As We See It

With prices, particularly consumer prices, persistently rising, "inflation" has become an "issue" not only in politics in the narrower sense of the term, but in the conversations of friends and acquaintances wherever two or three are gathered together. In these circumstances it was inevitable that a "who killed cock robin" debate should develop. No one wishes to take responsibility for "inflation," and many hope to gain something by pinning blame on someone else. The labor unions and some of the more radically minded of the politicians never tire of trying to convince the public that "greed" among businessmen, and specially among "big business," is the culprit. All that is necessary to cure the situation, according to these easy reasoners, is for these grasping groups to become a little more public spirited and not ask so much for their products.

Others, with much more merit, find that wage earners organized in monopolistic groups by forcing wages and other labor costs up have obliged employers to raise prices. To many, if not most of us, it appears plain that continued government spending on an almost astronomical scale must take at least a part of the blame for current inflation and the threat of more. Other alleged causes are brought to the attention of the public from time to time, mostly by individuals who wish to gain some sort of advantage from laying blame upon this, that or the other group in the population. Everyone finds the cause of current inflationary troubles in some one other than himself.

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Great Issues in Canadian—U.S. Community

By HON. JOHN G. DIEFENBAKER, M.P.*
Prime Minister of Canada.

Canadian Prime Minister discusses U.S. induced economic problems of utmost concern to Canada. After praising friendship and cooperation held by the two countries and noting each is each other's greatest customer, Mr. Diefenbaker proceeds to take umbrage at our: (1) restrictive trade policies; (2) agricultural export subsidies, which deal a death blow to Canada's sales; and (3) failure of U.S. investments in Canada to consider the interests of Canadians. Observes not more than one out of four U.S. controlled firms offers stock to Canadians, and pleads for equal cooperativeness in economic and defense measures.

There will be full agreement among those present that the Anglo-Canadian-American Community constitutes a grand alliance for freedom. In partnership with others of the NATO family, in the defense of democracy against the Red Menace, this alliance has as its "built-in" stabilizers for unity a common tradition, a respect for the rights of man, an unwavering dedication to freedom. I believe that the maintenance of that unity is the only certain hope for the survival of freedom everywhere in the world.

Canada and the United States have grown up separate ways. My country achieved its freedom and independence by evolution, not revolution—by its adherence to a limited monarchy within the Commonwealth of Nations, coupled with through the establishment of a Republic. While the Commonwealth

Continued on page 26

*An address by Mr. Diefenbaker before the Dartmouth Convention on Great Issues in the Anglo-Canadian-American Community, Dartmouth College, Hanover, New Hampshire, Sept. 7, 1957.

Canada: A Conservative Viewpoint,
Coupled With
A Dynamic Economy

By DR. IRA U. COBLEIGH
Enterprise Economist.

An autumn look at Canada—her politics, her progress, her prosperity. Also giving some time to the broad list of mature Canadian securities, with uninterrupted cash dividend payments for more than 125 years, uniquely providing income and prospects for gain in a solid and dependable economy.

The most important single change since our last semi-annual edition on the Canadian economy is, of course, the switch from Liberal to Tory government, and in particular, the accession of The Honorable John G. Diefenbaker to the office of Prime Minister of Canada. After 21 years of Liberal direction of its affairs, latterly under the distinguished leadership of Premier St. Laurent, a great conservative-political swing emerged, resulting (1) in the election of Mr. Diefenbaker, (2) a closer orientation to England, and (3) a new accent of apprehension upon the extent to which American capital had made, and was making, inroads on the ownership and development of Canada's vast natural resources.

Frankly we welcome and salute this new administration and this fresh executive look at the direction and development of Canada's fabulous and enviable enterprise economy. No democracy benefits from sustained and uninterrupted control by one major wing of its electorate, be it right or left; and in much the same way as a swing...

Continued on page 20

LONG-TERM CANADIAN CASH DIVIDEND PAYERS—An integral feature of the cover page article "Canada: A Conservative Viewpoint With a Dynamic Economy," are the tables showing Canadian listed stocks on which consecutive cash dividends have been paid up to 125 years.

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Biographical Sketches

HON. JOHN G. DIEFENBAKER, M.P.
Prime Minister of Canada.

J. G. Diefenbaker was born in Woodstock, Ont., May 11, 1895. He attended Woodstock Collegiate Institute and University of Western Ontario. On the farm his father bought in 1915, he first became familiar with the agricultural problems. After an apprenticeship with a Woodstock druggist and later as manager of a hardware store, he served in the Canadian Army during the World War. Following the 1917 march on Vimy Ridge he was taken prisoner. In 1918 he returned to farming. A radical Liberal interest was first shown during the 1926 election campaign. In 1929 he became a member of the local Liberal executive and in 1930 joined the provincial executive. He was elected to the provincial legislature in 1930, and in 1935 was appointed Minister of Agriculture and Labour. In 1937 he was installed as Premier of Saskatchewan. The following year he was elected to the Canadian House of Commons representing the electoral district of York West, Saskatchewan. In the election of 1943 he polled 97.8% of the total vote. The subsequent elections of 1945, 1951 and 1957, respectively, saw him re-elected with 91.4%, 93.6% and 99.1% of the total vote. In 1957 he was appointed Prime Minister of Canada by the Governor General, His Excellency Mr. G. A. Diefenbaker. In 1951 he married Elizabeth McArthur. They have three children: John, John, and Margaret.
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 mentioned.)

WM. H. DAVID

Gimbels Brothers Inc.

Gimbels is the fifth largest department store chain in the United States. The company operates the large Gimbels store in Philadelphia, Pittsburgh, and Milwaukee, with a total of seven suburban branch stores, four in each of these areas and three in various parts of the country.

Saks-Fifth Avenue is a leading retailer of fashions and quality department goods. Saks-Fifth Avenue sells a broad line of popular priced soft and hard goods. It is believed that the New York store's sales volume accounts for about 40% of the company's total.

The company owns a large proportion of its retail store properties and has a major department store chain, with the result that its property and real estate payments are quite low relative to those of comparable organizations. The company's capitalization is $100 million, and a number of the smaller Saks-Fifth Avenue stores are owned and leased. Its total sales increased to $298.5 million, and at a net after-depreciation of $43.2 million. The fact is, as of the end of 1937, the company's net income increased by 21%, while net income per share has risen by 47%. An extension of these gains over the next two or three years, provided consumer disposable income, the increased demand for household goods, and business activity, remains at present high levels, in actual sales volume and profits will certainly be obtained from the store recently opened, and one more store scheduled for completion in 1938.

Since a rising proportion of department store sales is being realized in such stores as total sales has generally had a beneficial effect on the over-all profit margins of major department stores, these sales increments would be accompanied by an even greater increase in net income. It has been estimated that a successful suburban store in its second or third year of operation can earn a satisfactory return on sales after taxes, after absorbing its original capital investment and this compares with an average pretax margin of 3.6% for Gimbels in 1934 and 1935, before the present expansion program was inaugurated. Some further improvement in profit margins, which are still among the lowest in the department store field, could result from the company's continuing efforts to reduce operating expenses through the adoption of more effective merchandising techniques. The public's desire for home entertainment has increased, and the advent of fall and Christmas business, and the absence of an unusually large number of out-of-town shoppers, are likely looking for sales in the neighborhood of $620 million and earnings of approximately $38 per share.

As of Jan. 31, 1937 Gimbels' financial position appeared entirely adequate. On that date current assets were $122.1 million, including $87.6 million in cash and investments. The company's investment in the Milwaukee area is scheduled to open at that time. Gilmore and Co., New York City (Page 2)

Sylvania Electric Products, Inc., New York, N.Y. (Page 2)

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THE COMMERCIAL AND FINANCIAL CHRONICLE

25 Park Place, New York 1, N. Y.
T he Role of Banking in an Expanding Economy

John J. McCloy

Chairman, Board of Directors, The Chase Manhattan Bank

Prominent N. Y. banker contends America is growing and our banks must be permitted to grow with it. In calling for an attack on artificial restraints that place banks in a strict jacket which obliterates natural growth possibilities, Mr. McCloy does not suggest radical changes and is prepared to see dual banking or many unit banks in local areas, or to set up nationwide, interstate or state-wide banking. Questions whether existing laws can apply to national banks, and wars refusal to part property may cause banks to use Bank Holding Company Act of 1956 as a route to more thoroughly keep in with traditional form of banking.

I have often weighed in my mind the question of a de-centralized banking system. I have seen the thoroughly integrated systems in Europe and other parts of the world—nation-wide banking systems and highly centralized bank systems. I have tried to balance these advantages against the cost of the system and the whole concept of a national economy.

We have had a wide variety of laws governing our banks and their services have covered as wide a field as a varied field of banking. It has been the law of the past that has forced banks to be in a nation as vast as ours and the law of a given state that has shaped the future of our country. The banks that have grown through this system of state banks. The fact that the economy has developed, banks and through many vicissitudes, has grown in strength over the years, is the strongest evidence of its essential vitality.

Today, however, as the world around us grows larger and more complex and the tendency toward centralization becomes more apparent that the state system must give an answer to the trend as a national economy. Our banks, as well as local, needs in effect not only to hold its place but to get from any question of its further growth and expansion but also to make demands on each state's economy for a degree of credit that constitutes a mighty challenge to the system.

I know that I cannot here deal exhaustively with the subject have chosen, but I would like to review with you some of the problems which confront banks, particularly state banks, today in the midst of our rapidly expanding economy; and I want to try to foresee which of the changes which are likely to arise in the near future.

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United Aircraft—Jet Propelled
By Dr. Ira U. Cobleigh
Enterprise Economist

A reaising look at our largest manufacturer of aircraft engines and propellers; and the largest and most successful manufacturer of Boeing Commercial Aircraft Corporation, it seems to be sadly neglected for no better reason than because it has the word "Aircraft" in its title.

As a matter of fact United Aircraft Corporation by no means is in the forefront of commercial production. It has been an important leader in the development of military aircraft, and has been a major producer of aircraft engines, but its success has been largely due to the fact that it has been able to remain in business during the depression, and has been able to expand its operations during the war years.

Last year 86% of UR aircraft production were military aircraft, and 14% were commercial. In the first six months of this year, UR's production of military aircraft accounted for $20 million in sales, while their production of commercial aircraft accounted for $15 million.

The forward march of net income in United Aircraft's market is quite a record in itself. Beginning with the year 1946, per share net income of $1.20, this figure has risen substantially in every year since then, to $3.40 in 1954, $4.70 in 1955, and an estimated $9.00 to $9.30 for this year. Various changes in the corporate structure have taken place during this period, but the results have been quite satisfactory.

UR is the largest division of United Aircraft, accounting for over 70% of all UR sales. The 57 jet engine powers eight different aircraft, and the company has a large backlog of orders for the coming year.

UR is the most successful and profitable of the military aircraft divisions, and has been a major contributor to the war effort.

Previously, UR allocated a substantial portion of its resources to the production of military aircraft, but as the war drew to a close, UR began to shift its focus to the production of commercial aircraft. This decision was based on the belief that commercial aircraft could be more profitable than military aircraft, and that the company could use its existing facilities and workforce to produce commercial aircraft.

UR's commercial aircraft division has been successful in building a strong market for its products, and the company has been able to expand its operations rapidly. In the past two years, UR has increased its workforce by 50%, and has invested heavily in new facilities and equipment.

UR's success in the commercial aircraft market has been due in part to its ability to offer competitive prices, and in part to its ability to provide high-quality products. The company has been able to attract new customers with its low prices, and has been able to retain existing customers with its high-quality products.

UR's success in the commercial aircraft market has had a positive impact on the company's overall financial performance. In the past two years, UR's net income has increased by 50%, and the company's stock price has increased by 70%.

This optimism about the future of UR is shared by many investors, and the company's stock is currently trading at a premium relative to other companies in the aircraft industry.

UR's success in the commercial aircraft market is a sign of the company's ability to adapt to changing market conditions, and to respond effectively to the needs of its customers. The company's management has demonstrated a commitment to innovation and improvement, and has been able to capitalize on these strengths to achieve success in both the commercial and military aircraft markets.

UR is one of the most successful companies in the aircraft industry, and its success is a testament to the skill and dedication of its employees. The company has been able to achieve success in both the commercial and military aircraft markets, and has demonstrated a commitment to innovation and improvement. The company's management has shown a commitment to its customers and its employees, and has been able to respond effectively to the needs of both.

UR's success in the commercial aircraft market is a sign of the company's ability to adapt to changing market conditions, and to respond effectively to the needs of its customers. The company's management has demonstrated a commitment to innovation and improvement, and has been able to capitalize on these strengths to achieve success in both the commercial and military aircraft markets.
The Interest Rate Outlook and Equity Capital Encoumagement

BY AUBREY G. LANSTON*

Aubrey G. Lanston, Inc., New York City

Prominent government bond specialists detects from a "kind of souring out" in bond prices that a much better market sentiment exists but, nevertheless, he is still not bullish on bonds. Believes the need for caution exists in view of the discontinuity of the short-term budgetary and cash position impact on the interest rate outlook. He and the present market money market's imbalance, Mr. Lanston would change our corporate income tax law to permit interest and dividend payments made from profits, as a return on capital, to be excluded from corporate income. He also feels that our monetary system serves the contradictory purpose of stimulating excessive capital-capital borrowing and of decreasing the savings-incentive.

He plans that shift investment demand to capital investment is the same time taxes savings for investment.

Interest rates in this country are the lowest in the world. That is evidence an understanding of the reasons of may help to keep the interest rates low, he says, in its proper perspective. The present low level of interest rates approximates some of the quiet periods of the 1920's, in which, however, rates aren't high enough to encourage investment wi1th the interest rates throughout that period and, therefore, we many expect that the 1958 model will bring about some of the present levels. I doubt that this, I believe, the clarification justifies the conclusion.

On the matter of interest rates in this country being the best fit the world; I think we may consider them important to be the lowest in the world, because we are one of the fewest of our highly-organized countries, having the execution of our national fiscal, debt management, and financial policies, particularly as they relate to the publics, while leaving much to be desired, competes favorably with the advantages of the states of other world governments, particularly as it affects the issuance of public securities and much less so as to fiscal policies. To the extent in which the case, interest rates in this country could continue to rank among the lowest in the world. Such a ranking for our costs of money would be realistic only when, until our government inspires the increased and more effective use of our capital in the construction and expansion of industrial and other productive enterprises.

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*An address by Mr. Lanston before the Organization of African States at Dartmouth College on Sept. 9, 1951.

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BOSTON CLEVELAND DETROIT CHICAGO
Investor Prospects in Banking

By MORRIS A. SCHAPIRO
M. A. Schapiro & Co., Inc., New York City

Bank security expert cites impact of high level of loans and the new lending ratios adopted by New York City institutions particularly benefiting because of their low break-even point. Maintains in bank stock quotations from discounts to premiums is justified by the improved earnings of banks and the rise in the level of earnings money. Predicts bank credit will continue in short supply, with present higher level of loans and rates holding.

MORRIS A. SCHAPIRO

The Stockholders' Money

Let us begin with the stockholders' money. J. P. Morgan in February 1946, due to retained earnings and the sale of additional shares, the capital accounts (or total book value of all outstanding shares) of the 6,438 member banks of the New York City district, has increased $1 billion, from $1,983 to $3,023 million, a gain of 53%. In addition to this capital, there are valuation reserves of $321 million, a sum otherwise deducted from the carrying value of the loans, and therefore, not seen in the usual published bank statement of condition.

A huge block of banking capital, held by 17 institutions, is $2.2 billion or 22% of the $10 billion total, of 6,438 member banks of the New York City district. Long ago this point was of acumen in the monetary economy, however, with the demand for credit high, capital counts. The ability to make cash in the banking business. Since capital funds are the bank's source of liquidity, these large New York City banks are assuming new importance to the economy of New York State, and, of course, to the nation.

Nowhere else can large blocks of bank credit be provided as the New York City district, with large national borrowers, as well as many interior banks, therefore, must continue to rely on these institutions. Their large lending power lustily in concert with banks elsewhere, is a vital asset to the nation's business.

Depositors' Money

The condition figures shown in Exhibit A, with the figures which a bank's earnings statement, are not comparable. The banks have increased their reserves, the larger banks, and, second, because our depositors are more interested in the condition of their banks, whether the individual bank would show its total gross earnings, from customers stopped writing checks, gross deposits would shrink to their true size. Consequently it is important because it provides a truer picture of the relationship between earnings assets and deposits, and allows us to estimate the cash reserves held by the banks involved.

We can see that, in the past 11 years, deposits (less checks in process of collection) have risen $2.5 billion, a gain of only 16%. This comes as no surprise because we have known all along that bank deposits throughout the nation have grown at only a moderate rate. New York City, elsewhere deposits have shown no gains. In City, they are more cosmopolitan.

Because of the great accumulation of capital and the many facilities available in New York City, its banks attract deposits and business from all parts of the country and to the world. There is a much lower degree than in banks in other centers of the country.

The break-down of deposits, showing the various classifications, by time and demand, and by time deposits (including savings) are now 5.3 billion, compared to 15% of the total composed for 10% for the 259 banks of the New York City district. In 93 other cities, Balances of all banks, the total exceeds $5.2 billion, shown in the amount of $4.2 billion. The city, in the network of correspondent bank relationships throughout the country and around the world.

We know that the New York City banks are not confined by State law to the city limits. A question of the banking district should be given in advance to the economy of New York State, and, of course, to the nation.

The proportion of cash and United States Government securities to total assets increased throughout the ratio of risk assets rose. In this period, to meet these needs, these banks were forced to reduce their holdings of Government securities. In 1946, relatively altered lifetimes of loans, deposits, and capital accounts, as shown below.

As we can see, the actual yield realized on loans and investments increased from 1941 to 1956, a change which was due to the increase in market rates on loans and securities. In 1958, the profit from these loans increased from $650 million to $1,300 million, the yield required was --

Loans and Investments

After providing the higher cash reserve, these banks last year added $2.5 billion, a gain of 53%. In both of these, we can see that the New York City banks increased increased threefold while invest- the actual yield, loans expanded $1.1 billion from $2.5 to $18.6 billion, a rise of 200% a year. The increase in the yield, therefore, to 3.7% from 2.7%. The composition of bank assets has changed radi- viously to the nation's welfare. In this ratio, the chief asset was, deposits. Today loans have replaced the old-trayed banking from the center to the rating. It has been made easier, too under the leadership of the First National City Bank to hold a banking company, pursuant to the Federal Bank Holding Company Act of 1956.

Reserve Requirements

The question of reserve requirements is a subject of frequent hearings by the House Committee on Banking and Currency, and, in the consideration of the Banking Committee, by William McClenahan Mar-
ment of 34% in the earning power of stockholders' money explains why bank stock quotations have moved from 125 to 100.

Our recognition that current operating figures reflect only partly the true picture is now quoted on loans and securities. The rise in rates will work their way down to lower levels after the adjustments are complete. Against this time lag, banks must deal with the possibility of lower rates. It is useful to know how much may be expected.

By way of illustration, let us examine the theoretical maximum power of these banks by applying prevailing rates to the present total of $16.5 billion in loans. From the Sept. 13 balance sheet, with a 3.5% interest rate and investments at $23.5 billion, $16.5 billion of loans, and $7 billion of income from time deposits, at the prime rate of 4%, loan-portfolio volume in the City should theoretically yield 5%, more for banks with retail business and less for the wholesale banks. For investments, let us apply the 4% rate which the Treasury has just designated for its one-year securities.

On this basis, we derive an over-all return of 4.76% on total loans and investments. Operating expenses are higher in 1957, but so is income other than interest. Our estimate is that these banks currently require a yield of 1.50% to break even. This would leave a differential of net income before taxes of 3.29% or $32 per $1,000 of loans and investments. Applied to $25,200 million, this profit margin produces $752 million of net income subject to taxes. After deducting 54% to provide for applicable state and Federal income taxes, there would be left in this theoretical calculation, net operating earnings of nearly $150 million, equal to 11.5% of present capital accounts. This theoretical figure would represent a jump of 45% over the $241 million actually reported last year—a substantial leeway against a possible ebbing of money supplies.

It is likely that net operating earnings this year will be $75 million below this level. This figure belongs under the results, for the first six months and by indications gleaned from time to time, net earnings in 1957 could move up $35 million over last year and reach a high level of $275 million, a gain of 14.5%. If this proves to be the case, the actual rate of earnings on present stockholders' money will reach 9.10% or $9.10 on $100 of book value. This is a creditable showing for these banks and attests to their efficiency and cost operations.

We may expect that each of the major commercial banks will raise its dividend this year. Bankers Trust Company and J. P. Morgan & Company have already done so. Have First National City, Chemical Corn Exchange Bank, and Marine Midland Trust Company, although these have not yet fit to sell additional shares.

What Lies Ahead

As analysts we must form some judgment as to whether the market for the banks. Will the present level of loans and money rates hold? Or will there be an abatement of the political, economic, and operating forces which have propelled the postwar expansion? At present, no such choice, however, can be made. We must assume these worldwide pressures will come and go always to reversals in public psychology.

The rise in interest rates has followed the expansion in loans. If the percentage of loans in relation to assets is to remain fixed, a higher, it is likely that interest rates will rise further. Those who believe that lower interest rates lie ahead must also believe that loan ratios will decline signific-
COMING EVENTS

In Investment Field

Sept. 25-27, 1957 (San Antonio, Cal.)
Investment Bankers Association Fall Meeting at San Antonio Hilton

Sept. 27, 1957 (Philadelphia, Pa.)

Oct. 7-9, 1957 (San Francisco, Cal.)
Association of Stock Exchange Futures Committees annual meeting at Mark Hopkins Hotel.

Oct. 10, 1957 (Omaha, Neb.)
Nebraska Bankers Association annual meeting at the Holiday Motor Hotel (to be preceded by a cocktail party, Oct. 9 at the Omaha Club.

Oct. 16-18, 1957 (Los Angeles, Calif.)
Association of Stock Exchange Directors and Officers annual meeting at the Beverly Wilshire Hotel.

Nov. 3-5, 1957 (Hot Springs, Va.)
National Bankers Association special annual Convention at the Hot Springs Hotel.

Dec. 1-3, 1957 (Hollywood Beach, Fla.)
Investment Bankers Association Annual Convention at the Hollywood Beach Hotel.

COMING EVENTS

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With Illinois Mid Cont. (per Due To Financial Cripples)

CHICAGO, I11.—Robert L. Clut¬ter is now affiliated with Illinois Mid Cont. at 67 St. Charles, Chicago, Ill.

With Keller & Co. (per Due To Financial Cripples)

BOSTON, Mass.—Maurice A. Flaherty, Inc., has become affiliated with Keller & Co. at 31 State Street. He was formerly with Palmer, Pullcinci Co.

TRADING MARKETS

Florida Securities
Bank, Insurance Companies, Industrials

DEPENDABLE MARKETS

Northwest Production
Three States Natural Gas
Delhi-Taylor Oil
Big Piney Oil & Gas
Special Reports on Request

DEMPSEY-TEGELER & CO.

One Exchange Place, Jersey City, N.J.
Telephone: HARRISON 2-1005

March 14, 1957

The Commercial and Financial Chronicle — Thursday, September 26, 1957
Britain’s Defense of the Pound Assures No Sterling Devaluation

BY PAUL EINZIG

Recent British measures indicate to Dr. Einzig that sterling will not be devalued this year, and the present low level of Government securities is temporary since maintenance of the Bank rate at a short while ago it was 7% for 5 months, a short while ago it was 7% to 8% for 8 months, and a short while ago it was 7 1/2% to 8.75% for the past 6 months. These rates are not only comforting, but they are also well received, and the time is ripe for the Government to do something to steady the tone or to stabilize the currency.

With First International

DENVER, Colo.—Alloys J. Delelson is now with First International Corporation, Denham Building.

Harris, Upham Branch

ATLANTA, Ga.—Harris, Upham & Co. has opened a branch office at 26 Pryor Street Northwest under the management of William R. Gould.

$5,445,000

(Second installment of a total issue of $16,350,000)

Seaboard Air Line Railroad Equipment Trust, Series R

4 1/4% Equipment Trust Certificates

(Philadelphia Plan)

Maturities and Yields

1958 4.25% 1959 4.35% 1960-72 4.40%

To mature $363,000 annually August 1, 1958 to 1973, inclusive.

To be guaranteed unconditionally as to payment of principal and dividends by endorsement by Seaboard Air Line Railroad Company.

HALSEY, STUART & CO. INC.

DICK & MERLE-SMITH

R. W. PRESSPRICH & CO.

BAXTER & COMPANY

FREEMAN & COMPANY

MCMANUS HUTCHINSON & CO.

WM. E. POLLOCK & CO., INC.

SHEARSON, HAMLIN & CO.

September 26, 1957.

This announcement is not an offer to sell or a solicitation of an offer to buy these securities.

The offering is made only by the Prospectus.

$15,000,000

Utah Power & Light Company

First Mortgage Bonds, 5% Series due 1987

Due October 1, 1987

Price 102 29/32 and accrued interest

The Prospectus may be obtained in any State in which this announcement is circulated from only such of the undersigned and other dealers as may lawfully offer these securities in such State.

HALSEY, STUART & CO. INC.

LADENBURG, THALMANN & CO.

HIRSCH & CO.

NEW YORK HANSEATIC CORPORATION

WM. E. POLLOCK & CO., INC.

BURNS BROS. & DENTON, INC.

STERN BROTHERS & CO.

GREEN, ELLIS & ANDERSON

SCHWABACHER & CO.

MULLANEY, WELLS & COMPANY

THOMAS & COMPANY

MACKALL & COE

PACIFIC NORTHWEST COMPANY

September 26, 1957.
Outlook for Chemical Sales

By JOHN O. LOGAN

Vice-President and General Manager

Industrial Chemicals Division, Olin Mathieson Chemical Corp.

Chemical executive supplies reasons to substantiate his forecast for 1958 of 5% increase over 1957 in dollar volume of products. Mr. Logan claims there will be few chemical price decreases next year and very likely some increases. Sees 1957 sales approaching $25 billion, or 9% above 1956.

In any discussion of the chemical industry, I think it is usually a good idea in the very beginning to make sure that everyone is talking about the same thing. There are only a few, I think, who have a clear idea about the same thing. There will be some of the discussion focussing on the chemical industry in its broadest sense — specifically the classification delineated by the United States Department of Commerce as "Chemicals and Allied Products."

This grouping includes not only the large industrial chemical category, but also plastics, their fibers and allied products, drugs, paints, fertilizers, vegetable and animal oils, and a number of smaller miscellaneous groups such as printing and toilet preparations and the like.

Sales in 1957

Dollar sales of this grouping for the first half of 1957 were about 5% above the same period in 1956. Industry expectations for the second half, according to a recent survey by the Manufacturing Chemists' Association, are for a 10% increase over the first six months. If performance matches these expectations, sales for the year will be close to $23 billion, or 9% above 1956. This will continue the succession of new highs set by the chemical industry in every over the past 39 except two (1949 and 1953).

The prospect for an extension of this upturn in 1958, in my opinion, is good. I do not look for anything sensational, such as the 1910-12 boom, but do look for the gradual increase that has been under way for the past two years. Specifically, I believe a rise in the general neighborhood of 3% in total dollar sales of chemicals is a reasonable expectation for 1958.

My reasons for this "tempered optimism" — to borrow a phrase that is now being used so frequently — are essentially five:

Optimistic Factors

First, present indications, despite the stock market's jitters, seem to point to another year of gain in the general business in 1958. Opinion as to the overall outlook, while not as enthusiastic as might have been hoped, is definitely bullish. Though few of the specific scenes are predicting a general recession, and one has rash enough to suggest a resumption of the boom on the 1955 scale.

This base provided by the general upturn of great importance to the chemical picture. As better, if not as good, as in 1957, the average growth rate, the chemical industry is tied more closely than ever to the real to the general business trend. This is because the major diversified chemical products find their way to a remarkably uniform degree.

Second, the chemical industry has a large number of smaller miscellaneous groups such as printing and toilet preparations and the like.

The Comptroller of the State of New York will sell at his office at Albany, New York October 1, 1957, at 12 o'clock Noon (Eastern Daylight Saving Time) $24,000,000

STATE OF NEW YORK
MENTAL HEALTH CONSTRUCTION (SERIAL) BONDS

Dated October 15, 1957, and maturing as follows: $1,600,000, annually October 15, 1958, to 1971, inclusive.

Principal and semi-annual interest April 15 and October 15 payable at the Chase Manhattan Bank, New York, N. Y.

Descriptive circular will be mailed upon application to

ARTHUR LEVITT, State Comptroller, Albany 1, N. Y.

EXTENDED: September 24, 1957

Business Exchange Wednesday, October 1, 1957

Livingstone Crouse To Merge With Charles A. Parcells

DETOIT, MICH. — Effective Oct. 1, S. R. Livingstone, Crouse & Co. will be consolidated with Charles A. Parcells & Co., under the name of the latter. The firm, which holds membership in both the Detroit and Midwest Stock Exchange and the Penobscot Building.

C. A. Parcells, Jr. S. R. Livingstone

Charles A. Parcells & Co. is the oldest member of the Detroit Stock Exchange, having joined in 1919. It acts as participating distributor and dealer in municipal utility, railroad, real estate, and industrial stocks and bonds, and as odd lot dealer on the Detroit Exchange.

Officers of the company will be Charles A. Parcells, Jr., President; Charles R. Exley, Jr., Vice-President; Seabourne R. Livingstone, Vice-Preside; Charles B. Crouse and Clifford Verral, Vice-Presidents; J. W. Edwaring, Secretary-Treasurer; John A. Harkness, Aaron E. Ellwood, Peter M. MacPherson and William L. Dest, Assistant Secretaries.

J. L. Sunderland Opens

(Special to the Financial Chronicle)

MOUNT VERNON, III. — Joe L. Sunderland has opened offices at 20 South LaSalle Street, which he will engage in a securities business.

Joels Baker, Welch

(Special to the Financial Chronicle)

CHICAGO, ILL. — Robert T. Peck, an affiliate with Joels Baker, Welch & Co., 29 South LaSalle Street, has been employed by Barry Investment Co.

With Merrill Lynch

(Special to The Financial Chronicle)

DELAWARE, DEL. — F. J. P. Grattalora has been added to the staff of Merrill Lynch, Pierce, Fenner & Denne, Congress and Shelly Streets.

DALTON FINANCE, INC.

Class A Common Stock

McDonald, Holman & Co. Inc.
Consumer Deficit Is No Phantom

By E. C. Nickerson* Vice-President, New York Central

East coast railroad officials call for realistic readjustment in rail passenger service after declaring that the best possible passenger service at the lowest cost, public interest, and low rail traffic make possible. Mr. Nickerson reviews New York Central’s efforts to fulfill the public with a plan designed to improve passenger service and the factors prompting the conclusion that the traffic decline was permanent in nature, the passenger deficit is no phantom, and losses incurred with vigorous promotional efforts and substantial investments, and that the opposite took place. Proposes a solution to the squeeze between increasing wage-material costs and the government imposed rail rates. States railroads said not to be helped by any competitive subsidized carriers. Concludes their services are at less than full cost of doing business.

A manager has many and varied responsibilities, but fundamentally they are these:

1. He is responsible to the company for the customer to provide the best possible product at the lowest possible cost under the conditions of competition and price-earning profit system.

2. He is responsible to those who work for him for his efforts to provide maximum job opportunities and advancement.

3. He is responsible to the investors in the company to see that their reasons are fully appreciated and those invested on the investment in producing a better product.

All of these basic interests must be served. But none are served, and all are violated, unless a business is a healthy, viable, profitable, and accountable enterprise system. A manager believes in that system as the best in the American economy. The record proves that it has been so.

By E. C. Nickerson

In 1951, 1952 to 1955, and the year 1956, prior to 1946, the Central made exhaustive studies to find out what people wanted -- public wanted for post-war passenger service.

Questionnaires were prepared to elicit the preferences. Trained researchers traveled thousands of miles and interviewed passengers. The tabulated results of this survey served as an impetus and showed in a strong way that it could not just keep up with the increased wage and material costs that hit us during this period. We regret to say that increased wage and material costs will remain the problem until such time as we can be a way of life in this country.

Conclusion Obtained in 1948

In addition to buying new equipment, Central planned substantial service improvements to improve the passenger service. During 1946 and 1947 schedules were revised and new trains added. New equipment was added and used. Service was improved equipment and service. However, traffic fell off heavily. We tried to hold the line on service, hoping that new streamlined cars would reverse the trend. But the trend would eventually reverse the trend. According to the Central’s 1948 report, it was clear that most of the decline in traffic was permanent in nature. The reason for the tremendous drop in passenger ridership was the increase from the first post-war rounds of wage increases. In 1947 our loss was more than $24,000,000. In 1950, our loss was more than $36,000,000. In 1951, our loss was more than $54,000,000. In 1952, our loss was more than $64,000,000. In 1953, our loss was more than $72,000,000. In 1954, our loss was more than $80,000,000. In 1955, our loss was more than $90,000,000. In 1956, our loss was more than $100,000,000.

In summary, the experience of the past seven years -- we spent over $186,000,000 for modern equipment and our losses increased from $24,000,000 per year, a rather unreasonable experience of the said the least.

Since the Central is concerned, the passenger deficit is a real problem of the deficit, and the Central did not operate any passenger service. We believe that the passenger deficit would be at least as much as the increase in the deficit due to the Commission’s formula. In the case of the passenger deficit is the no phantom.

Now for the 1952 to 1955 period. Frankly, this was a period of at least. In the five years of our discussion, we have not been able to substantially reduced. Practically no new equipment has been added, and the service was not changed, generally our service was substantially reduced. Although our revenues dropped during this period, so did our loss from passenger service operations.

The passenger deficit decreased from $54,300,000 in 1951 to $27,000,000 in 1955, a drop of $160,000,000.

Now for the 1956 record. Notwithstanding the almost catatonic results of the 1956 period, when over $168,000,000 was spent on improving passenger service, the Central was criticized in some circles between 1951 and 1955 for being aggressive in improving and promoting its passenger service. This was the answer to the passenger deficit.

In late 1956 and much of 1956 we only held the line on service curtailments but rearranged and improved our service between major centers. At the same time, we spent a small fortune on a strong promotion and advertising campaign to back this service program. In one respect this program was successful; for the first time in many years our passenger service revenue showed an increase, but what do you think happened to net income from the service? In 1956 our loss from passenger service operations were $48,000,000, an increase of $10,000,000 over the previous year. All this just could not keep up with the increased wage and material costs that hit us during this period. We regret to say that increased wage and material costs will remain the problem until such time as we can be a way of life in this country.

Looking back over these periods tends to lead to a rather unhappy conclusion. With the increases in wage-material costs and vigorously promoted service, we, when all is said and done, contracted our losses.

Squeeze-Play

In analyzing the situation, I have restricted this results to go into all the factors that would make time more than we would have to face today. Primarily, however, these factors relate to a service between spiralling costs of materials and wage increases. We must pay, a government-imposed price ceiling on the rates and fares we have to keep to charge, and resistance to realistic readjustments in the service we render.

The railroad business manager has a decision-making job—but no matter how he is dictated by forces beyond his control. A taxing authority which we feel our franchise tax on the tunnel into Grand Central Terminal is making a decision which we feel is not to ask if Grand Central will be built. A government authority which has loaned tax-exempt bonds to double the capacity of the Cleveland Airport, while we can sell our new equipment and secure the pay for the cost of the operating the new terminal, is making a decision to which we have no answer. A Congress which fails to repeal the wartime excise tax on common carrier freight and passenger transportation is, in a way, making a decision that will drive more and more freight to private carriers, with unhappy consequences to the railways—a decision, incidentally, which makes it more and more difficult to subsidize passenger service from declining freight earnings. A state legislature which raises the so-called "25% crew law" makes a decision which may be politically palatable, but which may change a self-supporting train or service into a loss-problem service of the day and doom its future. A state regulatory agency which tells us we cannot expect to earn a normal profit on passenger service, and an ICC which has no obligation to approve rates which would make a 5% return possible are making a decision which may be impossible to make hard, but vital decisions on our part.

In the realm of decisions such as these, made not by the railroad business managers but by government and in the event of the decision-making process, let us take a look at the immediate present and prospects for the future.

Present - Future Prospects

There has been said "down alongside a substantial portion of the New York Central a whole new system of state-sponsored, tax-free, new throughways. In the three states of Massachusetts, New York and Ohio alone, the cost was over $1/2 billions of dollars—for a total of 25,000 miles of new throughways to be built. I have spent more than $2,500,000,000 in direct competition with the railroad. I think it is right that these facilities should be built, if it is a reasonable demand; but, by the same token private enterprise may which are more harmful to the traffic which may be severely affected and may be severely affected to adjust itself fully to the changed conditions, to the action of government. If railroads are the healthy, self-supporting systems, an essential for the public interest, the agencies of government charged, with the responsibility of regulating the railroads, in my humble opinion, should permit them to take action necessary to adjust their services to the changed conditions.

Looking further ahead, we see that we are on the threshold of a 50 billion-dollar super-highway system which will be toll free and tax free, a 4,100 mile system of freeways to be constructed in a small new federal interstate highway system. This will be, I believe, the biggest new transportation system ever constructed in the history of man. I would like to quote from a recent advertisement of a firm that makes road building equipment.

"Help your family car and drive to practically any state in the Union. You can cut one or two, three or four hours from your travel time, delay to you or a crossroad to danger your life. You’ll be traveling to the New Highway System—a network of multi-lane super highways, with tolls. To be built in all 48 states, serve 209 of our large cities and many, many more. The road building construction has nearly $3 billion. In this same look into the future, we see almost immediately we must deal with the issues that arise in the air transportation. The new jets will give our competitors, the airlines, an even more competitive edge. We must adjust our business to the new environment. In the future.

Price 100.63% and Accrued Interest

$35,000,000

Consumer Power Company
First Mortgage Bonds, 4½% Series due 1987

Dated October 1, 1957 Dated October 1, 1957

Interest payable April 1 and October 1 in New York City or in Detroit, Michigan

Price 100.63% and Accrued Interest

Copies of the Prospectus may be obtained from only such of the underwritings are hereby offered in these bonds in compliance with the securities laws of the respective states.

MORGAN STANLEY & CO.

BLYTH & CO., INC.

DREXEL & CO.

EASTMAN DILLON, UNION SECURITIES & CO.

GLORE, FORGAN & CO.

KIDDER, PEABODY & CO.

SMITH, BARNEY & CO.

September 21, 1957.
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http://fraser.stlouisfed.org/

Federal Reserve Bank of St. Louis
Obligations of the SEC

By ANDREW DONWYNE ORRICK, JR.
Commissioner, Securities and Exchange Commission

While commenting on the SEC’s obligations to the investing public, regulated persons, and Congress, Commissioner Orrick reveals: (1) obligation to protect the public includes protecting the needs and interests of the regulated industries; (2) form simplification program for industry; (3) revision and modernization of the administration of the laws; (4) self-regulation; and, (5) enforcement of the law.

On the twenty-third floor of a New York skyscraper two teams in the securities industry are studying the ticker tapes of the New York and American Stock Exchanges to find the key to their fortunes. They are looking for any unusual market activity, either in unusual volume or prices, that may indicate the existence of manipulative practices.

The house left in New York by the stock market is buzzing with an exceptional kind of activity. Thirty of the nation’s largest telephoning brokers and Steckelotering salesmen are hunting to socker prospectus across the nation high sales from the companies that have not been registered with the Commission.

A task force of Commission inspectors enters the loft. They demand to see the records of the firm. They take the names the telephoning brokers and salesmen have criminal records, and within a few days a court injunction is obtained to stop further illegal sales.
The preparation of a criminial case against the firm and its salesmen is immediately commenced.

In its farthest office the Commission’s legal staff is examining the records of a broker-dealer. He is checking to see whether the customers have been fairly dealt with, whether the firm’s accounting system is adequate, whether the business is generally being conducted in accordance with the standards of the securities laws.

Enforcement action will be recommended if the records are inadequate or if the business is being conducted in an improper manner.

Obligations of the SEC

The one hundred and twenty-three members of the SEC are divided into more than thirty-three different branches, each with a different function. The most important of these branches are:

1. The Division of Administration
2. The Division of Enforcement
3. The Division of Trading and Market Regulation
4. The Division of Investment Policy
5. The Division of Security Research
6. The Division of Economic Analysis
7. The Division of Research and Development
8. The Division of International Cooperation
9. The Division of Examiners
10. The Division of Trading and Market Regulation

These branches are responsible for the administration of the securities laws. They are charged with the responsibility of enforcing the securities laws and protecting the public interest in the securities market.

In addition to their regular duties, the SEC is also involved in the development of new securities laws and regulations.

Obligations of the SEC

While commenting on the SEC’s obligations to the investing public, regulated persons, and Congress, Commissioner Orrick reveals: (1) obligation to protect the public includes protecting the needs and interests of the regulated industries; (2) form simplification program for industry; (3) revision and modernization of the administration of the laws; (4) self-regulation; and, (5) enforcement of the law.
Ready for the Next Step on
The Farm Policy Debate

By HONORABLE IRA TAFM BENTON*... Secretary of Agriculture

Though claiming that the problem of surpluses "is now on the run," and agriculture has turned the corner toward prosperity, Mr. Benton urges moving "away from the fixed formulas in the old law which, as we now see, are responsible for these surpluses as well as prices." Warnings that failure to do this will set the stage for Surplus Number 2 to follow the successful disposal of Surplus Number 1. Point out farm income and prices have not been rising in the same degree as farm exports are, and that family farms cannot dominate the agricultural scene, as large scale farms are found to still be 4% of commercial farms.

Young people are the best crop anyone can have and always will be. And a fundamental question of which our government must lose sight is: What kind of an agriculture will this generation produce?

This means, in the words of former farm policy, never can concern itself only with the short run... and forget about the future generation. Neither can concern itself only with the long run... and ignore problems of today.

My own upbringing and years in agriculture, and more recently my experience in government, have convinced me—ever more powerfully—that the right opportunity and success lies in self-realization and individual freedom of action.

And responsibility in the past that have made American agriculture the most productive and progressive in the world has ever known. It is impossible for me to believe that what has been so true in the past will not be equally true in the future.

This conviction, of course, influences my belief about what government should be and what government should do. Government and citizen groups must work together on the problems of our future.

I say as strongly as I know how—for those of us who believe the states can not be run successfully from Washington. Farms can be run successfully only by those who live on them and who have their livelihoods, their work, their capital, their hopes, and their future invested in them. To succeed they must have freedom to determine their own opportunities, and freedom to act upon them.

But let me talk—true—but I would not be living up to my responsibilites to family farms if I stated agriculture in the postwar peacetime period, especially in view of the tremendous surpluses accumulated as a result of wartime production incentives into the postwar period, this Administration inherited many serious agricultural problems. The point drop in the farm parity level during the past four years. Before Jan. 1, 1953, we have been faced with a job of helping those of us who been getting our programs under way.

The results of the restora-

tion's flexible price support program have been so surprising, both politically parties prior to the 1954 election and was vigorously supported by the major policies of Agriculture—including Credit Administration and the Farm Commodity Corporation. Wallace—was enacted by the Congress in 1954 but could not be put on the 1955 crops. By then the surplus build-

farm loan and export disposal programs are being used by the Spring administration to accomplish the packaging of coefficient a giant of agricultural welfare, savings, and market returns to farmers.

War Is No Solution

The easiest adjustment for farmers, but the sacrifice with war because that always means rising prices and unemployment and the like have their function in a community and in the economy. I believe in price support and in the providing of a market. But I do not believe in price support, which would be destructive of farmers' welfare, production, and price in the long run. It is hard to find markets that farmers must have—

which force controls over farmers, like a bully on the pell pell, and make their farms and homes subject.

Which chases around, taking them out of one crop and making them forever poor,

which in the end have only the barren fields and the rambling and regaling farm families.

It is no help to farmers—either in a good war or in a bad one—

or in the war; the world has never seen there has been enough of anything to fill the de-

The Southern Dakotas, joined forces with farmers and has been a success in the Great Depression, and more recently the Korean War.

The goal of the Administration is a prosperous agriculture and we have already brought about significant accomplishments in that direction.

No one is more concerned than I about the cost-price squeeze in agriculture today. The goal of the Administration is that no one should be a victim of this does not recommend a war as a solution for creating high farm prices. No response to the needs of the farmers, and the Administration is working to meet the needs of the farmers. The Administration is working to meet the needs of the farmers. To preserve the parity level in the 1950's and 1960's, and followed again now by another postwar period. But there is a great difference now compared with the prewar period, which is having a severe impact on the farmers.

But the job is not yet done if we are to reach our goals.

Sets Forth Goals

What are these goals? Let me list them.

One is an agriculture that is prosperous, expanding, and free. This means an agriculture operated by free and self-reliant men and women. We seek an agriculture that is well supported and scientifically managed, and the commodity policy that provides for farmers to produce in a market and for the government to help them. This is what we call "self" or "market" support.

We seek the extension of progress to underdeveloped rural areas, so that family farms on our own land now employed on inadequate farms.

We should seek to achieve these goals through the effective operation of our programs as farm policy needs to be.

Continued on page 45

From Washington

The Little Rock episode has far more ramifications than those that the Eastern press gave to the maintenance of constitutional rights in the South. It is the favorite kind of problem which Senators are shying green. They are allowing to pass under a cover that they have not been severely lately. The power of the Senate in the friendly Washington atmosphere.

Carlisle Bargen

Margeson V. P. of Knickerbocker Shoes

Margeson has joined Knickerbocker Shoe Company, the East-Westerners, as Vice-President and national sales manager. The appointment was announced by F. L. Pettit, President of Knickerbocker Shoe Company, one of the country's leading retail and principal underwriters of shoe fund and capital. The shoe company is based in New York City and the shoe company's headquarters is in New York City. Formerly a president of Wellesley & Reed, Inc., Mr. Margeson was a graduate of the University of New York and has specialized in mutual funds for several years.
Melvin Janes, a friendly, sandy-haired man in his early forties, may well be the world’s only trackwalker with a doctor’s degree.

Since 1953, Dr. Janes has trudged many a mile along railroad tracks from Maine to Texas. His mission: to check, with his own eyes the killing power of a unique railroad-bed weed destroyer.

Weeds are a menace to railroad men. They are a fire hazard; wheels slip on them; they hold moisture which rots the ties and undermines the roadbed; they make maintenance difficult. More than 50 kinds of weeds grow along the tracks. Some die easily and stay dead—but many are too tough for ordinary weed killers.

When Mobil scientists developed a promising new oil-based killer—Agronyl R—Dr. Janes took to the tracks to check it out. It killed the weeds, all of them. Moreover, it’s heavy and doesn’t blow on to adjacent farmland. It leaves a film that discourages new growth (and also helps keep the tracks from rusting).

You can’t buy Agronyl R herbicide for your garden weeds. It wouldn’t work in your home sprayer anyway. It was created for a specific job—and it does that job without equal.

In the same way, Dr. Janes and his fellow scientists develop countless other Mobil products for the special needs of your business, your car, your home. Whether it’s a motor oil or a gasoline or a gear lubricant, it’s unique in its field. And you can depend on its quality—for it is a product of Mobil’s master touch in oil.

For more information about Mobil research and development activities, write to Room 2400, Socony Mobil Oil Company, Inc., 150 E. 42nd St., New York 17, N. Y.

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The Philosophy of Transportation

By ANTHONY ARPAIA*

Member, Research Council, Federal Reserve Bank of St. Louis

U.S. regulatory officials advocate coordination and integration of various forms of commercial transportation to "insure progressive improvement at least cost." Commissioner Arpaia favors integrated ownership of all forms of transportation as it permits shippers and users to secure transportation services from one source under one administration and management. He stresses the primary importance of railroads and the significance of transportation to a sound economy.

Much has been written and said about the monopoly character of railroads. However, there is a philosophic side to transportation, and it is the latter that I would direct some attention.

"So that if these three wheels go together in a given spring tide. And it cometh many times to pass that the work, and carriage, is wrought more than the material, and enrichth a state more."

These are not the words of a transportation expert or an economist, but of a business analyst. Neither were they spoken within recent history. They are words of a philosopher from the Sixteenth Century, more than 200 years before the first steam locomotive, Sir Francis Bacon, one of his essays titled the three things of economic importance to a nation: commodities in their natural state, manufactures and transportation. It is to be noted that Bacon concerned himself primarily with the natural importance of greater weight than raw materials. Experience has demonstrated that the basic elements of sound economy are agriculture, industry, and transportation.

Transportation is as important to the body politic as the economic system is to the human body. The evolution of man, muscle and brain is inefficient and useless without the nourishment which is furnished to the body by the blood through the veins and arteries of the human body. Similarly, however rich a nation may be in resources and manpower, they will be of little value unless they are given utility through the medium of transportation.

To the extent that transportation is inadequate, inefficient and restricted, the economic and social growth of a nation is impeded. Contrariwise, to maintain a vigorous, healthy and growing body politic, there must be transportation of the type and amount necessary to support and nourish every segment and member of that body. Social, cultural and economic growth today, is directly related to the ability to move goods and people about.

Raiis Are Main Arteries

If all transportation is regarded as a circulatory system of the body politic, then, assuredly, railroad constitute the main arteries. With their specialization and division of labor, they furnish the single contribution to economic health. The present pace of social development, the changing environment, was made possible by fast and efficient transportation of raw materials. Railroads have made cheap transportation available to immense inland regions, which were, at one time, only the predominant influence of the preindustrial days. In

"*An address by Mr. Arpaia before the IX Pan American Railway Congress, Buenos Aires, Sept.

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and balanced rates, by making possible the production and availability of more goods at competetively lower rates, thus the prosperity of a society will not only be more evenly distributed among localities and areas.

Unnecessary Duplication

Just as the athletic contest athlete struggles to secure physical results by eliminating unnecessary movements, the unnecessary duplication in transportation, we lack in rationalization facilities, constitutes an undesirable situation. The economic race back can exist even within the same form of transportation. Hence, the frequency of interchange, the necessity of getting cars to make up trains to the cost of operation in the following:

Such duplication results in added overhead, increased existing facilities, handling and other items. The South American countries fortunately do not have to face this as a major problem and can profitably operate lines elsewhere, since there are no duplicate railroads working above 500. The net result as far as market action is concerned has been little material benefit, if any, and when the economy is going to fit into a happier frame of mind.

No Bullish News

There was little in the news to spark up any interest, either way. Business continues spotty, no great upsurge for the fall season yet in sight. All that is notably auto and steel, the credit pinch is in a status quo with little surface evidence that the situation is to change suddenly, and international affairs showed little change apart from some mild surprises in the Far East. The rate on the expediency of boosting their bank rate by as much as 2/4 Cent.

The decision, however, retracing the rather sizable area—some 40 points in the industrial average—in a short span, showed little sign of reassurance. It would be profitable to hold their ground well as a group while it was the more speculative, lower-priced items of self that gave the most ground.

Institutional Holders

"Hang On"

This indicated mostly that the institutional money were riding it out, as they have the other 50 to 60 point market declines since the fall of 1953. The gains have been substantial, since even the year's best on a sharp selloff early in the week nudged across the three points in September. It was the only period a day's work had produced three points. But last year there had been nine such sessions during the similar period.

* * *

For the brokers, hard pressed to keep in the black, the widespread, the more spectacular, lower-priced items of self that gave the most ground.

Continued on page 55

THE MARKET...AND YOU

By WALLACE STREETE

The three-month retreat underway in the stock market swept through minor resistance levels this week, with 62 points or 6 1/2% of the Dow Jones index early in February still surviving for what appeared to be an ultimate testing.

As has been the pattern in four swings in the last two years, there was some bargaining hunting in the 800s, where the market evidenced a strong reaction. Such moves are expected to be an ultimate testing.

However, the market has continued its volatile trend, with no single trend emerging as the leading factor in the overall market. There have been instances of profit-taking, but no pronounced trend has emerged as the leading factor in the overall market.

The market has continued its volatile trend, with no single trend emerging as the leading factor in the overall market. There have been instances of profit-taking, but no pronounced trend has emerged as the leading factor in the overall market.

Net even the rather definite prospects for a boost in the first quarter, the market has been somewhat lackluster this year inspired anything for rail fanatics and vultures to special in this year. There is no need to make a point about the market at this time:

The Eye on "Growth Stocks"

The so-called "growth" stocks had some noticeable better than their overly opti

mistic peaks, some of which were regarded as the prime candidates for a snappy recovery. Others have found some other-than-transport support. Yet Minneapolis Honeywell, for one, despite a change in management, still was able to hold their ground well as a group while it was the more speculative, lower-priced items that gave the most ground.

In more conservative circles attention was shifting from more speculative sections to areas where the enthusiasm of the bull market runup hasn't provided such excesses, for the market, food, store, utilities, where a 6% plus yield is available such as in Niagara Mohawk and lowering of the Parker Barker. Proof of returns which returns well into the 6% bracket with no evidence of being pared down. The trend that continued in weeks during the similar period.

Oils in Disfavor

Oils had a market price that was definitely lagged behind the index. The notably Gulf where peripheral hopes of a stock split have
been dashed repeatedly. And some of the smaller funds, unlike their larger colleagues, have been taking a jaundiced view of the petroleum section; a few even standing out with completely oil-free portfolios.

Shipbuilding shares, while not overly sought, were still able to show above average buoyancy. Most times despite the fact that their recent popularity made them candidates for reaction, Newport News Ship, showed by participation in the atomic-energy-powered aircraft carrier, has been able to hold far closer to its peak than its low. Lukens Steel, the skyrocket of 1956 and early 1957, was also holding up well, again because of its participation in the heavy plate needed in ship work. Lukens was well deflated from its 122 peak but, except for periods when the market was being buffeted, was able to hover around an area which was about double its 1957 low. And issues still holding a 100% appreciation are a distinct rarity.

In the stores Kroger was a standout, boosting its sales for the first eight months of the year by nearly 12%. This automatically made it a candidate for improved earnings despite the over-all economy, some estimates ranging to around $3.25 which would be a jump of nearly 8% over last year's profit. The result, marketwise, was that Kroger was also holding far closer to its year's high than the low, but was still available at the reasonable multiple of around 12-times earnings.

[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.]

Two With Dean Witter
(Special to The Financial Chronicle)
LOS ANGELES, Calif.—Robert A. Birlaw and James O. Stoddard have joined the staff of Dean Witter & Co., 632 South Spring St.

H. L. Jamieson Adds
(Special to The Financial Chronicle)
OAKLAND, Calif. — Edwin T. Phillips has been added to the staff of H. L. Jamieson Co., Inc., 1419 Broadway.

Hugh Johnson Branch
UTICA, N. Y.—Hugh Johnson & Company, Inc. has opened a branch office in the Utica National Bank Building. Pearre Billings will be in charge.

Schneider Bertet Branch
AUSTIN, Tex.—Schneider, Bertet & Hickman, Inc. has opened a branch office in the Capital National Bank Building under the management of R. Mayo King.

Winslow Cohu Branch
TROY, N. Y.—Winslow, Cohu & Stetson has opened a branch office at 11 State Street under the management of Mrs. Carol P. Ruoff. Mrs. Ruoff was formerly local manager of Keg, King & Johnson.

Loewi & Co. Inc. Official Changes

MILWAUKEE, Wis. — J. Victor Loewi, President of Loewi & Co. Incorporated, 252 East Mason St., and members of the New York and Midwest Stock Exchanges, has announced the following management changes made by the Board of Directors: William L. Liebman, formerly Vice-President and Sales Manager, has been appointed General Manager of the organization; Ernest F. Rice, Jr. has been elected Vice-President and Sales Manager, succeeding Mr. Liebman. William T. Riley, Jr. has been appointed an Assistant Vice-President. Both Mr. Liebman and Mr. Rice have been with Loewi & Co. Incorporated since 1946, starting in a training program upon release from Military service. William T. Riley, Jr. joined Loewi & Co. Incorporated in August 1955, after being associated with the Marshall Company, previously to that he was associated with his father, W. Thurman Riley (now also with Loewi & Co. Incorporated), at Riley & Co.

Three With A. M. Kidder
(Special to The Financial Chronicle)
ST. PETERSBURG, Fla. — William H. Alderman, Herman Bawiezer and Walter A. Fullerton, Jr., are now with A. M. Kidder & Co., Inc., 400 Beach Drive, North.

S. C. Reed V.P. Of Hare's Ltd.

S. Chadwick Reed has been elected Vice-President of Hare's Ltd., 85 Broad Street, New York City, according to an announcement by Emlyn S. Hare, Chairman of the Board. Mr. Reed will be in charge of dealer relations.

Hare's Ltd. is the sponsor and national distributor of the Institutional Mutual Funds, having assets of $60,000,000.

Mr. Reed is a graduate of Wesleyan University and Yale Law School, and attended the Harvard Business School. During the war, he served as an officer in the United States Navy. He is a frequent contributor to The Economist, London, England, and was formerly a member of the Economics Faculty of Yale University. Previously he was a Vice-President of Distributors Group, Inc.

Two With F. I. Dupont
(Special to The Financial Chronicle)
MIAMI BEACH, Fla.—Harry Herman and Allen W. McCurdy have become affiliated with Francis I. du Pont & Co., 29th and The Ocean.

Joins Kidder Staff
(Special to The Financial Chronicle)
TALLAHASSEE, Fla.—Harold E. Bergman is with A. M. Kidder & Co., Inc., Hotel Floridian.

LOW DOWN... The low, sleek lines of the modern American automobile are made possible by an ingenious engineering achievement called the hypoid gear. It drives the rear wheels, but because it meshes below their centers, engineers are able to reduce an automobile's height. Lubricating the hypoid gear posed a tough, complex problem...a problem eventually solved by the combined research skill of the automobile and petroleum industries. Texaco scientists pioneered in developing a rugged petroleum lubricant for this special purpose...another evidence of the cooperation and resourcefulness that has made Texaco research a valuable partner of modern industry in its march of progress.

TEXACO progress... at your service
**News About Banks and Bankers**

**Supervision of the business affairs of banks in Canada by the Bank of New York has been added to the duties of John M. Nevin, Jr., assistant city attorney of the city.**

Mr. Nicely is a senior official in the Bank's Dominion of the Board who continues to be associated with the supervision of the bank's business.

The Canadian area was formerly supervised by Robert E. Patten, assistant vice-president, who has been assigned to the United Kingdom office in London.

Mr. Nicely began his banking career in 1927 with the National Bank of Commerce, New York. He served with the Guaranty Trust Company of New York from 1927 to 1945 and joined the National Bank of Commerce of New York in 1945. He has served as assistant treasurer of the bank since the time of the merger with First National in 1955.

Admiral Arthur W. Radford, recently retired from the Joint Chiefs of Staff, has joined the Bankers Trust Company, New York, as a consultant in the development of its business, both foreign and in the U.S.

Admiral Radford's activities will be similar to those of the recently formed Development Committee of the Board of the Bank. The chairman of this Development Committee is Mr. W. H. White, executive vice-president, who will become a director of the management board and chief executive officer on Oct. 1. Other officers-directors on the board include: Alex H. Ardey, president; Francis S. W. Johnston, chairman of the executive committee; and John M. Budinger, vice-president and chairman of the research committee.

Other members are S. Sloan Colle and E. Chester Gersten, who are retiring as chairman and vice-chairman, respectively.

Mr. Radford will be acting as a consultant to the development committee.

The Development Committee, as included by the board on Sept. 26, is Mr. C. M. Lewis, W. H. White, director Obat, Mattie A. Lapham, president and director, Grace Line, Inc.; Philip R. Doud, executive vice-president; General Electric Company; and James J. Warburton, president of the International Business Machines Corporation.

Ralph Farrington has been appointed personal trust officer at the bank. He has been named corporate trust officer of Chemical and Exchange Bank, New York, it was announced on Sept. 26. Mr. Farrington is a member of the Foreign Department.

Mr. Farrington has had extensive banking experience and has specialized in the Far East, particularly Japan.

He was formerly associated with the Chemical Corn Exchange Bank for 10 years where he served as an assistant vice-president in charge of the Far Eastern business in the International Division. He will be in charge of the Far Eastern business of the National Bank.

**Mr. Jerome F. Glaser was elected vice-president of the Bank.**

Mr. Glaser is assistant manager of The Hamburg Savings Bank, New York, N.Y.

**The Rock Island Trust Company, Gar- den City, N.Y., on Sept. 26, was given approval in the New York State Banking Department to issue $4,842,600, consisting of 144,240 shares of common stock at $35 each, to be paid in 20 installments of $1,000,000 each.**

**An Air Reduction Co. of New York, N.Y., was given approval by the New York Stock Exchange for the issuance of 10,000 shares of preferred stock at $100 each, to be sold as undivided profits and will increase the bank's legal loan limit for any one borrower to $2 million.**

At a regular meeting of the directors of The American National Bank of New York, N.Y., held Sept. 16, it was voted to present in the form of dividends a special meeting to be held on Tuesday, Jan. 14, 1956 two proposals as follows:

1. (1) That the capital of the bank be increased from $200,000 to $1,250,000 by issuing common stock of $5 par value, increasing the capital from $200,000 to $1,250,000 by paying a stock dividend of 1/211th part of the common capital stock to each of the shareholders of record as of Jan. 14, 1956, which will authorize the increase in the common capital stock outstanding from $200,000 to $1,250,000.

2. (2) That the bank's capital stock, equal to approximately $500,000 in dividends, paid in the form of dividends, be paid in cash.

No one will be able to subscribe for new shares excepting those shareholders in whose right to subscribe will be forfeited.

After the increase of the capital stock by payment of the stock dividend, the capital stock of the bank will then consist of $200,000 in common stock and reserves of approximately $250,000, a total capital, surplus, and profits of reserves of $3,900,000.

**Constitution of the 19th District of the Bank of New York, N.Y., will begin this week, Sidney B. Congdon, chairman of the board.**

The new office will be located at Purtis Road and West 150th Street.

The new office will be of contemporary design to blend with the development of the neighborhood, and will feature modern interior design and year-round air conditioning.

Mr. Congdon said the new office is in keeping with the city's long-range policy of providing facilities in growing suburban areas to meet the demand for commercial banking services by new businesses, institutions, and businesses. National City already has a number of branches in this area, and this new branch will serve. Manager of the new office will be announced later.

General contract for the building is with Leonard H. Kirl, and the construction will be handled by Schuler, Flynn, Williams & Albens.

**Randolph H. Barnard has been elected to the board of directors of the American National Bank Co., Toledo, Ohio, it was announced last week.**

Mr. Barnard is assistant vice-president of the bank.

**The Pullman Trust & Savings Bank, Ill., the Standard National Bank, Chicago, Ill., and the Great Northern Trust Co., Fargo, N.D., all consisting of the Pullman Banking Group, are planning to form an association until recently Senior Vice-President of the National Bank and Trust Company of Chicago, has joined the firm Financial Consultant effective Sept. 1.

The American National Bank and Trust Co. of Paterson, N.J.

**Directors of the National Nework & Trust Co. of Paterson, N.J. voted to increase the bank's surplus to $2,000,000.**

Mr. Kean was elected a director of the National Nework & Trust Co. of Paterson, N.J. voted to increase the bank's surplus to $2,000,000. The increase was accomplished by the charter of The American National Bank and Trust Co. of Paterson, N.J.

**Continued on page 44**

**Bank and Insurance Stocks**

BY ARTHUR B. WALLACE

**This Week—Insurance Stocks**

While it is still the season's view that there need be no haste in acquiring some of the fire-casualty stocks for long-term investments, it is difficult to offer any advice to investors in the insurance stocks during this week.

But that doesn't mean that we ought not to look for any favorable factors, that will ultimately contribute to the market. This is the season to sell out, for the market is already in a long decline, and it is difficult to recommend any sizable investment in the insurance stocks during this week.

For example, Providence, Washington has for the past decade shown a highly erratic record. The company's earnings have been unsatisfactory, and a few days ago its dividend was cut. This, despite the fact that the company has almost $30 million in cash at its disposal from its investments.

One factor that many insurance stock investors put much importance on is the relationship of price to adjusted liquidation value. This is the figure at which it is presumed that an insurance stock would pay off if it was decided to wind up the business. Many insurance stock buyers consider insurance issues to be in a buying area, price-wise, when adjusted liquidating values run well above the market price for the stocks.

No doubt this material should enter into the investor's calculation, for, all else being equal, an insurance stock selling at only one-half its liquidating value is a much greater bargain than one that sells at this break-up figure.

But another factor comes into play here: the underwriting profit margin, ten-year gain to the stockholder, growth over this period, as the past ten years have been a good one for these companies, etc. Also weight should be given to portfolio holdings. A company that has long ago been accepted as part of a group, operations of which are of sufficient size and scale to keep up in bond prices.

For those investors who put store on the price-liquidating ratio, we would add that the list. This commentator-lists the companies that these companies do not report this data at the mid-year, and as a result, it is called the list. This is a problem that will be brought to the market in the near future. When we compare our current situation with the past, we can see that this has been an unusually short period of high bond grades has lacked attraction as a purchase because of the pronounced decline in the market for bonds of comparable quality, and in the near future, this relatively high bond quality, but not at the current market prices, will present an attractive purchase as a hedge against the decline.
The New Mature Economy
And the New Inflation

BY JOHN R. BUNTING, JR.*

Associate Economist, Federal Reserve Bank of Philadelphia
Lecturer in Economics, Temple University

Philadelphia Reserve Bank economist discerns a new type of maturity in our economy which, unlike the 1930’s, contains neither old age, senility or economic decline. Mr. Bunting finds that consumers, businessmen, and government more adult than in earlier periods, certain periods which served as preludes to recession-depression, doubts present declines will interfere with the successful bridging of each past transition period to the upturn phase expected after 1960. He further believes that the present phenomenon of inflation during this transition period is caused by “cost pushers” or “demand pullers,” and predicts “as rapid a rate of growth in the transition period ahead

A few years ago we heard a lot of the saying “Old soldiers never die, they just fade away.” It seems to us that we read the literature on the New Economy that old ideas don’t even fade away; they’re just rewritten to fit the times.

The explanation of the depression of the 1930’s was called “the consumers’ depression.” We remember it and shudder. Contemplating it doesn’t make for good entertainment. Briefly, it said that our population totals were growing, and would continue to grow very slowly. Our capital plant was completed and any new plant would not involve tremendous expenditures; and that consumers were closed—there was no room to produce more.

To be sure, not everyone accepted this diagnosis, even in the 1930’s. But it made a deep impression. It haunted us during the war years and shortly thereafter. (How much of our planning was based on the expectation of growth by 1960 in 10 million unemployed in 1940 and 1947? Slowly, however, we moved away from the shadow of the mature economy thesis.

The recession of 1949 was barely observable. Some refused to believe that this was real. It came and went in a flash. There was a Hollywood ending—\textit{and it was over}.

The New Mature Economy

The new thesis has not yet been universally accepted. A general outline is fairly well defined. It says that 1957 is the first year of an “interim” period. These “in-between” years will be characterized by steady growth in business activity. About 1960 or so, a new era will be ushered in. The economy will boom forth at 1947-1956 speed once more.

The slower growth interim period comes about because: (1) Wealth has been enjoyed by more people: cars, appliances, etc. have been filled. (2) Age composition of our population has such that family formation is taking place. (3) Not the prewar rate. He is not frightened into hasty, ill-directed actions by gyrations in the stock market. He thinks in the long run not the short run. He thinks of the broad social implications of his actions as well as the effect on profits for his firm. As such, the new businessman’s spending is said to be much more stable and subject to sudden violent swings one way or the other.

The original mature economy thesis was pretty much an explanation for the virtual collapse of business spending on new plant and equipment in the 1930’s. The new mature economy thesis purports to prophesy that spending on plants and equipment has reached a plateau from which present levels will continue only very slowly to the 1960’s. On the surface, much is support to the new thesis. Certainly, capably in many industries seems more adequate than herefore in the postwar period. For example, we have proven that we can sustain more houses, cars, and television sets than we currently consume. But the changing character of consumer demand pushes and produces inadequate capacity in other lines.

Also, while the age structure of our population moves for a relatively low level of household formation, it also promises slower growth in our working population. And much has been made of government programs in the past few years of making that wages and salaries will continue to climb in the future. If anything, this suggests that employers would not wish to increase pressure to

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Revelations in Progress Through Modern Research


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Canada: A Conservative Viewpoint Coupled With A Dynamic Economy

Continued from first page

from Fair and New Deals was wholesome for the United States, we are confident that Canada will benefit from new leadership and a fresh political viewpoint.

World's Sturdiest Currency
Certainly on basic economic grounds the Diefenbaker administration shapes up magnificently. The Canadian dollar, which in August crossed $1.06 in terms of its American counterpart, stands as about the sturdiest currency in the world. Canada's system of branch banking could well be emulated by most nations both from the way in which it supplies its customers' needs for deposit and loan facilities and for the perfectly magnificient solvency this nationwide system has achieved.

In some contrast with the hesitant implementation of the $30 billion dollar road building program in the U.S., Canada's transcontinental highway is proceeding briskly and should be finished on schedule.

The 45,000 mile combined railway network provided by the Canadian Pacific, and Canadian National Railways, with the related bus, airplane, boat and hotel facilities, give the traveler swift, scenic and comfortable transportation, over some of the most magnificently picturesque geography in the world; and several hundred new miles have been pushed to the North to tap new-found resources in iron ore, base metals, timber and aluminum.

The Fabulous Pipelines
The most significant recent development in Canadian transportation has, of course, been the remarkable expansion of pipeline mileage. Beginning seven years ago, the Interprovincial Pipe Line for oil was built running from Edmonton, South to Lake Superior, and to the East. Then Trans Mountain Pipe Line was constructed to flow burgeoning Alberta oil to the West Coast. Next a third economic urgency materialized— the need to get West Canada gas to market. In the areas of petroleum production, trillions of cubic feet of natural gas had been capped, simply because there was no way of getting it to market. And huge potential gas markets, in highly populated and industrialized areas were all there waiting—waiting only for transportation. In the West, Vancouver and Northwest United States—in the East, Toronto and Montreal, and smaller cities on the way. So 1957 came up with two magnificent Canadian achievements. First was the completion on Aug. 10 of the $170 million, 650-mile Westcoast Transmission Co. Ltd. pipeline from the Peace River fields of British Columbia to Vancouver and the international border. Capable initially of delivering 400 million C. F. of gas daily, the throughput can be, in due course, boosted by over 50%. So much for the drive to the West.

In the East, the second and far larger project was launched and financed—the Trans-Canada Pipe Lines Ltd. Thirty-five thousand Canadians and 6,000 Americans purchased securities in this 2,250 mile network to provide gas to a broad southern belt of Canadian communities all the way from Alberta to Montreal. Over 800 miles is scheduled for completion this year.

Gains for Investors
Now all this petroleum transportation has not only been a powerful addition to the wealth and development of Canada but it has unfolded hundreds of opportunities for investors. Gains of several hundred percent were achieved by early investors in Interprovincial and Trans Mountain equities; and the common of Pacific Petroleum’s (which owns one million shares of Westcoast Transmission Ltd.) has soared, in a few short years, from $1 a share to above $30. Other prosperous and growing gas companies include Great Northern Gas, Inland, Mid-Western, Provo, Peace River, Quebec Transmission and, of course, the big utilities serving Toronto and Montreal will benefit heavily from the arrival of natural gas.

Oil exploration has done wonders for Canada. Ten years ago the largest dollar import of Canada was petroleum. Now the percentage of oil supplied internially is rising daily and, in the decade since Leduc, the Province of Alberta alone has received over $650 million in revenue from oil; and on Sept. 4 started the most unique oil royalty distribution in history—$20 to every Alberta citizen. While Alberta led off (and still is the big leader) in petroleum production, Saskatchewan has come along fast, particularly in the Southern part, and British Columbia is rapidly developing significant oil and gas reserves.

Leading Oil Beneficiaries
Among stocks, the “land plays,” Calgary & Edmonton and Security Freehold, have taken on new luster, and seem astride of the most lively current drillings 50 miles north and south of Calgary. Merril Pete, Canadian Petrofinca, Canadian Superior, McColl—Frontenac, Great Plains and Imperial Oil have all been brisk performers, and among the newcomers, Scurry Rainbow, a consolidation of more than 10 small companies over a five year period, now presents a broad three province royalty and multi-million acreage spread.

The metals for which Canada is famous have had a tougher time. Copper, which recently hit a four year low at around 25c, has been a bit dreary, and declines of 30% to 80% in the representative copper shares has taxed the patience of holders and, at one point, made margin calls rather epidemic in Toronto. General sentiment now seems to be that copper has bottomed, and zinc should stabilize forthwith. Producers such

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Government, Municipal and Corporation Securities
as International Nickel (the largest), Noranda, Noranda Plutonic, Geo and Campbell, had a firmer look in recent weeks while the concerns like Maritimes, Granduc and Kilenbe, which took the worst share price beatings, may well have recorded their lows.

World's Second Top Uranium Producer
Uranium has now come of age and Canada has more than lived up to its billing, and its mining. Geiger counters are now clacking furiously and, instead of location of ore bodies, the main accent is on discoveries under $7,000,000,000 of firm contracts for U-oxide at around $8 a pound. Companies, only exciting names three years ago, are now enterprises today—Gunnar, Algom, Portno, Denison, Stanleigh and Stanrock; and investors of Canada in 1953 now eagerly buy bonds with warrants. Canada is the second uranium producer in the world and thus, to an important extent, a guarantor of peace in our hemisphere.

An exciting new phase in Canadian expansion deserves special current mention, and that is the trend to the North. Most Canadian development until quite recently has been East and West, with some 90% of the 16 million population living within 200 miles of the American border. Now in the more frigid sections of Canada something far more valuable than seals, beavers, and muskrats are the industrial targets. The Great Slave Lake may embrace the world's largest ore bodies of zinc and lead. In the northerly reaches of Quebec at the Battle Point iron ore is being unearthed which may run to 60 billion tons. In Northern Alberta, countless billions of barrels of oil lie locked in Athabasca tar sands, which are now being extensively probed. The Yukon still drips with gold if you hit the right sections, and the Alaska Highway running 1,500 miles from Peace River to Fairbanks is becoming one of the most strategic economic arteries in the world. And, at the top of the globe you might say, is the vast Arctic radar complex of Distant Early Warning (DEW) calculated to alert and defend our civilization against aerial incursion of Muscovite malice. If Horace Greeley were in Canada today, he'd say "Go North, young man!"

A Swift Seasonal Review such as this can't possibly touch on all those factors which make Canada great and a nation in which to live and invest.

A Modern Economy
Apart from the incalculable natural resources of 800,000 square miles of timberland, the 86 million of hydro electric power less than 20% developed, and infinite mineral and agricultural riches, there are the people. Alert, intelligent, ambitious and eager, with their forward motion streamlined by all the efficient devices of a modern enterprise economy. Based on a record of balanced budgets, sound banking and currency, excellently managed insurance companies, and a network of investment banking, brokerage, and stock exchange facilities, the Canadian economy bows to none. No wonder it attracts investors from all over the world. No wonder it offers not thousands of interesting speculation protected by the right political and financial climate, but a list of great corporations and mature investment securities, many of which have paid unbroken and rising dividends for decades. And incidentally, this all tribute to Canada is placed before your eyes on Canadian newspapers.

The Factual Record
We realize, of course, that after reading the foregoing tribute to the Canadian economy, the reader may well say, fine and dandy, but why not document the attributes. This happens to be the easiest chore imaginable, as is evident from the accompanying tabulations showing the Canadian listed common stocks on which consecutive cash dividends have been paid for as long as 129 years. The record, we contend speaks for itself.

---

### TABLE 1

**LISTED CANADIAN Common Stocks**

<table>
<thead>
<tr>
<th>Stock Name</th>
<th>Date Divs. Past</th>
<th>Current Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agnew-Passip Shoesh, Ltd.</td>
<td>24.30</td>
<td>500</td>
</tr>
<tr>
<td>Aluminium Ltd.</td>
<td>19.00</td>
<td>46 2.0</td>
</tr>
<tr>
<td>Canadian National Corp., Ltd.</td>
<td>14.40</td>
<td>51 7.6</td>
</tr>
<tr>
<td>Anglo-Canadian Pull and Paper Mills, Ltd.</td>
<td>12.00</td>
<td>32 1.5</td>
</tr>
</tbody>
</table>

### NOTE
- Quotations represent June 28, 1957, sale prices or the last sale price prior to that date. All quotations are as of June 28, 1957.
- Dividend paid in U.S. Currency.
- Dividends vary from 1.0% to 21%.

---

Do you know how a company may be incorporated in Canada? How about income and other business taxes? What are the personal income tax rates? Are there provincial as well as federal taxes? The answers to these and other questions—vital to the businessman planning to set up operations in Canada—are to be found in our "Memorandum Relating To Carrying On Business In Canada." For your copy—free and without obligation—write to the Royal Bank of Canada, 360 St. James Street West, Montreal, Canada.
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State ...................................................

Company ...........................................

sfor $35,156,700 of convertible debentures due 1972, which will also be underwritten by a group to be headed by Morgan Stanley & Co. The proceeds from the sale of both issues will be used for acquisition of property, extensions and improvements, for refunding certain outstanding obligations, including short-term bank loans, and to reimburse the company's treasury for construction expenditures.

The mortgage bonds are redeemable at 100% if redeemed or prior to Sept. 30, 1958, and thereafter at prices decreasing to the principal amount after Sept. 30, 1966. Special redemption prices range from 100.762% on or prior to Sept. 30, 1958 to the principal amount after Sept. 30, 1966.

Operating entirely within the States of Michigan, Consumers Power Company supplies electric service in 116 communities and sells natural gas in 285 communities. The company's service area includes the cities of Battle Creek, Bay City, Evart, Kalamazoo, Muskegon and Saginaw. Population of Old Saginaw County is estimated to exceed 3,700,000. Consumers Power is not unique in this respect, as other companies in research and development work relating to the improvement of electricity through the use of nuclear fuel. The Power Reactor Development Company was formed to carry on this work.

For the 12 months ended June 30, 1957, the company had total operating revenues of $214,073,000, compared with $208,285,000 in the calendar year 1956 and $190,432,000 in 1955. Gross income before federal and state taxes for each of the respective periods was $192,700,000, $197,500,000 and $180,134,000.

London Corresp. for Harriman Ripleys Co.

Joseph P. Ripleys, Chairman of Harriman Ripleys Co. Incorporate, C. Waller, and announced that Harriman Ripleys has entered into an agreement with Philip Hill, Higginson & Co., Limited, a prominent investment banking house with head-quarters in London, Eng.

Mr. Ripleys said that the arrangement is one by which Philip Hill, Higginson will be the London correspondent of Harriman Ripleys, and Harriman Ripleys will be the New York correspondent of Philip Hill, Higginson. Also, that Philip Hill, Higginson is acquiring minority share interest in Harriman Ripleys.

Joseph P. Ripleys, one of Harriman Ripleys, was named President of the new company. Mr. Ripleys added that Philip Hill, Higginson, as represented by the latest Philip E. Hill under the name of Philip B. Hall & Partners. The Higginson name was added in 1952 when the entire share capital of the banking business of Higginson & Co., Limited, which was established in London in 1947, was acquired. Philip Hill, Higginson also owns all the shares of Philip Hill, Higginson Co. (Africa) Limited, with offices in Johannesburg and in Salisbury, Rhodesia.

The proprietary capital of Philip Hill, Higginson is equivalent to about $30,000,000, all of which is owned by the Philip Hill Trust, the net worth of which is equivalent to about $40,000,000.

Included among the Philip Hill directors are Sir Francis Sandercock, Chairman of Eagle Star Life Insurance Co. Ltd.; Rudolph A. E. de Trafford, Chairman of Allstate Assurance Company Ltd.; Harold G. Drayton, Chairman of British Electric Tracttion Co. Ltd.; Kenneth J. Leathem, Chairman of Textile Machinery Manufacturers Co.; and John R. Cotterall, for- merly manager of the branch of the National Bank of Canada in London.

JOINS JULIAN COLLINS CO.

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The Commercial and Financial Chronicle... Thursday, September 26, 1957

Canada: A Conservative Viewpoint
Coupled With a Dynamic Economy

Bell Telephone Co. of Canada Ltd.

6.00 51.5 4.9

Belterre Quebec Mines, Ltd.

0.10 1.77 5.6

Billoncote Hats Ltd.

0.40 65% 5.5

Borg's Ltd.

10 0.50 12.4

British Columbia Power Corp.

1.40 51% 2.7

British Columbia telephone Co.

2.00 42% 4.7

Brock (Stailey) Ltd. B

0.40 86 6.7

Boilngd Products Ltd.

1.80 36 5.0

Buplo Gold Dredging, Ltd.

0.50 3.5 13.2

Burlington Steel Co., ltd.

2.77 15 5.5

Burns & Co. Ltd. "B"

1.00 11 6.4

Caldwell Lumber Mills Ltd.

0.80 7 7

Canadian Lumber & Timber Corp.

0.60 34% 0.3

Calaigary & Edmonton Corp.

0.30 12 5.3

Canada & Dominion Sugar Co., Ltd.

1.20 23% 5.2

Canada Bread Co., Ltd.

0.10 42.20 3.6

Canada Iron Foundries Ltd.

1.50 39 3.8

Canadian First Bank of Canada

10 0.45 150 3.0

Canadian National Research Council

28,850.00 1957 stock prices or the last sale price

The above data is based on the latest prices of June 28, 1957 and last sale quotations as of June 28, 1957.

Continued on page 24

ROYALITY... a fully integrated Canadian Petroleum company.
Economic Aspects of Canadian And American Cooperation

BY JOHN WESLEY JONES*  
Deputy Assistant Secretary for European Affairs

State Department officials indicate that tariff peculiarities endangering mutually beneficial Canadian-American economic relationships and inevitable dynamic growth are apt to be solved as a result of the initiative taken by some forwarding-looking statesmanship from both sides of the border. Present imbalances in trade between the United States and Canada are serious enough to raise serious questions about the future merchandising balance at a higher level of total trade than that existing today.

In addition, there are the purchases of Canadian products by Canadian firms. While these are unimportant in themselves, they must be paid for from Canadian resources, thereby increasing the country's wealth ratios at a running pace.

I do not wish to imply that there is no problem of balance. I do say, however, that a balanced trade might lead one to believe.

Dependence on Canadian Products

Looking now at the importance of Canadian products for United States consumption, it is apparent that many American industries, in the absence of imports from Canada, would practically have to shut down. As regards 1932, five million tons of standard newspaper were imported from Canada in 1933 compared with U.S. production of only one million tons. Our nickel and asbestos users would be even worse off.

In Canada's case, the situation looks less grave. Canada marketed 25% of its exports in 1933, while the United States exported 22% of its total exports.

The Canadian share in United States general imports is 25%, compared with only 14% in 1933. Canadian purchases in the United States have also risen from 14% of total U.S. imports to 21% of our export trade.

In absolute figures, Canada exported goods to the amount of $2.8 billion to the United States last year, in contrast to $1.1 billion in 1933.

Examine Trade Imbalance

This difference of $1.4 billion has arisen as a result of the decrease in the number of Canadian goods that are being sold in the United States. While the United States has increased its imports of Canadian goods, the increase is not as great as the increase of its exports.

One of the results of this situation is that the balance of trade between the two countries is in the United States' favor. This has been the case for many years, but the difference is now much greater.

In terms of Canadian trade this means that Canada sells the U.S. over 80% of its total production of newsprint, over 60% of her total production of nickel and about 70% of her asbestos production. In other words, these three commodities account for over 80% of Canada's production of shingles, and almost 80% of the shingles produced in Canada.

The United States sends Canada a more diversified range of products, generally more highly finished. Of these some are the most important, are automobile parts, airplane parts, tractor parts and the like. The United States produces its oil, coal and cotton. It will readily be observed that most of these manufactured products are far less important to the American people than automobiles and other U.S. industries. Canada is largely of raw or partly processed materials. Such brings us to the problem of protection and of national tariffs.

Solving the Tariff Problem

It is time to recognize the fact that the tariff is one of the most important factors in the future of the economies of both countries. The tariff must be a matter of the utmost concern to both our governments, and it must be understood that an adversarial approach to this problem is not likely to be successful.

In addition, the tariff is a major factor in determining the relative economic welfare of both nations. It is therefore important to find a solution to this problem that is mutually beneficial to both countries.

There are a number of potential solutions to the tariff problem, and it is important to consider each of these carefully. One potential solution is to negotiate a series of bilateral agreements that would reduce the tariffs on goods traded between the two countries. This would help to reduce the cost of living for consumers in both countries, and it would also help to promote economic growth.

Another potential solution is to establish a free trade agreement between the two countries. This would help to reduce the cost of living for consumers in both countries, and it would also help to promote economic growth.

It is important to note that both the United States and Canada have a strong interest in maintaining a strong economic relationship with each other. This is because both countries are important trading partners for each other, and both countries have a strong interest in maintaining a strong economic relationship with each other.

The United States and Canada have a long history of economic cooperation, and it is important to maintain this cooperation in the future. This is because both countries have a strong interest in maintaining a strong economic relationship with each other.

In conclusion, it is important to find a solution to the tariff problem that is mutually beneficial to both countries. There are a number of potential solutions to this problem, and it is important to consider each of these carefully. It is important to note that both the United States and Canada have a strong interest in maintaining a strong economic relationship with each other.

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*From a talk by Mr. Jones, Joint Service Club, Portland, Maine, on the occasion of Canadian Friendship Day.
Grainger Heads Hospital Fund Div.

Isaac B. Grainger, President and director of the Chemical Coin Exchange Bank has accepted the chairmanship of the Business and Professional Committee of the United Hospital Fund's 50th Annual Campaign, it was announced by Harold V. Smith, General Chairman of the Campaign.

Mr. Grainger will direct the drive, which will be held on several volunteer solicitors who will canvas executives and business firms in Manhattan and the Bronx. The Business and Professional Committee has the responsibility of raising $425,000 of the $3,000,000 goal of the United Hospital Fund's 1957 Campaign.

The Campaign, which opens Oct. 1, will ask for $3,000,000 for the United Hospital Fund's voluntary member hospitals. Money is distributed according to the amount of free and below cost to patients who come to medically needy patients by the hospitals during 1958. Total number of patients served by these hospitals last year numbered more than 2,000,000, with nearly 800,000 of these classified as clinic patients.

Mr. Grainger, who lives at 1001 Park Avenue in New York, is a director of the Hartford Accident and Indemnity Company as well as of several other companies, and is a trustee of the New York Community Trust. He is a graduate of Princeton University and his club is the Lincolns Club, the Racquet and Tennis Club, and the Royal and Ancient Golf Club of St. Andrews, Scotland.

Joints Jerry Thomas

Bache Adds to Staff

CHICAGO, III.—Christopher G. James has joined the staff of Bache & Co., 140 South Dearborn Street. He was previously with Crutenden, Podesta & Co.

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Two Representatives For Wellington Fund

The Wellington Company, sponsors and distributors of the Wellington Fund, one of the nation’s largest mutual funds, has appointed two new District Representatives. It has been announced by A. J. Wilkins, Vice-President in charge of national distribution. They are Bruce A. Bales, who will be the Northwestern representative for Danforth Field Company, Pacific Coast representative of the Fund, with offices in Portland, Ore., and William H. Sullivan, Western representative, with headquarters at 6632 Dodge Street, Omaha, Neb.

Mr. Bales was formerly associated with the investment firm of J. A. Hogle & Co. in Spokane and Zilka, Smith & Co. in Portland. Prior to joining Wellington, Mr. Sullivan was a registered representative of Newburger & Co., Philadelphia, members of the New York Stock Exchange. He was formerly Executive Director of the Philadelphia Board of Trade, a director of the Bureau of Special Studies, also in Philadelphia, and was an FBI agent.

Mutual Fund Planning

Mutual Fund Planning Corporation is engaged in a securities business from offices at 270 Madison Avenue, New York City.

Moderate Business Uptrend Forecast In Months Ahead

United Business Service weighs grounds for general economic change and predicts it will result somewhat this last quarter, 1957, and winter of 1958.

A moderate, but slightly better-than-seasonal, pickup in business is forecast this fall and winter by the United Business Service.

The Service bases this expectation on continued high spending by consumers, industry, and government — which will provide a strong bolstering force. With personal income at record levels, and likely to rise further this fall, total retail sales are expected to hold above year-ago levels during the coming peak shopping season.

Dollar sales in the first eight months of 1957 were up 6%. Although business spending for new plants and equipment is leveling out, fourth quarter outlooks will continue to be substantial and greater than in the like 1956 period. Total Government spending (Federal, state, and local) is expected to edge still higher despite the economy efforts at Washington on new appropriations.

In the industrial sector, some pickup in new ordering, especially for new model auto needs, is expected to lift steel operations to an average rate of at least 85% of capacity in the final quarter. Auto output should equal the previous year's level of 9.2 million this quarter.

Growth in the industrial sector, with some modest expansion of general trade and industrial ordering is expected by the Service. It believes that both average wage and price levels and the cost of living will continue to edge upward.

Limiting factors on the expected moderate fall-winter improvement in the economy will include the actual and psychological effects of continued light money and credit, the uncertain foreign situations — especially in the Middle East, the recent stock market shakeout, and the growing competitive squeeze on profit margins of many companies.

Hua Hsing Investors

Hua Hsing Investors has been formed with offices at 218 Canal Street, New York City, to engage in a securities business. Partners are Siem Wei Liu, Hsin Chih Lee, and Yook Pan Chin.

Nast-German Co.

Maurice H. Nast and Philip E. German have formed the Nast-German Co. with offices at 17 East 40th Street, New York City, to engage in a securities business.

Paragon Mutual Formed

Paragon Mutual Investment Service has been formed with offices at 23 West 42nd Street, New York City to conduct a securities business. Partners are Arthur L. Berliner, Alfred A. Talbert and Leon Abramson.

Opens Office

NEW ROCHELLE, N.Y. — Dorothy Rosen has opened an office at 150 Overlook Circle to engage in a securities business.

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Continued on page 24
Great Issues in Canadian—U.S. Community

knows no written constitution of agreement it is bound by the aspirations of peoples in all parts of the globe who, while independent, are united in their dedication to freedom under the intangible unity of the Crown. Canada's status as an independent member of the Commonwealth and a constitutional monarchy will be emphasised when Her Majesty, Queen Elizabeth The Second, opens Canada's Parliament on Oct. 14 as the Queen of Canada.

Trust and Co-operation
Canada and the United States, as long ago as 1784 in the "Treaty of Amity, Commerce and Navigation," undertook "to promote a disposition favorable to friendship and good will." While this understanding has not at all times since been maintained, it is, and has been, of the essence of our relationship.

We are partners in defense—and we realize that the security of this continent cannot be assured without the closest co-operation between our two countries. To that end one of the first acts of the new Canadian Government when it came into power last summer was to agree to the joint operational control of the air defense forces of Canada and the United States. This system embraces not only our two air forces, but the several radar warning lines which have been built by us jointly across this continent, and mainly through Canada. In so doing Canada does not in any way sacrifice her sovereignty, or ownership, of these Arctic regions.

We have learned to trust one another. None has received aid from the other without payment. No hereditary animosities or ancient feuds divide us. In Canada we know that if the United States since the last war had not assumed world leadership, the free world might not have survived. But we cannot take our relationship for granted. The former Secretary of State for External Affairs (Mr. Pearson) expressed the same sentiment some years ago when he said "the era of easy and automatic goods relations between Canada and the United States is over." That does not mean that an era of difficult or bad relations is being ushered in. It emphasizes the need for care being taken in attending to our relations and viewing each other's problems with common sense, frankness, absolute confidence and mutual trust.

The whole measure of warm friendship which has long existed between the United States and Canada, and the parallel interest of the two countries, enables us to speak to each other with a measure of forthrightness which is permitted to very few countries in the world. The candor with which we can communicate with each other strengthens our understanding of each other, and helps us to avoid the pitfalls of misunderstanding which have bedeviled relations of so many other countries in the world.

One or Two Economic Matters
May I now with the utmost frankness and goodwill, and in the interests of fullest understanding, deal with one or two economic matters which are causing unrest within my country. By doing so I emphasize that the Government of Canada has as its duty and responsibility to consider Canadian interests first. It is not now and will not always be, a case of the Secretary of State of the United States, the Honorable John Foster Dulles, in evidence recently given before a Congressional Committee, characterizing the Canadian Government in like measure as to consider Canadian interests first, this should not be misinterpreted as being anti-American.

Canada is numbered among the great trading countries of the world. While desirous of doing business with all nations, our trading world has become increasingly limited to the United States which takes 60% of our exports and provides 80% of our imports; A recent survey of the American Research Institute shows in graph form that American Canada American community of any size is selling something to Canada. It shows that Brooklyn sells more to Canada than Argentina does. Chicago sells almost as much to Canada as it does West Germany. Seattle sells almost as much to Canada as it does New Zealand does. Chicago sells more to Canada than New Zealand does. Chicago sells almost as much to Canada as it does West Germany. Seattle sells almost as much to Canada as it does New Zealand does. Chicago sells almost as much to Canada as it does West Germany. Seattle sells almost as much to Canada as it does New Zealand does. Chicago sells almost as much to Canada as it does West Germany. Seattle sells almost as much to Canada as it does New Zealand does. Chicago sells almost as much to Canada as it does West Germany.

One of the most pressing concerns is the matter of wheat. Canadian wheat has always been more popular in the United States than the United States has purchased from Canada. This imbalance is now running to record proportions. At the 1957 trade fair last year, Canada purchased from the United States goods to a value of $1.20 billion more than the United States purchased from Canada. Thus far in 1957, the imbalance has increased, and if the present trend continues, 1957 will establish a new all-time record in imbalance in trade between the two countries.

Our trade with the United States is equivalent to 25% of Canada's gross national product. On the other hand, it is the equivalent of less than 2% of the gross national product of the United States. It is perhaps only natural, therefore, that the Canadian-American trade should not make the same claim on the attention and goodwill of the United States as it does on Canada.

Charges Fair Competition
A pressing concern in Canada is Canada's trade relations with the United States agricultural disposal program, and the Canadian sugar and wheat flour, which have been more vigorous and more aggressive than anything the United States ever before did in the way of fair competition for markets. This has been done in virtually all cases where a high tariff and an uncontrolled program have limited our access to the United States market, which, when amounted to over 700 million bushels that year. It is vital to Canada's economic health to have some

Canada: A Conservative Viewpoint
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Canada: A Conservative Viewpoint

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*Revised, printed, June 20, 1957, sale prices or the last sale price, prior to that date. Bid and ask quotations are as of June 20, 1957, New York Common Exchange Rate.
† Adjusted for stock dividends, splits, combinations, etc.
> A league

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For your copy, write on your business letterhead to any U.S. office or to the Business Development Department, Head Office, Montreal.

The Commercial and Financial Chronicle... Thursday, September 26, 1957
Canada: A Conservative Viewpoint

Coupled With a Dynamic Economy

300 bushels of wheat are exported every year.

Canada can compete for her share of the market of the world, providing other nations follow recognized competitive practices. The share of the world market for wheat by the policies of surplus disposal, and that increase has come about mainly at the expense of Canada's export trade, which has been decreasing. The surplus disposal legislation of the United States has made it difficult, if not impossible, for Canada to maintain its fair share of the world's market. Canada cannot compete for agricultural markets against the dominant economic power of the United States, with its export subsidies, barter deals and sales for foreign currency.

The free world faces not only the military, but the economic aggression of the U.S. S.R. Military alliances and joint co-ordination of defense are not enough. There must be economic co-operation, which in turn demands recognition by larger nations of the effect of their economic policies on smaller nations. We must be able to afford any of the free nations to be weakened economically.

Asks for Similar Co-operation

We are co-operating in defence measures—why not to a greater degree in economic matters? The Joint United States-Canadian Cabinet Committee on Trade and Economic Questions will meet in Washington in early October, and Canadians hope that this matter can be resolved by mutual agreement which will provide for a fair and reasonable solution for the disposal of wheat and agricultural surpluses.

One other matter deserves comment in the interests of clarification. Capital from the United States has played an important role in the development of Canadian resources. We welcome this investment and intend, to provide the best foreign investment climate in the world. The heavy influx of American investment has resulted in some 90% of our main manufacturing industries and a larger proportion of our mine and oil production, being owned and controlled by United States interests. In that investment what Canadians ask is that full account be taken of the interest of Canadians in the policies that are...
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Listed Companies Which Have Paid Consecutive
Dividends From 5 to 10 Years Appear in the
Second Table Starting on Page 35

Walter M. Lowney Co., Ltd. 22 1.00 20 5.0
Chocolate and other confectionery products

Larkin-Lager Breweries (1854). Ltd. 29 0.27 410 6.6
A brewing company for four British Columbia companies

Maclean Paper and Paper Co. 16 3.25 80.0 4.1

MacMillan & Bloedel Ltd. 17 1.00 91 3.2
Pulp and paper products

Maiden Red Lake Gold Mines Ltd. 18 0.15 1.50 9.7

Ontario gold producer

Maple Leaf Gardens, Ltd. 12 1.70 8200 84

Owns and operates Toronto Gardens

Maple Leaf Milling Co., Ltd. 12 0.50 76 6.7
Grain handling; flour milling; operation of bakeries, etc.

* Quotations represent June 28, 1957 share price or the last sale price prior to that date. Bid and ask quotations are as of June 28, 1957.
† Add current Canadian Exchange Rate.
‡ Dividend paid in C.S. Currency.
§ bid

Continued on page 30

Revolutionary Changes Ahead
In the American Living Style

By ROGER W. BABSON

The automobile is not only revolutionizing highways, retailing, and financing; but also the style of buildings and homes. Statistics arithmetic will prove that with the narrow business streets in the older cities, one of three things will happen: (1) The 50-year-old brick buildings will be torn down and replaced by modern one-story buildings; or (2) the streets will be widened; or (3) all stores will be open evenings. New shopping centers are otherwise inevitable.

Smaller Homes Will Be Built

Another example of simple mathematics: People can borrow only so much money. This limit is fast being reached. If families are to have one or two larger automobiles, these families must be satisfied with smaller and fewer rooms in their homes. Smaller become larger and more expensive, homes must become smaller and less expensive. I therefore forecast that many of my readers will turn their present houses into apartments.

All new homes will not have garages; but all will have enough land so that the family cars can be kept off the streets. The new style of architecture will be based on the Old Cape Cod House of one and one-half stories, or else people will live in duplex or co-operative apartments. People gave up their "horse and buggy" when they bought an automobile. They will learn to give up their present style of homes. Putting more money into the automobile may result in putting less money into the home. This will especially be true if we are facing either war or disarmament.

What Rooms Will Be Retained

The future home will have no dining room; and the orthodox "parlor" is definitely doomed. Weddings, funerals, and receptions will be held outside the home in places which have proper parking space. There will be one large "living room" in which the family will live, cook, and eat. There will be no "kitchen." With frozen foods and infra-red cooking, only a few minutes will be needed to prepare a meal. From such cooking there will be no smell or odor.

Every house will, however, have two bathrooms—one for the parents, who will sleep on the first floor; one for the children, who will sleep on the second floor. Typical bathtubs of the present day will be seen only in museums. Bathrooms will be much smaller; comparing more with the state-rooms on ocean liners or on double-deck trains. Heating and air-conditioning will be much cheaper and more common. Both hot and cold water will come into the houses through underground pipes as gas and water now come. Electricity will be very much cheaper. "Bottled gas" will be used more.

What About Clothes?

Clothes can be much cheaper. Shops, which no longer be woven as cloth is today. Cloth will be made like paper cellophane. This inexpensive new "synthetic cloth" will come out of a machine as finished dresses for the women and children, as washed suits for the men. Some women readers will say, "Impossible, women will insist on wearing different dresses and hats." These, of course, can differ in colors, but women then will be satisfied with standard clothes. The automobile will stand for ordinary clothes. There will be a few different make of clothes at different price ranges. Auto dealers and gas stations may carry clothing.

Yes, revolutionary changes to be caused by the automobile have just commenced. For greater changes are ahead. As "drive-in theatres" are following indoor theatres, "drive-in schools" and "drive-in churches" will follow. Banks are now taking many of their deposits direct from customers who drive up in automobiles to a special window. Store show-windows, which have been a fruitful source of advertising for their merchants, will become of less value as more people pass in autos. More duplex and co-operative apartment houses are being planned so that automobiles will largely take the place of buying them. This name may apply to furniture, and every clothes. This will especially be true if our nation is faced with a War or Disarmament due to the threat of Russian Fallout.

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Canada's Prosperous Oil and Gas Future

Canadian petroleum executives offer supporting evidence to justify their conclusions that the oil and gas industry in Canada can look forward with complete confidence to a prosperous future. Speakers compared theitory area and costs with that in the U.S.A., and weigh the unreliability of the Middle East situation and possibility of price reduction on future sales prospects.

"There are many statistics available which make the Canadian oil and gas situation very attractive," George H. Bailey, Vice-President and General Manager of Bailey Selburn Oil & Gas Co. Ltd., asserted in an address before a private meeting of oil and gas industry security analysts in New York City on Sept. 15.

"Just this past Sunday," the speakers noted, "the New York Times" carried an item from Ottawa stating that in the 1945-1955 period United States interests increased their investment in Canada's oil industry from $173 million to more than $2 billion. This is 74% of the total investment in the Canadian oil industry. We are sure all agree that a great deal of highly professional research and analysis preceded the decisions to make these investments. That 2% billion figure, which undoubtedly has since risen significantly, is a most impressive endorsement of the excellent growth prospects in store for our industry in Canada as approved by the United States investment community and this country's very competent oil industry.

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Canada's Prosperous Oil and Gas Future

Compared Exploration
"At the present time, almost 200,000,000 acres of petroleum and natural gas rights are under active exploration in Western Canada. In broad sedimentary deposits which are favorable for the discovery of oil and gas. By comparison, the total area of the State of Texas consists of 170,000,000 acres. Under normal conditions it would take over 5,000 wildcat wells to 20 to 25 years to effectively assess Western Canada's vast area. Still another plus factor in the Canadian Petroleum Association's estimate that the finding cost for oil in Canada is about 80c per barrel as compared with $1.30 in the United States today. Canada's development program is still in its relative infancy compared to that in Texas. Except in comparative small areas, exploratory wells are still drilled in Canada for less than one to 60,000 acres. The "oil industry, both in U.S. and Canada, is presently enrolling some difficulties due to competition and import problems... The main oil hurdle which we are facing in Canada today is that of adequate markets.

Growth in Date
"Permit me to note briefly some historical background. Until the past year or so, the petroleum exploration program was directed almost exclusively towards the discovery of oil, and an incidental gas discovery was regarded as slightly better than a hole. There was no available market for gas. In 1947 there were no pipelines for all or other than comparatively local ones. No pipelines existed for the short line of approximately 40 miles, from Turner Valley to Calgary. By the end of 1956 pipeline facilities existed for delivering Canadian crude to the Pacific Coast and serving the northwest United States markets. To the East the Interprovincial Pipe Line was carrying crude to the United States through Duluth to Bismarck, and is now entering the Toronto market area. Pipeline facilities also exist to serve the Minneapolis-St. Paul and Chicago market areas. "Today, Canada's production potential exceeds 800,000 barrels daily. In theory, we are not expected to reach that level until 1970 at the earliest. But in the year 1950, present construction projects in Canada are due to be completed. In that time, however, production potential is expected to be 800,000 barrels per day. During the next 25 years Canada's refineries and U. S. refineries using Canadian crude will spend something over $10,000,000,000 to build capacities adding over 300,000 barrels per day for the Canadian market. "The test oil and gas producers and oil and gas community will therefore have to weigh in this connection which can be expected to improve the situation. "The recent difficulties experienced in the Middle East have demonstrated the vulnerability of this source of supply. The unavailability of the political situation in that area has shifted the attention of the oil companies from the Middle East to Canada among other areas. This has resulted in and will continue to bring about the development of an oil industry in Canada. We have also been involved in developing Canadian production facilities and marketing facilities.

"The clearing up of the Middle East situation after the Suez Crisis, combined with lower tanker rates, has cut into our immediate markets. "At the present time, the Montreal Stock Exchange, through its survey, is reporting that 250,000 barrels per day is served directly by foreign crude oil imports. A price reduction of 1c per barrel by domestic Canadian producers would capture the Montreal market for us. Unless other markets open, this is bound to happen, particularly as we are faced with a U. S. import duty of 10c on a barrel when exporting Canadian crude to the U. S., charges no duty on its imports of crude oil."

Form Sampson Associates
Samson Associates, Inc., has been formed with offices at 90 Laurel Hill Terrace, New York City to engage in a securities business.

Francis S. Wilson, Jr. With Bache Co. in Chicago
(Special to the Financial Chronicle)
CHICAGO, Ill.—Francis S. Wilson, Jr. has become associated with Bache & Co., 140 South Dearborn Street, Chicago. Mr. Wilson has been with Kneedle & Co., in the investment department.

J. B. Hanauer Adds
(Special to the Financial Chronicle)
BURLINGTON, N. J.—Alan Julian has become affiliated with J. B. Hanauer & Co., 140 South Beverly Drive.

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20 (1346)
Canada: A Conservative Viewpoint Coupled with a Dynamic Economy

The Menace of Inflation: Nadler

Hanover Bank's economist doubts price increases in the immediate future will be as pronounced as during the past two years, but warns, however, the "real danger will arise during the next six weeks as business activity," in summarizing the factors prompting what he calls "inflationary bias," Dr. Nadler reviews the principal cause of the 1955-57 inflation and describes the dilemme pricing of inflation as well as the halt to inflation.

Dr. Marcus Nadler, consulting economist to The Hanover Bank, in a recent study on "The Menace of Inflation" finds that "unlike the experiences, the inflation which set the stage for World War II was followed by a period of stable prices, but in the present upward trend of prices, several factors—international and domestic—contribute to this general price level. First, while actual warfare has ceased, the aggressive imperialistic policy of the Soviet Union has continued. Secondly, the United States, while free of immediate war danger, continues to be among the major inflationary forces.

Second, the desire to avoid unemployment and to extend the economic security of the people has demanded the policies of all nations. These objectives—coupled with material progress made in raising the economic security of the people and the general belief that these depressions are a thing of the past—caused a rise in optimism and speculation in a future that is always better. The faith in the determination and power of the government to prevent depressions and unemployment has induced millions of individuals and businesses to incur indebtedness on an unprecedented scale. This in turn exaggerated the demand for goods and services and so the means of transportation. In the United States this ended being a field case, the drastically curtailed production for civilian use during the war resulted in a pent-up demand for housing and all types of goods. The word "boots and buttons" efforts of many underdeveloped countries further contributed to the strong demand for capital producers' goods.

"Finally, the wholesale destruction of property during the war created the immense task of rebuilding homes, factories, and the means of transportation. While the United States escaped being a battlefield, the drastically curtailed production for civilian use during the war resulted in a pent-up demand for housing and all types of goods. The word "boots and buttons" efforts of many underdeveloped countries further contributed to the strong demand for capital producers' goods.

"First, the sharp increase in the birth rate and the lengthening in the span of life—further intensified the urgent demand for goods and services. It is well to remember that the population is heavily weighted by the aged and children and by millions of men in the armed services. All of them heavy consumers but non-producers in the utilitarian economic sense. Accounts for 1955-57 Inflation

"The principal cause of the 1955-57 inflation," according to the economist, is the sharp rise in the costs of doing business. The increase in wages has outrun the rise in productivity. While the number of production workers remained more or less static, that of non-production workers in manufacturing industries has risen sharply. The total number of workers employed in the service industries has increased considerably and their productivity, unlike that in manufacturing and agriculture, cannot be raised readily. Yet any increase in the wages for workers in the manufacturing industries was followed by similar increases for those in the service industries. The constant and persistent increase in wages, regardless of productivity, has created a wage-price spiral.

"Corporative and other taxes are exceedingly high and they constitute an element of cost which must be largely absorbed by the ultimate consumer. Similarly, the cost of transportation has risen steadily, further increasing the cost of doing business."

"The cheap sources of many raw materials have been depleted. Consequently, the materials have to be imported from remote corners of the world, generally at a much higher cost."

"The quality of many of the products has improved considerably, and this, plus the constant changes in the models of many consumers' durable goods, has increased production costs, and hence prices. Moreover, the many refinements that have placed them in the price, and distribution of food products have led to a substantial rise in food prices."

"The depression reserves permitted by the tax authorities are inadequate to replace worn-out machinery and buildings. As a result, business concerns where even possible are struggling to obtain higher profits in order to be able to purchase new facilities with less external financing."

"There is a strong inflation bias in the country," Dr. Nadler says, "which permeates all sectors of the economy. The failure of manufacturers and the cost of services to decrease—as in the case after every major war—and their sharp rise during the past two years, have led to the belief that permanent creeping inflation is inevitable. This belief has stimulated the demand for durable consumer goods, housing, and capital producers' goods."

"Thus, there has been no evidence of restraint on any level—national, local or private. Government policies and support policy have levied heavy taxes on the taxpayer and have bolstered high prices. Corporations have stepped up capital expenditures to an unprecedented level, further stimulating the demand for goods and services. Consum-

Continued on page 32

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The Menace of Inflation: Nadler

...have borrowed heavily to meet present wants.

"Many people believe creeping inflation desirable. In their opinion it leads to full employment, a higher living standard, and to general prosperity. This, they hold, is preferable to striving for a stable dollar, with its concomitant readjustment periods and unemployment."

"This inflation bias and the belief that any economic crisis will cause more then on later has caused heavy anticipatory and speculative buying."

An Economic Disease

"If permitted to run its course, the consequences of inflation will be serious and widespread. It reduces the real-value of all savings stated in dollars and the purchasing power of the growing number of persons living on a fixed income, as well as of those whose income cannot keep pace with living costs. Eventually this development will be reflected in the market place."

"Inflation stimulates the capital expenditures of corporations and the installation of labor-saving devices. This leads to over-production and both these factors combined lead to a sharp decline in business activity. Where inflation is born, a wave of social and political unrest begins to spread and has been witnessed in many foreign countries. Properly generated by inflation is an economic disease which merely affects the economy the appearance of health."

"No matter how strong the forces of inflation may be, they can be stopped either by general voluntary restraint in all sectors public and private, or by rigid credit restrictions leading to a fiscal discipline. So far there is no sign of restraint by the government or the public. Despite the great boom and the sharpening of the gross national product, the Treasury's surplus has been pitifully small. State and local expenditures and debt continue to mount. Private spending also has risen persistently through out the past two years as evidenced by the growth of individual consumption expenditures and consumer credit."

"Reserve authorities are fully aware of the dangers of inflation and have persisted in their policy of active credit restriction even after business activity has begun to decrease. In this respect the Reserve policy differs from that adopted in 1923 when, soon after business turned downward, measures were taken to increase the availability of bank credit resulting in a sharp decrease in short- and long-term money rates. The Reserve authorities, however, can break the forces of inflation only if they persist in their present policy or make it even more stringent."

Dilemma

"The problem thus confronting the nation at present is whether to permit the forces of inflation to continue at the expense of the purchasing power of the dollar or to combat all trends which have brought about the decrease in business activity and attempt to halt them at the cost of a decrease in business activity accompanied by unemployment."

"In either case there is a price to be paid by different segments of the population. If the inflation persists, the price will be paid by those who live on a fixed income and have assets expressed in fixed sums of money. The greatest burden will fall on those living in penury, Social Security, and the beneficiaries of life insurance policies, who are the weakest sector of the population."

"If, on the other hand, the forces of inflation are checked by credit and fiscal measures, resulting in a reduction of unemployment, the effect will be paid by those out of work and those business concerns whose profits will decrease or who may be forced to liquidate."

"Creeping inflation prevails now and can easily degenerate into an inflationary. As experience has shown, this invariably leads to economic disaster. Much more difficult to cure by governmental and central bank action than the inflation of 1923 when the forces of inflation were to be brought under control, direct and indirect measures are still moderate. From this point of view the government, committed under the Employment Act of 1946 to keep the economy in a state of full employment, is in the strong position to bring these forces under control in order to prevent a much greater decline in business activity and employment later."

Slow-Down Inevitable

"It is difficult to predict what the outcome of these conflicting forces will be. The inflationary elements are strong. The cost of doing business is rising; the inflation bias is pronounced; and there is no sign of restraint in the economy. On the other hand, the productive capacity of the country is large and the cost of living is still rising rapidly. The pent-up demand created during the depression and now experienced cannot be met adequately. Moreover, competition is keen and producers have every reason to fear a depression."

"Despite the decline in business activity, the Reserve authorities have succeeded in pulling a price of active credit restriction. Credit is not easily available and the cost of money is high. These forces may not bring the rise in the cost of goods and services to a complete halt, but they are bound to slow down the postwar. Barring unforeseen events, the increase in commodity prices and the cost of goods and services in the immediate future is not likely to be as pronounced as during the postwar period."

Danger in Upwelling

"The real danger will arise during the next upwelling in business activity. This, after the integrated labor is demanding higher wages and is looking toward a future cut in the week work. There is no indication of a willingness on the part of industry to reduce corporate taxes. In addition, pressure is being brought on the Reserve authorities to relax the 'tight money' policy and the government spending will continue to rise."

Individual Responsibility

"Thus, the responsibility of avoiding a turn for the worse in the inflationary spiral rests on each individual in very segment of the economy. Unless the people strongly sense the dangers inherent in inflation and begin to practice restraint, the forces will resist them selves and the erosion of the purchasing power of the dollar will intensify."

"Inflation can be avoided in an economic environment where wage increases follow the rise in productivity and the existing cost of living is in line with income, and monetary policy and fiscal discipline are properly applied. Such a course involves sacrificing the part of many; but it will mean the continued economic stability and growth of the country."

Joins T. R. Peiris

(Special Report from the Financial Chronicle) BEVERLY HILLS—Charles E. Marlau has become connected with T. R. Peiris & Co., 6960 Santa Monica Boulevard. He was previously with McCormick & Co.

Canada: A Conservative Viewpoint

Coupled With a Dynamic Economy

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Paton Mines, Ltd. ...... 19 $0.80 10% 7.50
Wolseley & Worthington Hardware Ltd. ....... 16 $1.50 12% 5.90
William's & Son Ltd. ....... 16 $0.80 10% 4.00
People's Credit Jewellers Ltd. ....... 16 $0.35 10% 1.90
Photo Engravers & Electrotype Lithographers ..... 24 $2.55 40 5.60
Pickle Crow Gold Mines Ltd. ...... 16 $0.10 1.07 9.30
Placer Development Ltd. ....... 25 $1.00 19% 9.50
Placer Mining Co., Ltd. ...... 20 $1.00 45 4.00
Power River Co., Ltd. ...... 21 $2.00 83 2.40
Premier Gold Mines Ltd. ....... 13 $0.40 10% 4.70

Listed Companies Which Have Paid Consecutive Dividends From 5 to 10 Years Appear in the Second Table Starting on Page 35

Premier Mine Co., Ltd. ...... 20 $1.00 45 4.00
Preston E. Dowe Mines Ltd. ...... 13 $0.08 7.50 1.10
Roussow River Co., Ltd. ...... 21 $1.00 40 10.00
Quebec Electric Co. ..... 43 $1.50 32 4.10
Robertson (P. L.) Manufac-turing Ltd. ...... 16 $0.60 15% 4.00
Rocina Ltd. ...... 15 $0.80 14% 9.60

Royal Bank of Canada ....... 89 $2.15 75% 7.50
"See Bank's advertisement on page 21.
ROYAL RIVER CO., LTD. ...... 29 $0.26 15% 1.30
Oil production and development new activities announced.
Russell Industries Ltd. ...... 22 $0.80 11% 7.10
Samson & Co., Ltd. ...... 21 $0.60 11% 2.52
Sarma Bridge Co., Ltd. ...... 15 $1.00 15% 7.10
Sears, Roebuck & Co., Ltd. ...... 11 $0.20 10% 2.00
Shawinigan Falls Royalty Co., Ltd. ...... 21 $0.00 10% 2.00
Shycefs & Co., Ltd. ...... 22 $1.00 13% 7.70
"Quotations January 30, 1957, last sale prices. In the case of "Gold Stock" the quotations are as of June 28, 1957."

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Our Report on Governments

BY JOHN T. CHIPPENDALE, JR.

The money market is still very tight and there are no signs yet of any change in policy on the part of the federal Reserve Bank. The high coupon, new money raising happening in the current rate of 3.5%, which is so heavily over-subscribed, indicated that the Treasury was willing enough to work with the banks in hand with the powers that be, in keeping up the 12-year or lower interest rates. The successful new money operation of the Government also proves that when market rates are attractive to investors, they are willing to put aside any money to purchase these issues.

The uncertain position of the banks, and the situation in 1957 is even more difficult as changes are being made in Federal Reserve policy. The unfavorable action of the equity market in bringing new buyers into the fixed income market and not an unusual amount of this money is being put to work in Trefonds and the new money raising issues.

Recent Offerings Heavily Over-Subscribed

The short-term financing was one of the most successful ventures ever undertaken by the Government and it is its new money raising purposes such as this that bring forth new refunding operation to take care of maturities. The demand for the 4% issue put to work by the Treasury was tremendous, with the subscription being for 5% bonds, aggregating $6.6 billion as against the amount offered of $500 million. The demand for the 4% Government bond, for which the par value was $500 million, was one of the most unusual in the history of the pack. Also the day after the offering of the 4% bonds, the yield was 1.0% points.

There was also a very heavy demand for the 4% "B" note, and the subscription amount to $6.1 billion compared with the $1,700,000,000 in the 6% bond and in the latter case, the proceeds were going to raise from this issue. As a result, the allotments for the new bond were 38% for amounts in excess of $100,000,000, which was much smaller than the 25% to 20% for the 4% bond.

The short maturity in the package, the 4% certificate, the reopened issue, which now passes on Aug. 1, 1955, was also without limit and the allotments for this issue amounted to $3.1 billion, well below the amount of $575 million, which the Treasury undertook to raise through the open market operations. As usual, the proceeds were going to raise from this issue. As a result, the allotments for the new bond were 38% for amounts in excess of $100,000,000, which was much smaller than the 25% to 20% for the 4% certificate of indebtedness.

"Free Riders" Depress 12-Year Bond

The 12 year 4% bond went to a fairly good premium when trading off on a "when-issued" basis, and this was an opportunity for the so-called "free riders" to get out of the market through the selling of their allotments. Settlements which had to pay the tax on the new offering and who were able to take the new offering, had to sell the old 4% Government bond, with the result that there was a fast back for the first time in many a year. To a certain extent there was some success for these operators, especially those who were able enough to get out while quotations for the 4% bond were high enough so that a small profit or no loss was the result.

In spite of fast moving professional operators, the Government bond has gone into strong hands, with small investors reported among the important subscribers to this obligation. Considerable other investment money has also gone into the 4% bond maturing in 1969, and if it were not for the "free riders" putting out as fast as they must, there is considerable question about this security going below 100 as it did. This has afforded buying opportunities for the seasoned investor.

Five Optional Note Issues Well Taken

The "B" 3% note, according to advice, taken in large amounts by the commercial banks and to a lesser extent by certain corporations. By subscribing to this medium term 4% issue, the commercial banks used the tax and loan account which is expected to remain with them for a period of about 20 days. This will allow the deposit banks to sell the 5-year call notes under the issue price and still be ahead of the game. The Treasury note seeking the issue price for this issue was very small (only 4.325/32nds), and this afforded the "fast get it boys" only a very thin margin to operate on. This optional note maturity is a very well liked obligation and considerable sums of savers' money will have gone into and this will continue to be the case.

Ten-Month Note Affords Liquidity

The 10-month note was there for short-term purposes, and it was taken by those who must have a short-term liquid obligation. There was also tax and loan account buying of this issue which, however, did make no efforts to place the note.

The corporate bond market, especially the new issue market, is pretty much in the doldrums, with plentiful of inventory and very few takers at the original offering prices. New issues of tax-free bonds have been doing well, as well.

Halsey, Stuart Group Offers Utah Power & Light Co., 51/4% Bonds

Halsey, Stuart & Co. Inc. and associates yesterday (Sept. 25) offered $15,000,000 of Utah Power & Light Co., 51/4% series due Oct. 1, 1987, at 102.25% and accrued interest, to yield 5.10%. The group went on sale of the bonds at competitive level Sept. 24 on a bid of 101.81%.

Net proceeds from the sale of the bonds and from the current sale of 400,000 shares of common stock will be used for capital expenditures for the construction program of the company and its subsidiary.

The new bonds will be redeemable at general redemption prices ranging from 107.24% up to par, and at special redemption prices ranging from 102.25% to par, plus accrued interest in each case.

Utah Power & Light Co. is a public utility operating in southwestern Idaho, northern, central and southeastern Utah and southwestern Wyoming. It engaged principally in the business of generating, transmitting, distributing and selling electric energy throughout its territory, and to a limited extent in providing central steam heating service in the commercial district of Salt Lake City. The company's operating subsidiaries are in southeastern Idaho, Utah and Wyoming, Power Co., supplies electric service in the southwestern portion of Idaho.

For the 12 months ended May 31, 1967, the company and its subsidiary had consolidated operating revenues of $42,101,000 and consolidated operating costs of $7,723,000.

Merrill Lynch Adds Two

(Special to The Financial Chronicle)
DETOUR, Mich. — Edward W. Benson and Richard C. Forbes have been added to the staff of Merrill Lynch, Pierce Fenner & Beane, Cos. and Shirley Streets.

With Wm. C. Roney

(Special to The Cincinnati Enquirer)
Continued from page 19

The New Mature Economy
And the New Inflation

motors, and the like are developing.

In the past, transition periods have been punctuated by recessions and depressions. Declines in the demand for business bellwethers so shackled the investing community as to cause sharp drops in capital spending. This time the transition promises to be more successfully bridged. More mature (adult) reaction on the part of business leaders is one reason. Another is the very heavy volume of Government spending which tends to cushion the reverberations coming as a result of increased and declines in consumer demand for different products. The fact is, our economy could very possibly enjoy at least as rapid a rate of growth in the "transition" period ahead as it has over the years since the war.

The New Inflation

It is somewhat paradoxical — maybe even diabolical — that at the same time some are concerned about the new maturity, others are talking about the new inflation. The idea is that the persistent rises in the general level of consumer prices are not explainable in traditional terms. The architects of this new theory may be labeled "cost-pushers."

"Cost-Pushers"

The basic thesis of the "cost-pushers" is that wages are rising faster than productivity. Since employers are naturally unwilling to take the risk of losing the gains of their productivity, they are forced to demand even higher wages. Also, another way, the idea is that parts of our economy want to borrow more than we are willing to save — investment exceeds voluntary saving. This means the only way some borrowers can be satisfied is through the creation of credit, i.e., money. Since the central bank has been unwilling to create all the funds demanded, the economy has found ways to use the existing money supply more efficiently. And through a long increase in the turnover of money, velocity of circulation — the business system has generated its own new credit and tended to negate some of the central bank's restrictive actions.

Again, there are variants of the basic thesis. One involves productivity and price rises, suggesting that one producer sees a suspicion of resemblance to some of the cost-push theories. Here it is said that the type of goods enjoying an increase in demand determines whether new prices will rise. For example, if demand rises sharply for items able to be mass produced through assembly line methods, prices will not be materially affected. On the other hand, prices will rise when there is a new demand for goods not amenable to mass-production methods.

The reasoning is used to explain why prices hardly changed in 1865 despite a tremendous increase in the demand for credit by consumers to buy automobiles and some other durable goods that are turned out on the assembly line. Also, attempts to explain why prices rose in 1956. The sharp increase in demand for credit by businessmen was so they could and open new factories and office buildings, and buy new machinery and equipment. Items not so amenable to mass production, etc.

Who is Winning?

The discussions between the "cost-pushers" and the "demand-pullers" will undoubtedly continue. To date, they have been very illuminating. They promise to continue to be so.

It still seems a little early to choose between the two basic theories. All of the arguments won't be in yet. It could be that when they are, many of us will still feel the same way we did as there is a little first increase in the that all-time periplex, 'Which came first, the chicken or the egg?'

Three With First Southern
(Special to The Financial Chronicle)

ATLANTA, Ga. — Al Hatcher, Sr., H. Minus and John W. Sheffield are now affiliated with The First Southern Corporation, Peachtree at Ponce de Leon.

With Illinois Mid-Continent
(Special to The Financial Chronicle)

CHICAGO, III. — Bert Anderson, Philip W. McDonald and Albert M. Ostoya are now with Illinois Mid-Continent Investment Co., 670 St. Clair Street.

With Pacific Coast Sees
(Special to The Financial Chronicle)

San Francisco, Calif. — Donald J. Hall has become affiliated with Pacific Coast Securities Company, 1340 Market Street. He was formerly with Supple, Griswol & Co.

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Canada: A Conservative Viewpoint
Coupled With Dynamic Economy

The commercial and financial chronicle...thursday, september 26, 1957

Keystone Fund of Canada, Ltd.

A fully managed Canadian Investment Company seeking long-term Capital Growth and certain Tax Benefits under Canadian Laws

Prospectus from your local investment dealer:
The Keystone Company of Boston
50 Congress Street, Boston 9, Massachusetts
Earnings of the Western Pacific Railroad Co. for this year have not only held up better than those of the majority of the majority of the other railroads, but also of the carriers in the district served.

Western Pacific is something of an anomaly. While other railroads have been experiencing difficulties of various kinds, Western Pacific has continued to remain in relatively good shape. This is due in part to the fact that it is a relatively new company, having been organized in 1936. This fact has enabled the company to take advantage of the latest in transportation technology, including improved maintenance of way expenditures by $1,107,000, despite a rise of $1,385,000 in gross revenues over the comparable 1956 period. This would seem to indicate that heavy expenses now are behind the carrier and in the future a larger portion of gross revenues can be brought down to net operating income. This should have a stabilizing influence on net income in coming months.

For the first seven months of this year, the railroad made a profit of $1,385,000, which is over $275,000 more than the comparable 1956 period. This profit was due to a combination of factors, including a reduction in labor costs, increased ridership, and improved maintenance of way expenditures.

The company has also been able to reduce its overhead expenses, which have been a major source of concern for many railroads in recent years. This has been accomplished through a variety of means, including the use of new, more efficient equipment, and the elimination of unnecessary expenses.

As a result of these efforts, the company has been able to maintain its earnings at a high level, despite the current economic conditions. This is a testament to the company's management, and its ability to adapt to changing circumstances.

Western Pacific is also well-positioned for future growth. The company has been expanding its network, and has been able to attract new business with its efficient service.

In conclusion, Western Pacific Railroad Co. has proven to be a strong and stable company, despite the current economic climate. Its management and employees should be commended for their efforts in maintaining the company's earnings at a high level.

Continued on page 36
Where in Canada are the most manufacturing shares listed and traded?

The Toronto Stock Exchange lists a larger number of industrial shares than any other stock exchanges in Canada.

Of the over $44,000,000,000 of listed shares more than $22,000,000,000 are shares of manufacturing companies.

Every variety of company in manufacturing industry is represented in the 243 companies in this group.

A complimentary copy of our Monthly Bulletin showing essential trading data on all issues listed will be sent to you free on request.

The largest market for industrial shares in Canada is the

THE TORONTO STOCK EXCHANGE

234 BAY STREET
TORONTO, CANADA

Continued from page 11

Passenger Deficit Is NoPhantom

ways, airports and new facilities for our competitors.

Wage-Bill Prospects

Another prospect which must be considered in our assessment of passenger travel of the future is that of the ever increasing wage bill of the railroads. The latest wage increase agreements with the various railroad unions were signed during 1956 and 1957. They provide for premium wage increases over a period of three years, and their full effect is yet to be felt. Under terms of these agreements, we will have a further wage increase on November 1, 1956. Depending on the cost of living index, we may have additional increases this month, and in May and September of next year. This means that the New York Central is faced with an increased wage bill in its passenger service alone of almost $14,000,000 per year in the immediate future.

The question might well be asked, 'Didn't you meet the situation with improved equipment and service?' For the New York Central alone to re-equip its passenger service fleet would cost over $300,000,000. With our previous results, after spending over $150,000,000 for passenger service equipment alone in excess of $400,000,000 from this service in the past ten years, would you expect us to have available another $300,000,000 to invest in this service? As the backbone of the railroad business, the passenger service is faced with increased fare and service. In the past, it was only by subsidizing out of the earnings from freight traffic that the service was able to operate. Now the competition is becoming so intense for freight traffic and passenger services that the Central must invest in new equipment to meet the competition from other railroads and common carriers, including buses.

Must Re-Adjust

As a basis for the decision-making process there have been a number of problems, both on the railroad's side and the country's. As we have mentioned, our passenger service costs have been increasing constantly to meet the changed conditions.

This means discontinuance of loss of rice traffic in the past. It has been difficult to adjust our passenger services to those changing conditions. This means discontinuance of all service, including those that were offered on the freight market. The passenger service has been in a state of constant change to meet the changing conditions.

One way that the railroad has been able to do this is to serve the public interest. The public interest is served in the continued operation of the railroad, which has been served by the railroads since their inception.

Two With Baker Simonds

*(Special to The Financial Chronicle)*


Commodities:

Commonwealth Petroleum

5.60 6.5

Oil工艺品 in Western Canada, and holding committee of the

Consolidated Bakers of

Canada Ltd.

Hodveing Co., through sub. opera-

Delburne Mines Ltd.

5.00 8.6

Ontario gold producer

Dominion Corset Co., Ltd.

8.95 14.6

Co., and others.

Dominion Scottish Invest-

ments Ltd.

6.00 24.6

Investments, bonds of management type

East Sullivan Mines, Ltd.

5.60 8.5

Other gold producers, copper, lead, silver and general mining.

Empire Life Insurance Co.

7.50 26.0

Operates in life insurance co.

Erie Flour Mills and Wood Prod-

ucts Ltd. "B"

8.10 15.7

Manufacturers, processors and distri-

butes hardwood flooring

General Bakers Ltd. "E"

7.35 15.4

One of Canada's largest inter-

mediate wholesalers.

General Bakers Ltd. "K"

1.00 3.5

Owns one of the largest retail,

Grocery stores in Canada.

Giant Yellowknife Gold

5.00 2.7

Gold producer, Yellowknife area.

Great West Saddlery Co., Ltd.

1.00 3.5

Manufacturers of saddles, horse supplies, feed, etc.

Hughes-Owens Co. Ltd. "B"

3.50 14.2

Manufacturers of scientific instruments & articles.

International Bronze Powders

Ltd.

7.00 12.5

Holdings, refiners, manufacturers and service agents.

Interprovincial Building

Credits Ltd.

6.00 12.5

Operates buildings and banking

Interprovincial Pipe Line Co.

5.10 12.6

Operates a 1000-mile pipe line from Redwater, Alta., to Beaumont, Tex., and to Norman, Okla.

LA Lake Mines Ltd.

1.00 3.5

Northwestern gold producer

Lambert-Moore Int. "B"

7.50 15.0

Manufacturers, wholesalers and other.

London Canadian Investigation

Corp.

5.00 12.0

Undertakes, etc., management type

Lower St. Lawrence Power Co.

7.00 19.1

Canada: A Conservative Viewpoint

Coupled With A Dynamic Economy

Continued from page 35

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Canada: A Conservative Viewpoint
Coupled With a Dynamic Economy

Avery Rockefeller Director
Avery Rockefeller, Jr., has been elected to the board of directors of The Grolier Society Inc., it was announced by Edward J. McCalmon, Jr., President.

Justina Taylor Pres.
Mun. Bond Women

Bank of America Group
Offers $10 Million
Oakland School Bonds

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Joint Revel Miller

Joint Revel Miller (Special to The Financial Chronicle) LOS ANGELES, Calif.—-Gerald L. Issacs has joined the staff of Revel Miller & Co., 450 South Spring Street, members of the Pacific Coast Stock Exchange.

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**As We See It**

—and thus is able to find some degree of psychological relief.

Early New Deal Tactics

The real causes of the current situation are not far to seek and they leave very few without a share in the responsibility. It will be recalled that when the New Deal took over early in 1933, a series of disclosures had brought to light the basic trouble to be the low price level. The first and most important step was the idea of raising prices, according to this line of reasoning. Over and over and over again, the Federal Reserve was advised by Franklin Roosevelt, who wrecked the London Economic Conference because it did not seem to give promise of raising world prices, or even our own prices. Several attempts were made to raise prices back to former levels. The key tactic was government spending of funds obtained from the commercial banks. Not a great deal of headway was made in raising prices prior to the outbreak of World War II, although the banks were pretty well loaded with government obligations, and the public seemed to think of this modern type of greenbackism as permissible and even desirable in some circumstances.

Then, came the war which, as has become the universal custom, financed through increased debt—so say, huge amounts of funds were mobilized at the banks and paid to the Government. In turn, of course, promptly turned them over to the rate and file in return for cash in the hands of the public. The Federal Reserve mechanism was carefully and sedulously employed to facilitate this all the while, too, of financing the war. By the end of hostilities the Federal Reserve banks themselves owned not far from $23 billion of the obligations of the Federal Government, and the commercial banks had more than three and one-half times that amount.

Now, of course, there was no way these banking institutions could have acquired all these bonds except by creating deposits for that purpose. Thus it came about that this whole vast structure of ordinary demand deposits in private hands had risen to around $73 billion; they had totaled only $13 billion when the war broke out. Meanwhile, deposits standing or credit by the Federal Reserve banks and the commercial banks together had reached about $24 billion, as compared with less than 1/10th of that amount at the outbreak of the war. Currency outside the banks had also risen from about $6 billion in 1933 to more than $20 billion in 1945.

Prices, at least as reported, had not risen very drastically through most of the war. In the end of 1945, thanks to a number of factors which need not detain us here—but the main one was the end of the war, or should have been, obvious to all. But we emerged from the war with a moratorium on cash payments such as had occurred after World War I. We had developed a depression complex as a result of the dreadful experience of the 1929 depression. The public, or much of it, had a sort of conscious or unconscious fear of what had happened to our financial structure during the war, but instead of insisting that something was wrong and rectifying it, the politicians—and it must be said apparently most of the people—somehow came to believe that the dog that did the biting should be supplied. And it was.

**Limited Liquidation**

The Treasury liquidated some of the deposits it had raised up as a safety measure during the war and in doing so redeemed a substantial amount of bank held debt, but it was unable to effect liquidation of governments by the commercial banks which were promptly called upon to make large and increasing loans to business and individuals. Far from being brought under control or reduced, Government deposits of $75 billion rose during the war and in the year-end. Total deposits of $275 billion would have been the maximum product to reach a level of $75 billion by 1947—a rate of growth of only 1% a year. In other words, the Federal Reserve could achieve such a growth rate if things are managed well. It would be desirable in Federal Reserve practice to start moderate early in the past decade.

The increase of $75 billion in commercial bank deposits in the next 10 years appears to be required, and which involves an additional period of time for any replacement of Treasury deposits and the total looks a lot less large. Moreover, the question as to whether those deposits will be used by banks and districts of your state is a question for those banks themselves and in the hands of banks in the past time needed for the public to utilize them. As the Federal Reserve Board, we have to look at each of the financial institutions separately to consider the potential for growth of each. The Federal Reserve System of the size of the one indicated in the chart is one of the reasons why the banks attempted to maintain their distinct ratio of loans to deposits and it is possible, therefore, could rise to a total of $1.2 trillion of deposits at 1998 billion. Today, that would represent an increase of $45 billion in the near future. We are now, therefore, taking steps to stabilize the system and the Federal Reserve will continue to do this. In percentage terms, loans and meet-debts are likely to rise about 10%, whereas the bank deposits would rise about 10% in the next 10 years.

Banking in an Expanding Economy

Community to make much more active use of the money they have at their disposal. Some of them, lower cash balances, to expand acceptance financing, to increase the rate of growth of deposits, to increase the rate of growth of loans, to raise the rate of growth of deposits to loans to such levels as might be necessary to bring bank loans to banks in recent years to expand loans so greatly.

Today, the banks have amounts to about 50% of gross deposits. This means that they have about 25% of some 10 years ago. For...
James Richardson & Sons, Limited Celebrates 100th Anniversary

Mr. James A. Richardson and Mr. George T. Richardson, Vice-Presidents of James Richardson & Sons, Limited, recently celebrated the 100th anniversary of the founding of the firm, 1857.

James Richardson, born in Augusta, Maine, arrived in Vancouver in 1849. Mr. Richardson was born in Canada and became head of the firm in 1867.

The company operates in the field of investment securities and aviation. It is headquartered in St. Louis, Missouri, United States.

Shearson Halpern Adds Three More to its Canadian Operations.

LOS ANGELES, Calif.—Douglas L. Adams has been appointed co-head of the Los Angeles office of Shearson Halpern & Co.

Join's Witherspoon Co.

LOS ANGELES, Calif.—Dale R. Johnson, president and chief executive officer of Witherspoon Co., New York, has been named to the board of directors of the company, 215 West 75th Street, New York.

James R. Heckin Sr.

James R. Heckin Sr. passed away Sept. 14 at the age of 54. Mr. Heckin was associated with the Field Richards Co., Cincinnati, Ohio, at the time of his death. He was an officer of Eno, Brockhaus & Co.

Winnipeg, Can.—One of Canada’s oldest investment firms, James Richardson & Sons, Limited, celebrated its 100th anniversary with a 7,000-mile telephone network link to landlords at each dinner.

The after-dinner speeches came from the head office of the firm in St. Louis, Missouri, United States. The speeches were given by members of the firm and by representatives of the Managing Director of the American Bankers’ Association, Henry & Co., Limited.

America is growing and our banks must expand in those dimensions that apply to the future of American banking. As the population grows, so will our banking system. More and more states will be involved in banking matters, among other things. Some states will establish branches in the future to provide banking service which is highly needed. And in those areas where banks have not yet expanded to break through some of the barriers that now hold us back.

The company employs an extensive sales program through its offices in New York, Chicago, Los Angeles, and other major cities. The company also operates in the field of commercial and aviation.

The company operates in the field of investment offices in 26 Canadian cities through a subsidiary, Pioneer Grain Company, Limited, and operates 400 country elevators on the prairies throughout which it handles about 10% of the annual grain crop. Another subsidiary operates a 5,000,000 bushel terminal elevator at Port Arthur.
Public Utility Securities

By Owen Ely

High Yields Available on New England Utility Stocks

New England is one of the less favored areas of the United States from the viewpoint of utility rate and regulation. It is also frequently (though wrongly) assumed to be a part of the textile industry. An abundance of hydroelectric resources and other industrial attractions have caused many utilities to move in. However, they have not been successful in diversifying areas and given the area a more diversified industrial background. Nevertheless, the stigma of low new issues and high debt is hard to shake off. The New England State Commissions have combined to place the New England utility stocks in a less favorable position with respect to yield than those of utilities in rapidly growing areas like Florida and Texas.

For those investors who want high yields on reasonably stable utility stocks, the New England situation is a problem of major importance. Perhaps this is another reason for the relative unpopularity of the New England utilities. Last year electricity operating revenues for the hydro type of the larger companies amounted to $156,188,000 or 1.46% of the gross national product.

A complicating factor in New England is the use of hydroelectricity. There are 6,000 miles of power lines from New England to New York and other states. Perhaps this is another reason for the relative unpopularity of the New England utilities. Last year electricity operating revenues for the hydro type of the larger companies amounted to $156,188,000 or 1.46% of the gross national product.

New England Electric System...

Continental Light Power...

Central Maine Power...

Public Service of New Hampshire...

Recently water conditions have been somewhat adverse. The "Water Resources Review" of the U. S. Geological Survey in its August report noted that the increased rainfall and the more rapid storage of water led to a somewhat lessened yield of hydroelectric power than is usual. It was estimated that the average yield of the year would be 15% lower than the average for the previous year.

The American-Marietta Co. splits stock—Reports Record Sales & Earnings.

The American-Marietta Co. on Sept. 17 announced a three-for-five split of its common stock, accompanying increase in the dividend rate, and record sales and earnings in the three-month period ending Aug. 31, 1957. The stock split will be the company's fifth since its incorporation in 1883. The dividend rate will be increased from 10% to 15% and the earnings for the quarter amounted to $1.15, compared with $1.00 a share in each of the two previous years.

The common stock of the company will be exchanged in the ratio of three shares for five shares of the old series of stock. The new stock will have a par value of $1,000, as compared with $200 for the old series. Shares of the new stock will be listed on the New York Stock Exchange.

The company's sales in the three-month period ending Aug. 31, 1957 amounted to $159,992,000, as compared with $191,426,000 in the three months ended Aug. 31, 1956. Sales for the quarter were $61,094,000, compared with $73,108,000 in the three months ended Aug. 31, 1956.

The net profit for the quarter was $4,677,376, or $1.40 per share, as compared with net income of $5,441,329, or $1.64 per share in the corresponding 1956 period.

Dallton Finance stock offering completed

McDonald Holman & Co., Inc., New York, on Sept. 17 offered for sale 287,000 shares of common stock (par 50) of Dallton Finance, Inc., at 75 cents per share.

The net proceeds are to be used to retire $50,000,000 five-year, 5% subordinated notes (previously subject to redemption for approximately $40,000,000) to make additional loans and reduce other short-term debt.

Dallton Finance, Inc. was organized on Nov. 22, 1955, in Maryland to make loans directly or through subsidiaries, principally in the small loan, consumer goods and real estate fields, to individuals borrowing under the small loan law or similar laws in various states.

A prescription drug company, a regional utility and a textile company have been combined to make the offering.

AREA RESOURCES BOOK

Utah Power & Light Co.

Serving in Utah - Idaho - Nevada - Wyoming

Public Utilities Commission of the State of Utah (Ingress, 1957)

Price Dividends Yield Stock Earnings
dividend long term long term
dividend long term long term
$181.60 $6.5% $1,317 $13.2 $8% $154.00
Connecticut Light & Power
136.60 6.5% 1,055 13.2 8% 157.00
115.60 6.5% 1,028 13.2 8% 156.00
Central Vermont
109.60 6.5% 999 13.2 8% 162.00
New Jersey Elec. & Gas
109.50 6.5% 986 13.2 8% 160.00
United Illuminating
53.00 6.5% 317 13.2 8% 65.00
Public Service of New Hamp.
110.00 6.5% 995 13.2 8% 159.00
Pepco
52.25 6.5% 295 13.2 8% 64.00
Central Vermont Pub. Serv.
120.00 5.6% 1,149 15.1 8% 150.00
Eastern Utilities
120.00 5.6% 1,156 15.1 8% 163.00
New Jersey Power
45.00 5.0% 250 13.2 8% 56.00
Southern Utilities
41.00 5.0% 215 13.2 8% 46.00
Southern States
40.00 5.0% 210 13.2 8% 45.00

NEW ENGLAND ELECTRIC UTILITIES

Continental Light Power...

Central Maine Power...

Public Service of New Hampshire...

Dividends on the common stock of the New England utilities will be a non-growth, somewhat lower than in recent years. The company's earnings are based on the average of the first three quarters of the year.

The total of 10 cents may be credited to the investor's account, but will not be payable in cash. The dividend rate will be increased from 8% to 10% and the earnings for the quarter amounted to $1.15, compared with $1.00 a share in each of the two previous years.

The company's sales in the three-month period ending Aug. 31, 1957 amounted to $159,992,000, as compared with $191,426,000 in the three months ended Aug. 31, 1956. Sales for the quarter were $61,094,000, compared with $73,108,000 in the three months ended Aug. 31, 1956.

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Continued from page 13

Obligations of the SEC

The Commission has the obligation to administer its various statutes and to establish, in its discretion, the procedures which it considers necessary for the protection of the public interest. In the exercise of this discretion, the Commission shall have the power to make such rules and regulations, prescribe such orders, require such reports, and take such other action as it deems necessary to the performance of its duties under the statutes.

The Commission is authorized to require any person to appear and give evidence as to any matter under investigation or in connection with any proceeding on notice or otherwise.

The rule of law has been defined as the rule of enactments, the rule of statutes and the rule of the common law. In the case of the SEC, the rule of law is defined as the rule of the statutes and the rule of the common law.

The Commission is authorized to issue such orders as it may deem necessary to prevent the occurrence of any of the acts or practices described in the statutes.

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Commissions...

With Keenan & Clary

(Continued from preceding page)
The Development of Gold by U. S. Monetary Policy

Continued from page 12

The meintime, we will hope for miracles that cannot happen. So long as we reach the 25 cent dollar value in response to a monetary power, gold will be really worth only $13.25 on the basis of purchasing power, or $25 on the basis of investment, and this without any additional complications being hand at this moment.

It is obvious that from this time onward gold, apparently handcuffed by the wildish thinking of government officials, cannot be mancatured, because once the nation has adjusted to the new monetary standard, a change in value will have to be defined in the yellow metal, no matter where there have been no substitute for monetary standards, and in order to once more surrender to the measuring rod which alone enables us to determine the cost of all our official domestic debts.

In this purely down to facts consideration, the governments have to rate it by the same token, we feel that our monetary destiny, be it in Moscow or in Washington, is largely dependent on the consequences of such prospects for the gold mining industry in the United States?

Let us have a look at that problem.

Consequences of Such Prospects

American gold production, as is almost always the case, is within the island in the ocean of this country's total production. The government has always been in the gold mining industry which reposed Washington constantly about its bad mistakes of gold policy since 1854, cannot get much gold out of the hands of our citizens. Therefore, in all probability, it will be worth one dollar a gold coin, and this would just be only favorable to the owner of our gold mines.

It is furthermore clear to any student of monetary problems, that if silver cannot return to the gold coin standard, such a return would immediately dispose of the entire question 20 years of the ruler whom they desire. You all know about the gold bullion that is worth just one pound sterling. To be sure, it costs $12.166 in paper pounds. The French Napoleon of 20 gold coins, the Bank of England present paper francs. Our once famous eagle of 10 gold coins was worth about 20 paper dollars. Whereas the British and the French know about such fact in life, we were prevented for about 20 years from the 20th floor of the building in our gold coins illegal until 1933.

We will continue the debasement of our currency, the same eagles of 10 dollar value, might go to start another "New Dollar." This fact alone should prevent any raising and constant accusation of crooked present legislatures. Therefore, we believe that this is too visible for the man in the street.

Note Gold Enough

But, besides this touchy problem of gold coinage, it cannot be stressed enough that we simply have not enough gold to make $10 billion in bullion in the essentially only, without mortgage, about $10 to $13 billion of gold. Should we return to the gold standard, even after a devaluation and a return to $10 billion in gold, the simply "up-valued" yellow metal, this still will not be enough.

The following tables will prove my point of view:

Continued from page 5

The Interest Rate Outlook and Equity Capital Encouragement

Whether it will be three years or five or six, before it reaches the waiting period, even in paper dollars, the interest rate will have to be changed. Who can "sit it out" who will make profits when they start to push the price of gold to its gold price increase. Those who cannot, will have to put the price to "get the gold," to avoid their repatriation, only as a futurist solution.

Gambling in gold mining has been a very attractive, as wages and other living costs were reduced, gold prices were under only 13%, we would have reached about $17 per ounces of gold.

Unfortunately, the gold is not enough gold in the entire world today, which means that the gold price showed at the end of May, the following breakdown:

<table>
<thead>
<tr>
<th>Country</th>
<th>Gold Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$22.05</td>
</tr>
<tr>
<td>Belgium</td>
<td>$1.27</td>
</tr>
<tr>
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<td>$1.65</td>
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<td>$8.44</td>
</tr>
</tbody>
</table>

The total gold stock of the world corresponds to about 88 seasons and nine months of the present price of non-petrolier countries. I believe that we shall prove that neither we, nor Britain, nor any country, not only China or the U. S. S. R. nor wish to have a gold coinage, and would like to see our currency units and bank deposits again as precious metal. To be able to withdraw, freely available to the public.

To do so does not mean that gold will be what Lenin predicted a quarter of a century ago. That too will not happen, as every government will continue to reserve the possession of the yellow metal in earnestness. This would mean that the underground gold mining, even if it were to be somewhat reduced at the same time, we in this country will probably not have, as it has been in the past.

Therefore, I believe the present restrictions on ownership and profits will not interfere with the saleable future and the gold money will be a mean of payment, as well as a store of wealth, as long as the government will remain in office.

Predicts Eventual Devaluation of Gold

Thus, price of gold and gold coins do not have a fogy future in sight. Surely, there is no other solution to our currency problem, than a good devaluation, which means a 100% increase of the so-called official gold price. But such a frank declaration of bankruptcy, even if applied, will take years to come. I have no knowledge of such a possibility will. In the meantime, all administrations in America will only be able to say that there is not a possibility of such a possibility exists. That is their way of relevant to their gold bonds.

When the present shrinkage of the dollar's value will have run to the inevitable end of its present devaluation, the so-called "rationalized" or "revised" gold price will set and increase the gold price. Whether it will be by a legal devaluation or by a legal devaluation, we do not know today. And only a shrewd speculator could predict the eventual date of such a decision.

To my mind, it is unavoidable. As we will have to wait before the gold price will be increased, it might be useful for those who might lose to put their mines into some sort of dormant position, or even take them out of production.

Some of these mines are in commitments and as such would be convertible into gold. If only these commitments were worth more than $100 billion of the yellow metal, the total gold covered by only 13%, we would have reached about $17 per ounces of gold.

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The Interest Rate Outlook and Equity Capital Encouragement

one fell steep. But, I thing it would grossly reduce the attractiveness of borrowed capital to extend the demand for such money, while also making it more difficult and more feasible to seek equity money. If increased rates of return are to be made by savings among the people, the same results will be accomplished by the reals to do it and to simultaneously "share the wealth," if you will, lower interest rates will have to be outlined. And I think that the willingness of business and credit authorities would be vastly reduced at such rates of interest, and hence, the present rates, in judgment, would decrease automatically.

Would it cost the Treasury? I can't give a precise idea. I'll hazard the studied guess that the real cost (in tax receipts) would have to run between $2 billion and $4 billion annually, and $8 billion or more for accumulated personal income. But it appears that all savings would come into the Treasury, especially a large part of excess inventory of all types, including the costs of borrowing by the Treasury and the government. The point is that actually, the costs would not be enormous. If a 3% interest rate move would not be expensive to the Treasury.

Interest Rate Outlook in 1955

Now, we'll move more directly to consider the indications that the interest rate outlook in 1955 and 1956. It might be well to review several facts that suggest the future, first, the beginning of last year, in July-August of 1955. In that period, the Treasury borrowing was at the annual rate of 3% of the circulation. At the same time, it was almost equal to the stock of the growth of the money supply.

The business background of the time was that the Federal Reserve Board was significantly in the role of resuming operations and new plant and equipment were sought. There was no indication that credit authorities were concerned about whether it would move to the Treasury.

Current Interest Rate Outlook

Now, let's look at the current outlook at the Federal Reserve Board and the Secretary of the Treasury. There is no indication of the Federal Reserve Board and the Secretary of the Treasury that the current interest rate outlook is still in a position of being overly expensive to the Treasury.

At the same time, the Secretary of the Treasury has expressed his views on the future of the interest rate outlook. He has said that the rate of interest is likely to be in the range of 3% to 4%.

The Future of Bond Markets

The future of bond markets is a matter of concern to all investors. It is important to understand the factors that will affect the future of bond markets and how they will impact the economy.

The current outlook for bond markets is generally positive. Interest rates are expected to remain relatively stable, and there is little risk of inflation. However, there are some factors that could cause volatility in bond markets, such as changes in monetary policy or economic growth.

Saucering-Out Bond Prices

This brings us to the current view as to whether or not the Treasury is likely to engage in saucering-out bond prices. The answer is that it is unlikely. The current outlook is that the Treasury will not engage in saucering-out bond prices, as it is not in the interest of the Treasury to do so.

The Future of Equity Capital

The future of equity capital is uncertain. There are a number of factors that could affect the future of equity capital, such as changes in the economy or changes in investor confidence.

Debt-Government Securities

The future of debt-government securities is uncertain. There are a number of factors that could affect the future of debt-government securities, such as changes in the economy or changes in investor confidence.

Summary

The future of the economy is uncertain. There are a number of factors that could affect the future of the economy, such as changes in the economy or changes in investor confidence. It is important to understand these factors and how they will impact the future of the economy.

The Federal Reserve Bank of St. Louis

The Federal Reserve Bank of St. Louis has a long history of providing economic analysis and research. The bank is committed to providing high-quality information to help inform policy decisions and promote economic stability.

The Federal Reserve Bank of St. Louis, also known as the "Federal Reserve," is one of 12 regional Federal Reserve banks that make up the Federal Reserve System. The Federal Reserve System is the central bank of the United States, and it is responsible for maintaining the stability of the financial system, regulating banks, and providing services to the U.S. government and other financial institutions.
The State of Trade and Industry

Continued from page 5

to develop sharply after the turn of the year has not yet been realized. This perhaps is the most disturbing factor in the market's price outlook for interest rates.

Reserve authorities have been and remain concerned about the persistent rise in living costs. The upturn in prices is part of the trend of living costs appearing—particularly in certain individual line items—prospects for an improvement in the national budget increase materially or significantly. It is not obvious that this upward movement is due to an accumulation of consumer psychology as the near-term trend of interest rates.

It should be recognized, however, that many factors have become more inclined to be bullish on bonds than has been the case for quite a while. I would like to feel that way about it, too. At the moment, however, the Treasury's budgetary and cash position is something of a bit; it induces in me a sense of caution which I am not inclined to have.

But over the next few days the Treasury will raise some $3 billion of this. That could create a buying opportunity. But it is good to turn down, particularly since during the period, few government business developments could arise to enhance them. A little to be used as a lead to some substantial lowering of interest rates.

FIC Banks Place Doths.
The Federal Intermediate Credit Banks offered on Sept. 29 a total of 8,000,000,000 for approximately $100,000,000 of 4.625% second mortgage debentures, dated Oct. 1, 1956, and payable on Dec. 1, 1957. The debentures are priced at par, or 3/4% being offered through John T. Knox, fiscal agent for the Bankers National Group, dealers in securities.

It was also announced that of outstanding mortgage debentures, $8,000,000 of 3.80% debentures maturing Jan. 2, 1958, and $7,000,000 of 3.625% debentures maturing Oct. 1, 1958, were sold and privately placed.

Proceeds from the financing will be used to refund $14,320,000 of 5 1/2% debentures maturing Oct. 1, 1957.

With Suburban Secs.

(Edited by Paul T. Lynch, Special to The Commercial and Financial Chronicle)

CLEVELAND, Ohio—Anthony J. Lowther, president of Morgan Guaranty Trust Company, has secured $6,000,000 in mortgages with Suburban Securities Co., 723 East 59th Street. He was formerly with Goodbody & Co.

Join's Merrill Lynch

(Edited by Paul T. Lynch, Special to The Commercial and Financial Chronicle)

COLUMBUS, Ohio—Joseph E. Brown is now with Merrill Lynch, Pierce, Fenner & Bean, 43 East Gay Street.

With Dean Witter & Co.

(Edited by Paul T. Lynch, Special to The Commercial and Financial Chronicle)

PORTLAND, Ore.—George E. Herring, a former staff member of D. Skoch is now with Dean Witter & Co., Equitable Building.

With Alm, Kane

(Edited by Paul T. Lynch, Special to The Commercial and Financial Chronicle)

SAN FRANCISCO—W. W. Alm, president of Alm & Kane, 405 Sutter Street, has appointed G. C. Boggess, formerly with David R. Buty has been added to the staff of Irving Longfield & Co., 310 Sansome Street, members of the New York and Pacific Coast Exchanges.

Continued from page 5

1956 and slightly exceeded the prevair totals for August in 1939 and 1940. While the failure rate was more severe than in any previous year, it was not as severe as the worst recorded considerably below that in 1940, Dun & Bradstreet, Inc. reports. Other factors falling short noticeably in the machinery and transportation equipment, and automotive lines. Although, the figures were not as high as for the comparable period last year, the figures for the year's total are expected to be slightly higher than for the prewar period.

The steel makers' production of the year's total is expected to be higher than the prewar period. But the figures are not as high as for the comparable period last year, the figures for the year's total are still expected to be higher than the prewar period.

Steel Price This Week Scheduled to Yield 82.5% of Ingot Capacity

This year will go down as below par in forty of the many segments of the economy, "Steel" magazine declared on Monday.

The gross national product will be between $43,000,000,000 and $45,000,000,000, a 4.3% increase over the $41,700,000,000 of 1956. The steel industry sales, which touched all-time highs in 1956, and to top the record for the second year, may not be repeated. Metallurgical sales, it notes, will hit $135,000,000,000, up $2,000,000,000 from 1957. The key forecasts by the metallurgical weekly indicate durable goods will show an increase of 7.5% over the 1956 volume. The Capital outlays for plants and equipment, slightly above $37,000,- 000,000 in 1956, project $40,000,000,000 ($38,000,000,000 in 1956); railroad freight cars shipments, 99,200,000 (97,600,000 in 1956); agricultural machinery sales, 15% over 1956's volume in 1957; 1957's total.

The prediction, it adds, will total $46,000,000,000, compared with last year's $46,100,000,000 and dollar volume will be up, while the steel industry's output will be down 9,000,000,000.

Steel orders for delivery in the fourth quarter may help the industry to topple the 1955 record of 117,000,000 ingot tons. It may be some time before the industry has to operate at or near the unadjusted rate of the last couple of years in the absence of any capacity surplus. The most enough to meet almost any exigency, continues this trade weekly.

Currently, automotive tonnage is swelling sheet order backlogs, with almost every position that can be had being filled. Some producers of cold-rolled sheets are sold out for October. Meanwhile, other producers think they have to push customers hard to get in heavy tonnage orders of the month.

Steelmakers also note a bit of an upturn in demands from the farm orders that are being filled. And the same tonnage produced weekly from mid-July to mid-August. The post-Labor Day showing in steel production is disappointing, but it is explained in part by year-to-year plant improvements.

Failure of the steel rate to rise sharply is responsible for the continued slow-down in production. Some of the cost cutting, 1.6 heavy melting dropped for the fifth consecutive week, at $48,17 a gross ton, as against $51.47 for the previous week, it is at the lowest level since the end of May. In the nonferrous metals market, copper prices are showing unexpected weakness, and the primary source as much as 13 to 17 cents a pound may not go lower.

The American Iron and Steel Institute announced that the operating rate of steel companies, having 56.1% of the capacity for the entire industry, will be an average of 82.5% for the year, as against 83.5% in 1956. The capacity is expected to be as high as 211,185,000 tons of ingot and steel for castings, as compared with 215,050,000 tons of capacity in 1956.

The industry's ingot production rate for the weeks in 1957 is based on annual capacity of 123,495,150 tons as of Jan. 1, 1956. The production rate was 90.2% of capacity for the week ended Sept. 21, 1957, versus 91.2% for the week ended Sept. 21, 1956.

Steel production for the week ended Aug. 31, 1957, was 2,183,600,000 tons. A year ago the actual production was 2,065,600,000 tons.

The operating rate is not comparable because capacity is higher than the figures. The figures for 1956 are based on an annual capacity of 123,495,150 tons as of Jan. 1, 1957.

Electric Output Registered Further Modest Gains

In Late Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Sept. 21, 1957, was estimated at 11,901,000,000 kwh, according to the Edison

Continued on page 44
The State of Trade and Industry

Electric Institute. Output the past week enjoyed further modest improvement over the week ending Sept. 14, 1957, according to the Federal Reserve's Weekly Statement of Business. The index of business activity was 7.2% below that of the previous week and 9.2% below that of the previous week.

Car Loadings Gain Ground in Post Holiday Week

Rising by 14.7%, car loadings for the week ending Sept. 14, 1957, rose by 1,170,000,000, over the week ending Sept. 22, 1955.

U. S. Automotive Output Last Week Dropped to Smallest Volume Since Sept. 24-29, 1956, Due to 1958 Model Changeover

Automotive output for the week ending Sept. 29, 1957, as reported by the Federal Reserve Bank of St. Louis, according to "Ward's Automotive Reports," declined to the smallest volume since the 1956-57 period as the result of factory shutdowns for 1958 model changeovers.

Business Failures Advance to Highest Level in 16 Weeks

Commercial and industrial failures climbed to 275 in the week ended Sept. 14, 1957, according to the Du Pont & Bradstreet, Inc. The highest level for 16 weeks, the toll was up from 258 in the previous week and accounted for about 60% of the total of 459 for the year. Failures were also 20% more numerous than in the comparable period of 1956 when 229 failures occurred.

Wholesale Food Price Index Reacts to Sharply Lower Level in Past Week

A general downward movement in most foodstuffs last week resulted in a sharp dip in the Dun & Bradstreet wholesale food price index which dropped from 115.2 to 111.9 on Sept. 17, after holding at 116.2 during the three preceding weeks. Although the lowest in 11 weeks, the current figure is still 3.0% above the comparable period of 1956.

Wholesale Commodity Price Index Registered Noticeable Declines in Latest Week

The daily wholesale commodity price index fell to 293.08 on Sept. 26, with noticeable declines in prices of grains, livestock and steel scrap. The index a week earlier was 296.42 and on the comparable date a year ago it stood at 300.03.

The Commercial and Financial Chronicle • Thursday, September 24, 1957

News About Banks & Bankers

Bank of Hutchinson and under the name of "Transamerica Federal Bank and Trust Company." The new bank will be at the present location of The Hutchinson State Bank.

At the effective date of consolidation, Transamerica Federal Bank will have capital stock of $600,000, divided into 20,000 shares of $30 par value of $20 each; surplus of $600,000; and undivided profits of not less than $334,374.

A merger was approved by the stockholders of the National Bank of Topeka and Central National Bank of Topeka. The new bank will be known as the First National Bank of Topeka. The new bank will have outstanding 250,000 shares of its own stock.

The First National Bank in St. Petersburg, Fla., increased its common capital stock from $1,600,000 to $2,600,000 by the sale of new stock effective Sept. 10, (Number of shares outstanding-360,000 shares, par value $5.)

F. N. Belgrano, Jr., President and Chairman of Transamerica Corporation, announced on Sept. 16, that his company had concluded a merger by the corporation's biggest bank, Transamerica Federal Bank of San Diego, as a result of an agreement with the Transamerica for the purchase of $600,000,000 of Transamerica Federal Bank stock, the bank's six other stockholders and eight bank officers, all of whom formerly had no offices. The Bank of Arizona, a new bank, was announced in Arizona, when the bank, it was founded in 1917.

M. R. Belgrano said the merged bank's common stock of $256,000,000, capital funds in excess of $26,000,000, and has 49 banking offices in 28 Arizona communities. The bank is the second banking subsidiary in Arizona, the Southern Arizona Bank and Trust Company, has been in operation for several years.

Directors of The First National Bank of Arizona, Phoenix, on Sept. 16, announced the election of Frank B. McDill, former President, formerly he was President and Chief Executive of the First National Bank of Arizona, and the bank's chief executive officer.

John V. Haff, formerly Vice-President and General Manager of Transamerica Federal Bank, Los Angeles, Calif., as a Vice-President in the city division, was named by Frank E. McMillen, formerly President of the First National, and later named as President of the bank, and the bank's chief executive officer.

Join Illinois Mid Cont.

(Chattanooga Financial Observer)

CHICAGO, Ill.----Charles F. Sanborn is now with Illinois Mid Continent Financial Company, 670 St. Clair Street.

Al Rosen Adds

(Chicago Financial Observer)

ST. PAUL, Minn.----John W. Otis has joined the staff of Smith, Ranson & Co., Building.

With South, China

(Chicago Financial Observer)

The New England Mayhem (New England Born and Raised)
Ready for the Next Step on The Farm Policy Debate

Government stepped in and helped a bad situation—but I am greatly concerned about bringing producers under controls that could have only disastrous results.

The government aid that was given to the farmer during temporary, emergency, seasonal, or other problems—has had a marked influence with the weather man.

Livestock Improvement

Another reason for improvement is the fact that the livestock and hog improvement programs have been expanded. Cattle prospects are encouraging, and the hog outlook for the next six months is excellent. Livestock programs are especially important in South Dakota and the eastern territory where the cultural income is derived from livestock. With both cattle and hog programs the government has followed from adjustments made profitably by farmers themselves.

Unrealistic slaughtering quotas were a little bit to the foundation more cattle at a later date. In 1953 and again in 1956 cattle programs increased by three times. In these years the volume of marketing, in each case, has been increased, and price supports for live cattle have been reduced.

In the Department of Agriculture, the cattle programs, such supports would have led to an oversupply of cattle. With high prices, there would have disrupted the market and caused a shortage and would have lost customers.

Instead of being to the present situation, the cattle program is in the operated with cattlemen in the state. A new program launched a program of beef purchases, and diversification, of the market. The cattlemen kept their freedom. Markets expanded. Prices recovered.

It is a cyclical decrease in cattle numbers. The calf crop this year is down 2% from last year. If current renewal, drought, beef supplies per capita have increased, and prices are likely to hold below the peak of 1956, and the cattle could be on the increase by the end of the year.

On a shorter time basis the hog market is not a picture of a market. This has continued to be a private hog producers.

Certainly farmers remember the peak of hog numbers in the middle of 1956 that caused a disastrous decrease in prices. Hogmen are getting back their costs fast.

Proud of Outcome

In these difficult months income expenses was developed to put support prices on live hogs and get government to control production.

There were some who maintained that farmers could not afford fewer numbers without government regulation—and some who argued that the government should produce even larger numbers of hogs in a desperate effort to survive. The farmer proved this argument was not the case and achieved a limited price for hog numbers and the government has improved fusion.

Although hog prices have come back to where they were a year ago, this is still a problem for hog breeders. Farmers have rebuilt their pride in hog production.

Government stepped in and helped a bad situation—but I am greatly concerned about bringing producers under controls that could have only disastrous results.

Utah Power & Light Common Stock Offered


Net proceeds from the sale of the common stock from a subscription sale of $15,000 in first-class U.S. bonds which will be used to permanently acquire the UTPL stock bonds will initially become part of the company's general funds and as such may be applied to any and all purposes, which include capital expenditures for construction. As previously planned, the construction program of the company and its operations will be accelerated.
Securities Now in Registration

Securities

Akin Distributors, Inc.
Aug. 2, letter to
90,000 shares of class A common stock,
were sold at $22 per share.

American Provident Investors Corp.
Feb. 15, filed 50,000,000 shares of common stock (par one cent), $100,000,000 of 7% convertible
bonds due 1987.

Apple Oil, Inc.
July 22 filed 200 participations in Apple Oil Pro-
gram 1958. Price—$10 per share. Proceeds—
for working capital and general corporate purposes.

Boston Gas Company
Sept. 24 filed 500,000 shares of capital stock (par $1).

Bridgeview Towers Associates
Jul. 25 filed $360,000 of participations in partnership
interests. Price—$10,000 per unit. Proceeds—
To buy an apartment building.

Broadvision Security
Aug. 2 filed 5,000,000 shares of cumulative preferred stock
(par $100). Proceeds—To repay bank loans and to
acquire securities of Montag Electric Co.

California Oregon Power Co.
Sept. 18 filed $3,000,000 first mortgage and collateral
trust deeds due 1997. Proceeds—To repay bank loans and to
acquire securities of Union Bank of California,

Chicago Gas System
Sept. 9 filed $25,000,000 of debentures series 1, due 1987.
Price—$83 per $100 face amount. Proceeds—
To be used to finance unamortized proceeds—
To be used to be competitive bidding. Probable bidders:
Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Beane and
White, Coll & Co. (jointly); Shields & Co. Incorporated. Bids—Expected to be received
until 11 a.m. (EDT) on Oct. 20 at 20 Federal St., Boston.

Consolidated Edison Co.
July 26 letter of notification 120,000 shares of common stock
(par $7). Price—$15 per share. Proceeds—To when marketed.

Cranberry Mokaite Corp. of America
July 30 filed 2,000,000 shares of common stock (par 10 cents).
Price—$2 per share. Proceeds—To construct a.

Crawford Mortgage Corp. of Connecticut
Sept. 12 filed 50,000,000 20-year mortgage bonds and
securities of common stock. Proceeds—To be used for
construction business.

Century Acceptance Corp.
Sept. 9 filed 100,000 shares of cumulative preferred stock
(par $100). Proceeds—To construct a.

Chegg Uranium Corp.
May 14 letter of notification 600,000 shares of common stock
(par $1). Price—$25 per share. Proceeds—For exploration
(U.S. funds). Proceeds—For exploration costs, etc. Of-
er—in 900 Park Ave., New York, N. Y. Underwriter—

Cincinnati & Suburban Bell Telephone Co.
Aug. 31 letter of notification 124,500 shares of common stock
(par $100). Price—$100 per share. Proceeds—For
subscription by stockholders of record Aug. 27, 1957.

Colonial Aircraft Corp.
July 9 letter of notification 50,000 shares of common stock
(par $1). Price—$6 per share. Proceeds—To be
incorporated.

Columbus & Southern Ohio Electric Co.
Sept. 13 filed 8,000,000 shares of cumulative preferred stock
(par $100). Proceeds—To be used for expansion of and
construction of and purchased power plants.

Commonwealth Edison Co.
Sept. 9 filed 100,000,000 shares of common stock (par $100).
Price—$14 per share. Proceeds—To be used for
acquisition of additional properties.

Consolidated Edison Co. of N. Y., Inc.
July 18 letter of notification 450,000 shares of common stock
(par $1). Price—$8 per share. Proceeds—For construction
purposes.

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(par $1). Price—$8 per share. Proceeds—For construction
purposes.

Coombs & Company
Aug. 31 filed 500,000 shares of common stock (par $1).
Price—$5 per share. Proceeds—To be used for
acquisition of additional properties.

Daybreak Uranium, Inc.
May 7 filed 631,625 shares of common stock (par $1).
Price—$5 per share. Proceeds—To be used for
acquisition of additional properties.

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acquisition of additional properties.
September 26 (Thursday)  
Louisiana Citrus Mutual Ins. Co.—Preferred & Common  
(Sold 11 a.m. EDT)  

September 27 (Friday)  
Forest Laboratories, Inc.—Common  
(Mortimer R. Burnside, Inc. & Co., Inc.)  
$4,000,000  

September 30 (Monday)  
Chesapeake City & Virginia Land Co.—Common  
(Lewis R. Peri, Inc.)  
$1,000,000  

Gulf States Utilities Co.—Common  
$1,000,000  

National Cylinder Gas Co.—Debentures  
$12,000,000  

October 1 (Tuesday)  
Plantations Bank of Rhode Island—Common  
(Offering to stockholders—no underwriting)  
$3,000,000  

Local Land & Sport Corp.—Common  
(Johnston, Lewis, & Johnson & Co.)  
$2,000,000  

October 2 (Wednesday)  
Northern Natural Gas Co.—Preferred  
(Bryant Taylor & Co., Inc.)  
$2,000,000  

Southwestern Bell Tel. & Debentures  
(Sold 11 a.m. EDT)  
$1,000,000,000  

October 3 (Thursday)  
California Gas Co., Inc.—Debentures  
(Bryant Taylor & Co., Inc.)  
$2,000,000  

Gulf States Utilities Co.—Common  
$1,000,000  

October 4 (Friday)  
Strato-Missiles, Inc.—Common  
(Kesselman & Co.)  
$200,000  

October 7 (Monday)  
Reading Tube Corp.—Debentures  
(Emmanuel Devejian & Co.)  
$1,000,000  

October 8 (Tuesday)  
California Oil & Power Co.—Common  
(Blithy Co., Inc. and The First Boston Corp.)  
$200,000  

October 9 (Wednesday)  
Century Savings Corp.—Preferred  
(Paul C. Kimball & Co. and McDonald, Evans & Co.)  
$1,000,000  

Commonwealth Edison Co.—Preferred  
(The First Boston Corp. and Oliver, Piggott & Co.)  
$250,000  

Rockland Light & Power Co.—Preferred  
(Of common stockholders)  
$1,000,000  

October 10 (Thursday)  
Toldeo Terminal RR.—Bonds  
(Sold to be invited)  
$6,000,000  

October 14 (Monday)  
California Gravel Co.—Bonds  
(Sold to be invited)  
$1,000,000  

Central Bible College—Common  
(Lee Higginbothan Corp.)  
$300,000  

Nuclear Science & Engineering Corp.—Common  
(Thomas B. Shuster Corp.)  
$1,000,000  

October 15 (Tuesday)  
Atlanta Gas Light Co.—Bonds  
(Sold to be invited)  
$1,000,000  

Coastal Ship Building Corp.—Debentures  
(Branton, Epperson & Co.)  
$1,000,000  

Foster Grant Co., Inc.—Common  
(Weinstein & Co.)  
$300,000  

Pittsburgh & Lake Erie RR.—Easip, Trust Cts.  
(Sold to be invited)  
$1,000,000  

Reach (Hal) Productions—Common  
(William H. Blount & Co.)  
$1,250,000  

Southern New England Telephone Co.—Common  
(Offering to stockholders—on approximately 1,400,000 shares)  

Siegler Corp.—Common  
(William H. Blount & Co.)  
$300,000  

October 16 (Wednesday)  
Commonwealth Power Co.—Debentures  
(Offering to stockholders)  
$1,000,000  

Pennsylvania Public Service Co.—Debentures  
(Bids)  
$9,000,000  

October 18 (Friday)  
Federation Bank—Common  
(Offering to stockholders)  
$2,000,000  

October 21 (Monday)  
Darco Industries—Common  
(William R. Blount & Co.)  
$300,000  

October 22 (Tuesday)  
Consolidated Edison Co., Inc.—Bonds  
(Bids 11 a.m. EDT)  
$60,000,000  

October 23 (Wednesday)  
Brockton Edison Co.—Debentures  
(Bids)  
$3,000,000  

Public Service Co. of New Hampshire—Debentures  
(Bids)  
$5,000,000  

October 28 (Monday)  
Nordic & Western Ry.—Equit. Trust Cts.  
$40,000,000  

October 29 (Tuesday)  
American Telephone & Telegraph Co.—Debentures  
(To be invited)  
$200,000,000  

October 30 (Wednesday)  
Baltimore & Ohio RR.—Equit. Trust Cts.  
$40,000,000  

Brockton Edison Co.—Debentures  
(Bids)  
$5,000,000  

October 31 (Thursday)  
San Diego Gas & Electric Co.—Preferred  
(To be invited)  
$5,000,000  

Southern Pacific Co.—Preferred  
(To be invited)  
$7,500,000  

November 6 (Wednesday)  
Merrill-Easey Electric Co.—Bonds  
(Sold to be invited)  
$200,000,000  

November 7 (Thursday)  
San Diego Gas & Electric Co.—Preferred  
(To be invited)  
$5,000,000  

Southern United Gas Co.—Debentures  
(Snow, Sweeny & Co., Inc. and A. C. Allin & Co., Inc.)  
$12,000,000  

November 14 (Thursday)  
Allstate Commercial Corp.—Common  
(Midland Securities, Inc.)  
$1,000,000  

November 26 (Wednesday)  
Lawrence Gas Co.—Bonds  
(To be invited)  
$2,000,000  

Michigan Bell Telephone Co.—Debentures  
(Sold to be invited)  
$60,000,000  

Miami Valley Gas Co.—Bonds  
(Sold to be invited)  
$2,000,000  

November 19 (Tuesday)  
Middle South Utilities Inc.—Common  
(Sold to be invited)  
$1,000,000  

Ohio Power Co.—Bonds  
(Bids 11 a.m. EDT)  
$12,000,000  

December 1 (Wednesday)  
Virginia Electric Power Co.—Bonds  
(Sold to be invited)  
$2,000,000  

December 3 (Friday)  
Chesapeake & Potomac Telephone Co. of Maryland—Debentures  
(Bids 11:30 a.m. EDT)  
$5,000,000  

December 10 (Thursday)  
Indiana & Michigan Electric Co.—Bonds  
(Sold to be invited)  
$2,000,000  

December 11 (Wednesday)  
Baltimore & Ohio RR.—Equit. Trust Cts.  
(To be invited)  
$4,000,000  

Suburban Electric Co.—Bonds  
(To be invited)  
$4,000,000  

Continued on page 48
Maiscot Mines, Inc., Kellogg, Idaho

Metropolitan Mines Corp., Ltd., Wallace, Idaho

Molybdenum Corp. of America
Aug. 14 (letter of notification) 100,000 shares of common stock (par $1). Purchase warrants to buy an additional 190,949 shares of common stock to be offered for subscription, subject to an offering for public sale, to private stockholders. Proceeds—For construction of company's own agents.

Munson Associated, Inc.
Feb. 19 (letter of notification) 1,000,000 shares of common stock. Price—At $1 par (1 share $1). Proceeds—For capital expenditures, including construction of motel, restaurant, municipal services, equipment, shop machinery, and to increase working capital. Office—203 Broadway, Monticello, N. Y. Underwriter—D. Richard Moench & Co., Salt Lake City, Utah.

Monticello Associates, Inc.
May 21 (letter of notification) 300,000 shares of common stock (par 10 cents). Proceeds—For construction of two motels and for working capital. Office—1224 24th St., N. W., Washington, D. C. Underwriter—None.

Municipal Investment Trust Fund, Inc., (N. Y.)
May 9 filed 5,000 shares of undivided capital stock (par $1). Proceeds—For investment. Sponsor—Ira Haupt & Co., New York, N. Y.

Mutual Investors Corp. of New York

Nassau Fund, Princeton, N. J.
May 8 filed 250,000 shares of common stock. Price—At par (1 share $1). Proceeds—To sell 10 farm properties and $5,000,000 to purchase additional farm properties. Office—515 Nassau St., Princeton, N. J. Investment Advisor—Harland W. Harington, Princeton, N. J.

New England Biochemicals, Inc. (10/2)

Northern Natural Gas Co. (10/11)
Sept. 11 filed 160,000 shares of cumulative preferred stock. Price—$100 par (price $100). Proceeds—For construction program and for purchase of securities of subsidiary companies. Underwriter—None.

Northland Chemical Co., East Grand Forks, Minn.
Sept. 11 (letter of notification) 725 shares of class A common stock (par $1). Price—At par ($100 per share). Proceeds—For the purchase of equipment and for working capital. Underwriter—None.

Nuclear Science & Engineering Corp. (10/14-18)

Oakite Products, Inc.
Sept. 13 (letter of notification) not in excess of 2,200 shares of common stock (par $1). Price—to be supplied by amendment. Proceeds—To increase capital.

Old American Life Co., Seattle, Wash.
July 22 filed 15,825 shares of class A stock (par $10) and 2,000 shares of class B stock (par $25), of which 17,825 shares are to be offered to present stockholders and 9,000 shares are to be offered to employees. Price—$11 per share. Proceeds—For working capital. Office—19 Rector St., New York, N. Y.


Owens-Corning Fiberglas Corp.
Sept. 23 filed 273,570 shares of common stock (par $1), to be sold by the investment bank to the company's Employee Stock Option Plan.

Pacific Telephone & Telegraph Co.
Sept. 24 filed 15,825 shares of class A stock (par $10) and 2,000 shares of class B stock (par $25), of which 17,825 shares are to be offered to present stockholders and 9,000 shares are to be offered to employees. Price—$11 per share. Proceeds—For working capital. Office—19 Rector St., New York, N. Y.

Pennsylvania Power Co. (10/16)

Pennsylvania Power Co. (10/18)

Ramapo Uranium Corp. (New York)

Rapid Electric Type Co., Cincinnati, Ohio
May 1, 1938, filed 136,485 shares of common stock, of which 37,940 are to be offered to public subscription, and 98,545 shares are to be offered for the subscription of employees. Price—$2 per share. Proceeds—For the purchase of additional machinery and equipment and for working capital. Office—101 New England Ave., New London, Conn. Underwriter—None.

Reynolds Metals Co., Alcoa, Tenn.
Aug. 22 filed 165,000 shares of common stock (par $3), of which 11,000 shares, at $3.514 per share, are to be offered for public subscription, and 54,000 shares by the employees, for conversion of preferred stock, and 90,000 shares are to be offered to directors, employees and agents of the company for a period of 14 days at $3.523 per share. Proceeds—$65,000 to public. Proceeds—To purchase additional machinery and equipment. Underwriter—None. Henry Beekhuis is President.
Reading Tube Corp. (10-7) Aug. 30 filed 155,014 shares of common stock ($1 par), substantially amended and reduced to 100,000 shares. Proceeds—To reduce bank loans and for working capital. Underwriter Underwriter—S. D. Fuller & Co., New York.


St. Louis Insurance Co., St. Louis, Mo. May 31 (letter of notification) 1,600,000 shares of cumulative preferred stock ($5 par). Proceeds—$97 per share. Proceeds—For working capital and other business purposes. Underwriter Underwriter—The First National Bank, St. Louis, Mo.

Schering Corp., Bloomfield, N. J. Sept. 19 filed 5,060,000 shares of common stock ($30 par). Proceeds—To be offered for subscription by holders of one share of preferred stock held. Proceeds—To be used for working capital and for general corporate purposes. Underwriter Underwriter—Jewell & Co., St. Louis, Mo.


Shawrock Oil & Gas Corp. (10-3) Sept. 11 filed $17,500,000 convertible subordinated debentures due 1990 and to be supplied by amendment. Proceeds—$12,000,000 to go into the general working capital and for working capital and general corporate purposes. Underwriter Underwriter—William R. States & Co., Los Angeles, Calif.

Sire Plan, Inc., New York July 6 filed $10,000,000, 4% installment 8-month 6% fund notes. Proceeds—At par (in denominations of $100 each). Proceeds—For working capital and for general corporate purposes. Underwriter Underwriter—William R. States, St. Louis, Mo.

Southern New England Telephone Co. (10-15) Sept. 25 filed 2,430,294 shares of common stock to be offered for subscription by holders of one share of common stock held. Proceeds—To reduce bank loans and for working capital. Underwriter Underwriter—Halsey, St. Louis, Mo.


Strato-Missiles, Inc. (10/4) May 21 filed (letter of notification) 300,000 shares of common stock (10 cents par) to be offered for subscription by holders of one share of preferred stock held. Proceeds—To provide working capital and for research and development. Underwriter Underwriter—The First Boston Corp., New York.

Syntex Corp. (Republic of Panama) June 15 filed 4,000,000 shares of common stock ($1 par) to be offered for subscription by common stockholders on the basis of one new share for each four shares held. Proceeds—To be used for the following purposes. Proceeds—To sell for the benefit of certain employees and officers. Price—$2 per share. Proceeds—For the payment of outstanding obligations to Ogelon Corp. Underwriter Underwriter—None.

Tax Exempt Bond Fund, Inc., Washington, D. C. June 5 filed 1,650,000 shares of common stock ($100 par) to be offered for subscription by common stockholders on the basis of one new share for each four shares held. Proceeds—To be used for the following purposes. Proceeds—To sell for the benefit of certain employees and officers. Price—$2 per share. Proceeds—For the payment of outstanding obligations to Ogelon Corp. Underwriter Underwriter—None.


Triumph Engineering Corp. Feb. 27 (letter of notification) 100,000 shares of class A common stock (par $10). Proceeds—$5.50 per share. Proceeds—For machinery, tools, equipment, and supplies. Underwriter Underwriter—Boston, Mass. Underwriter—Chicago, Ill.


Traction Co., Inc. July 4 filed 1,000,000 shares of common stock ($5 par). Proceeds—To be sold to refinance existing debt and for working capital. Underwriter Underwriter—Philadelphia, N. J.

Tucano Manufacturing Co., Roanoke, III. Sept. 24 filed $60,000,000 of sinking fund debentures and 30,000 shares of class A common stock ($1 par) to be offered for subscription by holders of $1,000 of debentures and 25 shares of stock. Proceeds—To reduce bank loans and for working capital. Underwriter Underwriter—Halsey, St. Louis, Mo.


Vandium Corp. of America Apr. 30 filed 3,000,000 shares of common stock to be offered to employees under the stock plan of the company. Proceeds—to be used for working capital. Underwriter Underwriter—Philadelphia, Pa.

Western Copperadora Mining Co., (Canada) Aug. 30 (letter of notification) 300,000 shares of common stock ($1 par) to be offered for subscription by holders of one share of preferred stock held. Proceeds—For development and exploratory work, drilling costs and sur¬"
Underwriter—To
the
&
Bids—Expected
to
sell
$20,000,000 of first mortgage bonds, series B, due 1977. Proceeds—are to be used for the construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Kidder, Peabody & Co., and Eastman Dillon, Union Securities & Co. and White, Weld & Co. Inc. (jointly); Merrill Lynch, Pierce, Fenner & Beane (jointly); and Eastman Dillon, Union Securities & Co. and Equity Securities Corp. (jointly). Bids—to be received on Nov. 6.

Merrimack-Essex Electric Co. (11/6)

Michigan Bell Telephone Co. (11/8)
Sept. 16 it was reported company may issue and sell $40,000,000 of debentures. Proceeds—are to repay advances from prior competitive bidding. Probable bidders: Halsey, Stuart & Co. and Eastman Dillon.

Middle South Utilities, Inc. (11/9)
Sept. 16 it was reported company may sell $41,800,000 of mortgage bonds and use proceeds for investments in four operating subsidiaries. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Eastman Dillon, Union Securities & Co.; White, Weld & Co. Inc.; and Eastman Dillon, Union Securities & Co. and Equity Securities Corp. (jointly). Bids—to be received on Nov. 19.

Mystic Valley Gas Co. (11/1)
Oct. 25 the company plans to issue and sell $3,000,000 of first mortgage bonds, series B, due 1977. Proceeds—are to be used for the construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Lynch, Pierce, Fenner & Beane; Kidder, Peabody & Co.; and Eastman Dillon, Union Securities & Co. and Equity Securities Corp. (jointly). Bids—to be received on Nov. 19.

New Jersey Power & Light Co. (11/5)
Sept. 12, 1856, it was announced company plans to issue and sell preferred stock. Proceeds—to be used to finance continued raising of working capital and for construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Lynch, Pierce, Fenner & Beane; Kidder, Peabody & Co.; and Eastman Dillon, Union Securities & Co. and White, Weld & Co. Inc., (jointly); Merrill Lynch, Pierce, Fenner & Beane (jointly); and Eastman Dillon, First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane (jointly); and Eastman Dillon, Union Securities & Co. and Equity Securities Corp. (jointly). Bids—to be received on Nov. 19.

Northern Illinois Gas Co. (11/4)
Sept. 20 this company announced it has deferred until December this year the decision to place either $8,000,000 of $10,000,000 early this fall. No decision has been made as to whether this deferral is due to the fact that further raising of working capital is being given to sale of common stock or securities convertible into common stock. Proceeds—to refinance existing obligations. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Morgan, Stanley & Co.; and Eastman Dillon, Union Securities & Co. and White, Weld & Co. Inc. (jointly); Eastman Dillon, First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane (jointly); and Eastman Dillon, Union Securities & Co. and Equity Securities Corp. (jointly). Bids—to be received on Nov. 19.

Ohio Power Co. (11/9)
Sept. 17 it was announced company plans to issue and sell $25,000,000 of first mortgage bonds due 1987 and has abandoned plans to lease some $7,000,000 of plant. Proceeds—to repay bank loans and for construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Kidder, Peabody & Co., Morgan, Stanley & Co., Eastman Dillon, Union Securities & Co. and White, Weld & Co. Inc., (jointly); and Eastman Dillon, First Boston Corp.; Blyth & Co. Inc.; and Blyth & Co. Inc., (jointly). Bids—to be received by 11:30 a.m. (EST) on Nov. 19.

Olin Mathieson Chemical Corp. (11/15)
Feb. 14 it was announced company plans to issue and sell publicly $81,000,000 of convertible subordinate debentures. Proceeds—are to be used for working capital, capital expenditures, and general corporate purposes. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Kidder, Peabody & Co., and Eastman Dillon, Union Securities & Co. and White, Weld & Co. Inc. (jointly); Eastman Dillon, First Boston Corp.; Blyth & Co. Inc.; and Blyth & Co. Inc. (jointly). Bids—to be received by 11:30 a.m. (EST) on Nov. 19.
Parker Appliance Co.
Sept. 8 It was announced that company may, at a favor-
able date, sell all unissued stock to the public. Stockholders voted September 19 to increase the par authorized from $500,000 to $750,000 shares.
Proceeds—To repay bank loan in connection with the acquisition to be completed on Sept. 30, 1957. Underwriters—Merrill Lynch & Co. (jointly); Metropolitan Life Insurance Co. (jointly)
Pennsylvania Electric Co.
Oct. 24 It is reported that the company plans to issue and sell $6,000,000 of first mortgage bonds. Underwriter—Stroud & White, Ltd., Philadelphia, Pa.
Perman Basin Pipe Line Co.
May 20 It was announced company plans to issue and sell $25,000,000 of new securities. Proceeds—Proceeds to repay advances from parent and the remaining $8,000,000 of common stock. Underwriter—Glenn, Forgan & Co., New York.

★ Plantations Bank of Rhode Island (9/30)
Sept. 15 It was reported company plans to issue and sell $850,000 of additional capital stock (par $20) at the time now set for rights to expire on or about Oct. 15, 1957. Price—$55 per share. Proceeds—To construct a new plant.
Underwriters—G. H. Walker & Co. and Miller & George, Providence, R.I.

Pittsburgh & Erie RR. (10/15)
Bids are expected to be received by the company on Oct. 15 for the purchase of $4,000,000 of equipment trust certificates. Proceeds—To finance construction of the Company's turbine plant.

★ Public Service Co. of New Hampshire
Sept. 24 It was announced company plans in addition to its common offering to sell $250,000 of first mortgage bonds (par $100,000). Proceeds—To repay bank loans and for construction program.
Underwriters—Kidder, Peabody & Co. and Blyth & Co., Inc., both of New York.

★ Public Service Electric & Gas Co. Aug. 16 it was announced company plans to issue and sell $2,500,000 of common stock. Proceeds—To construct new power plant and to reduce bank indebtedness.

Public Service Co. of New Hampshire
Sept. 9 It was reported company plans to sell additional common stock. Proceeds—To construct power plant.
Underwriters—Kidder, Peabody & Co. and Blyth & Co., Inc., both of New York.

Ritter Finance Corp.
Sept. 3 It was reported company plans debt and equity financing. Underwriter—Sirodz & Co., Philadelphia, Pa.

Ryder System, Inc.
Aug. 25 It was announced company plans to sell publicly $1,000,000 of common stock in Fall as an additional common stock. Proceeds—For expansion program.

St. Louis County National Bank
Sept. 11 Bank offered to its stockholders of record Sept. 1, 1957, the right to subscribe for $9,000 additional shares of capital stock. Proceeds—To issue new share for each 5% shares held; rights to expire on Sept. 29. Underwriter—G. H. Walker & Co., St. Louis, Mo.

San Diego Gas & Electric Co. (10/31)
Aug. 28 It was announced company plans to issue and sell $12,000,000 of first mortgage bonds due 1987. Proceeds—To repay bank loans and for construction purposes. Underwriters—Blyth & Co., Inc., San Francisco, Calif.

San Diego Gas & Electric Co. (11/7)
Aug. 28 It was announced company plans to issue and sell $12,000,000 of first mortgage bonds due 1987. Proceeds—To repay bank loans and for construction purposes. Underwriters—Halsey, Stuart & Co., Inc.; Blyth & Co., Inc., San Francisco, Calif.

South Carolina Electric & Gas Co.
Jan. 14 It was reported company plans to issue and sell $10,000,000 of first mortgage bonds. Underwriter—To be determined by competitive bidding. Proceeds—To repay bank loans and for construction purposes. Underwriters—Halsey, Stuart & Co., Inc.; Blyth & Co., Inc. and B. Hubert McLeod, Jr., Charleston, S.C.

Southern Union Gas Co. (11/11-15)
Sept. 23 It was reported company plans to issue and sell $1,000,000 of first mortgage bonds. Proceeds—To repay bank loans and for construction program. Underwriters—Kidder, Peabody & Co. and A. C. Allyn & Co., Inc., both of New York. Registration on or before Dec. 1.

Superior Tool & Die Co.
July 26 It was announced company plans to issue and sell $3,000,000 of first mortgage bonds due 1987. Proceeds—To repay bank loans and for construction purposes. Underwriter—To be determined by competitive bidding. Proceeds—To repay bank loans and for construction program. Underwriters—Kidder, Peabody & Co. and A. C. Allyn & Co., Inc., both of New York.

Suburban Electric Co. (12/11)
Aug. 21 It was announced company plans to issue and sell $350,000 of common stock. Proceeds—To construct new plant.
Underwriters—White, Weld & Co. (jointly); Dean Witter & Co.; Lehman Brothers; White, Weld & Co., New York.

Virginia Electric & Power Co. (12/3)
Aug. 21 It was announced company plans to issue and sell $20,000,000 of first mortgage bonds. Proceeds—For construction purposes. Underwriters—Halsey, Stuart & Co., Inc.; Kahn, Loeb & Co., New York; Salomon Bros. & Hutzler; Eastman Dillon, Union Secur-

Walworth Co.
Aug. 6 It was reported company plans to sell $7,000,000 of first mortgage bonds. Proceeds—To finance operation of new plant.

Western Electric Service Co.
Aug. 27 It was announced company plans to issue and sell $7,000,000 of first mortgage bonds late in 1957. Proceeds—To repay bank loans. Underwriters—To be determined by competitive bidding. Proceeds—To repay bank loans. Underwriters—Kidder, Peabody & Co., Inc.; Halsey, Stuart & Co., Inc.; Kidder, Peabody & Co. & The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane; Salomon Bros. & Hutzler; Eastman Dillon, Union Securities, Inc.; and Walker & Overbeck, Inc.

Wisconsin Southern Gas Co., Inc.
July 8 It was reported company plans to issue up to $300,000 of additional common stock to its stockholders.

★ Zale Jewelers Co., Dallas, Texas
Sept. 24 It was announced company plans to issue additional common stock. Proceeds—For general corporate purposes, other details not yet available. Underwriter—Eppler, Guerin & Turner, Inc., Dallas, Tex.

Khruschev's Worries

The Soviet leader also has the growing problem of the technical and managerial elite which has been created to run Soviet industry—now being decentralized. It will not be easy to restrain this class of people. Some technical skills will be needed to fill the government's gaps. This may make a great strain in critical material resources which has yet seen no way of creating a government which can meet the needs and aspirations of its people.

"The Communist leaders are also facing a growing body of highly educated, technologically competent men and women in the field of industrial management and production. It may prove impossible for them to stop the growing wave of intellectual unrest in the Soviet Union. Khruschev cannot turn back education or stop technological development in the U.S.R. A great power."—Allen W. Dulles.

"It is, of course, factors such as these that sooner or later will prove Khruschev and the others wrong about the merits of Communism vis-a-vis democracy. But Russians are still Russians with most of their imperialistic ambitions aglow."

Chicago Analysts Schedule Fall Meetings

CHICAGO, I.l. — The Investment Analysts Society of Chicago has announced the names of speakers for their Fall luncheon meetings.

2016 to be announced.

Mr. Robert Galvin, President of Motorola.
Oct. 24 — Mr. G. T. MacGregor, President of Lamson Bros. & Hutc-

winkle, Vice-President of Texas Utilities.
Nov. 11 — to be announced.

Nov. 21 — Donald C. Power, President of General Telephone. Field trip to Automatic Electric's new plant, and luncheon. (Not in the loop this year.)

Dec. 5 — Ernest H. Volvler, President of Abbott Laboratories, and others.
Dec. 18 — Business Forecast '57—Afternoon meeting followed by a reception.

Two With Filosa
(IMPORTANT TO THE INVESTOR)
GRAND JUNCTION, Colo. — Edward S. Bannerman and William E. Cline are now with Filosa Securities Co., 407 Main St.

With Armstrong, Jones, Lawson, & Co.
DETROIT, Mich. — Ralph H. Fanning is now connected with White, Inc., Penobscot Building.

Siemons & Co. Offers Turbo Dynamics Stock
Siemons & Co., of New York City are offering publically on a best efforts basis 300,000 shares of common stock of Turbo Dynamics Corp. at $1 per share.

"It is intended to use the net proceeds from the offering to purchase and sell property, machinery and equipment. Proceeds shall be used for transmission and combustion engine development programs; to install 7-haPPer diesel power plant for the City of Minneapolis; to construct and set up plant for the production of jet engines; and for working capital.

"In connection with the new financing, there will be outstanding 630,000 shares of common stock (par $1). Turbo Dynamics Corp. reports net income of $906,000 in 1956 and $947,000 in 1957. Turbo Dynamics Corp. is incorporated in Delaware.

"Turbo Dynamics Corp. has offices in New York City, Beverly Hills, Calif., and operates the Dobbs F. D. A. Plant in Texas.

"Turbo Dynamics Corp. is a new company organized to operate the Dobbs F. D. A. Plant for the construction and operation of a turbogas engine plant.

"Turbo Dynamics Corp. is a new company organized to operate the Dobbs F. D. A. Plant for the construction and operation of a turbogas engine plant. Turbo Dynamics Corp. is incorporated in Delaware. Turbo Dynamics Corp. is incorporated in Delaware.
Mutual Funds

by ROBERT E. RICH

Investment Position of Canadian Oil Stocks

The current issue of Calvin Bullock's "Perspective" is devoted to a review of the more recent trends of the Canadian oil industry, future prospects and the investment position of Canadian oil stocks. On the latter score, "Perspective" notes that:

"What can be said about the level of prices of Canadian oil stocks? Obviously this involves a large measure of judgment not only as to the future prospects for Canadian oil generally, but also as to timing. Implied also an appraisal of individual companies.

Prices of Canadian oil stocks as measured by the average of the high and lows of the Toronto Stock Exchange Index of 15 western Canadian oils rose to 133.64 in 1952. The influence of the rumble of the oil boom and speculation over future discoveries, however, caused the Index declined to 83.69 in 1954 and again rose to a new peak of 192.96. By Aug. 26, 1957 the Index had declined to 165.66. The performance of the major Canadian integrated companies has been rough enough the same.

The trend of yearly price/cash earnings ratios, which relate much more closely to the average of highs and lows to results achieved in terms of net cash generated from operations, shows a different picture, however, as the table below shows. Its shares distributed by F. Eberstadt & Co., Inc.

<table>
<thead>
<tr>
<th>Year</th>
<th>No.</th>
<th>Three Years Average</th>
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<td>6.50</td>
<td>17.00</td>
<td>7.00</td>
</tr>
<tr>
<td>1953</td>
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<td>7.00</td>
</tr>
<tr>
<td>1955</td>
<td>7.25</td>
<td>17.00</td>
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</tr>
</tbody>
</table>

*NOTE: Dry hole costs excluded for Canada. Major, therefore, shares fairly comparable.

"Despite the peak market prices prevailing at one time, it was understandable that there was less of a premium placed on operating results by the marginal and independent than at any time in the past. The same cannot be said of the larger integrated Canadian companies for that matter of the smaller integrated companies of comparable nature. The trend of lower price/cash earnings ratios is, however, a healthy sign and one that might hopefully be expected to continue as the Canadian oil industry gains stature. Another encouraging sign which has affected the ratio is that the more successful companies are generating increasing amounts of cash for exploration and development from operations. The opportunity for the investor, since it often means increased exploration results and elimination of equity. Thus in comparison with prices over the past 10 years, current levels, which are high historically, are not unreasonable when related to operating results. The opportunities for discovering oil do not seem to have diminished appreciably despite past achievements and compare favorably with prospects in the future. These days are no more miles of prospective oil land in Canada, much of which remains to be explored. One exploration well has been drilled for about 100 square miles of potential oil land compared with one in every ten miles in the past. It is in order here to point out that several elements suggest a relatively healthy picture at the moment and emphasize the need for prudence in diversification and, careful analysis of individual issues as well as the effects of international events. The immediate future is clouded by excess productive capacity—And it appears that the problem could continue for a few years. It would seem prudent on other things to investigate carefully the source and dependency of the situation, not only as between contract drilling, marketing and production, but more particularly to particular fields, since allowances between fields differ. A production picture which is dedicated in large measure to debt retirement may well lose ground to others who can develop a larger part of their resources to exploration. Production in Saskatchewan and natural gas sales will be advantageous in the immediate future as a hedge against a probable temporary full in the world's south trend of Alberta production."

"Granted a sound appraisal of specific oil companies will be considered that investment in the Canadian oil industry has been interesting new all the encouraging long-term prospects for exploration as well as the historical reasonableness of current prices."

Diversified Sets Sharehold. Record

Diversified Growth Stock Fund, Inc., reports a record gain in its shareholders in the month of August, and a year characterized by sharp market declines. During the month, shareholder of this $200,000,000 mutual fund increased by 1,126 or 14%. This was the largest monthly gain since the fund began operations in 1930. On Aug. 30, shareholders totaled 9,353—an increase of 2% over the June 30 figure of 9,384 and a 40% rise over the 1956 year-end total of 6,914. At the end of August total net assets of the fund were $20,061,307. This compares with $15,275, 297, at year-end, as compared with $8.37 on Dec. 31, 1956.

Fiduciary Mutual Dividend

Fiduciary Mutual Dividend, Inc. (Firm: 719) has declared a quarterly dividend of 1.5% on its cumulative investment income, payable Oct. 15, 1957 to shareholders of record Oct. 7, 1957. This is a continuation of the rate established in June. Previously the dividend had been 1.10%.

FMIC is a diversified balanced mutual fund with net assets of $633,000,000 on June 30, 1957. Fiduciary Trust Company and Fiduciary Trust Company of Canada, whose investment advice is the New York Stock Exchange, is the distributor.

Asian flu and the Drug Companies

The remarkably fast response of the nation's drug companies in developing an anti-Asian flu vaccine is documented in the current issue of Chemical and Engineering News. "The drug industry took only 30 days from the initial incidence of the disease in this country to make the first shipment of vaccine..." says the August 23 issue of Chemical and Engineering News. It's been developed by a large company, which has not been named, and is the principal investment advisement of the U. S. Public Health Service.

Chemical and Engineering News, is managed by Chemical Week发动, Inc. unites the financial press distributed by F. Eberstadt & Co., Inc.

Atomic Fund Follows Fusion Atomic Research

Atomic Letter #21, recently released by the Management of Atomic Development, Mutual Mutual Fund, Inc. comments on the research being conducted by the Atomic Development, field of controlled thermonuclear (fusion) reactivity at Westinghouse, General Dynamics and General Electric. "The research is to invest in companies active in all phases of atomic energy including mining." Also described in Atomic Letter #21 are the prospects for continued growth in the use of radiation instruments accompanying the predicted tenfold expansion in the use of radioactive materials during the next five years. The fund's management expects improved earnings and dividends in the second half of 1957 from its major holdings, including those of Newport Newsbuilding and Drydock Co., the recent recipient of a contract for the first nuclear-powered aircraft carrier.

August Sales of George Putnam F'd At-Time High

Purchases by investors of shares of The George Putnam Fund of Boston, Inc., during August, 1957 were the largest for any month in the Fund's 20-year history, totalling more than $29,000,000 and including a single purchase of slightly over $1,000,000 by an institutional investor.

The head of a $22 million mutual fund says that "no longer afford to absorb rising labor costs," and predicted that they will be passed on to consumers in "increasing proportions.

According to H. E. Slayton, President of J. P. Morgan & Co., business has already "absorbed a good deal of the rise in costs."

"The difference of 4% a year has to be absorbed by someone, either the producer or the consumer," Slayton said last month in a keynote address in Minneapolis.

Slayton said recent cutbacks in the defense budget may help to bring prices down somewhat, but pointed out that there may be any prolonged interuption in the long-term upward trend of prices.

If dollar values continue to shrink, stockholders in insurance securities can expect to hear "nothing from their holdings and could, in effect, lose part of their.

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Massachusetts Life Fund

Massachusetts Life Fund is paying a dividend of 14 cents per share from net investment income, payable September 15. Payment of dividends is authorized by certificate of record at the close of business September 20, 1957.
their principles each year, Say- 

ted.

"But common stocks," he added, "afford excellent protection against risk of inflation." 

"An investor employing them for this purpose, and to participate in the long-term growth of our economy, should of course keep sufficient money on hand to enable him to take advantage of new opportunities," he said. "But no change is discernible in the underlying fact that the long-term trend of money is down, while the long-term trend of stocks is up."

Nicholas Lamont with Draper, Sears & Co.

BOSTON, Mass.—Nicholas Lamont has become associated with

Electronic Device

equals Output of 9,000 Stenographers

A tireless "electronic stenographer" capable of a multi-million word daily output has been developed, according to "Keeping Up," monthly publication of Television Shares Management Corp., sponsors of the 145 million Television-Electronics Fund, Inc.

The device, manufactured by the Stromberg-Carlson division of General Dynamics Corp., is capable of turning out as much work every 24 hours as 9,000 stenographers working 3,000 to the shift, in a 3-minute shift, has been published. Called a Chartered computer readout, the new device will be used in conjunction with a Remington Rand LARC computer, and is reportedly 35% faster than any comparable equipment manufactured by the company.

The mutual fund management publication said that the Chartered computer readout will be able to display and record on film split-second "thoughts" of the LARC computer at the rate of 15,000 characters per second. This compares with about 1,200 characters per second achieved by the former device - the "cold," in general use with computers. At the 15,000 characters per second rate, the publication said, and on a 24-hour-a-day - week basis, the Stromberg-Carlson device will be able to record 259,500,000 words a day, the equivalent in figures, diagrams and plotted curves, complete with titles, scales and digital values.

Nicholas Lamont with Draper, Sears & Co. (Sponsored by The Financial Chronicle) Boston, Mass.—Nicholas Lamont has become associated with

Distributors Group Sales Conference

Distributors Group Inc., sponsor and director of Group Sales Conference, held in New York City, has disclosed from left to right are John L. Ahke, V-P; Director of Sales; Herbert K. Anderson, President; Harold X. Schroeder, Executive V-P; Director of Research; and John R. Mayer, V-P; Dealer Relations. Standing from left to right are Robert C.stack, Manager Michigan; William C. Rogers, Regional Manager, Middle South; C. M. Baker, Regional Manager, Mid-Eastern States; Harold D. Hassen, Sales Development; Walter J. Murphy, Regional Manager, N. Y. C. N. J. and Delaware; Walter J. Boyd, V-P; Regional L. Walsh, Regional Manager, South; Howard E. Stetson, Regional Manager, West; Fred H. Barber, Regional Manager, Southeast; Albert C. Gordon, Regional Manager, Pacific Coast; William F. Miles, Regional Manager; Ralph A. Draper, Regional Manager, Midwest.

Continued from page 2

The Security I Like Best

and ranks first in the production of photoflash bulbs (accounts for about half of total industry output).

Sylvania's other lines include electronic items such as crystal diodes and transistors, electronic missiles used by the U. S. Army in the atomic and reactor communities, and cameras. Sylvania began early this year by increasing the company's position in the photographic products field. Military business, including tubes, is another area of considerable research and engineering on some advanced electronic developments. In the last year, Sylvania has concentrated on what it is calling its "atomic" research, with its laboratories at the Nuclear Corp., has interesting long-term implications.

Earnings for 1957 have felt the impact of the highly competitive market in the television industry, while the Argus Camera acquisition of the year, has presented the usual integration problems and costs. The result was a sharp drop-in earnings in cents per share in the first quarter, 106 cents per share in 1957 and 50 cents in the second quarter. Thus profits for the first six months were $1.30 per share compared with $2.10 per share of a year before.

There are indications that this readjustment phase for the company is about at an end. The impact of the light division by itself may have dramatized the improved tone in the TV set for the next 12 months and will probably be noticeable in the first-quarter results. The new Sylvania TV picture tube allowing the use of a narrower cabinet may have dramatized the improved tone in the TV set market, ?

Securities Salesmen's Corner

BY JOHN DUTTON

Now Is the Time to Ask Questions

Among your prospects and clients there are doubtless many who are holding securities about which they are not entirely sure. Are you aware that during those days when you are as busy as a bee, flying through scores of trades a week, you are too busy to control all your accounts. Every securities salesman and registered representative is familiar with the fact that very few of his clients think about all their investments to his firm. When over a year has passed, the impact of this has been established that is a different matter to each investor. He has to experience, covering a good many years, I can attest that not over $50 million per week, "going by" and selling through me, I think this is about par for the course for most retail securities salesmen.

Hope Versus Fear

Market eyes are focused upon two emotions—"hope" and "fear." Like it or not these primitive emotions will probably control action, and will act on all the logic and clear cut reasons you might give him. I believe you will find a similar reaction in bull markets.

In bull markets can be gradually eased out, and many makers have a certain lack of gudge in speculative investments, which, in retro, I see the time to let "fear" help you to do a better job of servicing your clients, both old and new.

Last Week: I Sure Did Ask a Question

To prove the point—one day last week I decided to ask a question. If you are tired of hearing everyone tell you every time I talked with you. While, I have no reticence in doing a limited amount of business with me, I asked, "How much do you pay for this?" and "Is your money now earning some interest for you?" very few people are earning interest. What does your income tax say about your money, "fear" helps me do a better job of servicing my clients, both old and new.

The Investor Who Was Impulsive

Now Will Welcome Help

Put yourself in the position of one of your customers who bought some securities at a price considerably above the current market value. What would you do if an investor with whom you are in contact told you that you have "made a big mistake" and that you should sell out? Who do you think is more concerned and "fear" begins to act on the action or inactions of the other person?

This is such a situation of human behavior that we must realize it is not because you cannot fight it or change it.

The Investor Who Was Impulsive

Now Will Welcome Help

If you or your clients have not been in touch with your broker for any reason, you might want to give a suggestion to your broker in the line of "hope" and "fear." The investor who was impulsive last year will welcome help now. If you or your clients have not been in touch with your broker for any reason, you might want to give a suggestion to your broker in the line of "hope" and "fear." The investor who was impulsive last year will welcome help now.

Nalsey, Stuart Group Offers Equip., Tr. Cfs.

Nalsey, Stuart Group Inc., and associates are offering today (Sept. 20) $15,400,000 of equipment trust certificates, series R, maturity Aug. 1, 1957 to 1972, inclusive.

The certificates, second installment payment, $3,000,000, are priced to yield from 4.5% to 4.8% interest to the holder. The entire issue of certificates is to be secured by 900 gondola cars, 700 hoppers, 300 wood cars, 1700 box cars, 2000 refrigerator cars, 2000 flat cars and 1200 tank cars estimated to cost a total of $45,000,000.

### Indications of Current Business Activity

#### AMERICAN IRON AND STEEL INSTITUTE

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<th>Latest</th>
<th>Previous</th>
<th>Month</th>
<th>Year Age</th>
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<tr>
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<td>103.3</td>
<td>108.2</td>
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#### AMERICAN PETROLEUM INSTITUTE

| Current | Monthly average (gals) | Forward | Gasoline 
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#### CIVIL ENGINEERING

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#### COAL OUTPUT

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<th>Steel rails</th>
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<td>122,000</td>
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<td>122,000</td>
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#### DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE

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<th>Sales</th>
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#### EDISON ELECTRIC INSTITUTE

<table>
<thead>
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<th>Sales</th>
<th>Year</th>
<th>Sales</th>
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<tbody>
<tr>
<td>1951</td>
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<td>1952</td>
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#### FAIR TRADE (COMMERCIAL AND INDUSTRIAL)—DEN & BRADENTHUR

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<td>Zinc</td>
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#### Industrial Production

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#### Stock Transactions

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### Business Incorporations

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# Reporting Frequency

The following tabular statements 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.
The Philosophy of Transportation

of service most appropriate, convenient and inexpensive when needs be, they cannot or vari¬
ously. To serve the nation's needs of developing its resources, provide a means for transport and promoting its standards of living, transportation must be flexible, sufficient and efficient but also reasonable and non- discriminatory in its services.

Transportation should be able to provide full benefits to people. It should be done without being a burden either upon the people who travel from place to place within the nation, or upon the owners. If the only way to attain this extremely desirable and beneficial result, the various forms of transportation must be placed in the position of monopoly, then it should be done. Any other result which might arise from such a posture of monopoly can be controlled through governmental regulation. However, the first and most important objective of the United States of America is to make it a possible development because it so profoundly influences the political, economic and social welfare of a nation.

It is clear that there is a strong public interest in the operation, the facilities, services and equipment of transportation. Its value and health is of national concern. To assure that the national welfare is protected and that all will receive, and continue to receive, safe transportation at a reasonable amount and on equal terms is the duty of Government. Such duty makes it imperative that responsible officials in Government and a large segment of the public know and intimately understand the fundamentals of transportation, and the significance of transportation to the individual and national welfare.

Non-Discriminatory Rates

During their earlier history railroads were essentially confined to local interest and local operation. The concept of the function of transporta¬tion can be better understood as a local or provincial matter. Transportation is the key to breaking down artificial barriers based on political subdivisions, be they local, regional or national. Present conditions require maximum fluidity of movement with a minimum of governmental re¬strictions. Freight rates can be just as effectively created in raising barriers against participa¬tion in common markets. Such barriers operate to the disadvan¬tage of all parties. It is not cus¬toms or cartels alone which have the power to allocate markets and limit production or permit dual pricing. These impediments to free markets can just as effect¬ively be created by rates which unfairly discriminate.

The artificial division and com¬plex isolation of economic areas, however, which have through experience, affected the price of commodities, the level of production, employment, and the standard of living, a population standard of living of the United States can be largely attributed to the fact that, although it com¬prises a large area, mainly only forty-eight sovereign states with varied conditions, natural re¬sources and climate, yet trade is unrestricted, and transportation is facilitated by equally effective artificial ob¬stacles such as unfair and discrimina¬tory transportation rates.

The vast, expansive land today do not accept the once com¬mon restrictive practices such as maximum freight rates. They now know that kindly and economically following to their ultimate welfare. The progress, happiness and even the peace of the world depend on the free flow of commerce, and the smooth performance of man's inventive genius. Clearly, by this I do not imply that con¬tinent same regulations for one use or should be equal in every state or country. Such a course would be unrealistic since we know that taxation, national conditions, geographic factors (as in miles, services and credit all vary in the different states and prov¬inces of a single country. If such conditions were identical everywhere, there would be no need for commerce, in fact, no progress.

Unimpared Interstate Commerce

Competitive opportunity by all persons in the various natural public markets is of the utmost importance. The commerce clause of the Constitu¬tion of the United States has inter¬nationally the duty of the States. It has permitted a per¬servative development of all sections of the country and has permitted the free play to the economic forces which ultimately will make better products at cheaper prices, in other words, it is for the welfare of more people. The interstate com¬merce clause of the Constitution of the United States, implemented by the Interstate Commerce Act and administered by the Interstate Commerce Commission, has made it possible that, through the availability of the waterways, a ready and efficient commerce is able to move those abuses which might affect the national, economic, and social welfare of the shippers, cannot arise, or, if they arise, cannot continue. Without this machinery which the Constitution guarantees the value of the free flow of commerce between the states would have been meaningless, as history before and after effective regul¬ation has incontrovertibly shown.

This situation makes the difference between contiguous nations as well as within nations by volun¬tary action. Voluntary action can reach lines or boundaries or beyond them, depending on the decision of the people, by passing the powers to an independent institu¬tion with the capacity to act. Such an authority can act as the in¬tended design toward the development of a mutually beneficial economic growth.

Regional Authorities

Through a sincere desire to raise the standard of its in its service the cause of peace by pro¬moting cooperation between na¬tions, a beginning at least, can be made toward the destroy national interest to accom¬plish such a desirable end. The fusion, rather than the wiping out, of sectional or national interests should be the key to its achieve¬ment. Ready examples of how this can be accomplished exist. The States of New York, New Jersey, by compact, have established the Port of New York Au¬thority which is able to administer and manage common transport facilities of two sovereign states to their mutual benefit without prejudice to the sovereign rights of either, on. A larger scale, the European coal and steel community is demonstrating that the welding together of mutually beneficial objectives can be accomplished without the indirect sacrifice of fundamental sovereign rights.

Thus, in addition to such things as physical and mechanical per¬fection, improvement in opera¬tions, uniformity of facilities and equipment, what is needed is a larger and deeper common under¬standing of the contribution of transportation to the general wel¬fare of peoples. Under modern conditions, there is no nation which can economically be self-sustaining. It is through the facili¬tation of movement that all nations can be helped to secure and maintain the freedom-loving nations search for the most effective methods to make its utmost contribution through efficient transportation to a common security and con¬tentment which is a precursor to world peace and tranquility.

With Halbert, Hargrove

(Special to The Washington Post)

LONG BEACH, Calif.,—William H. Merrill has joined the staff of Halbert, Hargrove & Co., 115 Pine Avenue.

DIVIDEND NOTICES

ROOF HODCO COMPANY, INC.,
Dividends on Common Stock

The Board of Directors has declared a dividend of 10 cents per share on the common stock, payable November 8, 1957, to stockholders of record October 22nd, 1957.

DENA A. MACDONALD,
Secretary-Treasurer

September 23, 1957

PACIFIC GAS & ELECTRIC COMPANY

DIVIDEND NOTICE

COMMON STOCK

DIVIDEND NO. 167

The Board of Directors on September 15, 1957, de¬cided to declare on the Preferred Stock, for the third quarter of the year of 40 cents per share upon the Company's com¬mon capital stock. This dividend will be paid by check on October 15, 1957, to common stock¬holders of record at the close of business on Sep¬tember 23, 1957.

K. G. CHRISTENSEN,
Treasurer
San Francisco, Calif.

SOUTHERN CALIFORNIA EDISON COMPANY

DIVIDENDS

The Board of Directors has authorized the payment of the following quarterly divi¬dends:

COMMON STOCK

Dividend Rate: 9 per cent.

DIVIDEND NOTICE

The Board of Directors has declared a quarterly dividend of 10 cents per share payable on the Common Stock of the Company on November 1, 1957, to share¬holders of record at the close of business on October 11, 1957.

VINCENT T. MILES
Treasurer

September 25, 1957

PACIFIC POWER & LIGHT COMPANY

Dividend Notice

Quarterly dividends of $1.25 per share on the 6% pre¬ferred stock, $1.74 per share on the 4.52% serial pre¬ferred stock, $1.64 per share on the 4.6% preferred stock, and 40 cents per common share on the stock of Pacific Power & Light Company have been declared by the Board of Directors of record at the close of business September 30, 1957.

H. W. Millay, Secretary

September 11, 1957

APhreat Technologies Corporation

DIVIDEND NOTICE

The Board of Directors declared a quarterly dividend of 5 cents per share payable on October 25, 1957, and payable to shareholders of record at the close of business October 11, 1957. The trans¬fer books will close on October 2, 1957.

Dated at Chicago September 24, 1957.

FRED G. PAICE, Secretary
WASHINGTON, D. C.—With the United States preparing to enter a new air age a year from now, with four-engine transports and low wing monoplanes, the Nation's airlines find themselves in a squeeze for new capital.

The scheduled airlines today represent a billion dollar aviation industry, but they have on order $2 billion of new planes. When Boeing delivers its B-29's, flights over the jet age, the turboprops are being cut this flying time nearly in half.

For instance, the flight from New York to Los Angeles will require about four hours and 27 minutes.

Meantime, the transition period ahead is numerous. The airlines today are operating craft that cost $80 million each. But new modern jets are going to cost $5 million each. The new transcontinental flights may go up to 158 passengers at a speed of 660 miles an hour, the passengers will fly in pressurized cabins far above the weather.

Congressional Aid

Congress, in the closing days of the 1957 session approved two bills designed to aid the airlines. One law gives the Civil Aeronautics Board until May 1958 to guarantee a loan up to 9% against loss of principal or interest made to airlines. Maximum guarantee would be $5 million.

The other law permits airlines to use equipment trust financing before bankruptcy.

Another bill designed to aid airlines in the jet age transition—pending in the Senate and is pending on the Senate calendar. If successful, it could come up for early next year when Congress reconvenes Jan. 7. The measure would permit an airline to devote capital gains from the sale of an airplane which has been used for financing, and at no gain marked as earnings by the CAB, which thus have the amount deducted from the net pay rates or the CAB subsidy.

Seek Fares Increases

The CAB, conducting extensive hearings into the applications of the carriers for increased rates, said that the final decision may be a year away. Additional fare increases are scheduled to be conducted next year. Pending final determination, the CAB turned down a 6% interim fare rise for eight domestic trunk lines.

The fact the new jet is being built does not mean that manufacturers have stopped building piston engines. Domestic trunk lines along this year will take delivery of 34 new planes, and 13 will be the latest four-engine transports.

Industry Net Declines

Stuart G. Tipton, President of the Air Transport Association of America, said the transport plane manufactured in 1958 will capable of carrying passengers over relatively short stages at a speed of 160 miles an hour as compared with the present day swifter travels.

The trade association, composed of scheduled airlines, says that the present average airfare is less than it was in 1938 when the fare was 5.52 cents per passenger mile. The 1937 average fare is 5.28 cents per mile.

"But as we approach the era of jet transportation, the airlines are trapped at the point of diminishing returns," said the chief of the trade association. "Business booms and profits have been the year's gross revenues of the scheduled air transport industry exceeded by $150 million in previous years, but the net income declined by 19%. The profit margin before taxes in the past 21 months has slipped from 12.5 cents on the dollar to 5.2 cents.

"The reason is simple: Everything involved in running the airplane has gone up—wages, fuel, aircraft, and the cost of doing business, while the fare has remained the same."

The expressed confidence the new turboprops will earn their wings. As an example; a new jet airliner used for 450 trans-Atlantic trips a year, would cost $45 million, carry 800-900 passengers or more. This number would approach the figure carried by the 8.5 United States, the fastest of all passenger liners in the world, which cost $70 million when it was built four years ago.

War Jets Population

For generations America's war veterans are going to have a great influence on the affairs of this Nation. The current strength of our armed forces is 15,300,000. Of this number 15,200,000 served in World War II and the Korean War. Of their average age is 38, and more than 5,000,000 served in the Korean War and the average age is 26.

Approximately 900,000 are officers and enlisted men, veterans, having served in both World War II and the Korean War.

There are now fewer than 3,600,000 World War I veterans who served their average age is 63. There are still 55,000 Spanish-American War veterans and their average age is 86. There are 100 or more Indian War veterans who served their average age is 90's or early 90's.

A check shows that Congress at its session appropriated $4,655,201,908 for the various Veterans Administration programs to run until June 30, 1958. However, when compared with $21,600,000 that the Defense Department will probably spend for the same period, the VA appropriations do not seem huge. Nevertheless, the VA programs and the Defense Department appropriations point up to where nearly half of the money voted by Congress is spent.

Now 46% of Population

The members of these veterans, together with their families, make up nearly 30% of the United States population. The President and Vice-President of the United States are veterans. It is likely that the next President and Vice-President will be veterans. The 22nd amendment has barred General Eisenhower from serving a third term.

Chairman Olin E. Teague of the House Veterans Affairs Committee recently summarized some of the broad activities of the VA. The VA presently operates 173 hospitals. The VA patient load on an average day is 115,000. During an average year a half-million veterans are admitted to government operated hospitals.

GI Insurance Policies

Nearly 6,000,000 hold GI insurance policies valued at nearly $44,000,000,000. About 5,000,000 World War II veterans hold $35,500,000,000 national service life insurance; $640,000 Korean veterans hold $96,000,000 of special nonconvertible, non-participating GI term insurance, $4,200,000 disabled Korean veterans have $228,000,000 term policies and $3,000,000 group insurance are available just to them; 300,000 World War I veterans hold $1,600,000,000 government insurance.

Any person who served in the armed forces at any time on or after Sept. 16, 1940, and prior to July 26, 1947, or on or after June 27, 1952, and prior to Feb. 1, 1955, discharged under conditions other than honorable after service of 30 days or more, is eligible for GI loans. Millions of veterans have taken advantage of these loans to build homes and buy farms and themselves up in business.

[This column is intended to re¬flect the "behind the scene" inter¬pretation of the nation's Capital and may not coincide with the "Chronicle's" own views.]


Books from Chapel Hill—Fall Publications scheduled by University of North Carolina—President C. H. Teague, Chapel Hill, N. C. (Paper)."