; Carter Products' 500,000 common, and Tung-Sol Electric's 100,000 shares of common, had been taken up quickly upon opening of the books. All went to premiums, with Carter quoted some eight points above the offering price.

Several New Prospects

The backlog of new offerings continued to build up during the week with several additions lifting substantially the prospective pull on the money market over the next two months.

Atlantic Refining Co. disclosed plans for $100 million of convertible, subordinated debentures, during the final half of August, to obtain funds for retirement of bank loans.

And Southern California Edison Co., proposes to sell at competitive bidding $40 million of first and refunding mortgage bonds to help finance its construction program.

Bankers Offer Western Hemisphere Petroleum Common Stock Offered

Sanders & Co. and Rauscher, Pierce & Co. Inc. jointly manage an underwriting group which is publicly offering 400,000 shares of Western Hemisphere Petroleum Corp. common stock at $5 per share.

Of the proceeds to be received from the sale of these shares, approximately $1,675,000 will be used for work in Canada, Colombia, Cuba, Haiti and Honduras. The balance is intended to be used for the purchase of producing oil, gas and mining properties in the United States or Canada and for the purpose of investigating oil, gas and mining properties in the Western Hemisphere.

Outstanding capitalization of the company, after giving effect to this financing, will consist of 666,500 shares of common stock out of a total authorized issue of 1,000,000 shares.

The business of the company will consist of the evaluation of oil and mineral prospects in various countries, organization of joint ventures with mining companies to explore for and to exploit commercial deposits of valuable minerals, the evaluation and testing of various methods of obtaining commercial production of oil, and the acquisition, evaluation and exploitation of any lands which seem to offer prospects for the commercial production of oil.

Other members of the underwriting group include: Bear Stearns & Co.; The Ohio Company; Dempsey-Tegeler & Co.; I. M. Simon & Co.; Bosworth, Sullivan & Co., Inc.; Eppler, Guerin & Turner, Inc.; Mead, Miller & Co.; Johnson, Lane, Space Corp.; Muir Investment Corp.; and Stein Bros. & Boyce.

$50 Million Issue of State of California Bonds Marketed

The Bank of America N. T. & S. A. and associates on July 24 offered $50,000,000 State of California 5%, 3¼% and 3½% Veterans' Bonds, due April 1, 1959 to 1978, inclusive.

The bonds are scaled to yield from 2.75% to 3.55%, according to maturity.

Associates in the offering include: Bankers Trust Company; The Chase Manhattan Bank; The First National City Bank of New York; The First National Bank of Chicago; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; The First Boston Corporation; Harriman Ripley & Co. Incorporated; Harris Trust and Savings Bank; Smith, Barney & Co.; Lehman Brothers; American Trust Company, San Francisco;

Security-First National Bank of Los Angeles; California Bank, Los Angeles; Drexel & Co.; Glore, Forgan & Co.; Chemical Corn Exchange Bank; C. J. Devine & Co.; Continental Illinois National Bank and Trust Company of Chicago; The Northern Trust Company; R. H. Moulton & Company; Goldman, Sachs & Co.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Bear, Stearns & Co.; Merrill Lynch, Pierce, Fenner & Beane; Blair & Co. Incorporated; Weeden & Co.;

The First National Bank of Boston; The First National Bank of Portland, Ore.; The Philadelphia National Bank; Seattle-First National Bank; Equitable Securities Corporation; Stone & Webster Securities Corporation; Dean Witter & Co.; Phelps, Fenn & Co.; White, Weld & Co.; Salomon Bros. & Hutzler; R. W. Pressprich & Co.; Paine, Webber, Jackson & Curtis; Mercantile Trust Company; Shields & Company; Reynolds & Co.; Ladenburg, Thalmann & Co.

With Coburn Middlebrook

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Me. — Sidney R. Gordon is now with Coburn & Middlebrook, Incorporated. He was formerly with King Merritt & Co., Inc. and Jay W. Kaufmann & Co.

Halsey, Stuart Group Offers Equip. Tr. Ctfs.

Halsey, Stuart & Co. Inc. and associates are offering $2,200,000 of Pittsburgh & Lake Erie RR. 4¼% equipment trust certificates maturing annually Aug. 15, 1958 to 1972, inclusive. The certificates are priced to yield from 4.10% to 4.375%, according to maturity and are being offered subject to approval of the Interstate Commerce Commission. Award of the certificates was won at competitive sale yesterday (July 24) on a bid of 98.539%.

These certificates are secured by new standard-gauge railroad equipment estimated to cost $2,847,500.

Other members of the offering group include: Dick & Merle-Smith; R. W. Pressprich & Co.; Freeman & Co.; and McMaster Hutchinson & Co.

Prescott Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Victor A. Ptak has become affiliated with Prescott & Co., National City Bank Building, members of the New York and Midwest Stock Exchanges.

With H. L. Jamieson

FRESNO, Calif. — Thomas M. Kennedy is with H. L. Jamieson Co., Inc., Bank of America Building.

DIVIDEND NOTICES

THE SOUTHERN COMPANY
(INCORPORATED)

The Board of Directors has declared a quarterly dividend of 27½ cents per share on the outstanding shares of common stock of the Company, payable on September 6, 1957 to holders of record at the close of business on August 5, 1957.

L. H. JAEGER,
Treasurer and Secretary

THE SOUTHERN COMPANY SYSTEM
Serving the Southeast through:
ALABAMA POWER COMPANY
GEORGIA POWER COMPANY
GULF POWER COMPANY
MISSISSIPPI POWER COMPANY
SOUTHERN SERVICES, INC.

RICHFIELD
dividend notice

The Board of Directors, at a meeting held July 9, 1957, declared a regular quarterly dividend of seventy-five cents per share on stock of this Corporation for the third quarter of the calendar year 1957, payable September 14, 1957 to stockholders of record at the close of business August 15, 1957.

Norman F. Simmonds, *Secretary*

RICHFIELD *Oil Corporation*
Executive Offices: 555 South Flower Street, Los Angeles 17, California

REDEMPTION NOTICE

A. T. & T. is calling . . .

its 3⅞% 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.

Copies of the notice of redemption and of a Prospectus relating to the stock of A.T.&T. into which these debentures are convertible may be obtained from the office of the Treasurer.

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

195 Broadway,
New York 7, N. Y.

DIVIDEND NOTICES

AMERICAN GAS AND ELECTRIC COMPANY

Common Stock Dividend

A regular quarterly dividend of thirty-six cents ($.36) per share on the Common capital stock of the Company issued and outstanding in the hands of the public has been declared payable September 10, 1957, to the holders of record at the close of business August 9, 1957.

W. J. ROSE, Secretary

July 24, 1957.

ALUMINIUM LIMITED

DIVIDEND NOTICE

On July 17, 1957, a quarterly dividend of 22½¢ per share in U. S. currency was declared on the no par value shares of this company, payable September 5th, 1957, to shareholders of record at the close of business August 5, 1957.

Montreal JAMES A. DULLEA
July 17, 1957 *Secretary*

BRILLO MANUFACTURING COMPANY, INC.

Dividend No. 110

A Dividend No. 110 of Forty-five Cents ($.45) on the Common Stock has been declared, payable October 1, 1957, to stockholders of record September 13, 1957.

M. B. LOEB, President

Brooklyn, N. Y.

HOOKER
Dividend Notice

The Board of Directors on July 24, 1957, declared dividends as follows:

Quarterly dividend of $1.0625 per share on the $4.25 Cumulative Preferred Stock, payable September 27, 1957 to stockholders of record as of the close of business September 3, 1957.

Quarterly dividend of $.25 per share on the Common Stock, payable August 29, 1957 to stockholders of record as of the close of business August 5, 1957.

ANSLEY WILCOX II, Secretary

HOOKER CHEMICALS PLASTICS

HOOKER ELECTROCHEMICAL COMPANY
Niagara Falls, N. Y.

IOWA SOUTHERN UTILITIES COMPANY

PUBLIC I.S.U.Co. SERVICE

DIVIDEND NOTICE

The Board of Directors has declared the following regular quarterly dividends:

35⅝ cents per share on its 4¾% Preferred Stock ($30 par)

41 cents per share on its $1.76 Conv. Preferred Stock ($30 par)

32 cents per share on its Common Stock ($15 par)

all dividends payable September 1, 1957, to stockholders of record August 15, 1957.

EDWARD L. SHUTTS,
July 18, 1957 *Chairman*

DIVIDEND NOTICES

INTERNATIONAL HARVESTER COMPANY

The Directors of International Harvester Company have declared quarterly dividend No. 156 of one dollar and seventy-five cents ($1.75) per share on the preferred stock payable Sept. 3, 1957, to stockholders of record at the close of business on August 5, 1957.

GERARD J. EGER, Secretary

MERCK & CO., INC.
RAHWAY, N. J.

Quarterly dividends of 25¢ a share on the common stock, 87½¢ a share on the $3.50 cumulative preferred stock, and $1.00 a share on the $4.00 convertible second preferred stock, have been declared, payable on October 1, 1957, to stockholders of record at the close of business September 9, 1957.

CARL M. ANDERSON,
July 23, 1957 *Secretary*

Southern Railway Company

DIVIDEND NOTICE

New York, July 23, 1957.

A dividend of Seventy cents (70¢) per share on 6,491,000 shares of Common stock without par value of Southern Railway Company has today been declared out of the surplus of net profits of the Company for the fiscal year ended December 31, 1956, payable on September 13, 1957, to stockholders of record at the close of business on August 15, 1957.

J. J. MAHER, *Secretary.*

Sinclair OIL CORPORATION

600 FIFTH AVENUE
NEW YORK 20, N.Y.

COMMON STOCK DIVIDEND No. 107

On July 17, 1957 a regular quarterly dividend of 75 cents per share was declared on the Corporation's Common Stock, payable September 14, 1957 to stockholders of record at the close of business on August 15, 1957.

SINCLAIR
A Great Name in Oil

SOUTHERN NATURAL GAS COMPANY
Birmingham, Alabama

Common Stock Dividend No. 74

A regular quarterly dividend of 50 cents per share has been declared on the Common Stock of Southern Natural Gas Company, payable September 13, 1957 to stockholders of record at the close of business on August 30, 1957.

H. D. McHENRY,
Vice President and Secretary.

Dated: July 20, 1957

DIVIDEND NOTICES

TEXAS GULF SULPHUR COMPANY

The Board of Directors has declared a dividend of 50 cents per share on the 10,020,000 shares of the Company's capital stock outstanding and entitled to receive dividends, payable September 16, 1957, to stockholders of record at the close of business August 23, 1957.

E. F. VANDERSTUCKEN, JR.,
Secretary.

United States Pipe and Foundry Company

New York, N. Y., July 19, 1957

The Board of Directors this day declared a quarterly dividend of thirty cents (30¢) per share on the outstanding Common Stock of this Company, payable September 16, 1957, to stockholders of record on August 31, 1957. The transfer books will remain open.

UNITED STATES PIPE AND FOUNDRY COMPANY
JOHN W. BRENNAN, *Secretary & Treasurer*

UNITED STATES LINES COMPANY

Common Stock DIVIDEND

The Board of Directors has authorized the payment of a dividend of fifty cents ($.50) per share payable Sept. 6, 1957, to holders of Common Stock of record Aug. 16, 1957, who on that date hold regularly issued Common Stock ($1.00 par) of this Company.

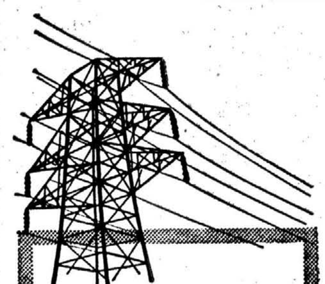
WALTER E. FOX, *Secretary*
One Broadway, New York 4, N. Y.

WOODALL INDUSTRIES INC.

A regular quarterly dividend of 31¼¢ per share on the 5% Convertible Preferred Stock has been declared payable September 3, 1957 to stockholders of record August 15, 1957.

A regular quarterly dividend of 30¢ per share on the Common Stock has been declared payable August 31, 1957, to stockholders of record August 15, 1957.

M. E. GRIFFIN,
Secretary-Treasurer



Southern California Edison Company

DIVIDENDS

The Board of Directors has authorized the payment of the following quarterly dividends:

CUMULATIVE PREFERRED STOCK, 4.08% SERIES
Dividend No. 30
25½ cents per share;

CUMULATIVE PREFERRED STOCK, 4.24% SERIES
Dividend No. 7
26½ cents per share;

CUMULATIVE PREFERRED STOCK, 4.88% SERIES
Dividend No. 39
30½ cents per share.

The above dividends are payable August 31, 1957, to stockholders of record August 5. *Checks will be mailed from the Company's office in Los Angeles, August 30.*

P. C. HALE, *Treasurer*

July 19, 1957

Edison

Washington ... And You

Behind-the-Scene Interpretations from the Nation's Capital

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 pros"—Republican members in Congress — from scattered sections of the country. While there is no unanimity among members of the Senate and House as to just how high the Vice-President's political stock is, there is a prevailing opinion he has a substantial lead over his nearest rival.

Senator William F. Knowland, the conservative Senate minority leader, is definitely regarded as "running" in No. 2 position in the informal discussions on Capitol Hill.

End of An Era

While it has been overlooked and smothered beneath the tumult and headlines, a significant thing took place in Congress the other day. An era came to a close when Minority Leader Knowland moved to take up 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 and understanding between Conservative Republicans and traditionally conservative Southern Democrats in the Senate. Thus the coalition that had existed had been an effective one.

Republican Senate Leaders like the late Senator Robert A. Taft of Ohio, Senator Kenneth Wherry of Nebraska, Senator Styles Bridges of New Hempshire, and leaders before them, had never let the civil rights proposals of various kind come to a vote.

Now after a generation of debate, the Congress of the United States is certain to pass a civil rights bill. However, before it comes to a vote on final passage, either this year or certainly before the 1958 national elections, it will be greatly softened. It could turn out to be little more than a right-to-vote bill.

"Monopoly" Study Next

Once the civil rights bill is out of the way, Senator Estes Kefauver and the Anti-Trust Subcommittee are going to inquire into some asserted "monopoly tendencies." One of the foremost efforts of the Committee will be to inquire into the steel industry's methods of setting up prices.

The Tennessee Democrat and his colleagues have received complaints of various kinds that they plan to probe. Some of the smaller steel firms are insisting that the price increase recently was not sufficiently large to cover rising costs in their industry.

Depletion Allowances Being Scrutinized

Independent petroleum producers have been fighting for a long time to get the Eisenhower administration to tighten up on the imports of foreign crude oil in this country. As a result, they feel that they won a first round victory in view of the study being initiated by Secretary of Commerce Sinclair Weeks.

Meantime, there is a possibility that the Senate Finance Committee may study the broad question of depletion allowances. The tax concessions range all the way from sand and gravel to oil and natural gas.

Many of the members in both branches of Congress, who hail from the non oil and gas producing states, are grumbling over the depletion allowances of $27\frac{1}{2}\%$ to the industry. Industry spokesmen maintain that the allowance is badly needed to spur on the search for oil and gas reserves for the future.

Bills are already pending that would reduce depletion allowance on oil and gas to 15%. Treasury Secretary George M. Humphrey earlier in the year said he thought that Congress should study depletion allowance. However, he said from what he knew personally he thought the allowances now permitted by law were about right.

The Senate Finance Committee is currently making inquiry into the tax concessions involving foreign oil that is brought into this country.

Minimum Wage Drive

Labor Department and other departments of the government say that the competition for labor continues at a marked rate. High wage rates also continue and this means that the workers have money to spend.

The unions want to extend minimum wage coverage for about 7,500,000 people, including farmers. However, minimum wage extension appears side tracked for the remainder of this session. It will still be alive when Congress returns in January for the last session of the 85th Congress.

Fiscal authorities are reiterating once again in the Nation's Capital that the so-called tight money situation is going to continue for an indefinite period. Money rates are not coming down. As a matter of fact competition will continue brisk among the money borrowers.

Federal "Land Grab"

Senator Russell B. Long has introduced a proposed new Federal land-holding policy that would call for a re-examination of the government's holdings of 408 million acres, or one-fifth of all the land in the Continental United States.

The Louisiana Democrat said it is apparent that the Central Government in Washington, through its various agencies, is buying up too much of the land in this country and taking it off local tax rolls. However, his bill would provide for a National Land Study Board of Review to pass on all proposals including disposal as well as land acquisitions. He introduced a similar bill last year.

"A Slam-Bang Inquisitor"

There is one man on Capitol Hill that the powerful Pentagon is probably more "afraid" of than any other in Congress. He is a slam-bang inquisitor who "lets the chips fall where they may."

He is Representative F. Edward Hebert (pronounced A-Bear) from New Orleans. There is a great cloak of secrecy surrounding the spending of some of the billions that the Pentagon spends, and the Louisianian thinks that some of the doors should be opened. During the current fiscal year, the Pentagon will be spending, fantastic as it may seem, more than $93 million a day, on the average.

The tall, imposing Louisianian, in his attack on waste and secrecy in the Pentagon maintains that this Nation cannot have security by trying to do a lot of hiding behind closed doors. A onetime New Orleans city editor, his newspaper broke the story that touched off the Louisiana "scandals" after the death of Senator Huey Long. After the scandals, he was elected to Congress from New Orleans during the reform and has been here continuously.

The other day a colleague on the House Armed Services Committee said Hebert had saved the taxpayers "untold millions" since he has headed the Special Investigating Subcommittee. The Congressman is currently conducting hearings on the cost and production of airplane engines.

Sealed vs. Competitive Bids

The traditional policy of the United States Government since 1865 has been to purchase its requirements by competitive sealed bidding. When there was a National emergency on Dec. 16, 1950, at the outbreak of war in Korea, open bidding was suspended.

President Eisenhower has never revoked the Korean emergency act. Therefore, the secrecy continues to a great extent at the Department of Defense. Hebert, a conservative, charges that millions and millions of dollars are being wasted because free and open bidding is no longer conducted because the Pentagon still is operating under the Truman emergency proclamation.

The Congressman, who is going blind, says the public is entitled to a full disclosure of whether competition does in fact exist and what the private negotiations are producing in competition and price reduction.

Competition will never be restored nor prices reduced in competition in the American way of doing business unless and until competitors know the nature of the competition in which they may rightfully expect to participate, he maintains. He said that outside the repeal of the National Emergency provision, the most important thing is for his Subcommittee and Congress to compel "public purchasing out in the open."

Would Restore Competition

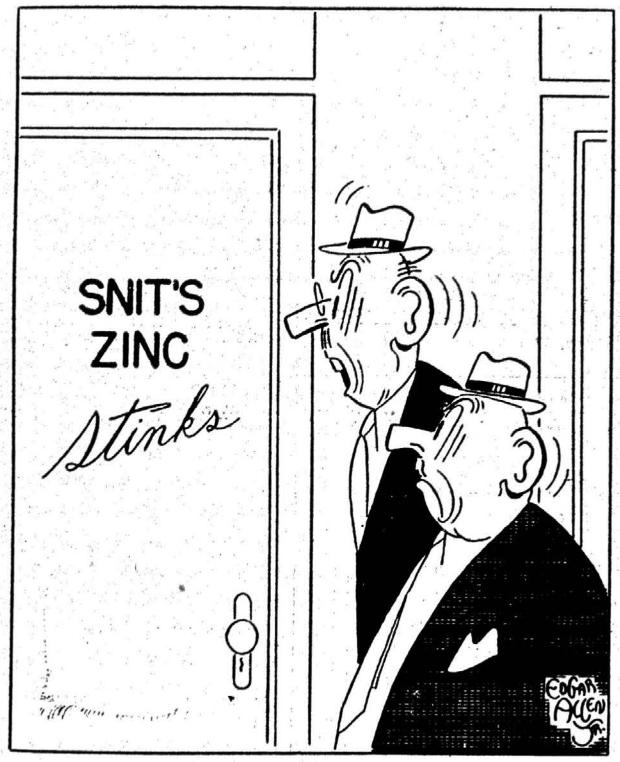
Based on the Hebert committee report, Chairman Carl Vinson of the House Armed Services Committee has introduced a bill that would restore competitive buying for the armed forces. The committee will hold hearings soon.

The Pentagon will have available some $34,000,000,000 to spend during the current fiscal year. The stakes are high.

Chairman Vinson, who named Hebert originally to the special investigating subcommittee, declared that the main purpose of the proposed legislation is to prohibit the Department of Defense from using the 1950 emergency proclamation to circumvent open, competitive bidding. He expressed confidence the measure will pass.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

BUSINESS BUZZ



"It seems to me Foodle could have just handed in his resignation and let it go at that!"

Business Man's Bookshelf

Business Letters That Turn Inquiries Into Sales — Ferd Nauheim — Prentice-Hall, Inc., Englewood Cliffs, N. J. — cloth — $4.95.

Guide to Some Pitfalls of Business Irving I. Ackerman — Pageant Press, 101 Fifth Avenue, New York 3, N. Y.—cloth—$3.

Open House, School Student Tours & Anniversary Celebrations for Banks — Pennsylvania Bankers Association, Box 152, Harrisburg, Pa.—paper—$1.

Orthodox Credit Control in Post War Conditions — Sir Frederick W. Leith-Ross — International Institute of Banking Studies, Secretariat General, 119 Coolsingel, Rotterdam, Netherlands —paper.

Research for Industry — Stanford Research Institute news bulletin, July issue containing articles on "Weed Killers" for Cancer; Rocketsounding the Upper Atmosphere; Message Transmission by Meteor Trail, etc. — Stanford Research Institute, Menlo Park, Calif.

Stock Market Analysis: Facts & Principles—Plus three weeks of regular service, including strength ratings of 500 stocks and recommendations — American Investors Service, Dept. CF-101, Larchmont, N. Y.—$1.

The Profitable Partnership: The Story of United States Private Enterprise as a Partner in the Economic Development of Latin America — United States Inter-American Council, 60 West 55th Street, New York 19, N. Y.—paper.

Usurpers — Foes of Free Man — Hamilton A. Long—Post Printing Co., 18 Beekman Street, New York 38, N. Y.—paper—$1.

Paine, Webber Adds

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Donald W. Riouw is with Paine, Webber, Jackson & Curtis, Union Commerce Building.

Joins Saunders, Stiver

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Travers W. Voigt is now with Saunders, Stiver & Co., Terminal Tower Building, members of the Midwest Stock Exchange.