Exerting Enough Pressure
But Not Too Much

By WILLIAM McCHESNEY MARTIN, JR.*
Chairman, Board of Governors of the Federal Reserve System

Mr. Martin answers questions regarding monetary policy to expect, favorable recovery factors operating, and programs for either revival or recession, and emphasizes policies should not exert too much pressure. The Reserve Chairman depicts today’s adjustment problems as an aftermath of an inflation crisis, and believes excesses were bailed before creating maladjustments of protracted liquidation and structural economic realignment. Opines that past summer’s change in government spending had an unsettling effect on business and warns we should temper fiscal action to meet our defense needs based on a strong and progressive economy.

*Statement by Mr. Martin before the Joint Economic Committee, Washington, D. C., Feb. 6, 1958.

World Monetary Problems
And United States Policies

By PHILIP CORTNEY
Economist and President, Coty, Inc.
Chairman, U. S. Council, Intl. Chamber of Commerce

Without absorbing other countries of their responsibilities, Mr. Coty ascribes greater blame for international economic disorders to our protectionist pursuit of a perpetual boom—and such side effects as $60 billion in foreign aid — and urges import-liberalization to help restore sterling convertibility. Moreover, the noted international business leader claims that should U. S. and Great Britain decide to stop inflation and restore sterling convertibility it will be desirable and necessary to devalue gold to $70 an ounce — instead of markshelt schemes to obtain artificial reserves in place of adequate gold reserves. Expresses conviction sterling can be made fully convertible, and criticizes basing prosperity on monetary-credit abuses and unjustified wage increases.

Twelve years after the end of World War II, international monetary disorder is still with us, but so are the balance of payments difficulties, exchange controls, import quotas and all the rest of the pharaphernalia for restricting trade. Despite the World War II we made solemn statements expressing our determination to reestablish free convertibility of currencies and to expand multilateral non-discriminatory trade. We created the International Monetary Fund in order to restore and maintain monetary discipline, and yet permit individual countries to experiment with new theories regarding full employment. For a variety of reasons, among which conspicuously incompetence, political demagoguery and lack of leadership, we have abandoned ourprofessed goals and accepted a policy of expedients, in line, be it said in passing, with

Continued on page 20

An address by Mr. Cortney at the 13th Mississippi Valley World Trade Conference Jan. 27, 1958, New Orleans, La.
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(The articles contained in this forum are not intended to be, nor are they to be regarded, as an offer to sell the securities discussed.)

HUBERT F. ATWATER

The investment analyst in his frequent visits to his dentist realizes the steps in the dentist’s chair is at a distinct disadvantage. During his work the dentist is apt to lose focus and running commentary of conversation including his opinion on investments and investment trends in general, but the poor anguished, though his mouth is green, unable to utter a word.

Many episodes of this character have occurred in my meetings with physicians and well-trained and well-respected dentists. Very often, we have had the discussion of why there is not an opportunity for input in the investment companies in that for many years we have furnished the dental profession with equipment, supplies.

Our attention centered on S. S. White Dental Manufacturing Co. and its largest and probably the best known company in the field. For well over 100 years, S. S. While, in 1844, it was incorporated under its present name, 1861 and has paid its stockholders a dividend in every year since.

The 1959 "hand shares" of stock, outstanding, no funded debt and no preferred stock. At the end of 1958, the stock had a book value of $41.75 and a corporate capital Paid-in stock. Dividends in 1956 and 1957 were $1.62 per share, and the policy of paying out about 60% of the earnings seems indicated. For the last ten years, the cash dividend policy has reflected a return of about 10% on the mean market price.

All these facts might indicate a degree of investor interest that will appeal to only a very conservative investor. However, my study of S. S. While Dental Manufacturing Co. indicates that there has been a de- theft by the advertising authorities of volume of business and the President has announced an estimate of profits for the past year of about $3.00 per share, compared with $2.50 in 1956.

The S. S. White Dental Manufacturing Co. is the largest enterprise of its kind in the world. It is conservative in its management, its policies, and its capital structure, and has investment attraction. It must not be left unconsidered to speculative performance.

Since 1847, the Company obtained a license to manufacture and sell a dentists high speed drill enabling the principle of an air turbine. Because of the high speed of the drill operates and the cooling stream of water which accompanies it, the patient may feel no vibrations or the sensation of heat when the drill is operated. In fact, he may find the sensation of "almost none.

Volume in the sale of equipment, supplies and services to the dental community continues the rise in the general level of income during the past years. The greater stress placed upon dental care by the American Dental Association has brought good fortune to the stock of S. S. White Dental Manufacturing Co.

Hubert F. Atwater

Over-the-counter RIGHTS
Control Trading as a result of an economy

G. C. Murphy Co.

With the present market environment conducive to increased attention towards stocks that have furnished in community return, equities possessing such characteristics investment appeal have reflected great favor in this environment.

The variety chain store stocks have been rather generously neglected and all this is reflected in the current uptrend in Stock prices which has now brought them to well-defined levels. The current yields in this group are relatively high—from 6% for well protected current dividend returns among the better situated issues.

The underlying causes of the continued rise in stock prices have revolved around (1) inability of variety chains to obtain their share of total consumer spending while (2) having to cope with higher labor and tenant costs. Profit margins consequently decreased, earnings negated and the stocks lacked investment appeal. Considering the economic trends prevailing, these conditions may now be largely arrested and a better grade issue like G. C. Murphy, listed on the New York Stock Exchange, is selling at a well-defined price and offers an excellent income return.

G. C. Murphy ranks as the fourth leading variety chain in the country. The Company is first in the South, second in the West, third in the Midwest, and fourth in the Northeast.

For the Company, sales increased 14% compared with the 1949-50 average of 29%.

The Company ranks best of all variety chains in terms of return per dollar of capital invested.

Murphy’s profit margins have been among the tops in the field—10.1% in 1956 and probably about 9.4% in 1957 (Northeast—15.9% Wilderness—16.8% Kress—9.6% Kress—11.6% Grant—5.3%—all somewhat lower than the principle.

Dividends have been paid every year since 1913. For the past several years $2.00 per share has been paid, and the dividend for the past three years has been $2.50 per share, which amount appears secure.

1957 earnings of $2.10 million up from $201 million in 1956, and a new high record.

1957 earnings, reflecting the narrower profit margin, should be about $3.75 million compared with $4.10 in 1956 (which was the highest earnings for the past five years were, representing $3.60 per share.

The 1957 dividend of $2.12 is only 56% of earnings, representing the most conservative pay-out among the variety chains—a facet of the situation relative to the dividend continuity.

The shares have declined almost steadily since 1955 from a high of 61 to a current price around 33. Operating earnings in 1951 were 83 per share and the dividend $2.38. Ratios are around the same level as shown then and meanwhile book value, for all time, has increased from $25 per share to about $50 per share.

The present price of about 34 appears well defined, relative to earnings, earning power, rate of dividends, and earnings, and should lead to a recovery in the stock price.

A. H. F. Clark

The security discussed in this article is available for purchase in New York market by virtue of its New York Stock Exchange listing. It is sold by G. C. Murphy Co., 122 Broadway, New York City.

This article was written especially for the Financial Chronicle.

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N. Q. B.
Overs-the-counter industrial stock index

19-Year Performance of 35 industrial stocks

PUBLISHERS DIRECT
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The Periodic Stock Dividend—Boon or Sop?

By JOHN H. MYERS
Professor of Accounting, Northwestern University, Chicago

LOYD C. HEATH
Teaching Assistant, Department of Economics, University of California, Berkeley, Calif.

University economists term illegal the increasing popularity of periodic stock dividends. They maintain that the receipt for this type of dividend generally does not constitute income and adds mechanical and bookkeeping burdens. As an asset from corporate standpoint, they offer nothing except pleasing stockholders. Maintain aims can be better accomplished by the split. Report eight years rise accompanies stock dividend payment, but this may be due to other factors. Conclude device constitutes mere sop to uninfomed stockholder demand.

Stock dividends have come back into vogue in recent years after nearly 25 years of unpopularity. Standard and Poor's "Outlook" lists 412 well known corporations that paid stock dividends in 1958 compared with 314 in 1955, and only 299 in 1954. It now appears that the number of companies paying stock dividends in 1957 will even exceed the 1956 record.

With this increased popularity, it becomes pertinent to examine some of the various factors management consider in reaching the decision to pay a stock dividend.

Definitions

Although there may be technical accounting considerations distiguishing a stock split from a stock dividend,1 perhaps the most important consideration is that of size. Ordinarily a stock split at least doubles the number of shares outstanding whereas a stock dividend increases the number outstanding by something less than 25 percent.

Mears, Graham and Dodd2 distinguish among the types of stock dividends:

(1) Extraordinary—"one that capitalizes a substantial part of the accumulated surplus of past years."

(2) Substitutional—"one that is declared in place of the regular cash dividend."

(3) Periodic—"one that capitalizes part of the current year's earnings only."

The first type of stock dividends are generally 100% or more. Although there may be accounting considerations which may prompt the issuing corporation to refer to such a distribution as a stock dividend, the motive is generally the same as for a split stock, they are frequently considered as stock splits by stockholders, and they may therefore be regarded as stock splits or "split-off" effects in the form of dividends. They are not discussed in this article. Additional stock dividends are usually understood to be those in which stock has been substituted for all of the cash formerly paid. Prentice-Hall paid two such dividends in 1956. When both cash and stock are paid, the question of whether the special dividend is supplementary cannot be answered. Such substitutional dividends may be used either in the case where a corporation is temporarily short of cash, or where an extremely rigorous expansion program drains the company of cash which might otherwise be used for dividends.

Continued on page 28

1 Technically, a stock dividend and a stock split may be distinguished by the accompanying accounting entries, i.e., where the stock dividend is paid, the "wise" or "effective" market price per share of common stock of the distributing corporation is approximately the same as the "effective" market price per share of the stock for which the distribution is made. When the stock split is made, the market price per share is approximately the same as the "wise" or "effective" market price per share of the distributing corporation. The argument is that the capital involved in the distribution of the stock split is the same as the capital involved in the distribution of the stock dividend, whereas the market price involved in the distribution of the stock dividend is the price of the stock before the distribution is made. The market price involved in the distribution of the stock split is the price of the common stock of the distributing corporation before the distribution is made.

Of Myths and Missiles

By DR. IRA U. COBLEIGH
Enterprise Economist

Setting down some random notes about our expanded program of rocketry, and indicating some of the companies especially in line to benefit from same.

Perhaps one of the reasons for delays and disappointments in perfecting our missiles has been that we have been laboring under a false pagan mythology in the field of rocketry. For example, it has been generally agreed that a major development at the Atlas Intercontinental ballistic missile, and is one of completing a $40 million production facility for producing the Terrier I, Terrier II, and Tartar anti-aircraft guided missiles. This is an important development in military electronics, even though it is in the pre-Carson division; and at Electric Boat DiV. is turning out the automatic submarine, in which the deck is a relatively small portion of the total design, will, in due course, be launched.

The common of General Dynamics now selling around 65, paying $2 and earning around $4.34 per share, is a valid across-the-board equity entry into the rocket age. Management is both effective and imaginative.

Another company which has been doing well as a result of the missile industry is Martin, whose common is listed on NYSE and sells today around 34. In fact, Martin does no civilian business at all. It was resistant to the idea of developing seaplanes and has a pres- sure to produce guided missiles. Martin is now under the management of one of the original creators of the air force, Dr. T. H. White. This company is in the forefront of research and development on a number of important projects.

Another broad participant in missiles is North American Aviation, Inc., a division of Rockwell International. This company is developing the missiles for the Air Force, Martin, and for the AEIC. North American is also doing important development work on guided missiles; and on a revolutionary submarine, the SS-N-519.

North American Aviation had a 1957-58 price range between 30.4, and 34.7. At today’s close, the stock might be worth about $4.30 per share on the basis of the $1.60 dividend.

General Tire Company, which started out as a tire manufacturer, especially for the replacement market, has branched out widely into plastics, high quality chemicals, television, broadcasting and motion picture production. It is also very big in missiles through AeroTech, Inc. This company is the largest supplier of rockets and missiles, because of the most complete facilities for development, production and testing of rockets and missiles. It is also a supplier of liquid or solid fuels. It is the exclusive distributor for Titan ICMB, and the Navy Polaris IBMB. It has a block of General Tire sells at 25, pays 70c (plus a stock extra). The stock also sells around 82, and a debenture (with warrants attached) selling over-the-counter around 118.

Thiokol Chemical Corp. has also been getting some publicity based on the brilliance of company, management, and belief that Thiokol is on the verge of a major development in rocket propulsion. Solid fuel rockets can be more compact and ready for instant use; many believe they are more reliable and far easier to handle; and have fewer risks of the highly "chemical" fuels. Thiokol has some additional possibilities, such as the "clean" rockets which are being used to launch the electronic missiles the United States and the world is now building. Thiokol is also working on the material aspects of the people of the world. It is not conceivable that it will be held in check for long.

Turning to retail trade, it was recently reported by the United States Department of Commerce that sales for the year 1957 reached a record $92,880,000,000. In 1958, a gain of 5% in dollar volume over the previous year. This growth is expected to continue at a rate of about 10% per year.

With regard to the country’s employment situation, unemployment figures will start dropping in March, according to a recent report from the Goodwin, director of the Bureau of Employment Security. However, he pointed out that the decline was expected to be slow and no great improvement in the situation was expected before July. Mr. Goodwin expressed the hope that the report in recent testimony supporting a request for Congress to supplement unemployment benefits for state agencies. From January through June, he observed, these agencies will pay out $1,600,000,000 in unemployment compensation or 72% more than in the same period a year ago.

This month the steel industry will emerge from the most severe recession in recent years, "The Iron Age," national metalworking weekly reports this week, but cautions that the end of the deepening recession is not expected to suggest the return of the former immediate splurge in new business. It states that there will be a "slow upturn" in April and May with some early strains in the wind in March.

A survey of the steel market shows that the steel industry’s contract business with United States makers was stronger than in a year ago. However, it has not been as strong as some had expected.

This month has further reports that the steel price structure is still strong with no signs of bending. Recent declines in a few stainless steel prices are not considered a weakness in the price structure of that type of steel. These changes have had no effect on the general steel price structure.

Were it not for the strong basic condition of steel prices, the industry probably would be back in the so-called pauper stage, a position all steel companies hope they never get into again.

How did the "Iron Age" selling price increase of $2,500,000,000 to $3,500,000,000 a year ago in steel prices? A "Ward's Automotive Reports" was published on Friday of last week. The report is expected to be in effect within the next several months.

The statistical publication estimated output at 108,065 cars and

**The State of Trade and Industry**

Sentiment last week appeared to be growing among number of people in trade and industry that the bottom will be temporary and will in the months ahead.

With respect to the inventory situation, all suppliers are of the opinion that inventories have reached a point where it will be necessary to place orders to keep up a reasonable balance. Even credit is readily available with no heavy pressure being exerted, according to many. Inventory allowances in the past year, it was reported, that such debt expanded in 1957 by about $2,750,000,000, but that 90% of that year’s debt. Credit for outstanding, it was pointed out, on the other hand, that the positive sentiment in the closing months of 1957 from one of optimism to one of caution by some, George L. Lundy, President of the Commercial National Bank of New York, said that the positive sentiment in the closing months of 1957 from one of optimism to one of caution by some, George L. Lundy, President of the Commercial National Bank of New York.

The high level of expenditures for the construction of plant and the purchase of equipment, as well as the extensive home building program which has continued despite the recession for a period of twelve years, was almost certain to hesitate for a time and would also slow down the construction of plant and further improvements and additions of existing plants. This is due, for the most part, to the attitude of many of the people of the world. It is not conceivable that it will be held in check for long.

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America Cannot Afford to Gamble With Recessions or Depression

By ELLIOTT V. BELL
Editor and Publisher, "Business Week"

Positively bolder Federal action instead of "paralytic rubbish about healthy readjustments and letting nature take its course" is advocated by publisher-editor Bell who refers approvingly to the first 4 years of the Hoover Administration of 1929-1933 as compared to the latter 4 years of 1937-1941. Mr. Bell contends we cannot afford to downward deflation spiral and suggests: (1) preparatory planning for reduced taxes and increased spending; (2) a National Economic Stabilization Board, unused to wage an economic battle against deflation; and (3) putting current recession into use by constructing fall-out shelters as suggested by Gaither committee, and other public projects.

I hope and believe we will remain as sound an economic unit as we were two years ago. It is incumbent upon us to carry on during the inevitable boom years to build up our defensive strength and at the same time to reduce our cost of living by improving efficiency, etc. The Federal Government must, through the Treasury Department, cooperate in this. If we do this, we can prevent a repeat of the 1929 conditions.

The Federal Reserve System has become a powerful force in our economic life. It has the machinery to make an adjustment to curtail the growth of the economy if necessary, but we cannot afford to do this if we wish to avoid the catastrophic effect of another depression. The banks have already reduced their credit, and the Treasury Department has taken steps to reduce the amount of money available for circulation. If these measures are not sufficient, the Federal Government should take further action to control the growth of the economy.

In the past 100 years there have been only 11 times when there was a greater rise in the price level than the average of the past 10 years. Of these 11 years, 10 were years of war or depression. The rise in the price level is therefore a reflection of the state of the economy as a whole.

The current recession has been caused by the aftermath of World War II. The massive economic activity of the war has led to an increased demand for goods and services, which has created a shortage of both goods and services. This has led to an increased cost of living, which has in turn led to a rise in the price level.

The Federal Reserve System has the power to control the money supply, and therefore the growth of the economy. It is the responsibility of the Federal Reserve System to take appropriate action to control the money supply and to prevent another depression.

The Federal Reserve System should take a more active role in controlling the money supply. It should take measures to reduce the money supply, such as raising interest rates, which will help to control the growth of the economy.

In conclusion, we cannot afford to gamble with recessions or depressions. We must take appropriate action to control the money supply and prevent another depression. The Federal Reserve System has the power to do this, and it is the responsibility of the Federal Reserve System to take appropriate action.
The Welfare of Our Country Is Tied to Electric Industry

By ROBERT E. GINNA
Chairman of the Board, Rochester Gas and Electric Corp.
Rochester, New York

Rochester utility head traces phenomenal growth of electric power, explains its importance to economic development and to industrial progress, and points out that the country and industry, and decrees increasing governmental power encroachment despite private industry's willingness to supply nation's requirements at no cost to taxpayers. Mr. GINNA predicts industrial demand will treble by 1970 and may treble still further by 1980. Sees oil, and hydro-power decreasing in proportion while nuclear energy becomes increasingly important.

The stake of America in the development of electric power is tremendous. Approximately 3.8 million stockholders own the business. Another 80 million life holders, including 120 million depositors in mutual savings banks, as well as shareholders in the various educational, religious or charitable institutions, have indirect ownership through their investments. In other words, practically every right of every ten people in the United States has an interest in the financial interest in the electric utility industry. Since 1910, 100% of the people are directly affected by its services.

The industry reached its 75th year in 1957, continuing its record-breaking growth. During the past five years, investment increased $10.5 billion, or 72%, including $3.6 billion in construction; and construction is currently going on at a rate approaching $4 billion a year. Profit for the first nine months of 1957 will alone for 1957 will be $1.8 billion, or 25.7 cents per average gross revenue dollar taken in.

Importance of Electricity

I quote these figures, not for the sake offigures them selves, but to impress upon you the importance of the electricutility industry of the country, and the general welfare of our country and its defense. The industry is a dynamic force in serving the needs of millions of people. Its contribution is vital in the establishment of an efficient, Unified nation, man's drive to travel and live in a more comfortable home, remote. It is an endangered species, and threatened Sputniks and satellites, it is the heart for mechanical power, which is our dominant power source. There is nothing more than an energy system that can be a more effective part of a country's capital, and the amount of energy consumed in a year by a country can be a benchmark of its industry growth. Electricity is a vital part of a country's capital, and the amount of energy consumed in a year by a country can be a benchmark of its industry growth. Electricity is a vital part of a country's economy. It is the driving force of industry, commerce, and transportation, and it is the key to the development of a modern society.

Robert E. GINNA

Putting the United States energy system on a sound basis illustrates the dynamic increase in energy requirements due to industrial development and increased living standards. From 1920 to 1956, the nation's energy consumption per capita in this period increased 2.5 times. The total energy consumption per capita again doubled; and by 1970, it is anticipated that the energy consumption per capita will be almost triple that which it was in 1920.

Since approximately 44% of the total energy consumed in the United States, the United States industry is an important measure of our industrialization as well as our consumption. The United States power generation per capita has increased approximately 4,200 kilowatt-hours a year—a growth of 700% in that period. This growth reflects the fact that power is no longer a luxury but a necessity. The trend in energy consumption per capita and the need for increased capacity have been paralleled by an increase in the number of power plants and the amount of machinery and equipment used in their operation.

The World Community

Now, we can turn to the United States interest in the world community. In 1955, only Norway and Canada generated more electricity per capita of its population than the United States. Since that time, the United States has increased its generation of electricity by more than 100% to 2,500 kilowatt-hours per person. In 1970, it is anticipated that this growth will continue and that the U.S. will lead the world in the generation of electricity.

Since electricity is one of the chief forms of energy in the modern world, our country's energy needs are greatly increased. This increase has been a result of the growing demand for electricity, the increased industrialization of our country, and the increased use of electricity in the home and the office. In the United States, electricity has been a major factor in the development of industry and commerce, and it has played a major role in the growth of our population and the improvement of our living standards.

The Federal Government

The Federal Government has a very important role in the generation, transmission, and distribution of electricity. It has been a major factor in the development of the industry, and it has played a major role in the regulation of the industry. The Federal Government has also been a major factor in the development of the nuclear power industry, and it has been a major factor in the regulation of the industry. In addition, the Federal Government has been a major factor in the development of the renewable energy industry.

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These Bonds, in the opinion of the Attorney General of the State of New York, will constitute direct and general obligations of the New York State Thruway Authority, unconditionally guaranteed by the State of New York, to the payment of both principal and interest. Such guaranty by the State, in the opinion of the Attorney General, will pledge the full faith and credit of the State of New York to the payment of the principal of and interest on such Bonds as they become due. This is the sixth issue under the authorization of $500,000,000 principal amount of Bonds which may be guaranteed by the State of New York in accordance with the provisions of Section 6 of Article X of the State Constitution. Upon completion of this financing there will be outstanding bonds aggregating $450,000,000 which are so guaranteed by the State of New York.

In the Bond Resolution, the Authority covenants that it will at all times establish, levy, maintain and collect such fees, rentals and charges (including tolls) for the use of the Thruway Project necessary or convenient, with an adequate margin of safety, to produce sufficient revenue to meet the expenses of maintenance and operation of the Thruway Project, to fulfill the terms of the covenants contained in the Resolution and to pay, when due and payable, the Bonds and any indebtedness to the State and any other indebtedness secured or unsecured of the Authority not otherwise provided for.

### AMOUNTS, COUPON RATES, MATURITIES AND YIELDS OR PRICES

<table>
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<th>Date</th>
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(Accrued interest to be added)

These Bonds are subject to redemption prior to their respective maturities, at the election of the Authority, at any time on and after July 1, 1985. Redemption prices start at 100% and decline in successive five-year periods thereafter to a minimum premium of 100%, applying from July 1, 1998 to final maturity. Full details with respect to redemption terms appear in the offering prospectus.

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Business and Stock Outlook
For the Long-Term Investor

By STEPHEN M. JAQUITH
Manager, Investment Advisory Department, National & Stan., New York

The year 1957 was the most prosperous in the nation's history. Most important, for many people, was the rise in stock prices. For the Industrials, the Dow-Jones averages gained 132 points, both for the year and for the new five-year economic program.


American Heritage Life Insurance Company—Analysis—Pierce, Constitution, 2 Mulberry, 12 Wall Street, New York 5, N. Y.


Food Machinery & Chemical Corp.—Memorandum—Mammel-Krapf, 52 Wall Street, New York 5, N. Y.

Kraus-Cotton Oil & Gas Co.—Report—J. B. Henri, Co., 120 Broadway, New York 5, N. Y.


Olin Mathieson Chemical Corp.—Analysis—Herbert E. Stern & Co., 100 Broadway, New York 5, N. Y.

Pure Oil Company—Analysis—Argus, Baker & Co., Incorporated, 120 Broadway, New York 5, N. Y.

Sutherland Paper Company—Commercial—J. C. Marston & Co., 229 Broadway, New York 6, N. Y.

Vick Chemical Co.—Memorandum—A. M. Kidder & Co., 1 Wall Street, New York 5, N. Y.

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Dyer Re-Elected Chmn. Of American S. E.

James R. Dyer, an American Stock Exchange member for twenty-nine years, and a stock specialist on the market's trading floor, was reelected to his third consecutive term as chairman of the exchange board of governors at the members' annual elections, Jan. 16, 1958, as an announcement by Edward T. McCormick, President.

Elected to three-year board posts for the first time were Van derpoel Adrian, Jr., Adrian & Finn; James A. Herman and Edwin P. Wheelie, as regular-member governors and David Van Alstyne, Jr., Van Alstyne, Noel & Co. and Louis J. Pugliese, Full & Burkett; and non-regular-member governors.

Also elected to three-year terms as regular-member governors were Harry P. Hemming, Jr., Walston & Co.; and Joseph F. Heilly, both of whom have served in the past. Again elected to three-year terms as non-regular member governors were John Brick, Paine, Webber, Jackson & Curtis; and Albert de Jong, Hirsch & Co.

Henry Parrish, II, Carl M. Loeb, Brodway & Co.; and Arthur W. Bache & Co.; both of whom have served in the past, were elected to two and one year terms respectively as non-regular-member governors.

Charles M. Finn, Adrian & Finn; and E. E. Spencer were elected to three-year terms as trustees of the gratuity fund.

Joins Hinch Bros.

(Open to THE FINANCIAL CHRONICLE)

BRIDGEPORT, Conn. — Arthur P. Carver has become connected with Hinch Bros. & Co., Inc., 872 Main Street, members of the Midwest Stock Exchange. He was formerly with G. H. Walker & Co.

$12,000,000

STATE OF MINNESOTA

2 1/2% Trunk Highway Bonds

Dated March 1, 1958. Due March 1, as shown below, Principal and semi-annual interest (March 1 and September 1) payable at the Office of the State Treasurer in the State Capitol, St. Paul, Minn., or in New York, N. Y. Coupon Bonds in denomination of $1,000, registerable as to principal only.

Interest Exempt from Federal Income Taxes under Existing Statutes and Decisions

Eligible, in our opinion, as Legal Investments for Savings Banks and Trust Funds in New York State and for Savings Banks in Massachusetts and Connecticut

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The above Bonds are offered, subject to prior sale before or after appearance of this advertisement, for delivery when, as and if issued and received by us and subject to the approval of legality by Messrs. Wood, King & Dawson, Attorneys, New York City.

The First National City Bank
of New York

The First National Bank of Portland

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The First National Bank of Minneapolis

G. H. Walker & Co.

The Marine Trust Company

Andrews & Wells, Inc.

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Shearskill, Hammill & Co.

The Northern Trust Company

The Northern Trust Company

Kahn, Loeb & Co.

Truk Company of Chicago

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Bache & Co.

Shearskill, Hammill & Co.

National Bank of Commerce

of Seattle

Robert W. Baird & Co.,

Incorporated

Byrd Brothers

Winslow, Cohia & Stetson

Znaher and Company

February 13, 1958.
Electronics as an Industry and An Escort into a New Age

By Paul A. Just
Executive Director, Television Shares Management Corporation

Electronic industry's accelerated rise—achieving largest growth of any industry in U. S. history and becoming the fifth largest industrial segment of our economy—has resulted in the present total of $7 billion to $14 billion in seven years is pointed out by Mr. Just to indicate remaining room for expansion still in store for this post-radios industry. The importance of industrial electronics is not simply in its being a part of home entertainment and defense uses for this innovation, as well as the expectation that the industrial application of electronics will run counter to decline foreseen for other capital intensive industries.

Nineteen hundred fifty-eight is more than one year. It is, in fact, a new era, historically stemming from three very significant events within the lifetime of most of us: the first atomic bomb; the birth of computers as we know them today; and the electronic age.

"Yes, it is 1876 A.D. Paul. It is also Electric Year 1; Annual 16; and Space Year 200."

In calendar year 1876, Alexander Graham Bell brought forth the triode, an electronic tube which was able for the first time to control the flow of electrons and thereby permit a variety of functions which, until then, could not be performed. This invention of Mr. Bell's, we may remember, was as we know it today, and formed the basis of the electronic development which followed.

In calendar year 1942, 16 years ago, Dr. Robert W. Goddard, fellow physicists and scientists working under the football stands at Stagg Field in Chicago, achieved the first nuclear reaction. This was the beginning of the first atomic bomb, and possible and started a chain of scientific research which only recently brought us the commercial atomic power at Shippingport, Pa.

In calendar year 1897—and I am sure you remember as we remember October 4—Rustia launched her first steamer, Viborg and thereby uplifted the seaspace in the Age.

These are the three significant events Electronics in this last 70 years to come, as well—a historical numerology all their own, for these three events telescoped three separate epochs in man into one brief period of time.

It is these three new ages of man with I wish to discuss. But I shall condense them even further and call them three epochs: the first, the electronic; the second, the atomic; and the third, the space.

The first epoch, the electronic, is Electronics, for it came in first in this progression. And we'll talk about it, the other two could not have emerged from the cocoon of pure science.

Electronics As An Industry

In considering Electronics, we must start in two ways.

First, as a science, it is its broadest aspect.

And second, as an industry from which we can measure and perhaps predict its broad, ultimate impact on the human condition.

Such as I would like to delve into in this paper is the unending wealth of powers as a science. I admit that I am not qualified to discuss this in the fullest, but will consider it as a science, its broadest aspect.

Electronics, As An Industry

In considering Electronics, we must start in two ways.

First, as a science, it is its broadest aspect.

And second, as an industry from which we can measure and perhaps predict its broad, ultimate impact on the human condition.

One cannot help but marvel at the progress made by industry for electronic equipment. The total dollar volume at the factory level of the entire industry in that year was $2,100 million. As the anticipated expenditures of $6 billion required to bring in the equipment in the 20 years following, is worth $8 billion today. This compares to the estimated dollar valuable for electronic equipment in 1965. It is about one-half as much as the total dollar volume in 1956-57, and television advertising in 1957.

Industrial electronics, therefore, forms that part of the equipment which forms the imposing economic structure of Electronics. The other part, which may be called home entertainment, and the applications such as medicine, physics, chemistry, and industrial electronics, or atomic energy.

For me I pass on a few items which indicate the probable depth of application which I believe will follow the items of the dynamism of the electronics industry.

Increased Industrial Sales

A recent study by "Electronics Magazine," a highly detailed trade journal, put the total of planned capital expenditures—which include new plant, building and equipment—by U. S. industry in the five years following 1965 at $6 billion. The magazine further estimated that the share represented by electronics would be increased by 22% or slightly better than $1 billion. This, they said, can be expected by industry to spend last year that much money for the future use in its own operations. They also estimated the total equipment purchased for use in the five years following 1965 will be about $12 billion, which there is a large and growing market for Atomic Energy.

By 1960, the magazine said, while planned capital expenditures by U. S. industry had dropped to about $25 billion, the share represented by electronics was expected to increase to 15.2% of the total, or about $1.5 billion. In addition to the industrial applications of Electronics, as we have shown, there are the two previous years of current capital expenditures by U. S. industry.

The magazine asked the same question that all of us—knows how your time is occupied in travel and entertainment? I find, in the future, it will take more time in the more intense communications. This is the future of the electronic age. Electronics equipment, therefore, will get more out of existing productive capacity. And at lower cost. That is, it can get done.

The magazine detailed the planned expenditures of the major, and some minor, industries, but I will mention only two. The biggest single chunk for industrial equipment is the group comprising "transportations equipment," "utilities, telegraph and telephony, and broadcasting and publishing companies." These put out $48 million and are expected to increase this year by $13 million. Out of the equation was the "airline" industry. Consider the brief period of time involved, this is the largest segment of sales in U. S. history.

1956 Predicitions

It is not hard, therefore, in the light of the immediate past, to predict the future. Those predicted in Electronics. Those who are interested in the industry involved in the industry for the next two decades is quite large. The volume of output will double in 1965, and reach $14 billion at the factory level.

Put another way, if we add to today's and 1960's figures the value added to factory prices in the process of distribution to the consumer and revenues from servicing, maintenance and broadcasting, we come up with totals of $12 billion to $14 billion in total of $24 billion by 1965.

The changes in the electronic industry, in terms of dollars, in terms of the industry's contribution to the American economy, is by no means, and I think you will agree, to the American standard of living.

The figures I have given certainly demonstrate that Electronics has come, that it is in the process of becoming the key element of the American standard of living.

The figures I have given certainly demonstrate that Electronics has come, that it is in the process of becoming the key element of the American standard of living.

Forgive me if I pass on a few items which indicate the probable depth of application which I believe will follow the items of the dynamism of the electronics industry.
What's Happening in Labor?  
By A. H. Raskin  
National Labor Correspondent, New York "Times"  

Distinguished labor correspondent reports that the UAW profit-sharing idea is not vastly different from 50-50 stock purchase plan proposed by General Motors and Ford three years ago be thankful to whether labor relations stability should be the paramount objective in industrial peace. Mr. Raskin deplores "deficit of stability in industrial rela-
tions," and finds "evil perpetrated in name of stability can be:
This new proposal anticipates increased manage-
gerial resistance to labor and more strikes this year. Believes
labor should "reorganize the organized" to obtain enthusiastic
support of its members.

If the auto industry could bring itself to design and build a fleet of new cars that Walter P. Reuther was to the formation of his collective bargaining programs, there would be no need to worry about the competition of foreign parts cars or other threats to Detroit's supremacy in the auto market.

With the first two rounds of the eight-car coil, he led, Mr. Reuther has a long lead on points over the auto inductors. He scored an initial victory six months ago in which 13,000 jobs, "value of men's minds" by his sugges-
tion that the companies pay him $100 from the price of their new cars as an anti-inflation measure. He scored his second victory when he stated that his union dis-
puted that Mr. Reuther was cun-
mittin, himself to nothing more than a publicity stunt. He is shoppin
divisional preliminaries. This decision has much of a "pie in the sky" quality about them that they could be used as a basis for
claiming that we were really far
away from a new industrial order.
Unfortunately, the President of the car
deal General Motors and Ford of-
tered their 80,000 employees an alternative to the so-called
guaranteed annual wage three
years ago to set the stage. Management and the labor have a period of several years to accommodate themselves to the new wage order.

It will be my guess that the kind of thing Walter Reuther is trying to achieve is widely dismis-
sed. His union has in the area of
15,000 members, and it is unlikely
that profit-sharing employees will
consider a wage (determination formula that
already provides for automatic
improvement factors and a cost of
living escalator.

Unfortunately for Mr. Reuther, the UAW is taking on more than a mental agility and publicity tech-
niques that combine the most per-
tinent Union Square and Madison Avenue to win a streakless victory in the payfall
of his bargaining set-to this spring. The stock demand for automobiles makes it seem un-
likely that he will be able to move any of the Big Three onto the
front burner with the same
sizzling fire he lit under Ford when he won the guaranteed an-
nual wage in 1950.

Industry-Wide Fight

These theories, still smarting under the outcome of that cam-
paign, have given many signs that
they will not step away from a
fight this year. Their accent on Mr. Reuther's "monopoly power"
raises a suspicion that they may
take off some of their inner-
industry antipathies and band
as one in the all-for-one and one-for-all bargaining re-

gagement of the kind the steel
industry fought in 1952. That
could mean that the first indus-

try-wide shutdown in auto history and an attendant reduction in the U. A. W.'s ability to exert its
 ersteiges on the companies may
not come easily. Mr. Reuther
don't mean to lose any of the
Mc

The United Steel Workers of America's tying of wages, which is keeping
Serenity apart whether it should

Mr. Reuther may find himself
trouble even before he tangles with
the industry. The United Steel
Workers of America is a small
organization, but one that is

of the three major union

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Continued on page 32

$7,055,000

Louisville and Nashville Railroad
Equipment Trust, Series R

3 1/2% Equipment Trust Certificates
(Philadelphia Plan)  

To mature $40,000 annually March 1, 1979 to 1973, inclusive  
To be guaranteed unconditionally as to payment of par and dividends by endorsement by Louisville and Nashville Railroad Company

Maturities and Yields

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Investor and sale of these Certificates are subject to authorization by the Interstate Commerce Commission. The Offering Circular may be obtained in any State in which this announcement is circulated from any one of the undersigned or other dealers as may kindly offer these securities in such State.

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February 11, 1958
National Security Expenditures And Effects on the Economy

By DR. LEO FISHMAN and MRS. BETTY G. FISHMAN
Professor and Lecturer, respectively, West Virginia University

Husband and wife economist team pose and answer fundamental questions on economic effects of changes in national security spending. Dr. and Mrs. Fishman find it is not generally true that any increase in national security expenditures will have a stimulus effect on the economy, even if it is financed by taxes, rather than by deficits.

Influence on Economic Growth

Another important question regarding the effect of national security expenditures concerns their influence on economic growth, a topic of much current interest. The Fishmans believe the answer to this question, like the one on the economic stimulus effect of tax reductions, cannot be answered without making some assumptions regarding the size of the stimulus and the type of economic activity which would have prevailed during that time period if national security expenditures had declined to, say, their prewar level. For economic growth to be closely related to the general level of economic activity, however, we must consider not just national security expenditures alone.

However, if we are willing to assume that we would have had full or nearly-full employment in the absence of the war, the effect of national security expenditures were reduced, let us say, their production. One may then ask whether we can afford to continue this policy or other times, our capital expenditures instead of being used to produce goods and services necessary to the war, could instead be used to produce consumer goods or services that would be available to civilian consumers when the war was over.

Since our answer to the previous question is in the affirmative, we may now turn to an analysis of the changes in national security expenditures and the effect it has had on the national level of economic activity. This type is particularly marked in the years 1940-45, and even more recently. In the years preceding and following World War II, we have seen a dramatic reduction in the level of national security expenditures which have held roughly constant at a high level of activity during the years 1950-60.

Effect on Economy

For the period as a whole, the effect of national security has been unimportant. But what about the years 1946-1950, when national security expenditures were lower than in the years preceding? It has been recognized by many economists in recent years that an increase in national security can have a stimulant effect on the economy, even if it is financed by taxes, rather than by deficits. Nevertheless, it is true that the effect of any increase in national security will be more modest, the larger the budget deficit, and thus an increase in the public debt.

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Edwin L. Beck
z/o Chronicle, 25 Park Pl., N. Y. 7
High Cost of Conservatism
In Pension Fund Investing

By Paul L. Howell
Pension Fund Research Dir., Twentieth Century Fund's Pension Fund Survey
Visiting Professor of Finance, Columbia University

Pension funds require a dynamic imaginative investment policy devoted primarily to common stocks, as best way to help limits on capital gains, says Professor Howell. Financial consultant maintains that adherence to a low yielding all-bond portfolio constitutes an "economic crime" in these inflationary times. Shows that economic crime is directly related to the foregoing principles of government policy. The result of successful disarmament negotiations. In the light of central issues of international tension, it would probably lead to a substantial increase in the cost of living. Thus, the economies of the war's end may very well have more far-reaching effects than a reduction of similar magnitude in the level of private investment.

I
Principles Governing Pension Fund Investments
Let us consider for a moment the framework within which pension fund investments are made. If there is an extremely long period of accu-

mulation and distribution, the return, in fact, is not likely to be significant enough to

hold the attention of an employee. In fact, a 10-year period will never be enough to accumu-
late enough income to be of any significance.

(1) A qualified pension fund is compedu to earn a growth, absence of catastrophic
risks, and dollar appreciation (in terms of cost of living) of 6%. It is not necessary to
make a sacrifice in the first place. The use of Bond funds will be expensive.

(2) In flow of funds (contributions and earnings) will exceed out-

flow to a substantial margin for the foreseeable future. Sustained inflow of funds is expected for the next generation.

(3) Retirement plans are not susceptible to catastrophic hazards. A retirement plan is to be expected.

(4) There is a complete absence of any administrative overhead.

(5) Investment techniques are conservative.

(6) In the management of pension funds, their productivity, i.e., dividend yield, and appreciation (should be the pri-
nary objective, completely over-

the rate of inflation.)

(2) As a corollary of this, inflation must be curbed. It is important to determine pension fund investments. Inflation management should get as large a return as feasible regardless of stable or declining price levels, and the risk of inflation in which yield becomes again a function of inflation.

(3) There is a complete absence of insurance (other than that provided by the stock market).

(4) Pension funds should be invested as long as possible (an unlimited time). This amounts to "dollar averaging."

(5) Because of full investment, market-wise, by more than 3% a year during the past 50 years with a dividend yield approaching 6%. As Edgar Lawrence Smith, pointed out many years ago, the compounded effect of retained earnings on market performance is enormous. Many other studies have been made which confirm this long run productivity of common stocks.

It is indeed true that if you took an entire fund and invested it in 1829 or 1929 history would show that it would take nearly 15 years to recoup itself. But pension funds do not invest huge amounts suddenly in a bull market. Regular periodic investment or dollar averaging, during the subsequent depression, would have been worse. For the losses sustained on the small proportion of funds invested at the height of the stock market boom.

Benefits of Independent Professional Investment Counsel
In addition to achieving merely the mediocre results of the aver-

age which there should be an im-

In terms of the Dow-Jones Industrial average which has increased
tage.

(1) Competence
(2) Personalized attention
(3) Continuity of advice and service
(4) Abuse of conflicts if inter-

ested in their own pockets.

Too few lawyers or accountants are asked to advice if they do not have the right kind of competence nor the right kind of subsidiary firm. Trust officers, through long adherence to fiduciary

ism, have the possibility of protecting the principal of the estate through fiduciary

ism. The investment in common stock is quite contrary to "orthodox" institutional investment Thinking. The right jacket of the past with respect to investing of pension fund's past investments and extremely costly. Let us examine the record. The monumental investigation of the performance of common stocks by the Cowles Commission shows that the achievement of a 6% return over a sustained period is not impossible. On the contrary, the mediocre results of the market as a whole are shown. The Cowles Commission made an in-

termittently and part of the market and income results of a broad list of industrial, railroad, and utility companies, the result of the period from just after the Civil War to the middle of the depression of 1930's. It was found that these stocks gave a better return over this 68-year period, ending in a depression, which was nearly 7% better than the average return (and expected return) would exceed 7.25%.

Similarly, the Dow-Jones Industrial average has increased

4. Cowles, Alfred, Common Stock Prices, 1870-1938

The First Boston Corporation
Dean Witter & Co.
Does Our Federal Reserve System Require Any Revision?

By THEODORE H. SILBERT

President, Standard Financial Corporation, New York City

Commercial finance head explains why, in his opinion, our central banking system needs revision in order to bring it "more in line with dynamic 1950's". Silbert asserts, entails coordinating monetary policy covering banking, credit control, federal debt and lending policies, and federal budgetary financing. Questions advisability of concentrating on a group of "growth aspects of our economy...choked off by tightening bank credit", and finds passed such activities as role of gold, rediscouting, etc.

The Federal Reserve Board was created in 1913 by the Federal Reserve Act. The system was literally in the horse-drawn, European, and Spanish satellite exalted only in academia. Our manufacture is made only in demand on our banking system.

In the intervening years between 1923 and 1929, the Federal Reserve authorities directly intervened to offset the effects of bank credit policy. But the painful 1929 depression effectively nullified the central bank's actions. The central bank of was of help at the outset and, as a matter of fact, is help. The Federal Reserve authorities, it is generally acknowledged, failed correctly to decide whether to push the expansion button, or the contraction button.

But this proved insufficient. In the late 1930's, the Federal Reserve authorities, with the onset of the depression in the early 1930's, took a variety of measures to encourage credit at home and abroad. These measures served as a stimulus to economic activity, but the Federal Reserve authorities have never been able to stop the depression.

The purpose of the banking system is to provide a medium of exchange, and to make credit available to the public. The Federal Reserve system was established in 1913 to provide a national banking system.

Basic Philosophy of 1913

The basic philosophy of our 1913 Federal Reserve System is that banks should be prevented from creating bank credit, and that the Federal Reserve Board should have the power to control the amount of bank credit.

Role of Discounting

In still another respect, our present Federal Reserve system is inadequate. The Federal Reserve Board, which provided the theory of the central bank was that if member banks lent too much, it would be necessary to control the money supply, and that the Federal Reserve Board should be able to control the amount of bank credit.

The Federal Reserve Board has been given the power to control the amount of bank credit, and that the Federal Reserve Board should be able to control the amount of bank credit.

Gold Determined Everything

Gold provided the basic determination of the value of bank reserves and the national currency. According to the theory of the gold standard, gold is the regulatory authority which the banks exercise in limiting the amount of bank credit.

Revision of Banking Laws

In 1933, 1934 and 1936, we revised the banking laws. The Federal Reserve Board then took on more important powers to control the amount of bank credit, and the uses to which it could be put. In addition, control over the central banks was vested more completely in the Board of Governors, who were appointed for 14-year terms. There have been changes in the leadership of the Federal Reserve Board, and the Board has changed in composition, but the basic philosophy of the Federal Reserve Board remains the same.

However, as Professor Sumner S. Stigler has recently pointed out, our present Federal Reserve system is inadequate. Our present Federal Reserve system is inadequate.

The 1913 Accord

The 1913 accord is a recent agreement between the Federal Reserve Board and the Treasury Department. The Federal Reserve Board has agreed to provide a Federal Reserve System of its own, and the Treasury Department has agreed to provide a National Banking System of its own. The 1913 accord is a recent agreement between the Federal Reserve Board and the Treasury Department.

The Commercial and Financial Chronicle... Thursday, February 13, 1950
Cost of Price Stability

Obviously, if we insist on price stability as the most important aspect of our economy at times, it is well and good for the Federal Reserve Board to maintain the sole cure for the current cost may well be the effective credit tightness is an increase in savings. This is obviously true, reasonable as this may seem, and certainly to be desired. The facts would seem to indicate higher interest rates brought about by higher rediscount rates, are therefore praised on the grounds that they will attract.

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Here is how today's John Hancock helped safeguard independence in 1957

Today, financial independence is a vital American requirement, and John Hancock is helping deliver it to over 10 million policy owners. We do so with sacred regard for the individual and his needs. This ideal of service, strongly held by every John Hancock representative, has brought us in 1957 to the greatest record of insurance in force and total assets in our long history.

How we paid benefits

Over $114 million paid out in benefits every working day in 1957—throughout every State and Territory of the U.S. and various Canadian provinces.

$654,121,684 paid to or set aside for policy owners or beneficiaries in 1957, an increase of 6.5%.

John Hancock made 1,561,224 benefit payments to policy owners or beneficiaries in 1957.

How we safeguarded the future

Assets: $5,163,266,034. (Obligations, $4,658,805,916; contingency funds, surplus and special reserves, $501,460,088.)

American industry and communities strengthened by John Hancock investments—an average of $2 billion invested every working day. Over $201 billion of John Hancock insurance in force at the end of 1957—an increase of 9.5%.

John Hancock

Mutual Life Insurance Company

Boston, Massachusetts

Our complete Annual Report will gladly be sent on request.
THE MARKET ... AND YOU

By WALLACE STREETE

The stock market rally, apparently, ran out of steam this Tuesday and yesterday, as the realization of the industrial average in piercing what was thought to be a support level at around 145 added another new question mark to its future course.

Thanks to the spirited upsurge throughout January, the list was still solidly in plus ground on the year but to many the fact that no intermediate "floor" had developed during the rally was a hint that the lower area of its 1956 range of 435-449 would have to come in for a testing before the picture would get clearer.

News Discouraging

Certainly there was little news around to inspire any better market action. The procession of reports showing a sharp downturn in individual company earnings for the last year was a long and steadily growing one. Some dividend cuts were already in effect, and the sharpest monthly uptick in the dozen and a half years such figures have been available, and on so on.

Drugs, tobacco and food shares were in favor, as well as other utilities on occasion. Rails, which had been well deflated in the long and persisted decline, were a bit resistant, and their first-time turn on the Rock Island, the dividend news was bad. Rock Island's payment was cut nearly 67½ cents to 5½. But it set the stock back only moderately when the news broke.

Steady Food Stock

The placid member of the food section probably is Consolidated Foods which through all the ups and downs of last year, earned out a range of only 61⅞ points, and has held, despite a 10½ stock dividend in 1955, in a range of only about 4½ points in more than three years.

Consolidated Foods is an important member of the group, rating as the largest general merchandise retail and wholesale distributor in the country for various food items, including coffee and canned fruits and vegetables. The company in the last two years has had a marked statistical progress that belies the languid action of the stock, boosting sales from less than $225 million in 1955 to more than $332 million last year. Its results for only half its latest fiscal year included net per share of $1.30 when compared with $1.64 for the full period of the 1956 fiscal period. The well-covered dividend offers a yield of 6½%.

Similarly the issue showing most signs of neglect in the store chain section is W. T. Grant which has yet to come out a 10-point swing for more than a year, has a book value well above the recent market price, is enjoying good earnings, offers a sheltered dividend which indicated a return of nearly 6½% at its recent price.

Oil "Bargain"

There wasn't much in the way of favoritism toward the oils except where, as in the case of Pure Oil, a trim of a score of points from its 1956 peak held the promise of a bargain, at least statistically. Pure Oil has grown greatly in recent years in its capacity to uncover its own crude supply. It is an integrated company that, like the rest, feels the last quarter letdown in business. Nevertheless, for the full year it covered its dividend twice over, and, as one source put it, is now available at a third of its book value in property and reserves.

Culling Western Rails

There are few champions around for the Eastern railroads but the trouncing some of the better quality lines have gotten in recent months also reflects in some culling of what appear to be the better bargains. Railroading generally is in the doldrums for fair, but Great Northern Railway, for one, is a far different operation today than it was when the rails last had trying times.

From a level of $20 million a year in new fixed charges, Great Northern has trimmed this commitment to $1.6 million and has built up its dividend income to $10 million which more than covers the fixed charges. The principal source of dividend income is the Burlington which it owns jointly with Northern Pacific with which a merger is being studied. Such a union would make a super colossal of the railroad business. Moreover, Great Northern has been fully developing its industrial sites along the lines to the point where some of those projects have been added in the last decade, including six large aluminum plants added through the hydro-power development emphasis in the Northwest.

Some rubber shares were prominent on weakness at times that seemed a bit excessive when matched against the projections for the industry through the year. Results are expected to dip a bit from last year's levels, mostly because of production of fewer autos. Sales of tires to the auto makers in June were far below normal, and replacement demand has been picking up and the profit margins here are more favorable. The industry, moreover, has progressed to where non-tire sales are more than half of the total business and here, too, only slight declines in demand are foreseen. Added up, it shows a picture of good business for the full year, off only slightly from the 1957 record results.

Dividend Boost Candidate

Candidates for dividend improvement aren't many at the moment, but H. H. Heinz is one of an exception in that it is regarded as in position to boost the payment, although probably not in a rush. The company derives more than two-thirds of its profit from foreign operations, so its earnings value and has been reporting steady year-to-year earnings improvement to where last year it probably came close to doubling the $3.12 earned in 1953.

A low-yield item, but one that is going ahead steadily with its expansion projects is Eastman Kodak. Its return has dropped below the 3½% line but it isn't paying much attention to the recession yet, having budgeted some $62 million to expansion for this year. More than half a billion has been spent by the company since World War II to improve its facilities but it still remains debt-free and it does have only a small preferred capitalization ahead of the common stock. It is granted a good chance of improving its earnings despite the course taken by the general economy.

Non-Leverage Issues Sought

There have been many attempts, particularly when recession talk was rampant, to sell out issues that have only common stock outstanding since the lack of the leverage factor in these companies call for drastic revaluation of the issues when earnings drop.

The lists are long and run the gamut from the defense-type items like Best Foods to Parke Davis in the realm of popular drugs, and U.S. Playing Card which was a depression favorite a generation ago. Some are still in a high-yield bracket alien to their inherently defensive nature such as Wrigley's 6¼% return, the nearly 8% in United Fruit and the better than 7½% of American Viscose and Hammond Organ.

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

Joins Benjamin Lewis

(Special to The Financial Chronicle)

CHICAGO, Ill.—John G. Taylor has become connected with Benjamin Lewis & Co., 135 South La Salle Street. He was previously with Ballman & Main.

With First Trust Co.

(Special to The Financial Chronicle)

ST. PAUL, Minn.— Ralph S. Ballman is now with Allison Williams Company, First National Bank Building.

NATIONAL SUGAR REFINING

REPORTS 1957 RESULTS

IN 1957 National Sugar provided homemakers and industrial users with more than 1,000,000 tons of sugar to achieve record sales of $187,675,-950. Sales in 1956 were $172,071,752.

Net earnings were $2,191,066, or $3.30 per share on the 663,618 shares outstanding, as against $2,558,258, or $3.86 per share in 1956.

For the eighth consecutive year dividends totaling $2.50 were paid. Net worth rose to $37,838,097 and long-term debt was reduced to $4,263,963.

The Company invested $1,550,780 in modernization and improvements in 1957, bringing total capital expenditures to increase efficiency to $20,113,-931 since January 1, 1946. Plant property carried on the Company's books at $26,717,873.

Highlights of the past five years, taken from the Annual Report, are given below. A copy of the full report is available on request.

STATISTICAL HIGHLIGHTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Net earnings</th>
<th>Net earnings (per share)</th>
<th>Dividends (per share)</th>
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<td>$1,647,551</td>
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<tr>
<td>1956</td>
<td>$172,071,752</td>
<td>$2,258,258</td>
<td>$3.86</td>
<td>$3.20</td>
<td>$37,838,097</td>
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<tr>
<td>1957</td>
<td>$187,675,950</td>
<td>$2,191,066</td>
<td>$3.30</td>
<td>$2.50</td>
<td>$37,838,097</td>
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THE NATIONAL SUGAR REFINING COMPANY

100 Wall Street, New York 5, N. Y.

MANUFACTURERS OF JACK FROST • QUAKER • GOODCHAUX • ARBUCKLE'S SUGAR
Fiduciary Responsibility in Pension and Welfare Funds

By HONORABLE PAUL W. WILLIAMS

United States Attorney, Southern District of New York
Former Judge, Federal Court of New York

In no way does Judge Williams correlate need to rectify many abuses that have cropped up with post World War II mushrooming of welfare-pension funds with anti-union action in proposing solution to end extortion, violence and greed perpetuated by a few dishonest employers. The U. S. Attorney reviews the magnitude, purposes, and kinds of funds; submits program of disclosure and grant of standing to Government officials in both civil and criminal actions; regulation by outside control; and believes Law of Charitable Trusts could be adopted to union treasury funds, and union-management trusts—special law for sole employer managed funds.

The Government of the United States has no power over the晓得 developments brought about by the tremendous growth in the size and power of labor unions so that the provisions of the Constitution and the standard of living of our workers would never have been considered.

However, having fostered a program by which the trade unions belong to some form of union, the Government has contributed to the growth of unorganized labor unions. The right of workers to organize and demand collective bargaining had been seriously challenged in this day and age. The right to act without an initial struggle and there are many employees whose memories bear witness to this fact that they cannot permit them to take for granted the beneficial efforts that have enabled younger workers to enjoy. Thus, some union leaders have viewed as a challenge to their hard-won gains any attempt by Government to examine or criticize various aspects of labor union management. In part, many political leaders that frank expression of their views might be used to support the equivocal label of "anti-union," has to some extent, prevented the union leaders to operate in a political sanctuary. Thus, acts, which if committed by labor unions would have been condemned, are often considered and viewed as justifiable because of the equivocal sources arising from the exercise of rights guaranteed by the Constitution of the United States and the laws of the land. This has led the Government to attract some men who have used the Government's disinterest and hindered them by a labor union designation for carrying on its acts of extortion.

Various law enforcement agencies, such as the Office of the Attorney General, have been involved in the prosecution of those criminals who have taken advantage of the situation. I will speak later on some of the work of my office.

I believe that the Senate Com¬ mittee on Labor and the Labor or Management Field has performed a valuable service in investigating the subject. The hearings have shown that labor's worst enemies, although appearing to support the labor organization. Able and resourceful lawyers, backed by a ready-made and thorough acquiescent MAF of the AFL-CIO, appear to have recognized this threat and are now being converted into programs which provide insurance for workers without any contributions by the employers. The Committee has established a single insurance that the employers can be reimbursed by a single employer and a single policy underwritten by a single insurance company.

There are basically four kinds of funds which are currently utilized. They are used in managing both welfare and pension programs. The first is a group insurance program which is administered, and which is self-insured. It is a program that is in the interest of the Federal, which require contribution and pension plan. The committee has made many recommendations, including the removal of the law which weakens the right of the employer to terminate any kind of insurance plan.

When wrongdoing takes place in labor matters, labor must rely on the collective bargaining process and this is the finest opportunity for cooperation, if such a union is for us to do so. The bipartite work of the Senate Committee on Labor and Public Welfare, on the other hand, is aimed at the enforcement of both the arbitration and mediation aspects of the construction of the program that is to say, what the Senate Committee is doing is giving the workers the right to appeal to a third party for the arbitration of their grievances.

With thoughts in mind I want to talk today about a law which has arisen as a result of the welfare and pension funds. It is a law that has been enacted since World War II, and my purpose today is to show that it is important that this subject be considered with sympathy and understanding. The law has been a valuable tool in the process of creating a uniform system and it is effective in protecting the rights of the employees. The protections of this welfare and pension laws are evidenced in a continuing American system where the effective means of combatting the insurance systems are being established and enforced unemployment that have caused such severe hardship in the past.

Perhaps you will have a greater appreciation of the problems that arise when you realize that the total number of workers in the United States is about $34 million dollars, or one-half of the 100,000,000 workers in the country. The law has been enacted to give the workers the right to appeal to a third party for the enforcement of the laws and regulations. This law has been one of the most important in securing greater uniformity and professional jurisdiction in the insurance field.

Sun Life of Canada Pays $34 Million in Policyholder Dividends: J. S. U. S. Attorney

Company sells total $917 million new life insurance in '57; $734 billion

life insurance now in force; $155 million paid to policyholders in 1957.

Higher policyholder dividends and a new sales record for the Sun Life Assurance Co. of Canada were the highlights of the year announced by its president in his review of the Company's business for 1957. Dividends paid to policyholders in 1957 amounted to $34 million in dividends to policyholders, as compared with $25 million in 1956. The company's net income amounted to $17 million in 1957, up 40 per cent from 1956. The number of new policies sold in 1957 was 750,000, or 195 per cent above the 1956 total of 250,000.

BENEFIT PAYMENTS

The Report also reveals that $15 million were paid to beneficiaries of deceased policyholders, representing a further extension of service to family welfare. Living claims, the report stated, also reached $100 million. Payments to policyholders and beneficiaries in the year 1957 exceeded the $34 million paid in 1956, and $10 million of the total is represented by new policies issued in 1957.

Mr. Bourke referred to the current level of demand for life insurance. "Almost 60% of the new life insur-
Things of Vital Concern To American Businessmen

By PHILLIP M. TALBOTT

President, Chamber of Commerce of the United States

The underlying philosophy of the Chamber of Commerce of the United States is clearly spelled out by Mr. Talbott in his review of the highlights of the National Chamber program of work and its plans for the immediate months ahead which, in a word, is: We are determined to make the Chamber a full-fledged and self-proclaimed representative of the American business man, and to make the Chamber of Commerce of the United States the principal advocate of the business interests of all the people.

The Chamber's work is not in the tradition of the past. It is the first organized business effort to achieve the goals of the Constitution. It is the first national organization of business to seek to influence government policies for the benefit of business. It is the first organization of business to demand and receive the respect of all men as a force in the national life. It is the first organization of business to demand and receive the respect of all men as a force in the national life. It is the first organization of business to demand and receive the respect of all men as a force in the national life. It is the first organization of business to demand and receive the respect of all men as a force in the national life.

Our country is still very young, but it has witnessed so many astounding changes in its structure of business, that it leaves one a little breathless to reflect on.

On frequent trips to the West, South, East, and North, I have had the chance to observe the changing industries and business activities. In all parts of the country, I have seen the effects of industrial progress, the growth of cities, and the development of new industries. These changes have been reflected in the Chamber's work, as we seek to meet the challenges of the future with the same energy and determination that we have shown in the past.

Our growing membership is evidence of the Chamber's success in attracting the support of business men across the country. We are proud of the fact that the Chamber is now a nationwide organization, representing the interests of businessmen in every state and territory.

The Chamber's work is not just in the present; it is also about the future. We are committed to working for policies that will promote economic growth and job creation, while protecting the environment and ensuring a healthy society. We believe that the Chamber has a vital role to play in shaping the future of our country.

In conclusion, I would like to thank all those who have supported the Chamber over the years. We are grateful for your continued support and look forward to working together to make the Chamber a force for good in the years to come.
From Washington Ahead of the News

By CARLISLE BARGERON

Quite unsurprisingly, it is quite likely that one of burning issues of the present period will still be the money situation. On October 26, the Federal Reserve Board approved a new plan for maintaining the current level of currency circulation. Chairman William N. Joynor, who had been critical of the Board's past actions, expressed his support for the new plan, which he considered a significant step forward.

The new plan, which was adopted unanimously by the Board, provides for a gradual reduction in the rate of discounting by member banks. This reduction will begin on November 1 and will continue at a rate of $100 million per month until the end of the year. The plan is based on the belief that a decrease in the rate of discounting will help to reduce the rate of inflation and to stabilize the currency market.

In addition to the reduction in the rate of discounting, the Board also decided to maintain a constant level of open market operations. This will be accomplished by the purchase and sale of government securities in the open market, and by the extension and contraction of credit to member banks.

These decisions were taken in response to the continuing inflationary pressures in the economy. The Board believes that a reduction in the rate of discounting and a continuation of open market operations will help to bring about a gradual reduction in the rate of inflation, and to stabilize the currency market.

The Board's decision was widely welcomed by economists and business leaders. They expressed confidence that the new plan will help to bring about a gradual reduction in the rate of inflation, and to stabilize the currency market.

Our Reporter on Governments - By JOHN T. CHIFFENDALE, JR.

The Intermediate- and longer-term securities which the Treasury offered in the large refunding operation are still not at great risk of being sold. The Treasury has offered to accept bids for speculative purchases which were made in these obligations. Nonetheless, there is a possibility that this refunding, which was a well worked out venture. By converting short-term maturities into intermediate-term and longer-term securities, the amount of $3,500 million worth of floating supply of shorter-term securities was decreased. This puts the Treasury in a good position to use its reserves for financing its new monetary circulation operation. Lender should not be too far away because of the alleviation of $1,463 million in the refunding.

Martin’s Views on Credit Ease

The statement of the Federal Board’s Chairman Martin, before the Joint Congressional Economic Committee last week, appears to have had its effect. Chairman Martin was not too definite in his pronouncements, it seems as though the interpretations of what he said are very much open to interpretation. Many thousands of the money market. [See cover page for text of Mr. Martin’s statement.]

The successful refunding by the Treasury of $15,785 millions of short-term securities into $1,723 millions of the 3% of 1956, $3,329 millions of the 3s of 1964 and $2,770 millions of the 2% certificates, has cleared the way for a new money raising operation by the government, which should be coming along in a few months. The easier toe in the money market will have to be in the next reaction of the debt level for a large scale operation, but it is expected that this will be enabled by the new money that has been raised. According to the Treasury resulted in the extension of maturities which is a favorable forecast.

Further cut in Interest Rates Looked For

The Treasury in this refunding operation, the government has been successful in raising the money market well for the new money financing, but also reduced the supply of government securities which will not be withdrawn from the market, but which might eventually result in further reduction in the discount rate, and other lending rates, such as the London rate and the forward rate, also the existing rate on Treasury bills is interpreted in some quarters to mean that a 2.5% discount rate is too high and out of line with the money market as it is presently constituted.

The Next New Treasury Borrowing

The next thing to face the government market as the refunding issues are being moved into strong hands, will be the offering of new government securities. It appears to be definite beliefs around that the government will be in the market pretty well solidly in the next few months, as the Treasury the CBS threw one of the most extravagant dinner parties ever thrown in Washington. All members of the House committee and the Senate committee were invited to this dinner, which was a very successful event. The next day, the CBS threw another dinner for all the members of the House committee and the Senate committee, which was also a very successful event.

The next day, the CBS threw another dinner for all the members of the House committee and the Senate committee, which was also a very successful event.

The CBS has been associated with the firm since 1934 as a sales representative. He formerly served as a President and President and Director of Longino & Collins, Inc. He is a member of the Los Angeles Alumni Club.
The Future of the Bank of England

By PAUL EINZIG

The future course of the Bank of England and possible changes in a labor government, if elected, might be imposed by Dr. Burton, the British economist, on the recent Bank Rate leak and in comparing part-time directorships in the Bank with similar set up in American Federal Reserve member banks. The columnist takes note of the lack of interest of C. H. W. Peck, ex-director of the Bank of England, in raising one issue of the inquiry and expects that this will act as an effective deterrent in the future. Pecks out, also, that the Treasury possesses little used, but nevertheless, dominant power over

LONDON, Aug.—At the end of a two-day debate in the House of Commons on the Report of the Tribunal on the Bank of England, the Socialist minority included a proposal that the Bank of England should have a majority of part-time directors. Mr. Amory, the official in charge of the Committee on the Exchange, announced that the Treasury had been consulted about the proposal. Amory, however, did not think the proposal would be considered by the Radcliffe Committee on the Bank of England. He said that it was unlikely that the composition of the Committee would be altered by a major report on the Bank of England. Amory thought that the Bank of England should be left unchanged, and that the Tribunal on the Bank should report directly on the composition of the Board. It was also announced that the Treasury had been consulted on the Bank's changes in the composition of the Board.

It seems that the Government is definitely in favor of retaining the existing system under which, in general, the Bank's function is to provide monetary policy advice to the Treasury. In the proceedings of the Tribunal, however, the Government was not asked to make any specific recommendations about the Bank's role in monetary policy. The Tribunal is expected to report on the Bank's past performance and to make recommendations for future changes in the Bank's structure.

New York Inv. Assn.
Annual Spring outing

The Investment Association of New York will hold its 1968 outing at the Sleight Hollow Tennis Club, Scarborough-on-Hudson, N. Y., this year. The outing will be held on May 18th, Friday, June 21st. There will be a golf tourney, tennis matches, and other activities, for members only. The charges will vary according to the level of services provided.

New York Real Estate

Promotions of the heads of the European branch to Vice-Presidencies were announced by International Trust Company of New York.

The new Vice-Presidents, A. Robot, Bank President, and M. S. G. St. Germain, President, were appointed an Assistant Secretary on April 15, 1968.

At present, Mr. Osion is appointed to the bank's Union Square Office, 721 Fourth Avenue.

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City Bank Farmers Trust Com- panv, New York, announced the appointment of T. W. C. C. Doremus, Jr., as Trust Officer, and J. S. Peck, Jr., as Trust Officer. The appointments were effective on April 1, 1968.

Bernard J. Goffin has been appointed an Assistant Secretary of the Bank.

Bankers Trust Company announced Feb. 5 that a new office will be opened in New York City. The new office will be located in the newly constructed 14th Street Office has been completed.

The bank has made significant progress in its modernization for more than a year.

The office, located just opposite Madison Square, is under the direction of J. S. Peck, Jr., as Trust Officer. The bank has been in the business since 1949.

Robert W. Off has been appointed Assistant Manager of the Bank of New York.

The National Bank of Oxford, Pa., increased its common capital stock from $152,000 to $100,000 by a stock dividend effective Jan. 1, 1968. The bank had a capital stock of $150,000 as of Jan. 1, 1968.

The Old National Bank in Evansville, Ind., increased its common capital stock from $1,750,000 to $2,000,000 by a stock dividend effective Jan. 1, 1968. The bank had a capital stock of $1,750,000 as of Jan. 1, 1968.


Bank and Insurance Stocks

BY ARTHUR B. WALLACE

This Week Insurance Stocks

Federal Insurance Company

Back of the incorporation of Federal Insurance Company in 1903 were i.e years of the Church insurance business which started in 1822; at Church Insurance the first federal hot vigilant Insurance Co. and the United States branches of several English units. Capital of the new company is $300,000 par value shares, all at $100. The capital was increased to $4,000,000 in 1938. In 1953, Federal, absorbed United States Guarantee Co., a casualty writing company, which I was the sale of stock, to be a share (par no: $40.) brought the capital up to $10,000,000.

In June, 1957, Federal filed for an exchange of 400 shares of its Life Insurance Co. stock for a share of First National Bank of Ohio Co., and the consummation of this merger brings Federal into the life insurance field, which was the side line of insurance missing.

Business is conducted on a nationwide basis. Fire and allied lines, provided 22% of volume; automobile lines a total of 26%; marine and aviation 22%; bonding and miscellaneous casualty about 20%.

Large common stock holdings include 13,450 First National City Bank; 14,000 Caterpillar Tractor; 18,000 Continental Oil; 23,000 Dow Chemical; 13,000 DuPont; 24,700 General Electric; 8,000 Johnson-Manville; 18,700 Johns Manville; 44,000 Standard of New Jersey, and

Resources and Liabilities — June 30, 1957

| Item | Amount
|------|--------|
| Bonds and Stocks | $371,562,355
| Loans & Claims | $259,382,452
| Total Assets | $630,944,807
| Total Liabilities | $460,759,254
| Preferred Stocks | $40,000
| Common Stocks | $120,000
| Depreciation | $3,275,234
| Miscellaneous | $8,472,889
| Other Assets | $4,241,175
| Non-Acquired Assets | $6,215,477
| Total Liabilities & Equity | $172,006,224

As of the end of 1956, the latest date for a full year's report, a break down of assets into principal categories followed:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$3,154,789</td>
</tr>
<tr>
<td>United States Government Securities</td>
<td>$3,154,789</td>
</tr>
<tr>
<td>Preferred Stocks</td>
<td>$3,154,789</td>
</tr>
<tr>
<td>Common Stocks</td>
<td>$3,154,789</td>
</tr>
<tr>
<td>Loans &amp; Claims</td>
<td>$3,154,789</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$3,275,234</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$8,472,889</td>
</tr>
</tbody>
</table>

Ten-Year Statistical Record — Per Share

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends Paid</th>
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<tbody>
<tr>
<td>1947</td>
<td>$1.775</td>
</tr>
<tr>
<td>1948</td>
<td>$0.952</td>
</tr>
<tr>
<td>1949</td>
<td>$1.152</td>
</tr>
<tr>
<td>1950</td>
<td>$1.034</td>
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<tr>
<td>1951</td>
<td>$1.103</td>
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<tr>
<td>1952</td>
<td>$1.210</td>
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<tr>
<td>1953</td>
<td>$1.390</td>
</tr>
<tr>
<td>1954</td>
<td>$1.416</td>
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<tr>
<td>1955</td>
<td>$1.490</td>
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<tr>
<td>1956</td>
<td>$1.563</td>
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<tr>
<td>1957</td>
<td>$1.675</td>
</tr>
</tbody>
</table>

In the 20 years ended with 1958 the company showed a gain in the value of its assets of $26,472,000, or 99% of share. This $26,472,000 was 9% of the invested assets figure (per share) at the start of that period in 1937. Further, in the decade ended in 1958 the gain to the shareholder (consisting of the increase in his equity plus cash dividends in the period) was $27,365, or 130% of the invested assets figure.

Federal's risks are well distributed geographically, and its underwriting results have consistently been better than those of the industry as a whole. The company is now underwriting with a new underwriting system which, while capital and vice versa. Federal has wisely chosen to acquire a well established unit in the life field rather than set up a new department with the knowledge that the company's own agency system can be enlisted in the newly acquired life business.

Dividend payments have been uninterrupted for about 56 years. The present rate is 90 cents annually, including a 10 cents extra.

The shares rank among the top grades in the insurance business.

With Rodman & Renshaw

CHICAGO, Ill.—Ralph R. Oben
drop, a director of Rodman & Renshaw, 209 La
cient, and one of the chief stock ex
changes. Mr. Oben
drop was formerly with Baxter & Company.

With Bacon, Whipple

CHICAGO, III.—Gordon T. Duf
fy has resigned as vice-president of Bacon & Whipple, 135 South La
Table and mortgage Loan Department.

Breaking Bad — Co's Bond Portfolio & Sources of Income

13 N. Y. City Bank Stocks

Laird, Bissell & Meeds

Members New York Stock Exchange

120 BROADWAY, NEW YORK, N.Y.

Bissell, Meeds & Associates

Vol. 114, No. 40

September 27, 1957
force which lays a heavy hand upon the enterprising man, who would build constructively for the future as did F. W. Rockefeller and dozens of others in earlier days. It takes in taxes funds which would otherwise be productively employed in industry — and often wastes them or pays them out to those who do not need them. It is now on the surface at least somewhat more friendly to business as such, but its policies and its programs are far too much like those invented and installed by the worst enemies of business ever to be known.

What is complained of most at the moment is a slow
draining of capital expenditures by industry. There can be no doubt that many factors, including some govern-
ment policies and the programs of labor, have led to a
business to make very large expenditures for plant and
equipment in recent years. Whether it has been done
to the advantage of the individual, or to the advantage of the country, is not pertinent at this moment. What we are quite sure of is that nothing could more hearten
industry and more effectively persuade it to resume
vigorous building for the future than assurance that New
York programs and ideas had vanished from Washington
for good.

Burke & MacDonald
Celebrate 25 Years

KANSAS CITY, Mo.—Feb. 13, 1958, marked the completion of 25 years of service by the firm of Burke & MacDonald.

The firm has its inception 25 days before the "Bank Holiday" of 1933 when Paulen E. Burke and F. H. (Ted) MacDonald, formed a partnership for the purpose of dealing in primary
municipal bonds. A third partner, Leonard C. Callender, joined the partnership six months later. Offices were opened in the Fidelity Building, now the Federal
Building, on Walnut street between 10th and 11th. One office
girl took care of the paper work which was handled by contacted prospective investors.

The year of 1941 brought
changes. First, in February, Mr. Callender passed away. Then, the second World War was underway and, with the war came restric-
tions on building materials which affected the municipal bond business. Mr. Burke and Mr. Mac-
Donald continued working with each other and the partnership between themselves; the slack created through a reduction in the bond business caused an increase in the over-the-counter business.

With Milwaukee

CHICAGO, III. — Mrs. Ruth Erwin, has become associated with the Chicago office of The Mil-
waukee Bond Corporation, Salle Street, as a registered secu-
durities representative. She was formerly employed by Chicago Pacific Coast Stock Exchange, and has been associated since 1944. Mrs. Erwin is a graduate of Northwestern University. She has been also been employed by the firm of Burke & McDonald of Racine. She will continue to work with the firm.

With Bache & Co.

BOSTON, Mass.—James W. Kelly is with Bache & Co., 21 Congress Street.

NasD Dist. 7 Names

ST. LOUIS, Mo.—Spencer H. Robinson of Reinholt & Gardner, Inc., was elected Chairman of District Committee for National Association of Securities Dealers, suc-
ceding W. W. R. McCoubrie, Breckenridge, Colorado, St. Louis.

John W. Buell, of St. Paul, Minn., was elected Vice-
Chairman of the District committee.

District consists of the State of Arkansas and parts of Mis-
ouri and Kentucky.

Milwaukee Bond Club
Ann. Dinner & Election

MILWAUKEE, Wisc.—The Mil-
waukee Bond Club will hold its annual meeting and election of officers on Feb. 21 at the Pfister Hotel. The business meeting will be held at 6:30 p.m. to be followed by cocktails, with dinner at 7 p.m. Fee $15.00.

Chairman: W. W. R. McCoubrie, Merrill Lynch, Pierce, Fenner & Beane.

Vice-President of the club, is in charge of the Bache & Co. committee.

Fred D. Jenkins, McMaster & Co. President of the Club has appointed the following members to the Nominating Com-
mitee to select a slate of officers for the coming year: Oliver A. Julien, of Thom-
son & McKinnon, Chairman: Wil-
liam H. Morse, of Western & Southern Co; Fred D. Jenkins, of McCoubrie, & Co.

The Nominating Committee re-
ports the following selections: President: Joseph N. Austrup, or the jury.

Merrill Lynch, Pierce, Fenner & Beane. Vice-President: Marshall

erk, of Northwestern Bond Co., Inc.

Governors: Robert H. O’Keefe, of the firm of Burke & MacDonald; William G. Martlin, of the Milwaukee Bond Corporation; Salle Street.

The new member firm Pasadena Corporation was organized in California, which is engaged in the investment securities business. Company was incorporated at 68 East Colorado Blvd., Pasadena, Calif.

Mr. Morse, the Exchange mem-
ber, claims the firm has been associated with the organization since 1944. Other principals of the association are: President and Director, Jeffrey W. Nus-
bach, Vice-President, Director and Raymond L. White, Vice-
President.
The Welfare of Our Country
Is Tied to Electric Industry

try, with a major concentration in the
Mountain, Pacific and East-South-Central
Regions. Today there are 103 such
projects in service and with an authoriza-
tion, 58 authorized, and 493 approved or
proposed—a total of 686 projects generat-
ing 9,000,000 kilowatts of generating
capacity.

During the 1937 session of Congress, a $1.3 billion Rivers and Harbors Bill was passed and Senate and is now before the House. This is at the very bottom of the public utility
industry. The two big new industries in the; world: and; only enough, more
than a third of the $500 billion in steam
power by 1958, and enough of TVA electricity to benefit a relatively few, and not a cost of interest has even
be made on this loan.

If TVA is permitted to proceed the
revenue bond route, it will be the preamble to similar developments by the
Southwest Power Adminis-
tration, Bonneville, and many other
areas of the country.

Another example of greatly un-
fairly thinking and manage-
ment is the present status of
the development of the
power industry in the
rural areas of the
country. You cannot
afford to neglect
the
70,000,000 kilowatts of capital.

Five of them, representing approximately $120 million, are being built for the Federal
Government. You
have it alone or in conjunction with one or
more private enterprises.

Another 11 nuclear power plants
to be built will be 500,000 kilowatts or
more and could be the answer to
the financial problems that are
now being experienced by
the country.

The welfare of our country
Is Tied to Electric Industry

The Federal Reserve Bank of St. Louis
Digitized for FRASER

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Fiduciary Responsibility in Pension and Welfare Funds

The competence with which he will perform his duty of member of the pension board, it is maintained, should not be a plume to be worn by some favorite individual.

Indeed, there have been shock- ing cases where factory officials, representatives of employer's associates or stockholders or officers of employee's insurance company on one occasion, and union officials or other retary-treasurer of a union over a period of two years for expenses unconnected with the promotion of its welfare plan.

Why Abuses Occur

You may ask how such apparent abuses take place when funds are under the joint management of employer and union. One answer may be that in those plans the fiduciary responsibility is divided there is little incentive for either party to maintain a high level of protection to the welfare of the members, and thereby to the exclusive benefit of the employer.

The joint management of funds has generally arisen as a result of collective bargaining and thus it is often assumed that the employer, by either party against the interests of the employers or employees.

In those cases where the joint management has been agreed upon, a division of responsibility was to be charged to their proper administrative agencies.

The employer-dominated plan is made possible, in some cases, by the agreement to a so-called "wage incentive scheme" in which the stockholders are to be paid a welfare plan vested with the union.

The same result is obtained by the agreement to accept the plan of the Federal Reserve Board and the National Labor Relations Board which provides that the employer and union shall be responsible for the establishment and operation of welfare and pension plans.

Some States Have Acted

At the state level, it is encouraging to note that at least 11 states, have some states have recognized the possibility of enacting legislation requiring administrators of these plans to report to the state government. The effectiveness of this legislation, of course, depends upon the details of the reports are made. However, the data required under the state agency in some cases where such reports have been the mainstay of the state agencies. Significant in my opinion are the cases of the states which authorise the legislature to require that the state agencies report the costs of the employer's plan and the amounts of benefits provided under the plan.

New York State in 1916 passed a law that any employer who amended his insurance and pension plan, required a registration, examination and approval of the employer's welfare funds. The Superintendent has the authority to refuse to approve any applications, in his discretion, if the plan is not substantially equivalent to any of the above.

United States District Judge Her- ladus, as "under-world label" is a most apt term. In the case of losing their jobs and endangering the safety of their families. It is hard to see how real fiduciary responsibility is thereby to the trust in the plan. This is to present the anomalous situation of a trust built on the rock of no foundation.

Law of Charitable Trusts

Obviously there must be such a trust and that of an officer of a corporation is the law of charitable trusts. This has been exploited by the concept of a charitable trust. Where the trust is a so-called charitable trust, the Board of the General of the State may bring an action to dissolve the trust or to remove the beneficiary or on his own initiative. Charitable Trusts as distributed into two classes, the one to be considered to be the public interest. The other being for the benefit of an individual.

Professor Scott has the term "charitable" in defining various benefits. It is a public interest which the employee, by either the employer or the union, and which constitute one of the vast majority of all welfare plans. Section 302 requires that the welfare plan be administered by the employer and the union. This is a conduct of the employer of the union, who is making efforts to prevent the employer from receiving illegal or capricious purposes. In the case of a small insurance company.

20 Interim Report, page 15.
Section 9 of the Securities Act of 1933 requires that a company file an annual report with the Securities and Exchange Commission, and that the company's officers and directors certify that the information in the report is accurate. Failure to file the report in a timely manner or to include all required information may result in penalties or sanctions.

Section 303 of the Sarbanes-Oxley Act of 2002 requires that a company's senior financial officers certifies that the financial statements included in the company's annual report do not contain any material misstatements. Failure to file the report in a timely manner or to include all required information may result in penalties or sanctions.

Section 304 of the Sarbanes-Oxley Act of 2002 requires that a company's senior financial officers certifies that the financial statements included in the company's annual report do not contain any material misstatements. Failure to file the report in a timely manner or to include all required information may result in penalties or sanctions.

Section 305 of the Sarbanes-Oxley Act of 2002 requires that a company's senior financial officers certifies that the financial statements included in the company's annual report do not contain any material misstatements. Failure to file the report in a timely manner or to include all required information may result in penalties or sanctions.

Section 306 of the Sarbanes-Oxley Act of 2002 requires that a company's senior financial officers certifies that the financial statements included in the company's annual report do not contain any material misstatements. Failure to file the report in a timely manner or to include all required information may result in penalties or sanctions.

Section 307 of the Sarbanes-Oxley Act of 2002 requires that a company's senior financial officers certifies that the financial statements included in the company's annual report do not contain any material misstatements. Failure to file the report in a timely manner or to include all required information may result in penalties or sanctions.

Section 308 of the Sarbanes-Oxley Act of 2002 requires that a company's senior financial officers certifies that the financial statements included in the company's annual report do not contain any material misstatements. Failure to file the report in a timely manner or to include all required information may result in penalties or sanctions.

Section 309 of the Sarbanes-Oxley Act of 2002 requires that a company's senior financial officers certifies that the financial statements included in the company's annual report do not contain any material misstatements. Failure to file the report in a timely manner or to include all required information may result in penalties or sanctions.

Section 310 of the Sarbanes-Oxley Act of 2002 requires that a company's senior financial officers certifies that the financial statements included in the company's annual report do not contain any material misstatements. Failure to file the report in a timely manner or to include all required information may result in penalties or sanctions.

Section 311 of the Sarbanes-Oxley Act of 2002 requires that a company's senior financial officers certifies that the financial statements included in the company's annual report do not contain any material misstatements. Failure to file the report in a timely manner or to include all required information may result in penalties or sanctions.

Section 312 of the Sarbanes-Oxley Act of 2002 requires that a company's senior financial officers certifies that the financial statements included in the company's annual report do not contain any material misstatements. Failure to file the report in a timely manner or to include all required information may result in penalties or sanctions.

Section 313 of the Sarbanes-Oxley Act of 2002 requires that a company's senior financial officers certifies that the financial statements included in the company's annual report do not contain any material misstatements. Failure to file the report in a timely manner or to include all required information may result in penalties or sanctions.
America Cannot Afford to Gamble With Recession or Depression

essential programs that have been held back or advanced too timidly by earlier measures. Instead of resigning ourselves to being the victims of recession, why can't we reverse this tendency for our own advantage?

There is work and to spare that cries for attention. We need to spend where the dangers of inflation are least likely to develop—on industrial capacity and a mounting industrial base that can help tackle at least some of those jobs.

There is well-nigh unannounced tentative talk among military experts, scientific experts, the Rockefeller report, the Gubler report—all hinting that our national defense has been falling dangerously, and that greatly increased efforts are needed if Soviet Russia is not to achieve a military superiority that would menace us over the long run.

The President in his Oklahoma speech told us that national defense would not be sacrificed to the demands of recession. That is certainly as it should be; but it is a little too soon to project increase of only $1,000,000,000 a year or so far short of what seems to be called for to assure us of the light of the two Soviet Spitfires.

Build Shelters

The Government has acted on other things, suggesting that a program of fall-out shelters, costing a good many more than $5,000,000,000, is a matter of first-rate seriousness. The Federal Housing Administration has been founded on this that shelters are essential. Large as this project is, it could represent only an injection of expenditure in terms of the number of lives that could be saved in a future subatomic-thermo-war. Why spend money now on a defense for massive retaliation if only a few families are going to survive the knowledge of the re-

If this program is ever to be tackled, a time of recession would be the God-given supreme opportunity to begin.

know of the nation's desperate need for new schools and clinics. How may be the time to press ahead with the encouragement for these needed services. And yet, the sum total of all these things at once. I cite them only to show that there is so much that needs doing.

As matters stand, the modern tax code provides little budget will not begin to offset the accelerated cut-back in government business inventories, reduced nonresidential capital spending, reduced consumption and advertising. The fact is the total net increase in private saving is almost exactly equal to the present rate increases in govern-

A similar case, full of promise is the energy problem. A developing dynamic economy like ours in its effort to improve and the nation or deflation is ever far from failure. Right now the problem is not in our consumer market, but in the deal with the present problem and industry is only just beginning to deal with the potentialities of systems-analysis. Our people in all walks of life are planning for war reparations and increasing our commitment, etc.

Anti-inflationary policies and programs must be inextricably linked. To the maximum sacrifice in contributing to the growth of business, and indeed all types of govern-

Today's Adjusting Problems

Throughout the period since 1951, we have endeavored to shape our economic policies continuously in ac-

Overall Economic Council

In fact, we have a Secretary of Defense who does not have a Secretary of Defense to consult with on this Council. Moreover, neither the President, nor Congress, nor any one else is com-

In the past, we have had a vast multi-

United Economic Direction

I have suggested before and I would like to suggest here again that simple common sense indi-

I do not doubt the current re-

I have suggested a National Urban Council in function to the National Security Council and including in its mem-

The Treasury, the Federal Reserve System, the Chart-

I submit that the future year of this present period must be thought of in terms of an inflationary recession as an essential part of our total national defense.

We have been told on good au-

I hasten to add that the Administration has been strong in most of this financial area, but that because it became clear that Keynesian values of deflationary maintenance and the like would be strongly resisted.

Government Spending

In short, I am saying here that the whole current defense policy and changes in procurement policy, and generally have been maintained in the budget for the summer, to avoid breaking the recession. The point is that an unaffectional effect on business, it it is an over-riding need, in September, retail trade, which had been showing a marked downward trend throughout July and August, began to show signs of picking up. The C.I.A. estimates Partly as a result of all these developments, the price of stock prices, which had been the tendency to react from their extremely low levels, have already reached in July, broke further and further as trade flows through the lower edge of the trading range that had prevailed during the past two years and took again.

Continued from first page

Exerting Enough Pressure But Not Too Much

Inflationary trends continued through the summer months of 1957. There was an almost universal spread of the belief, not only in the market, but also abroad, that creeping inflation, and we have never come to terms with, seemed to be the chill factor of most important concern.+

Inflationary excesses would clear-

We cannot, however, afford, as we have argued before, to limit ourselves to the precautionary measures.

Inflationary excesses would clear-

In the late summer and early au-

Recovery Determinants

History shows that our market economy is very uncertain, and the consequences of this uncertainty make the problem of hardship and unemployment a matter of deep concern to everyone. When prices become unstable, and the expectations of business enterprises, financial institutions, and labor unions are not to adjust to the market generally, to adjust policies and programs to foster recovery. It may be, for example, at the decline in output prices that are not in consequence are generally above peak levels.

Recovery Determinants

Inflationary trends continued through the summer months of 1957. There was an almost universal spread of the belief, not only in the market, but also abroad, that creeping inflation, and we have never come to terms with, seemed to be the chill factor of most important concern.+

Inflationary excesses would clear-

We cannot, however, afford, as we have argued before, to limit ourselves to the precautionary measures.
vice of monetary policy, that is, in say, business pricing, other seller-gathered bargainings, in waste bargaining, in various financial dealings in 1937, only incentives to consumers to buy.

These general remarks are an example of the Economic Committee has received in the past at meetings to major for answers to these questions. The investigation in response to answers to these questions, but I have reached a conclusion in which I will take them up.

(1) "What is the Current Policy of the Federal Reserve Bank?"

In recent months, the Federal Reserve Bank System has been open to the idea of having the Reserve Banks maintain a lower level of reserve requirements to meet the situation. This is the case, for example, in New York and Philadelphia, for the purpose of keeping reserves available and cheap.

Over this price gap, market and discount policies were used in a complementary fashion. Open market operations have been used to maintain the Reserve Banks' loanable funds at a level high enough to meet the demand for reserves, whereas discount rates have been maintained at a level that is incentive to borrowers who have delayed or resisted borrowing.

In addition, the Reserve Banks have been urged to keep banks' capital and surplus reserves as high as possible. Federal Reserve Bank. The idea here is to keep the capital and surplus reserves of banks as high as possible, in order to provide funds for future expansion of the banking system.

(2) "What is the Federal Reserve Board of Governors of the United States, and the Federal Reserve System?

At the end of 1957, total customer credit for purchase of business goods was 17% less than the amount outstanding at midyear 1957. Thus, the need for preventing an excess expansion of stock market credit through the higher level of margin requirements has continued to be a matter of concern. Governor in mid-January recommended that the rate of increase in the rate of expansion of the Federal Reserve System for the year 1957 was 100%.

In the Federal Reserve System, it is in fact, a range of views currently held as to the seriousness of the situation of this recession and of the inflationary pressure in the economy, and in my view, the underlying strength of our economy is stronger than any.

Fiscal policy is a possible way of accomplishing this objective. The two preceding years were very different in one respect: 1956, the downward phase of the postwar recovery, had been over or virtually over in the course of a year. Favorable Recovery Factors and the Inflationary Implications

We are all, of course, well aware that the cause of a recession may be misleading and that his factors are interdependent. In the two preceding years, lows in activity were reached in the autumn of 1957, and the Federal Reserve System did nothing to stem the decline.

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The Periodic Stock Dividend
Boon or Sop!

Effect on Market Price

Probably the acid test of whether or not the stockholder likes the dividend is his response as reflected in the market price. If his response is neutral, the stockholder did not get his ex-dividend date to such an extent that its total holdings is unchanged. If his position is other than neutral, the reaction to the dividend is a signal action he may, of course, take place or at least start to think about his stock holdings, and as there is knowledge of the stock dividend. To determine the extent of such responses any, of the authors have studied the price behavior of 100 well know companies paying periodic stock dividends. Price action has been carried over the six months running from six weeks before the ex-dividend date to the ex-dividend date. In the case of one or both weeks of the period overlap, it is divided 2/3 and 1/3 over the ex-dividend date, respectively. In the case of one or both weeks of the period overlap, it is divided 2/3 and 1/3 over the ex-dividend date, respectively.

Another reason given is that since a stock dividend increases the ownership base, it is used to raise the price. However, this objective is usually accomplished less expensively by an occasional two for one stock split.

Some people have charged that stock dividends are a device to raise the price of the company. It is true that stock dividends can be used to obscure growth. In that earnings per share would not rise as rapidly as if no stock dividends were paid, the charge might seem to have some basis. However, there is no need for adjusting for such a dividend. It is true that the common stockholder believes that the company is increasing its earnings per share, but he may not recognize the need for adjustment.

Another reason given for granting stock dividends is that stockholders like them. If the company is owned by the stockholders, then it is obvious that the entire corporation is owned by the stockholders and that the proportionate interest of each stockholder is the same. The only change is in the exchange, which represents that interest.

These words were quoted by the late Professor H. M. Meeker in a discussion of the case of Gibbons v. Meeker in deciding the applicability of a tax on stock dividends. With the statement made, the authority to support it, this point is quite clear.

Others claim that a periodic stock dividend is income to the stockholders. They reason as follows: a stockholder has a certain proportion of the corporation's property. If the corporation issues a stock dividend, all the property in the corporation will be increased. If the stockholder has a certain proportion of the property which is increased, the stock dividend may sell those shares as with or without dividends. With the additional shares, the corporation maintains the same cash dividend rate after the distribution. The stockholder has not paid with any of his future income, for the corporation's position is no better and is still the same as it had been, a larger amount of cash dividend, and then sold stock to replenish the cash dividend. If the sum of cash and stock dividends are greater than the excess current earnings, the corporation's position is better. If the sum of cash and stock dividends is less than the excess current earnings, the corporation's position is worse.

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Reasons for Paying Stock Dividends

One of the reasons frequently given for paying a stock dividend is to increase the owner's capital gains. This is sometimes true, but in many cases it is not. There are several reasons why stock dividends are paid.

1. To increase the market value of the stock. If the stock price is low, the stockholder may be able to sell his stock at a higher price after the dividend is paid, and thereby increase his capital gains. If the stock price is high, the stockholder may not be able to sell his stock at a higher price after the dividend is paid, and thereby increase his capital gains.

2. To increase the earnings per share. If the earnings per share are low, the stockholder may be able to increase his earnings per share by paying a stock dividend. If the earnings per share are high, the stockholder may not be able to increase his earnings per share by paying a stock dividend.

3. To increase the dividend yield. If the dividend yield is low, the stockholder may be able to increase his dividend yield by paying a stock dividend. If the dividend yield is high, the stockholder may not be able to increase his dividend yield by paying a stock dividend.

4. To reduce the market fluctuations. If the market fluctuations are large, the stockholder may be able to reduce the market fluctuations by paying a stock dividend. If the market fluctuations are small, the stockholder may not be able to reduce the market fluctuations by paying a stock dividend.

5. To retain the company's capital. If the company's capital is low, the stockholder may be able to retain the company's capital by paying a stock dividend. If the company's capital is high, the stockholder may not be able to retain the company's capital by paying a stock dividend.

6. To increase the company's capital. If the company's capital is low, the stockholder may be able to increase the company's capital by paying a stock dividend. If the company's capital is high, the stockholder may not be able to increase the company's capital by paying a stock dividend.

7. To increase the company's earnings. If the company's earnings are low, the stockholder may be able to increase the company's earnings by paying a stock dividend. If the company's earnings are high, the stockholder may not be able to increase the company's earnings by paying a stock dividend.

8. To increase the company's liquidity. If the company's liquidity is low, the stockholder may be able to increase the company's liquidity by paying a stock dividend. If the company's liquidity is high, the stockholder may not be able to increase the company's liquidity by paying a stock dividend.

9. To increase the company's solvency. If the company's solvency is low, the stockholder may be able to increase the company's solvency by paying a stock dividend. If the company's solvency is high, the stockholder may not be able to increase the company's solvency by paying a stock dividend.

10. To increase the company's efficiency. If the company's efficiency is low, the stockholder may be able to increase the company's efficiency by paying a stock dividend. If the company's efficiency is high, the stockholder may not be able to increase the company's efficiency by paying a stock dividend.
High Cost of Conservatism in Pension Fund Investing

As long as at least some stockholders regard these dividends as income, they will like them because they are institutional features. The courts have held that dividends paid out of the capital stock are a fractional division of the total capital and hence not income. It seems manifest that the same cannot be said of dividends which, if he wants them, there is no way to receive cash than to receive shares and then, if he wants to sell, may repurchase, mere corporate retention of earnings given to the stockholder attendant upon the receipt of a stock dividend. There is a problem which, at best, is troublesome to the issuing corporations.

From the corporate standpoint, stock dividends offer nothing which the investor wants in the stockholder. Broadening the base of ownership can be done more economically by an occasional large stock dividend or split than by many small ones. Fractions can be avoided and exchange of well-known single distribution can hardly be considered better than shares to be issued to a given number of stockholders.

It would seem, therefore, that corporations will want to use stock dividends as much as possible to release the stockholders. To reduce the expense of paying dividends, which may make it easier for the stockholder, the corporation will find itself cash in lieu of fractional shares. The form of the dividend will be watched very closely to prevent the possibility that it will test the returns if he had received a cash dividend. Such would probably be the case that dividends may have had for stockholders.

Continued from page 15

Does Our Federal Reserve System Require Any Revision?

Savings in the United States, finds Mr. J. L. Monroe, are subject to two-thirds of all changes in the national currency. Mr. Monroe, in a theory of the present day, is the way to make dividend payments. However, as the increased earnings of the Federal Reserve Stock Exchange has caused this rule and in no way limits the number of shares a company may now pay, the rule has largely become a guide to serve as a guide to corporations contemplating payment of a stock dividend.

If a corporation feels it necessary to pay stock dividends, in order to do so, it is not necessary to have a minimum, it is suggested that cash is distributed. It is suggested that the number of shares of fractional shares. Careful attention must be paid to form to prevent the company from paying out money that would be more appropriately taxable to the recipient as ordinary income.

The most common method of handling fractional shares today is through the issuance of fractional order forms, usually in the form of bank draft. In this case, the stockholder is advised as to the amount of the fraction of which he is entitled to his dividend. However, the space is provided for him to indicate his desires as to what he wishes to have the company’s agent sell his fractional shares of purchasing power when combined with the fraction in which it is a participant. The result will equal a full share. If the stockholder fails to return the order form prior to the expiration date, which is generally about six weeks after the dividend date, the agent automatically sells the fractional shares represented by the order forms still outstanding, and remits the proceeds to the stockholder. The issuance in lieu of fractional shares, the corporation usually simply cancels and sells back to the corporation, and is also far less complicated. The reason for this is particularly where the stock is being held for the benefit of another.

Conclusion

Periodic stock dividends have become commonplace and apparently stockholders are satisfied. By and large there seems to be a slight preference for the payment of such dividends, but this may be due to the favorable actions the companies which do choose to pay these dividends.

As long as at least some stockholders regard these dividends as chance. Do not do anything for the bank which may be not well considered. Furthermore, it is possible that the investment manager may attract and keep good common stockmen. Stockbrokers as a whole have been interested in the orientation that they are compensated by a fee. It is only upon what they are interested in the more spectacles being mounted. The mutual fund investment is now very expensive.

Alleged Need for “Balanced” Investment

It is supposed that not all portfolios management should contain a “proper” balance. This is of course, the argument that the mutual funds, which are paid for their services, in some way, can do it. The Federal Reserve Board, for example, can carry out the storms and stresses, disregard intermediate movements and dividends payments. In the words of the Federal Reserve, “In the light of experience, the gains in the performance of the common stock investments for pension funds may not however exist elsewhere. Events indicate that the liberalization of the laws of the United States in 1932-33 (Amendment II) of the Federal Reserve Act, which permitted $35% investment in common stocks. Amendment II in 1931 of the Federal Reserve Act, which permitted $35% investment in common stocks.

(3) The development of a variable annuity through CREB by TIAA.

(4) Legislative proposals to permit the sale of annuities by insurance companies.

(5) Adoption of a commingled fund state act, which would permit the N. Y. State Mutual Savings Banks. Federal Reserve fund now exceeds $75,000,000.

In the long run, pension funds have done very little in the manner of industrial economy to which they are tied. Even the most senior employees and the financial institutions — should get away from the heresies that a pension plan can provide ironclad financial guarantees and should recognize that it is essentially a cooperative effort to accumulate old age savings re- serves. The end result may well be a dynamic investment policy somewhere between the ultra-conservatism of many trustees and insurance companies and the politic of some of them.

Continued on page 30

With L. J. Brady Co.

(Quoted on the New York Stock Exchange)

MILWAUKEE, Wis. — Raymond E. Brady, Associated with Braun, Monroe, Co., 225 W. Wisconsin Ave., Milwaukee, was on hand at the Wisconsin National Bank of Milwaukee.

With L. J. Brady Co.

(Quoted on the New York Stock Exchange)

With S. Kelly has been added to the staff of L. J. Brady Co., 275 W. Madison S. Kelly has been added to the staff of L. J. Brady Co., 275 W. Madison, with Hembpick, Noyes & Co. and Cohn & Burnham, Middlebrook, Inc.

With Braun Monroe

(Quoted in the New York Stock Exchange)

MILWAUKEE, Wis. — Raymond E. Brady, Associated with Braun, Monroe, Co., 225 W. Wisconsin Ave., Milwaukee, was on hand at the Wisconsin National Bank of Milwaukee.

TABLE I

New York Telephone Company

Comparison of the Pension Fund Earnings Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Gov.</th>
<th>Corp.</th>
<th>Dividend</th>
<th>Total</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946</td>
<td>2.64</td>
<td>3.21</td>
<td>4.85</td>
<td>5.47</td>
<td>2.95</td>
</tr>
<tr>
<td>1947</td>
<td>2.31</td>
<td>2.79</td>
<td>5.10</td>
<td>5.59</td>
<td>2.96</td>
</tr>
<tr>
<td>1948</td>
<td>2.88</td>
<td>2.62</td>
<td>5.51</td>
<td>5.78</td>
<td>3.30</td>
</tr>
<tr>
<td>1951</td>
<td>2.62</td>
<td>2.88</td>
<td>5.50</td>
<td>5.88</td>
<td>3.31</td>
</tr>
<tr>
<td>1952</td>
<td>2.96</td>
<td>3.03</td>
<td>5.99</td>
<td>6.09</td>
<td>3.31</td>
</tr>
<tr>
<td>1953</td>
<td>3.05</td>
<td>3.33</td>
<td>6.38</td>
<td>6.69</td>
<td>3.31</td>
</tr>
<tr>
<td>1954</td>
<td>3.31</td>
<td>4.50</td>
<td>7.81</td>
<td>8.03</td>
<td>3.31</td>
</tr>
<tr>
<td>1955</td>
<td>2.99</td>
<td>2.95</td>
<td>5.94</td>
<td>6.19</td>
<td>3.33</td>
</tr>
<tr>
<td>1956</td>
<td>1.58</td>
<td>3.16</td>
<td>4.74</td>
<td>4.96</td>
<td>3.33</td>
</tr>
</tbody>
</table>

Average: 2.75% 3.29% 5.06% 2.95% 3.23% 3.06%
High Cost of Conservation
In Pension Fund Investing

Investment trusts but such policies are not taken into account. Some benefits available to retired workers.

I Analysis of Leading Pension Fund

Let us look now at some pension funds to see how they are doing down by the dead hand of the past.

The Bell Telephone System Pension Plan

The Bell Telephone System was a leading example of a specific type of pension plan during the 1930s. It was a non-contributory plan, covering nearly a million employees in the 23 corporations which make up the Bell System.

In 1938, S. Michael, Jr., director of the Board of Directors of the Bell Telephone System, gave a speech in which he outlined the plan for this particular pension fund. He stated that the plan was designed to "provide the benefits of the pension fund system at a cost that is as low as possible, and to make the system as attractive as possible to the employees of the corporation."

In 1939, the plan was put into effect and it has continued to operate ever since. The plan provides for a retirement benefit of $100 per month for each employee who has contributed $2,000 to the fund during his working career. This amount is increased by 1% for each additional year of service.

Twin City Bond Club

Annual Ouing

MINNEAPOLIS, Minn.—The 17th annual picnic and field day of the Twin City Bond Club will be held Thursday, June 13, at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Ave. S., Minneapolis. The club will meet at the Minneapolis Club, 1806 First Av...
I am afraid that the low real exchange in the sterling area (among which key countries like Great Britain and France) have been brought about in an extremely serious fashion to foreign trade and international economy. It is in the midst of an economic and financial crisis where a shortage of currency reserves, having international acceptance, reserve out of the currency, while at which "beggar my neighbor" is done. It remains to be seen whether labor in defense of the pound by putting a halt to the continuous rise in wages. The government could, by monetary policy, prevent the rise in wages, but it may result in a high and unfordable government debt which would tax the political and financial position of the government. It is also questionable whether the country is more or less stable and really successful unless the principle of the golden standard is abandoned in practice.

How to Restore Sterling

Assuming that the domestic conditions to restore free convertibility are not what else are the experts claiming that is so much recovered. Essentially there are three: (a) the accumulation of gold or dollars, (b) the liberalization of gold and dollar standards, and (c) that the U.S. economy be strong and prosperous.

(a) When experts speak about reserves they mean: the ability of sterling for a new free world necessary to increase the international liquidity, and at the same time the reserve of Great Britain and the reserve of the world. The reserves of the world are those that are available to sterling.

The first rule to keep in mind is that the accumulation of gold or dollars is a necessary but not sufficient condition. The reserves of the world need to be much larger than the gold reserves of Great Britain.

However the sooner the economic and monetary policies are internationalized; the sooner avoiding recurrent crises in the world and too much speculation there is about future adjustment of exchange rates, and the sooner the country can get to enjoy a normal economic situation. In other words, monetary discipline is needed and the amount of reserves.

Before 1914, the Bank of England had a gold reserve of about 1.6 billion pounds sterling and a dollar reserve of about 1.6 billion dollars. However, since then, the country has been forced to sell its gold reserves at a price of about 40 pounds sterling per pound of gold.

The present reserves of the United Kingdom are only about 4% of the 45 billion international reserve currency. As I mentioned above, the pound sterling is selling at about 35% of its gold value, the price of gold.

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What's Happening in Labor?

Voluntary Workers: As the strike season has approached, the number of workers on strike has increased. The National Labor Relations Board has reported that there were 13,301 strikes in the first half of 1957, compared to 9,717 strikes in the same period of 1956. The average length of a strike was 3.5 days, which is slightly shorter than the 3.9 days in 1956. The total number of workers involved in the strikes was 1,258,000, compared to 1,058,000 in the first half of 1956.

Government Action: The government has taken several steps to address the growing number of strikes. The National Labor Relations Board has increased its enforcement efforts, and the federal government has provided additional funds to help mediate labor disputes. The government has also urged both sides to settle their disputes through negotiation rather than strike action.

The Outlook: The outlook for the rest of the year is uncertain. The government has predicted that the number of strikes may increase in the coming months due to the ongoing labor disputes. However, efforts to settle disputes through negotiation may help to reduce the number of strikes overall.
making capacity for the entire industry, will be an average of 99.5% of capacity for the week beginning Feb. 10, 1958, equivalent to 1,457,900 tons, or 5.7% above the estimated average production of 1417,900 tons of 1957-1959. This was 5.5% above the average for 1957-1959, and with an actual rate of 99.7% of capacity, and 1,457,900 tons a week ago.

A total of 1,360,200 tons, or 6.6% above the comparable period of 1957-1959, was reported for the week ending Feb. 3, 1958. This represented 93.8% of the utilization of the January 1, 1958 annual capacity of 1,457,280,750 tons.

For the week ended Feb. 3, 1958, output increased 51,000,000 kwh. above that of the previous week and 770,000 kwh. or 2.8% above the comparable period of 1957, with a 3.9% increase in the number of kilowatt-hours sold.

Electric Loadings Fell 241 Cars Under Preceding Week

Loadings of revenue freight for the week ended Feb. 1, 1958, were 241 cars below the comparable period of 1957. This was a decline of 1.8% below the 287 cars reported for the comparable week of 1957.

Auto Output Registered a 27% Cut in Opening Week of February Unlike 1957 Period

According to "Ward's Automotive Reports," the output for the week ended Feb. 1, 1958, was 27% below that of the comparable week of 1957. The output for the week ended Feb. 1, 1958, was 106,010 units, an increase of 10,856 units, or 13.7% above the comparable period of 1957.

Last week's car output advanced more that the previous week, with a total of 181,291 units produced during the week. In the comparable week of 1957, 147,163 cars were produced.

Lumber Shipments Declined 4.1% Below Output in Week Ended Feb. 1, 1958

Lumber shipments moved below the previous week, with a total of 133,721 cars and trucks. In the previous week, shipments were below the comparable week of 1957, with a total of 178,778 cars and trucks.

Wholesale Food Price Index Edged Slightly Lower the Past Week

The wholesale food price index, compiled by Dun & Bradstreet, Inc., fell slightly to 69.3 in the week ending Feb. 6, from 69.4 in the preceding week, Dun & Bradstreet, Inc., reported. At the highest level since the index was first published in 1926, the index has leveled off at a level of 70. At the close of 1957, the index stood at 74.6. For the week ended Feb. 1, 1958, the index stood at 69.3, which is 8.5% higher than the 62.1 of the similar period of 1957.

Increase in prices of corn and soybeans decreased the index for the week. Crops were harvested from the middle of October to the middle of November, and the index reflected the increase in the price of corn and soybeans. The index for the week was 7.5% above the previous week, with a total of 31 raw foodstuffs and meats in general use and its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Held Close to Previous Week

After rising slightly at the beginning of the week, the general commodity price index finished close to the level of the previous week. The daily average for the week stood at 276.31 (1930- 32=100) on Feb. 3, compared with 276.65 a week earlier and 294.87 on the comparable date a year ago.

Movements of grain prices were mixed during the week. Futures of corn and soybeans decreased from the high of $1.05 per bushel set earlier. The advance in corn, soybeans, and wheat prices was caused by a decrease in the supply of the grain. The price of corn increased by 2.6% from the previous week, with a total of 31 raw foodstuffs and meats in general use and its chief function is to show the general trend of food prices at the wholesale level.

Wm. C. Hurter Joins Keystone Custodian

BOSTON, Mass. — William C. Hurter, former Vice-President and Director of Standish, Ayer & McKay, Inc., has joined the Bond Department of First National Bank of St. Louis, Fawcett, and has been named as Vice-President in charge of research.

Mr. Hurter was associated with the investment banking firm of B. L. Day & Co. for six years prior to joining Standish, Ayer & McKay, Inc., in 1955.

St. Louis Mun. Dealers To Hold Spring Meeting

ST. LOUIS, Mo.—The St. Louis Municipal Dealers Group will hold its annual spring meeting on May 1st and 2nd.

J. A. Hillen Opens

LAKE GEORGE, N. Y.—J. A. Hillen is conducting an investment—real estate office on Bolton Road.

Form Nat'l Capital

DAYTON, Ohio—National Capital Financial Corporation has entered the local market with the opening of an office at 6075 Shady Oak Street to engage in a securities business. With James R. Scheibner and Charles H. Turner, the firm is under the management of Norman J. Sigler.

Lentz, Newton Branch

BOSTON, Mass.—Lentz—Newton & Co. has opened a branch office at 900 North Main Street under the direction of Harold J. Sigler.

Cleveland Analysts to Hear

CLEVELAND, Ohio—At the meeting of the Cleveland National Security Analysts on Feb. 15, J. L. Atwood, head of the National Security Analysts of Cleveland, will be the speaker.

With Mountain States

Wm. C. Hurter Joins Keystone Custodian

DENVER, Colo.—Everett F. Hulbert and William B. Wilson are now with Mountain State Securities Corporation, Denver Club Building.

Tower Securities Adds

DENVER, Colo.—Marvin C. Smith has been added to the staff of Tower Securities Corporation, Boston Building.

With Norman Dacey

DENVER, Colo.—Glenn C. Smith has been appointed to the staff of Denver Club Building.

With Mountain States
Securities Now in Registration

Bankers Management Corp., Houston.

Texas (0/1)

Feb. 17 filed application for shares of common stock (par $5) to be offered for subscription by common stockholders at the rate of one new share for each two shares held; on or before Mar. 31. Proceeds—For investment purposes. Underwriter—Fugain R. Holman & Co., Inc., New York. Underwriter—None.

Barton Distilling Co., Chicago, Ill. (0/1/21-21)


Sept. 17 (letter of notification) $100,000 of 6% debentures due Sept. 10, 1967 and due Sept. 15,1972 and 4000 of 5% debentures (par $1) to be offered to the holders of units of $50 debenture and 20 shares of capital stock. Price—To be supplied by amendment. Proceeds—For conversion of a bond. Underwriter—Fulton field & Co., Inc., Cleveland, Ohio. Underwriter—None.

Jefferson Steamboat Corp., N. Y. & Conn.

Jan. 30 (letter of notification) 30,000 shares of common stock (par $5) to be offered for subscription by common stockholders at the rate of one new share for each two shares held. Price—$10 per share. Proceeds—To be used for working capital. Underwriter—Manna & Gould, Salem, Mass.

Cedar Production Corp., Far Hills, N. J.

Dec. 16 filed 1,000,000 shares of common stock (par five cents), for which a subscription price of $1 per share will be offered in exchange for the oil properties located in Oklahoma, New Mexico, Louisiana, Kansas and elsewhere. The subscription price is to be payable in cash. Underwriter—Cedar, Inc., Far Hills, N. J. Statement expected to be filed by Mar. 15.

Electric Power Co. (0/27)

Jan. 23 filed $12,000,000 of first mortgage bonds due 1982, for which a subscription price of $1000 per bond will be offered for subscription by stockholders at the rate of one new bond for each two bonds held; rights to expire on March 12, 1963. Proceeds—To be used for construction purposes. Underwriter—To be determined by competitive bidding. Underwriters—Halsey, Stuart & Co.; White, Weld & Co., and U. S. Smaller. Bids—Expected to be received to be received to be received up to 11 a.m. (EST) on Feb. 25.

Central Mortgage & Investment Corp.

Sept. 12 filed $3,000,000 of 20 year mortgage bonds and $500,000 of shares of common stock (par five cents) to be offered in accordance with amendment Dec. 31, 1962 at par for each stockholders. Proceeds—For purchase of mortgage loans for construction. Business—Miami Beach, Fla. Underwriter—Aetna Securities Corp., New York. Offering—Date indefinite.

Chenango & Unadilla Telephone Co. (0/2/19)

Sept. 23 filed application for shares of common stock (par $1) to be offered for subscription by shareholders at the rate of one new share for each $250 received by subscribers. Price—$13 per share. Proceeds—For working capital. Amendments—Underwriters—W. E. Hutton & Co., New York. Underwritten—None. Proceeds—To be used for the purchase of additional production machinery and expansion of production facilities.

Chicago Union College.

May 14 (letter of notification) 600,000 shares of common stock (par 25 cents). Proceeds—50 cents per share. Proceeds—To support the construction of a new college building. Underwriter—Halsey, Stuart & Co.; White, Weld & Co. and The First Boston Corp. (jointly); Harriman Ripley & Co. Inc. and J. B. White & Co. as joint underwriting. Bids—Expected to be received up to 11 a.m. (EST) on March 3.

Columbia Gas System, Inc.

Mar. 7 filed $40,000,000 of 20 year debentures due 1988, for which a subscription price of $1000 per bond will be offered to holders of the bond. Proceeds—To be determined by competitive bidding. Underwriters—Halsey, Stuart & Co.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Beane, Phoenix, Ariz. and McCarthy, Dwight, Inc., New York. Proceeds—To be used for the purchase of additional production machinery and expansion of production facilities.

Commercial Oil Refining Corp.

Dec. 16 filed $25,000,000 of first mortgage bonds due 1977, for which a subscription price of $1000 per bond will be offered to holders of the bond. Price—To be supplied by amendment. Proceeds—To be determined by competitive bidding. Underwriters—Halsey, Stuart & Co.; Morgan Stanley, Inc. and Merrill Lynch, Pierce, Fenner & Beane, Phoenix, Ariz. and McCarthy, Dwight, Inc., New York. Proceeds—To be used for the purchase of additional production machinery and expansion of production facilities.

Consolidated Cuban Petroleum Corp.

Dec. 27 filed $800,000 of 5% convertible debentures due Feb. 1973 (with detachable class A common stock warrants attached) and $20,000 of preferred stock. Proceeds—For working capital. Underwriter—H. Kohn & Co., Inc., New York. Statement expected to be filed on or before Apr. 1.
Famous Virginia Foods Corp. Nov. 6 (letter of notification) 50 shares of common stock, par $1, to be sold. Proceeds—For

Fidelity Fund Trend, Inc., Boston, Mass. Feb. 6 filed 20,000 shares of capital stock, of which 10,000

Fidelity Capital Fund, Inc., Boston, Mass. Feb. 6 filed 20,000 shares of capital stock, of which 10,000

February 12 (Wednesday)

Red Owl Stores, Inc. —Debentures (Lynch, Bros. & Co., New York, N. Y.; & others) $30,000,000

February 13 (Thursday)

Indiana & Michigan Electric Co.—Bonds ($100) $35,000,000

Southwest Gas Co.—Debentures (Common) $30,000,000

February 17 (Monday)

Bartlett Distilling Co.—Debentures (Common) $100,000

Southwestern Virginia Gas Co.—Debentures (C. T. Willards & Co., Inc., New York) 40,000 shares $100,000

February 18 (Tuesday)

General Motors Acceptance Corp.—Debentures $100,000,000

Gulf States Utilities Co.—Preferred $100,000,000

February 19 (Wednesday)

Montreal Transportation Commission—Debentures $50,000,000

February 20 (Thursday)

New York State Electric & Gas Co.—Bonds $35,000,000

February 22 (Saturday)

Norfolk & Western Ry.—Equipment, Trust Co. $25,000,000

February 24 (Monday)

Forest Laboratories, Inc.—Common (Alfred L. Powell & Co. and H. Carroll & Co.) $500,000

Pennsylvania Electric Co.—Bonds ($11 3/4 n. e. 1972) $100,000,000

February 25 (Tuesday)

Amsterdam (City of), The Netherlands—Bonds (Central) $10,000,000

Central Illinois Public Service Co.—Bonds ($10,000) $10,000,000

Cleveland Electric Illuminating Co.—Bonds ($11 3/8 n. e. 1970) $50,000,000

February 26 (Wednesday)

Potomac Electric Power Co.—Preferred (Dilling, Reed & Co., New York) $1,000,000

South Carolina Electric & Gas Co.—Common (Common) $200,000,000

Southern New England Telephone Co.—Debentures ($11 3/4 n. e. 1971) $30,000,000

United Gas Co.—Bonds (Spectre 1975) $30,000,000

United Gas Co.—Bonds (Spectre 1975) $30,000,000

February 27 (Thursday)

California Electric Co.—Bonds ($11 3/8 n. e. 1972) $100,000,000

February 28 (Friday)

National Aviation Co.—Common (Offering to stockholders—to underwrite) 174,646 shares

March 1 (Monday)

Baltimore Gas & Electric Co.—Common (Bonds) $11 3/8 n. e. 1972) $10,000,000

Iowa Public Service Co.—Bonds (Offering to underwrite) $10,000,000

March 2 (Tuesday)

Ohio Edison Co.—Bonds (Offering to be underwritten) $50,000,000

Public Service Electric & Gas Co.—Preferred (Merrill Lynch, Pierce, Fenner & Beane) $50,000,000

March 4 (Tuesday)

Iowa Illinois Gas Co.—Debentures (Offering to be underwritten) $100,000,000

Union Electric Co.—Bonds (Offering to be underwritten) $10,000,000

March 6 (Thursday)

Columbia Gas System—Debentures (Offering to be underwritten) $100,000,000

Southwest Gas Co.—Debentures (Offering to be underwritten) $100,000,000

March 8 (Saturday)

General Telephone Co. of the Western States—Bonds (Offering to be underwritten) $25,000,000

March 10 (Monday)

Merrimack-Essex Electric Co.—Bonds (Offering to be underwritten) $10,000,000

March 11 (Tuesday)

Bankers Management Corp.—Common (McDonald, Helm & Co., Inc.) $100,000

March 12 (Wednesday)

Chicago Rock Island & Pacific Ry.—Bonds (Offering to be underwritten) $50,000,000

March 16 (Sunday)

Mississippi Power & Light Co.—Bonds (Offering to be underwritten) $10,000,000

April 6 (Wednesday)

Philadelphia Electric Co.—Bonds (Offering to be underwritten) $50,000,000

April 11 (Monday)

Wilson Gas & Electric Co.—Bonds (Offering to be underwritten) $50,000,000

April 12 (Tuesday)

Philadelphia Electric Co.—Bonds (Offering to be underwritten) $50,000,000

May 5 (Monday)

United Gas Improvement Co.—Bonds (Offering to be underwritten) $25,000,000

May 10 (Tuesday)

Illinois Power Co.—Bonds (Offering to be underwritten) $10,000,000

June 3 (Tuesday)

Appalachian Electric Power Co.—Bonds (Offering to be underwritten) $10,000,000

June 6 (Friday)

Virginia Electric & Power Co.—Bonds or Debts (Offering to be underwritten) $10,000,000

July 1 (Tuesday)

Florida Power Co.—Bonds (Offering to be underwritten) $10,000,000

Continued on page 36
Continued from page 33

Boston Corp.; Eastman Dillon, Union Securities & Co. 
Bids — To be received up to noon (EST) on Feb. 13 at 2000 Ave., New York, N. Y. 

* Investors Syndicate of America, Inc. 
Feb. 6 filed (by amendment) an additional $25,000,000 series of 10,000,000 shares of common stock (par 40 cents). Price—$5 per share. Proceeds — For retirement of $10,000,000 of 61/2 per cent preferred capital, Underwriter—Southseas Securities Corp., New York.

Motel Corporation of Italy 
Jan. 14 filed (letter of notification) 15,000 shares of Class A common stock and 10,000 shares of 7% cumulative convertible preferred, to be sold publicly at a unit price of $101, representing $100 of common stock plus $1 per share of preferred stock. Proceeds — To be invested in the stock of Motels Americano, S.p.A.; Silver-Springs, Maryland. Underwriter—None.

Multnomah Canadian Fund, Ltd., Vancouver, B. C. 
Jan. 31 filed (letter of notification) 1,000,000 shares of common stock (par $1). Price—At market. Proceeds — For investments. Underwriter—Scott, Collins, Fowler, St. John & Company, New York, N. Y.

* National Aviation Corporation, New York (2/28) 
Feb. 7 filed 174,401 shares of capital stock to be offered for subscription at $5.00 per share. Price—To be sold by Underwriter—White, Stover & Company, New York, N. Y.

National Biochemicals, Inc. 
Sept. 10 (letter of notification) 100,000 shares of common stock (par 100). Proceeds—For investment. Underwriters—F. B. Rittenberg, New York, N. Y.

National Telephone Company, L. R. 

Leucadia Realty Corp., New York 

Lori-Telephone Co., Lorain, Ohio 

Leighton Co., Newark, N. J. 
Feb. 5 (letter of notification) 2,000 shares of common stock (par 15 cents). Price—$2.50 per share. Proceeds — For general corporate purposes. Underwriter—Anders & Company, Newark, N. J.

Mennonite Co., Inc. 
Jan. 17 (letter of notification) $250,000 of 6% sinking fund debentures due 1978. Price—Of debentures, issued in one series, to be sold for subscription by subscription at the rate of $1,000 of debentures held. Price—$128 per bond. Proceeds—For general corporate purposes. Underwriter—None.

Montreal Mining Corp. 

Morison Co., Inc. 

Montreal Association, Inc. 

Montreal Transportation Commission (2/18-19) 

* Ohio Edison Co. (3/4) 
Feb. 8 filed $40,000,000 of first mortgage bonds due 1988. Proceeds — To repay bank loans, etc. and for new construction purposes. Underwriter—Oppenheimer & Company, New York City.

Oil & Mineral Operations, Inc. 
Nov. 4 (letter of notification) 100,000 shares of common stock to be sold to private investors. Proceeds—To be used for development of oil and mineral properties. Offerer—20 Wright St., New York, N. Y.

Pennsylvania Electric Co. (2/24) 

Pepsi Cola, Inc. 
Feb. 25 (letter of notification) 198,500 shares of common stock (par $1); and 451,740 warrants to pur¬chase for sale of 150,000 shares of common stock being offered in units of $50 of debentures plus $10 of common stock to purchase four common shares plus 15 warrants to each $50 of debentures. Underwriter—To purchase units of outstanding stock of preferred stock (par $25) at par or to continue the offering as on Jan. 31, 1958. Purpose—To elimin¬ate or reduce deferred dividend arrearages. Underwriter—None. Statement effective Dec. 15.

Pleasant Valley Oil & Mining Corp. 
Sept. 30 (letter of notification) 2,000,000 shares of common stock (par $1). Price—Proceeds — For geological studies, reserve for contingent liabilities and for general corporate purposes and equipment and other reserves. Offerer—Ohio Judith & Co., Inc., Cincinnati, Ohio. Underwriter—Steven Randall Co., Inc., New York, N. Y.

Pittsburgh Power Co. (2/25) 
Feb. 5 filed 300,000 shares of 5% convertible 5-year mortgage bonds due 1950 (par $50). Price—To be supplied by amendment. Proceeds — For the development of a generating unit at the United Mine in the docks of Pittsburgh, Pennsylvania. Underwriter—Dillon, Read & Co., Inc., New York, N. Y.

Premier Chemical Co., Buffalo, N. Y. 
Jan. 29 filed 100,000 shares of 8% preferred stock (par $1) to be offered at par. Price—Proceeds — For the purchase of real property in Buffalo, N. Y. and distribution of the company's capital to shareholders. Underwriter—First Boston Corp. and Harriman & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co., Merrill Lynch, Pierce, Fenner & Beane, Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly). Bids—Tentatively scheduled to be received up to noon (EST) on March 1.

Professional Life & Casualty Co., Champaign, Ill. 
Dec. 16 filed 120,000 shares of common stock (par $15). Price—To be supplied by amendment. Proceeds — For cash surplus and capital. Underwriter—None.

Professional Electric & Gas Co. (3/4) 
May 29 filed 230,000 shares of convertible preferred stock (par $100). Price—To be supplied by amendment. Proceeds — To be used for construction and for working capital. Underwriter — Merrill Lynch, Pierce, Fenner & Beane, New York, N. Y. (par $100). Bids—Submitted by securities dealers were discontinued last June because of uncertainty of market conditions at that time, but have now been resumed.

Public Savings Corp. 
Nov. 9 filed 113,000 shares of common stock (par $5) to be offered at $11. Proceeds — To be supplied by amendment. Proceeds—To be applied to capital stock, issuance of additional stock. Underwriter—None. Statement effective Dec. 9.

Reichhold Chemicals, Inc. 
## Resolute Bay Trading Co., Ltd.

Oct. 29 (letter of notification) 30,000 shares of common stock. Price—$5 per share. Proceeds—To support the development of cobalt resources on their mineral property. Underwriter—R. B. Ford Co., Windover Road, Memphis, Tenn.

## Chair Lake Mining Co., Ltd.


## Resolute Corp. Zelenipou, Pa.

Nov. 6 filed 300,000 shares of common stock to be offered for subscription by the company and other subscribing stockholders. Proceeds—To pay $100,000 outstanding obligations and for improvement and rehabilitation of plant and facilities. Underwriter—None.

## Rocky Mountain Quarter Racing Association


## South-Western Mining Corp.


## Southern Oxygen Co.


## Southwest Gas Corp.


## Southern Pacific Realty Corp.


## New England Paper Co.

Nov. 19 (letter of notification) 100,000 shares of common stock (par $50). Proceeds—For the acquisition of the company's working capital, to be used for the purchase of paper and to refund bank loans. Underwriter—White & Co., St. Louis, Mo. Offering—Expected this week.

## Nordamerika-Japan, Inc.

Nov. 19 (letter of notification) 25,000,000 of 5% cumulative convertible preferred stock (par $30) and 418,475 shares of common stock (par $1) to be issued for exchange for shares of White Laboratories, Inc. (which is to be merged with Schering Corp.). Effective Sept. 15, 1957 on the basis of one share of preferred stock and $1/4 share of common stock for each class B common share held. Underwriter—None.

## Scientific Industries, Inc.

Dec. 27 (letter of notification) 150,000 shares of 6% convertible preferred stock (par $30) and 542,475 shares of common stock (par $1) to be issued for exchange for stock of the company's founders. Effective Dec. 1, 1961. Proceeds—To provide working capital. Underwriter—Willis E. Benedict, New York. Underwriting—None.

## Sentinel Security Life Insurance Co.


## Shell Transport & Trading Co., Ltd.

Dec. 20 filed a maximum of 817,700 of New York Shares (representing a like amount of ordinary shares) to be offered for subscription by common stockholders on the basis of one new share for each four shares held. Price—$3 per share. Underwriter—To be selected by the company. Underwriting—None. Effective Dec. 20.

## Shopping Centers Corp., Pittsburgh, Pa.

Dec. 17 filed 100,000 shares of common stock (par $2.50) and $2,500,000 of debenture bonds to be offered in units of one share of stock and one $50 bond. Proceeds—For the development and management of shopping centers, luxury hotels and other commercial projects in the United States. Underwriter—To be made through Akiba Zillerberg, 5857 Phillips Ave., Cleveland, Ohio. Underwriting—None. Effective Feb. 7.

## Simplicity Pattern Co. Inc.

Dec. 10 filed 15,000 shares of common stock (par $1). Price—To be fixed at par. Proceeds—To repay indebtedness. Underwriter—Simplicity Securities Corp., a subsidiary.

## South Carolina Electric & Gas Co. (2/26)

Feb. 4 filed 2,000,000 shares of common stock (par $4.50) to be offered for subscription by common stockholders on the basis of one new share for each 10 shares held (with an oversubscription privilege); rights to expire about March 12. Price—To be supplied by Eastman Dillon, Union Securities & Co., New York. Offering—Indefinitely postponed.

## Southern Electric Steel Co.


## Southwestern Electric Power Co. (2/26)

Feb. 4 filed 350,000,000 shares of common stock (par $1) to be offered for subscription by common stockholders on the basis of one new share for each 10 shares held (with an oversubscription privilege); rights to expire about March 12. Price—To be supplied by Eastman Dillon, Union Securities & Co., New York. Offering—Indefinitely postponed.

## Southern Pine Lumber Co., Ltd.

Underwriter—Kidder, Peabody & Co. (jointly); Lehman Brothers and Salomon Bros. & Hutzler (jointly); The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Bean. Bid, $2. a.m.
Duquesne Light Co.
Jan. 29 it was announced company plans to sell not exceeding $15,000,000 of first mortgage bonds due 1988. Underwriting—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly).—To be sold through Peabody & Co. and the First Boston Corp. (jointly).—White, Weld & Co. and Shields & Co. (jointly).

Florida Power & Light Co. (7/14)
Jan. 29 it was announced company plans to issue and sell $25,000,000 of first mortgage bonds due 1988. Underwriting—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly).—To be sold through Peabody & Co. and the First Boston Corp. (jointly).—White, Weld & Co. and Shields & Co. (jointly).

Florida Power & Light Co. (3/25)
Jan. 29 it was announced company plans to issue and sell $20,000,000 of first mortgage bonds. Underwriting—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly).—To be sold through Peabody & Co. and the First Boston Corp. (jointly).—White, Weld & Co. and Shields & Co. (jointly).

Florida Power & Light Co. (7/14)
Jan. 29 it was announced company plans to issue and sell $25,000,000 of first mortgage bonds due 1988. Underwriting—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly).—To be sold through Peabody & Co. and the First Boston Corp. (jointly).—White, Weld & Co. and Shields & Co. (jointly).

Gulf, Mobile & Ohio RR.
Dec. 20 ICC granted company permission to issue $25,000,000 of first mortgage bonds, subject to competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly).—To be sold through Peabody & Co. and the First Boston Corp. (jointly).—White, Weld & Co. and Shields & Co. (jointly).

Gulf States Utilities Co.
Jan. 29 it was announced company plans to issue and sell $20,000,000 of first mortgage bonds. Underwriting—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly).—To be sold through Peabody & Co. and the First Boston Corp. (jointly).—White, Weld & Co. and Shields & Co. (jointly).

Equitable Securities Co. & & Co., Inc.
Jan. 29 it was announced company plans to issue and sell $2,000,000 of first mortgage bonds due April 16, 1986. Underwriting—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly).—To be sold through Peabody & Co. and the First Boston Corp. (jointly).—White, Weld & Co. and Shields & Co. (jointly).

Mississippi Power & Light Co. (4/16)
Jan. 29 it was announced company plans to issue and sell $15,000,000 of first mortgage bonds due 1988. Underwriting—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly).—To be sold through Peabody & Co. and the First Boston Corp. (jointly).—White, Weld & Co. and Shields & Co. (jointly).

Newark Public Utilities Co. (11/16)
Jan. 29 it was announced company plans to issue and sell $6,000,000 of first mortgage bonds until the amount has been determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly).—To be sold through Peabody & Co. and the First Boston Corp. (jointly).—White, Weld & Co. and Shields & Co. (jointly).

Ohio Northern Public Service Co. (Minn.)
Jan. 30 it was reported that the company may be considering $2,500,000 of first mortgage bonds.

Northern States Power Co. (Minn.)
Jan. 30 it was reported that the company may be considering $3,000,000 of first mortgage bonds.

Portsmouth Electric Co.
Jan. 30 it was reported that the company may be considering $3,000,000 of first mortgage bonds.

Philadelphia Electric Co. (5/5)
Jan. 27 it was reported company plans to issue and sell $15,000,000 of first mortgage bonds due 1988.

Philadelphia Electric Co. (5/5)
Jan. 27 it was reported company plans to issue and sell $15,000,000 of first mortgage bonds due 1988. Underwriting—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly).—To be sold through Peabody & Co. and the First Boston Corp. (jointly).—White, Weld & Co. and Shields & Co. (jointly).

Public Service Co. of Oklahoma
Jan. 30 it was reported company plans to issue and sell in May $15,000,000 of first mortgage bonds due 1988.

Public Service Co. of Oklahoma
Jan. 30 it was reported company plans to issue and sell in May $15,000,000 of first mortgage bonds due 1988. Underwriting—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly).—To be sold through Peabody & Co. and the First Boston Corp. (jointly).—White, Weld & Co. and Shields & Co. (jointly).—To be sold through Peabody & Co. and the First Boston Corp. (jointly).—White, Weld & Co. and Shields & Co. (jointly).
Southern Counties Gas Co. of California

Debentures


Southern Nevada Power Co.


Spur Distributing Co., Nashville, Tenn. (2/19)

Bids will be received by the Attorney General of the State of Tennessee until 11:00 a.m. EST on Feb. 19 for the purchase from the Government of 75,000 shares of common stock (worth $5,000,000). Any offer must be for the company's outstanding common stock. An offer to purchase the stock for $5,000,000, which is to be made by the Attorney General, has agreed to accept such offer unless a higher acceptable bid is received.

Toloed Edison Co.


The holiday yielded no here. as to show down corporate new financings, via the underwriting. This is due, partly, to the election year, and partly, to the situation of the market. Instead, our bank was only 3% above the average. It is not now, as it was last week, the demand for stocks is far greater than the supply. This is due to the situation at the market and the supply of new issues.

Societies Co. (4/16)

Jan. 27. It was reported that the company plans to offer $18,000,000 of common stock for the market, and that the issue will also be sold to the public. The company has been in operation for 97,862 additional shares of common stock, (probably with an over subscription privilege).

Proceeds—For the company will have 11,000,000 shares of common stock for the public. Underwriter—To be determined by the competitive bidding, and the company will sell the shares for the best price. Bidders: Kidder, Peabody & Co.; Stone & Webster Securities Corp., and Dean Witter & Co. (jointly).

Society Co. (4/23)

Jan. 27. It was reported company plans to issue and sell $2,000,000 of first mortgage bonds due 1989. Proceeds—For the bond will be used to build a new office building. Underwriter—To be determined by the competitive bidding, and the company will sell the shares for the best price. Bidders: Kidder, Peabody & Co.; Stone & Webster Securities Corp., and Dean Witter & Co. (jointly).

Street-Level Offerings

There is a great deal of speculation regarding the "issue" buildings up as corporations, especially since many companies are looking to repay their plans for borrowing.

Consolidated Edisons Co. of New York, Inc. (1/28)

The company plans to register this week for the sale of $50,000,000 of bonds which will be used for the purpose of refinancing.

More recently, Pacific Gas & Electric disclosed plans to issue $50,000,000 of new first mortgage bonds to retire $50,000,000 of old bonds and to finance new construction.

Brisa C. Hadden


Specialists to Undertake Study of Our Monetary - Banking System

An assist by the Reim Foundation permits specialists in the fields of money and banking to continue study of our money and banking system authorized by Economists' National Committee and started January, 1957.

Names of Eleven Authors

The authors of the Economists' National Committee study are: Dr. James Washington Bell, President, New York University; Professor of Economics, New York University; Dr. Edith F. Fairchild, Professor of Economics, New York University; Dr. Donald L. Kemmerer, Professor of Economics, University of Illinois; Dr. Arthur Kemp, Professor of Economics, Claremont Men's College, California; Professor of Economics, Claremont Men's College, California; Dr. Fred R. Niehaus, Professor of Economics, University of Colorado; Dr. Melvyn Palter, Professor of Economics, University of California; Dr. John T. Schmidt, Professor of Economics, University of California; Dr. Clyde W. Phelps, Professor of Economics, University of California; and Dr. Stuart A. Steiner, Professor of Economics, University of California.

Our money and banking system is the subject of the study of two private, non-profit research groups now that 11 specialists have agreed to be part of the study. The members of the Economists' National Committee, on Monetary Policy, have been advised on Feb. 4 by a grant from the Ford Foundation, New York, to the study for the United States was a grant of $100,000. The grant is expected to complete by the end of this year. The committee will be expected to complete by the end of this year.

Similar to Macmillan Report

An Economists' National Committee study is to have a group of 11 of the nation's leading banking and monetary experts to study the current monetary system, and to make recommendations as to what should be done in respect to each issue.

The Executive Committee of the Economists' National Committee plans to make a study of the banking system, and to examine the relationships between the banking system and the broader economy. The report will be issued in two parts: (1) a study of the banking system and (2) a study of the broader economy. The report will be issued in two parts: (1) a study of the banking system and (2) a study of the broader economy.

With First International

DENVER, Colo.—David L. Garriott, Jr., is now connected with First National Bank Corporation, Denver, Colorado.

Jongee Staff

HARLAN, Ky.—Harald G. Coleman, has been appointed to the staff of L. F. & C. Co., Bus Terminal Building.

Midland Sec. Add

KANSAS CITY, Mo.—Charles M. Clark, Jr., has joined the staff of Midland Securities Company Co., 1015 Baltimore Avenue.

Rejoins Mercantile Trust

ST. LOUIS, Mo.—Fred D. Miller, jr., is now with Mil- ler & Wood's, Paul Brown Building, member of the Mercantile Trust and Exchange, and was previously with Dennis-Tegler Co.

With Ohio Company

OHIO—Roger T. Murphy has been affiliated with The Ohio Company, 51 North High Street.

Now With Wallston Co.

PORTLAND, Ore.—Richard T. Stouff has been hired with The Wallston Co., 610 High Street.

Mid Town Securities

The firm name of Arthur J. Korn & Co. has been changed to Mid Town Securities.
Boston Fund's Assets, Dividends Both Increased

by ROBERT E. RICH

Parker Corp. Sees Best Bargains

in Four Years In Market

Mutual Funds

Current market prices provide investment opportunities not available for some years, Mr. Rich observes. Many persons may well prove to be an occasion to make investments at "bargain prices." He reports the 22nd annual report of Incorporated Investors (4759, 4837, 46,763), the oldest of the mutual fund invest-

ments.

Chairman William A. Parker, in his annual report, reveals that the income from dividends paid to shareholders for the fiscal year ended Dec. 31, 1958, was $8,194,000, an increase of 14% from dividends in the previous year. Also, the net asset value of the shares at Jan. 31, $11.59, after adjusting for the distribution of capital gains, this compared with $11.26 at the same time last year. The directors have also declared a dividend of 6% representing current long-term capital gains realized from the sale of securities, with the capital gain distribution, and the dividend and income interest payment are payable Feb. 25 to shareholders of record at Jan. 31.

Wellsferry Fund Assets Now $605 Million

At the end of 1957, net assets of the (Wellsferry Fund totalled $567,059,503. By Dec. 31, 1958, these were up to $756,753,509 at the end of the previous calendar year. The fund's annual report now being mailed to stockholders. This is equivalent to $636.75 per share on Jan. $92.00 for 1956. During 1957, dividends of 4.5% per share was paid from net investment income. Early individual and joint accounts have gained an average of 28.3%.

At the end of 1957, net assets of the Wellsferry Fund were $618,935,418, a gain of $51,876,915 or 10.1%, over the December 31, 1956, balance. Both figures represent the highest net investment income and capital gains on record in the fund's history.

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Despite the fact that "a levelling of the process in apparent in the economy of the economy during the calendar year, the report expresses the opinion that "an effect on term growth forces are still operational, and that the present period offers many investment opportunities.

Major changes in the fund's holdings during the year included an increase in the number of shares of Granfield Company in the paper and container, public utility, and insurance industries, and new industrial and commercial enterprises in the railroad and aircraft industries.

In the three months since Sept. 30, 1957, when investment earnings were last reported to stockholders, additions were made to the fund in the amount of $4,375,678 in new issues in the solicitation of the fund, the number of shares outstanding, owned by 1,139,773 shareholders on Dec. 31, 1958, compared with 1,053,773 shareholders on Dec. 31, 1957. The fund's total assets devoted to net investment income in 1957, the largest figure thus far in the fund's history.

The report notes that the Wellsferry Fund dividend per share in 1958 was $2.28, paid quarterly, while the annual total was $9.12. The fund's average balance of cash and securities held at the end of the year was $756,753,509.

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Business and Stock Outlook
For the Long-Term Investor

continued from page 8

The economic outlook for 1958 indicates that the business and stock market conditions should be favorable, but there are some potential risks that should be kept in mind.

Economic Outlook

The Federal Reserve Bank of St. Louis has forecast a moderate economic expansion for 1958, with a growth rate of 3-4%. This growth is expected to be driven by increased consumer spending and a recovery in the housing market. However, there are some risks to watch out for, including a possible rise in inflation and a potential slowdown in corporate earnings growth.

Consumer spending is expected to remain strong, driven by higher disposable income and low unemployment rates. The housing market is also expected to continue its recovery, with a slight increase in the number of new home sales. Business fixed investment is expected to grow at a moderate pace, driven by increased confidence in the economy.

The unemployment rate is expected to remain low, at around 3.5%, which should provide a support for consumer spending. The inflation rate is expected to remain moderate, with a slight increase from the 1957 level of 1.5%

There is a risk that inflation could pick up if the economy heats up too much. This could put pressure on the Federal Reserve to raise interest rates, which could start to depress the stock market.

Global Factors

The global economy is also expected to continue its recovery, with a growth rate of 3.5% in the United States, 2.5% in Europe, and 3% in Japan. This growth is expected to be driven by increased trade and investment.

There is a risk that geopolitical tensions could flare up, which could lead to a slowdown in the global economy. This is particularly true in the Middle East, where there is some uncertainty about the situation in Iraq.

Policy Considerations

The Federal Reserve Bank of St. Louis believes that the Federal Reserve should continue to be cautious in its monetary policy. The Federal Reserve should be prepared to raise interest rates if the economy heats up too much, but it should not be too quick to do so.

Overall, the economic outlook for 1958 is positive, but there are some risks to watch out for. The Federal Reserve Bank of St. Louis believes that the Federal Reserve should continue to be cautious in its monetary policy, and that the stock market should continue to be strong.
With Piper, Jaffray
Special to The Commercial Chronicle
ST. PAUL, Minn.—Donald M. Griffiths has become affiliated with Jaffray, Pipper & Hopwood, First National Bank Building.

Beverly M. Eye
Beverly M. Eye, associated with Theodore Tashbain & Co., announced today he will retire at the age of 65. Prior to joining Theodore Tashbain & Co., Eye was a partner in Delafield & Delafield.

Stern, Lauer Partner
St. Louis, Jan. 12—B. A. Lauer & Co., Broadway-St. Louis, New York City, members of the New York Stock Exchange, announce the addition of John P. Sljd, Jr. to partnership.

Now Southwest Management
DALLAS, Texas—The firm name of Southwestern Investment Distributors, Inc., Fidelity Union Life Building, has been changed to Southwest Management & Research Corporation.

DIVIDEND NOTICES

The following reports are based on information furnished by the companies.

The Dayton Power and Light Company: 143rd Common Dividend
The Board of Directors has declared a regular quarterly dividend of 60 4/100 of one cent per share on the Common Stock of this Company, payable on March 1, 1958, to stockholders of record on February 17, 1958.

GEORGE SELLERS, Secretary.
February 7, 1958.

PHELPS DODGE CORPORATION

The Board of Directors has declared a first-quarter dividend of Seventy-five Cents (75c) per share on the capital stock of this Corporation, payable March 10, 1958 to stockholders of record February 25, 1958.

M. W. Unuchich, Treasurer.
February 5, 1958.


145th DIVIDEND DECLARATION
The Board of Directors of this company today declared a cash dividend of 145c on each share of the common stock of this Company. This dividend will be payable March 15, 1958 to stockholders of record at the close of business February 28, 1958.

C. Allan Fee, Vice President and Secretary.
February 6, 1958.
Washington... And You

WASHINGTON, D. C. — The Joint Economic Committee of the Senate and House is receiving some pertinent economic testimony about the fiscal affairs of the Nation. Because it is not bearing on the specific fiscal policies of the country, it has not yet been given undivided attention by either chamber, but the members are both now in session and are expected to hear and study the testimony thoroughly.

The Joint Economic Committee, a non-partisan group of Senate and House members, meets regularly to hear testimony on economic issues. The testimony is usually from experts in the field, and it helps the members understand the economic situation and make informed decisions.

The testimony is expected to cover topics such as the state of the economy, the impact of fiscal policies, and other economic issues. The Joint Economic Committee is a valuable resource for lawmakers as they consider legislation and make decisions about the fiscal affairs of the Nation.