As We See It

Even if this were not an election year, we should have to expect a good deal of favor in Washington about what is or is not being done to bring the current recession to a halt, and, of course, what ought or ought not to be done. The Democratic Party long seeking a live issue with which to go to the polls has found it, so they hope, in the rising unemployment figures. With election campaigns getting under way, it is inevitable that the utmost will be made of the recession and governmental policies related thereto. Even the ordinarily rather calm voice of Senator Johnson has of late been sounding a bit turbulent, and Mr. Rayburn in the lower house has been playing an even more colorful part.

But even the New Dealers realize that there is danger, too, in over-hasty or unwise action at this time—or at least some of them do. Hence, the more impulsive in the ranks of the party of Franklin Roosevelt are not having things altogether their own way. The Republican Party, too, has its differences—about what should be done. One result is a sort of babel in political circles in Washington.

Of course, there is general agreement among the opposition that the Eisenhower Administration is not doing the right things and enough of them, and, perhaps, most of the Republicans are sure that the Democrats would rush in where angels fear to tread. Senator Douglas would move precipitately to reduce taxes; the President is determined, he tells us, that he will not be "panicked" into taking steps that would make things worse.

Continued on page 35

The Business Recession

By DR. ARTHUR F. BURNS
Professor of Economics, Columbia University; President, National Bureau of Economic Research; Former Chairman, President Eisenhower's Council of Economic Advisers.

Former Presidential economic adviser, citing antecedents and present unfavorable factors of the current recession, maintains it may prove to be more serious than the declines of 1948-49 or 1953-54. Advocates following governmental measures to promote speedy recovery: (1) broadly based tax reduction; (2) inclusion of reasonable price stability among the explicitly stated objectives of the Employment Act of 1945; (3) government operation of unemployment insurance system; and (4) introduction of two-way flexibility into our highway program. Urges businessmen to act on their own, through intensified selling efforts, the relaxation of credit standards, advance introduction of new products, acceleration of research, and maintenance or possible increase of dividends. Urges future check on growth of non-defense spending to offset deficit.

Current Canadian Economy

— An Interlude Between Growth and More Growth

BY DR. IRA U. COBLEIGH
Enterprise Economist

Current downturn in Canada's economic activity is described by Dr. Cobleigh as merely a temporary interlude in its dynamic growth, the resumption of which is deemed inevitable. The country's fabulous natural resources and new economy and sound policies, the author contends, fully warrants the continued confidence of investors throughout the world in securities of Canadian enterprises. Study includes a long list of stocks which have paid cash dividends uninteruptedly for periods exceeding 125 years.

At the moment it is the fashion among economists, North and South of the St. Lawrence, to cite the great catch-up. We have, in their view, caught up with the great and impelling posterior demands for housing, motor cars, appliances, clothing, metals, minerals, cement and commodities. Because, at the moment, there appear no shortages in these diverse areas, the less imaginative interpreters of our economic scene have concluded that we are in, or headed for, some quite stormy weather anywhere from a "breather" to a king-sized depression. With these considerations of gloom, Canadian and otherwise, we quarrel.

Of course, Canada has had a downspin in the last 12 months. The standard economic criteria document that quite accurately: $40,000 unemployed in Canada; copper, lead and zinc at the lows of several years, all a Western glut, and natural gas still in some oversupply, vis-a-vis short range pipeline and industrial demands. And

Continued on page 20
The Security I Like Best

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

(Jacques Coe, Senior Partner, Jacques Coe & Company, New York City.

Members New York Stock Exchange
Eversharp, Inc.

Eversharp, Inc. has received a large block of stock from Mr. Wylie (75,000 shares at $13.88). In this purchase, the company is interested in the possibility of developing a large capital for the number of shares outstanding.

Looking at this situation from the standpoint of shareholders, it would be a situation which can be recommended with reasonable conviction because of:

1. New, forceful and imaginative management which has proven itself unusually successful in the past.
2. An extremely strong cash and security position, including a current market price the properties are considered undervalued.
3. Current dividend yield 6.8%.
4. Always possible take-over, in which event the sale undoubtedly would increase not only from the present price but also from many other outstanding shares.

Range of Eversharp during the past few years has been from 70 to 1917; low 12 1/2: last October. The current price at the New York Stock Exchange.

Robert E. Stovall
E. F. Hutton & Company

New York, New York

United Fruit Company

In February, the government announced settlement of its long-pending anti-trust suit against this giant of the banana trade. Initial newspaper reports of the decision indicated there were some what ambiguous and gave the impression that the company's past practices were not sustained. In fact, it appeared that the United Fruit Company was not guilty of any antitrust violation.

Robert H. Stovall

The Commercial and Financial Chronicle

This month, the final judgment to the anti-trust case against the company (initiated in July of 1924) was settled to mutual agreement on Continued, page 12.
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Canadian Investment Opportunities

This article begins on page 13, "Current Canadian Economy: An Interlude Between Growth and More Growth," outlining the investment opportunities inherent in Canadian securities and, by way of documenting the views presented, includes a tabulation of the banks and companies listed on the Canadian Exchange which have paid consecutive cash dividends from 10 to 125 years (Table I, page 21) and from 5 to 10 years (Table II, page 31), along with other data of interest to investors.

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Some springtime notes about the farm implement business with particular reference to the look of J. I. Case Company and Deere & Company.

The farm implement business is one line which does not seem to have been touched yet by the general recession that has already had its slump-long before for the rails, motors and other mass-produced goods.

The peak year, in fact, was 1940. Net farm equipment sales hit $1.9 billion, with the 1937 figure somewhere around $1.3 billion.

Among leaders in the industry, there is a general feeling that sales and profits should be, in 1958, at least as high as last year and probably higher. This qualified optimism is based on the fact that the recession that has struck the Southwest; arousal of farmer interest when combining prices are paid for the introduction of bigger and more efficient farm and garden machinery and innovations that work in six rows instead of four, wide use of plastics, and the 1907 figure somewhere around $1.3 billion.

J. I. Case Company

And now for a swift look at these two companies, beginning with Case, Case is an old-timer. It has been turning out, and selling, farm equipment for 116 years. In recent years it has not been as even with sales, slipping badly from 1951 highs, and a "white elephant," a "white elephant," which may have drained as much as $3 million from net earnings in 1957.

Today, however, J. I. Case Company presents a "forward" look. In April, it merged, its American Tractor Corp. with Case, centralizing in crawler tractors, earth moving and road building equipment. Most important, it also acquired the President and largest competing tractor manufacturer, International Harvester Corp. Mr. Marc B. Koff, and made him president of Case. He has made things hum. He is terrifically progress-minded. When we wrote him last fall, he had not yet heard of this year's programs which, he has sheltered:

(1) A $6 million expansion program for 1958—mostly for modernization at Butterfield to make it efficient and profitable instead of a sprawling drag on earnings.

(2) The big and fabulously successful sales convention and exhibition which, among other things, included the Case-O-Matic farm equipment, the world's only 32-row combine in conjunction with a direct transmission, which reduces high gear shift time from as much as 120 seconds to 120
duplas.

(3) This show delivered 696 million in orders and added 500 dealers. If Case has helped itself, it has also helped the successful sales promotion project in the home office of the farm implement business.

(3) A $3.5 million expansion program in 1938 (these three what was 49 million in 1957).

(4) Aggressive expansion abroad—Including purchasing of a French international harvester plant man to make crawlers, a large tractor, a Case plant in Brazil, and an Australian plant to make industrial machinery.

All with these energetic programs, which can expect of Case common, which since 1946 has ranged between $1.54 - $2.75, there were 3,825,652 common equities listed on the New York Stock Exchange. These are for the most part the same financial structure, by two series of preferred stocks, $24 million in 3%-debt securities and a $100 million revolving bank credit, as evidenced by the fact that Case in 1957 presently been drawn upon. It common earned 10 cents a share in 1957. Making allowance for a high level of farm purchasing and for the cost of construction, expansion and road building, streamlining of new products, and revital- ied management, Case may earn as much as $1.65 in 1958 and per-

(5) Formation, in 1957, of J. I. Case Credit Corp. to facilitate time sales to farmers and simplify cor-

(5) Expansion of the new horizon, Deere will double its 1957 output, and its net profit, with no new costs, by manufacturing facilities at Moline, a new plant for producing 30,000 small wheel tractors at Dubuque, Iowa, and purchase of new and used 6-foot combine tractors. (As a result of new labor contracts in August) may change that view-

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The State of Trade and Industry

Over-all industrial production the past week continued to rebound, but for the third consecutive week it is reported by "Steel" magazine that the steel mills are finding that the auto industry has been replaced by construction as their leading customer. The steel industry, whose automotive business has slumped to all-time lows, has been torn by a decline of 27.5% for the week ended March 21 under that of the previous 12 days. However, the automotive business was down 22. Case loadings also declined registers in the latest reporting week. On the other hand, trade volume for the country as a whole last week, compared favorably with that of preceding week and slightly exceeded last year's level.

Industrial production has declined more in the current recession than in any of the other post-World War II setbacks—1945-46 and 1953-54.

The Federal Reserve Board's seasonally adjusted production index for manufacturing was 2,600 in the week ended February 21, the board reported.

The February figure represents a decline of nearly 13% since production started falling at the beginning of last year. In both 1945-46 and 1953-54 the drop was fractionally more than 10%.

The index in February was 570 below the level of February last year. In February last year it was 146. It has not been as low as 130 since December, 1957, and it is 150 points below 145 realms at the end of the 1951 recession, the index showed.

The index of consumer prices for February, announced. Friday last by the United States Department of Labor, rose 0.2% to 122.5, a record level.

The consumer price index in the 1941-42 base year for March shows that prices are more than one-half higher than they were in the 1910-14 period, the bureau stated, in was the 1910-14 level.

The last decline in the consumer price index was in August, 1956. Since then the cost of living has increased in almost every category.

The only declines in February prices, the bureau stated, were in the prices of gasoline and in coal. The prices of gasoline were helped to reduce the price of gasoline by 2.7%.

The department also noted that weekly spendable earnings of factory workers were about unchanged between January and February. The average worker with three dependents made spendable earnings of $177 in January and $176 in February, a decline of 0.6%. An increase in the cost of living was blamed for the decrease in take-home pay for workers by 0.4% in the month, down almost 5% from 1957.

Crude oil production in the United States showed a further decline during the week ended March 14, according to the Ameri- can Petroleum Institute.

Output during the week averaged 6,256,985 barrels daily, a drop of 17,700 barrels over week and well under the year ago rate of 7,798,715 barrels a day.

The decline in the latest week followed a sharp dip a week earlier. The first reflection of drastic cutbacks in all oil-producing areas set for the month of March by the major producing states, the American Petroleum Institute oil output dropped 20,000 barrels below the 1957 rate.

The decline in output during February resulted in considerable improvement in the refined product inventory situation. Total crude oil inventories reported which were estimated at 494,900,000 barrels or 33,300,000 higher than at the same time last year. This excess over year ago levels compared with 57,000,000 in 1956, a state of affairs which two months ago product inventories is located on the West Coast.

In the automotive industry the lowest automotive production schedules of 1958 are persisting through March, "Ward's Automo-

Steel Production Estimates

Commodity Price Index

Auto Production

Business Failures

Continued on page 46
Section 5 Current Problems Under SEC Act and Release 3844

By EDWARD N. GADSBY
Chairman, Securities and Exchange Commission, Washington, D. C.

SEC Chairman addresses himself to the troublesome problem of "permissible versus unlawful advance information" scheduled for public offering, investment bankers, broker-dealers, and corporate executives addressing analysts societies prior to public offering, and their offer dates. Section 5 of the Act and "the selling effort" are matters determined on an ad hoc basis. "Explains the golden mean they should follow regarding Section 5 of the Act and subsequent clarifying releases is whether, or not, prosed and how prospective securities should be covered by the effective date of the registration statement." Solicitors reactions to views expressed and announces Release No. 3844 may be clarified shortly.

The public and the business community are inclined to think of the SEC as an agency which has its priorities in the main correctly in terms of its "dilemma,"... and "anti-fraud" prohibitions... Officers and syndicate managers who would observe the "anti-fraud" issue to matters... to become preoccupied with the preparation of the registration statement, which is the essential... of a registration statement which is effective for a public offering. The public is apt to observe in the fact that the SEC has done something to prevent or make... the registration involving conduct by an issuer or a broker-dealer... the anti-fraud standards of the statute or the regulations involving the registration process and the timing of the public offering of securities. The body of corporate... syndicate and successfully placated.

The public is apt to observe in the process from that source the view that the effectiveness of the SEC Act makes... that "the making of any attempts to disclose or to solicit offers to buy a security, falsely representing the character of the securities or the circumstances under which the offer to buy the security would... on paper to the desirability of the investor's purchase of the security in view of its "fair value."

We had gone on to comment on "the comment of the Committee in the bulletins of your ratings of the described securities and of the valuation of your established "fair value." As has been pointed out above, it is the broker or dealer who circulates with a bulletin or report purely descriptive of his recommendation as to the desirability of the investor's purchase of the security would in all probability be held to have been representative of a fundamental change in the general avenir of the fundamental theses of the Act, the SEC Chairman observes that the interpretation of Section 5 has been very substantial... Continued on page 57.
Now Is the Time to Buy Tax-Exempt Bonds

By CURTIS V. TER KULIK

Compelling arguments for municipal bonds, presented in terms of the individual investor, are advanced by market expert who raises and affirmatively answers his own question as to whether this is a good time for such investment. He suggests buying now, for example, with $15,000, or over, taxable income should seriously consider sound tax-exempt yields available at 3.50% and equivalent to 6.00% per stock yield at a time when it is difficult to buy a good stock.

Few people outside of the institutional investor class realize the importance and extent of the tax-exempt municipal bond market in the United States. It may be interesting to note that the volume of available municipal bonds offers a range in price from $20,000 to $50,000,000. A survey of the market for a May 13, 1942, app. 2274, 1942, to approx. $34,000,000 today.

Two things are generally agreed upon: first, in a financial crisis of the kind we are facing today, it is impossible to be engaged in anything except securities; and second, the individual investor is facing the choice of investing on the New York Stock Exchange which offer a yield of 2.00% to 2.50%.

Generally speaking, in these times, investors in high stock markets, high incomes, high taxes, and relatively low municipal bonds prices, there seems to be a little less question as to which investment is the better. The better buy is a person with a taxable income of $100,000 or more who is seriously interested in tax-exempt bonds. It is difficult to buy a good stock at a price that can give the same yield as the tax-exempt bond. For example, many sound municipal bonds are available at 3.50% which is the tax-free equivalent of a 6.00% stock yield. If our investor pays a 10% tax to the State of New York, then he should purchase the New York bonds, even though they would add a 2.00% to his equivalent yields. He will be left with a bond with a 2.80% yield to equal his tax-free bond yield of 4.80%. If the New York investor is a taxpayer in the $25,000 bracket, a $1,000 bond will provide the equivalent of a 3.80% stock yield. It is a fantastic situation when a person realizes that the tax on the State of New York, or Maryland, or Pennsylvania, or Delaware, or in fact any state having its own income tax, can actually purchase securities of which he need not pay any tax.

Dislikes Individual Investor

Well, what shall we buy—tax-exempt bonds, or common stocks with tax-exemptions? That depends somewhat on who the purchaser is. The income tax exemption does not apply to the individual investor.

The Federal Reserve Bank of St. Louis

Federal Reserve Bank of St. Louis

Thomas Alloys CROGGAN

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Mr. Crogan was born in Brooklyn sixty-eight years ago and was actively connected with the "Chronic" for over a half century. His energies in later years were devoted to the multitudinous duties of his position as Cashier of the "Chronic's" Business and Circulation departments.

We, his "Chronic" intimates, today respectfully and proudly desire to honor the character and life of a man, a true Son of Erin, who, during his lifetime labored in, the unselfish interest of others.


Bogenns Expects Recessions to Last Several Years With Intermediate Ups and Downs

Characterizing downswings as "dangerous goods" type of recession, Professor Bogenn opposes cures that would hamper and delay real economic growth.

The American economy is undergoing a full-fledged, cyclical readjustment following the long period of prosperity that culminated in a boom of 1937-38. Since that time, and the rise in inventories, price levels have been rising and the deficit conditions have been made worse by the growth of the deficit.

The deficit conditions are continuing, and the deficit will be lacking. The deficit conditions will be made worse by the growth of the deficit.

The deficit conditions are continuing, and the deficit will be made worse by the growth of the deficit.

W. T. Hyde, Jr., to Be Partner in Smither's Co.

On April 11 Warner Boggen, Jr., member of the New York Stock Exchange, was admitted to partnership in Shields & Smither's Co., Inc. Mr. Boggen is a partner in the firm of Boggen, Ltd.

Wayne Hummer Partner

CHICAGO, Ill. — William B. Lore, President of the University of Chicago, has been named as the new President of the University of Chicago, and Mr. Hummer will retire from partnership in Staley & Co., and the firm will be known as Hummer & Co.

"Business and consumer spending were overstimulated by the enlarged and depressed 1938 and the war period, the rapid rise in private debt, and inflation," he stated. "The consequences — excess productive capacity and inventories, heavy accumulations of durable goods in consumer hands, and the heavy personal debt load — are producing a 'dangerous goods' type of recession.

"As a result of this industry, for so prolonged a period of prosperity and one-time with widespread use of credit, the impact can be lessened by easy money policies, moderate inflation, and limited tax reduction and assistance to the groups and areas most affected." Dr. Boggen added, that while the
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March 26, 1958.
Dealer-Broker Investment
Recommendations & Literature

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


**Burnham View—**Monthly investment letter—Burnham and Company, 150 South Michigan Avenue, Chicago, Ill. Also available is current *Forbes Letter*.

*BusinessWeek*—subscribe now—John Bartlett, Inc., 42 West 34th Street, New York, N. Y.


**Financial Planning**—Physician—Reprint of special article by Norman F. Dacey from Connecticut State Medical Journal—Norman F. Dacey & Associates, 114 State Street, Bridgeport, Conn.


**Over-the-Counter Index—**Folder showing an up-to-date comparison of stock prices and industrial stock index in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau, available, as to yield results, is made from a 10-year period National Quotation Bureau, 46 Front Street, New York, N. Y.

**Toronto Stock Exchange—**Monthly bulletin of trading data on issues listed—Toronto Stock Exchange, 254 Bay Street, Toronto, Ont., Canada. Also available begins at the same time.

**Treasurer's Legends in the Growing West—**Book explaining industrial investment opportunity in the Great Northwest—K. S. Murphy, K. S. Murphy, Inc., 150 South Michigan Avenue, Chicago, Ill. Also available is a reprint of the Memphis Bulletin, 357 Madison Avenue, New York, N. Y.

**Air Products Inc.—**Memorandum—Kidder, Peabody & Co., 17 Wall Street, New York, N. Y.

**Aircraft Sugar Co.—**Memorandum—Edward L. Burton & Co., 120 South Main Street, Salt Lake City 1, Utah.

**TREASURY BULLETIN—**Weekly—Seidman & Seidman, 82 Wall Street, New York, N. Y.

**Brown Shoe Co.—**Memorandum—Auchincloss, Parker & Rodgers, 42 Wall Street, New York, N. Y.

**Georgia Railroad & Power Co.—**Annual Report—Barnes, Marquand, & Co., 150 South Michigan Avenue, Chicago, Ill. Also available is a reprint of the Georgia Journal of Commerce.

**Christina Securities Co.—**Bulletin—Laird, Bissell & Meeds, 120 Broadway, New York, N. Y.

**Consolidated Coal Co.—**Analysis—Joseph Farell & Co., 29 Broadway, New York, N. Y.

**Continental Life Insurance Co.—**Analysis—Herman Bender & Company, Commerce Trust Building, Memphis 3, Tenn.

**For Financial Institutions**

**QUALITY STOCKS**

The following represent a few of many
Over The Counter with long dividend and earnings records and top-drawer management.

<table>
<thead>
<tr>
<th>Stock Name</th>
<th>Dividend Payout</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yrs. Cash Div. Paid</td>
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<tr>
<td>AVON PRODUCTS</td>
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<tr>
<td>BAXTER LABORATORIES, INC.</td>
<td>24</td>
</tr>
<tr>
<td>CITATION CORP.</td>
<td>31</td>
</tr>
<tr>
<td>CLEVELAND CORP.</td>
<td>25</td>
</tr>
<tr>
<td>G. D. SEARLE</td>
<td>22</td>
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</table>

* Bought *Sold *

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Time to Speak Out on Certain National Issues

**By WILLIAM C. JACKSON, JR.**

President, American Stock Exchange, New York, N. Y.

"We must stand up and be counted," Mr. Jackson advises fellow investment bankers in urging that their opinions in the interest of the industry and for the betterment of the nation be expressed. He adds: "The hour has come for a reborn, easier money in preference to public works and voluntary pension funds, as prime areas for action. Turning to capital demand, outlook, revisions plenty of "gust for our will" in view of the temporary and temporary supply of capital scarcity squeeze that "rocks" market through October."

It would be gratifying if a program had been possible to support the cost of planning, so complete in its planning and convincing in its presentation, that it would challenge the thinking of each of us. Unfortunately, I have no remedy to offer except as a "cure all" for our "vomiting" economics. I have most of my feelings regarding our current business as an industry and an individual citizen, and as a member of our free enterprise system, and it is these responsibilities I would like to bring to your attention.

Since the first of the year, I have had the most interesting experience of attending the Greensboro Conference on Labor and Finance; the Conference of National Organizations, which was held at the Waldorf-Astoria, New York; and the Conference of the United States Chamber of Commerce, which was held at the Cunard Building, New York. All of the leading industrial organizations were represented, with the American Bankers Association, the Association of Stock Exchange Firms, and the Investment Bankers Association appearing for the financial community.

Generally, the IRA observers and listeners at these conferences, although, on occasion, some of our representatives have been asked to discuss or report on monetary and deficit management policies as a background for consideration of other matters, I personally was not asked to participate actively, my observation being that there is now more keenly impressed by the scope and thoroughness of the discussion of many economic and public policy problems. It is of this the leading national associations especially stated their positions so positively that it was generally recognized.

**Making Views Known**

These recent experiences prompt me to report that there has occurred which has recurred over the years of our existence as a national investment banking association; that is, whether we should react to the current sponsor Association policies on certain national issues, in which we either have special responsibilities for the well-being of our business, or in which we believe that the actions of the business associations against political trends harmful to business in general. As an example of what I mean, let us look at the current proposals for tax relief as a means of stemming the recession. Organizational and political supporters clamor for tax reduction on the capital gains scale, in order to put more consumer buying power into circulation immediately, and to stimulate the competitive position which all of us suggested would be served for reductions at all levels of the progressive income tax, including a cut in the corporate rate.

Now, the Chairman of our Fed- eral Reserve Board, Mr. William H. Maynard, has ardently advocated these views, and, as far as I can understand, he has held these views many years. Further, I understand the Board of Governors approved without prejudice the formation of an Association position. Walter Harris, Chairman of the National Bank and Trust Company, Chairman of the Means Committee of the House of Representatives in support of tax relief, but I have no knowledge of concentrated ac- tion from this line, better in the part of our Association, or its individual members, than is being taken on the "Amortization of Premium" problem. I see it seems to me we have nothing to lose and a great deal to gain by taking aggressive ac- tion, as an Association, and as individual members, in matters which are non-controversial within our jurisdiction. For example, support the Sagadac-Hor- d BAMG Peer, prevent legislation to reduce the progressive structure rate of the income tax over a five-year period. I believe that the final schedule of rates would not be effective for individuals and a 42% rate for corporations. In my opinion, this would be a natural outcome. Let us look and simulate a resumption of capital investment more than any other action that Congress could take. Incidently, I believe that such a sensible tax structure would be an important step toward combatting our present recession by hastily devising plans for the purchase of building or loans, regardless of the effect upon the inflationary climate during this time, the Federal Reserve Board gradually takes heavy hand in the checking of foreign capital investments because of its fear of encouraging inflation of prices. This is probably what tremendous pressure, in view of the fact that consumer prices have trebled impossibly during the past few months, partly as a result of the wage-price spiral, and perhaps to an extent of many labor contracts. Yet it seems to me that, while the IRA has any merit as a factor encouraging business activity, it would be a step toward the elimination of the velocity of money in monetary policies than to let the administration of the works programs go abroad with unbridled speculative excesses and generally creating an inevitable late inflation.

**Voluntary Pension Plans**

Also, I believe that H.R. 9 and H.R. 30, to encourage the establishment of voluntary pension plans for individuals. I believe our Association should take an active part in getting all out in support of one of these, in an effort to further stimulate our economy through investment. Further, we should have a committee of at least a large number of our members are partic- ipating in the associations and if proper legislation is enacted, the funds made available from these

Continued on page 59
The Investor’s Dilemma

By SAMUEL C. GREENFIELD
Investment Adviser
New York City

Mr. Greenfield assesses probabilities in the current situation and meaningless losses of brand-new bonds. Derivatives and common stocks which he believes hold future benefits.

What is the investor to do in this kind of situation? He must evaluate the economic situation and then determine short and long-term trends.

It is interesting to examine the growing unemployment figures, the still-low rate of steel production, the falling auto sales and generally, the poor state of business, he would have to conclude that he would be best off being “inventoried in cash.” Yet, when he reads that consumer prices edged up again in February to still another all-time high; and when he notes the activity in Washington, he must pause lest his cash in the bank turns into a milestone around which it is now becoming increasingly evident that the prosperity of the past few years and the closing inflation were unrelated. The inflation is still with us, despite unemployment, reduced production, etc. Looking and planning ahead, we should recognize the fact that the selling price of goods is a function of the various costs that make up the commodity rather than the state of prosperity. And, it is hardly likely that these costs will drop in the foreseeable future.

It is also evident that the Federal Reserve and the Treasury will make money plentiful at lower and lower rates. Finally, it is reasonable to predict that consumer buying power will be maintained through a variety of measures, most of which should involve public and private construction.

Translating these anticipated actions into securities, it is reasonable to conclude that bonds and preferred stock should rise higher than they are today. There are still a few bonds of good quality that can be purchased to yield 4½% or better. To mention a few: Ohio Matheson 5½% and National Cylinder Gas 5½% convertible bonds meet this test. In the preferred group we have McCor (3½%), Alcona (4½) and Ashland Oil (1½). The latter is a convertible issue.

Promising Common Stock Areas

Moving to common stock, it seems evident that consumers favor soft goods. Hence, food, groceries, utilities, tobacco and credit companies should continue to do well. In this group I consider the following reasonably priced: Bokack at $32; First National Stores at $59; American Tobacco at $60; Liggett and Myers at $76; Southern Indiana Gas at $80; and Wisconsin Public Service at $82; Reing at $48, and American Molasses at $31. A sound portfolio should include companies that should benefit from the anticipated construction program. They should include Alcoa Portland Cement at $33 and Penn Dixie Cement at $30. Then, there are the basic securities that will be needed by industry and/or consumers. Included are: Anderson Proctor Oil at $25 and Pure Oil at $33. Also, Socony Mobil Oil at $48 and Royal Dutch at $41; Anaconda at $47 and Kennecott Copper at $89. In the steel group there is U.S. Steel at $60 and Bethlehem at $39. Finally, aluminum should be included. Here I recommend Reynolds Metals at $44 and Kaiser Aluminum at $23. Looking ahead beyond 1966, the aircraft merit investor attention. North American Aviation at $27 and General Dynamics at $59 appear good.

Security prices can be expected to move in a fumbling, indecisive and apathetic manner. Through it all we should bear in mind the fundamental fact that the present situation must be corrected and that our vast resources make it possible. All that is needed is patience and sound investment practice.

With Lester, Ryons

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Harold H. Starr has become affiliated with Lester, Ryons & Co. 235 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges. He was formerly with Sherman, Hamlit & Co.

J. C. M. Hathaway

(Special to The Financial Chronicle)

DENVER, Colo.—John T. Thompson is now with J. C. M. Hathaway Company, 175 Sherman.

THE OHIO OIL COMPANY

reports one of its best years in seventy years of progress

**FINANCIAL**

<table>
<thead>
<tr>
<th>1957</th>
<th>1966</th>
<th>Rank in 70 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales and Other Income</td>
<td>$291,282,000</td>
<td>$279,904,000</td>
</tr>
<tr>
<td>Net Income</td>
<td>$41,490,000</td>
<td>$41,216,000</td>
</tr>
<tr>
<td>Per Share</td>
<td>$3.16</td>
<td>$3.14</td>
</tr>
<tr>
<td>Dividends per Share</td>
<td>$1.60</td>
<td>$1.60</td>
</tr>
<tr>
<td>Book Value per Share</td>
<td>$27.15</td>
<td>$26.66</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$64,796,000</td>
<td>$52,440,000</td>
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<tr>
<td>Exploration Expense</td>
<td>$25,149,000</td>
<td>$24,544,000</td>
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<tr>
<td>Payrolls</td>
<td>$44,256,000</td>
<td>$41,800,000</td>
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**OPERATING**

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<tr>
<th>Item</th>
<th>1957</th>
<th>1966</th>
<th>Highest</th>
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<tr>
<td>Net Crude Oil and Natural Gas Liquids Produced—Barrels per Day</td>
<td>106,625</td>
<td>108,355</td>
<td>2nd highest</td>
</tr>
<tr>
<td>Natural Gas Produced and Sold</td>
<td>290,130</td>
<td>282,284</td>
<td>Highest</td>
</tr>
<tr>
<td>Thousand Cubic Feet per Day</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crude Oil Transported—Million Barrel-Miles</td>
<td>24,469</td>
<td>25,837</td>
<td>4th highest</td>
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<tr>
<td>Refined Products Transported—Million Barrels</td>
<td>1,296</td>
<td>1,465</td>
<td>2nd highest</td>
</tr>
<tr>
<td>Crude Oil Refined—Barrels per Day</td>
<td>41,521</td>
<td>42,421</td>
<td>3rd highest</td>
</tr>
<tr>
<td>Refined Products Sold—Barrels per Day</td>
<td>41,634</td>
<td>41,112</td>
<td>Highest</td>
</tr>
</tbody>
</table>

If you'd like a copy of our 70th ANNUAL REPORT, write to the Secretary, The Ohio Oil Company, Findlay, Ohio.

**MARATHON**

The Ohio Oil Company

Findlay, Ohio

Producers • Transporters • Refiners • Marketers

Arthur M. Baumgarten and Harold L. Nelson have formed Equity Investors Co. with offices at 107 William Street, New York City to engage in a securities business.

York Adds to Staff

(Special to The Forum, Cincinnati)

SAN FRANCISCO, Calif.—Patrick C. Richards has been added to the staff of York & Co. 235 Montgomery Street, members of the Pacific Coast Stock Exchange. He was previously with First Sierra Corporation.

With Seasongood & Mayer

(Special to The Forum, Cincinnati)

CINCINNATI, Ohio—James J. Reis, Jr., has joined the staff of Seasongood & Mayer, Ingalls & Biddle.

The Ohio Oil Company

(Marathon 70th Anniversary, Columbus)
A Construction Reserve For the Railroad Industry

By WILBUR T. FAYCET
Chairman of the Board and Chief Executive Officer
Association of American Railroads

Railroad industry’s spokesman declares new freight car orders "will practically dry up" by May unless the government or railroads adopt some other similar plan. Besides proposing the advantages of one or another plan making cars purchases and improvement possible, Mr. Faycet stresses this does not mean a return to the postcard days. A. A. R. board chairman also urges prompt elimination of Federal excise taxes, holding that they constitute an ever-increasing competitive disadvantage for long haul against shorter haul, and for increased Federal income tax receipts.

Transportation plays a vital part in the economy of this nation. Natural resources and agricultural products are moved from point to point, and manufactured products are distributed throughout the nation. To this end, the railroads serve as a de facto transportation agency, even though some highways and waterways now share much of this work.

When the output of an individual industry is anything more than a small part of the total production of the nation, it is obvious that a great deal of wasted labor and material is involved. Such a situation, therefore, is not conducive to economic health.

William T. Faycet

A Construction Reserve For the Railroad Industry

One of the commonest criticisms of the capitalistic method of industry is that it tends to. produce waste and waste is a great drain on the economy of the nation.

The problem is how to avoid doing in a railroad industry what has been so much done in the motor industry. The motor industry, Mr. Faycet says, has been able to cut down its costs and produce a better product. In the same way, the railroad industry can and will be able to produce a better service on the nation's highways.

Mr. Faycet concludes by calling for a national construction reserve, a pool of funds from which improvements and new lines can be financed.

The construction reserve would provide for the laying of new tracks and the rebuilding of old ones. It would also provide for the modernization of rolling stock and the improvement of operating methods.

Such a reserve would be a great boon to the railroad industry, Mr. Faycet says, and would help to ensure its continued success in the future.

Mr. Faycet states that the problems of the railroad industry are not confined to the United States, but are common to all nations.

One of the chief difficulties faced by the railroad industry is the ever-increasing competition of the automobile. In many cases, the automobile is a more convenient and speedy means of transportation than the railroad.

To meet this competition, the railroad industry must make every effort to improve its service. It must also make every effort to reduce its costs. By doing so, it will be able to compete more effectively with the automobile.

Mr. Faycet concludes by stating that the railroad industry, with its ever-increasing problems, is in need of a national construction reserve.
construction reserve

conclusion

in conclusion i would like to pose a few questions when the railroad began to see the light of public opinion and the hopes of its patrons back on the day the law was enacted and is now a public enterprise what will be the вђўpolicingвђ™ of such an operation will it result in a continued and increased tax on the country over the years that the railroad was in operation that is the question of the day

conclusion

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volume 187 number 5782 the commercial and financial chronicle
Ministerial spokesman declared that this time the government was determined not to reverse prematurely its disinflationary measures. The strongly adverse results of recent disinflation have contributed towards the pressure on the Bank of England to maintain any longer the relaxation of the disinflationary drive. Yet, a few more weeks might have made an appreciable difference from the point of view of the outcome of industrial disputes. The decision is liable to influence the attitude of arbitrators engaged in considering various outstanding cases, and the need for damping down wage disputes is not to be underestimated. Quite conceivably the relief assured by the Bank Rate cut will prove to be very costly.

**The Security I Like Best**

Feb. 4, 1958. While denying any culpability in the matter, management believed that this solution was in the best interest of the company at a time when the then prevailing rate of inflation was very costly, world-wide and time-consuming litigation which could have dragged on for years. The consent decree frees the company to push ahead with its diversification plans and, of more importance to current results, allows management to concentrate full attention on present business.

The main premise of the decree provides that United Fruit must submit to the court by June 30, 1958 a plan for the transfer of the wherewithal to enable a new business to be established and an even smaller percentage of its production potential which approaches 50 million tons annually. Contrary to popular misconception, the consent decree is not contained in the agreement. The plan does not anticipate United’s $1,900,000 stockholders, who will probably emerge as the owners of the new company, of course.

In broad outline, the compliance could take three alternative modes:

1. Creation of the new company to hold the transferred assets with a distribution of stock in such company to United Fruit shareholders: (1) Slew of assets to an uninterested third party; (2) Sale of assets to any interested party.

2. The plan for 1958 involves the payment of an additional $60 million, with an accompanying reduction in the government loan, which would be payable in a lump sum or 30 year amount of $67 million. The government would probably finance the new company.

3. The conversion of the total government loan, which would be repayable in a lump sum or over a period of years, in the case of a government loan.

State of Connecticut Receives Check in Payment For $77,000,000 Turpentine Bonds

The State of Connecticut March 20 accepted through Connecticut State Treasurer John Ottaviano, Jr., (seated, center) a check in payment for $77,000,000 Connecticut Turpentine general obligation bonds from Mr. John R. B. H. Hirst, (standing, left to right) G. J. Murray, Vice-President of the First National City Bank of New York, Mr. Charles A. Chambers, Jr., and Mr. R. D. S. Hirst, of Otis, Hirst & Co., of New York City, paying off the bonds.

The check ceremony took place in the Broad Street office of the Manufacturers Trust Co.
Investing for Profit

By GEORGE C. ASTARITA

Associate Western Correspondent, Coin.,
Office of Boettcher & Co.

Prominent State's Bank analyst provides investor with a primer giving the answers to why and how to invest. Mr. Astarita explains: (1) general principle and specific factor that should guide selection of stock to be, flexible in selling and buying, particularly when a stock is not doing well or is unduly depressed, to keep portfolio constantly in best possible condition; and (3) that large variety of kinds and classes of stocks exist which may accommodate investor's needs for safety, income and appreciation without need to diversify at expense of selection. Advises uninhibited investors on pros and cons of different types of investment.

Introduction

One must invest his capital to reap deserved rewards because capital is greatest measure of ability as to which he is entitled to return on that above-the-normal labor just as he is entitled to the income of the thing itself. Capital furnishes instruments and tools for industry and if one has no capital and the tools, he must earn it for them just as a re those who use the tools. In addition, there exists the need to protect oneself against the ravages of inflation and to date no better a defense of your common stocks has been found. The present recession is primarily inventory in character as should be future ones and in no way involves the importance of guarding against long-term inflationary factors.

Purchase of common stocks leads to profits. This is because common stocks record the progress of the American industry which grows with the expansion of popular needs and the higher standard of living resulting from technological development and the redistribution of purchasing power. Within the next ten years, new branches of human life will doubtless come into play and to create new jobs and new industries, and to increase the market for the goods and services of the existing industries, these funds afford a considerable stimulus to the growth of stocks in which turn enable the payers to grow and share in the fruits of the future. The avenues of financial success are everywhere and to all who will explore them and what follows is an attempt to make the exploration easy.

One further preface: in this day and age of keen, economic competition, investors must lay stress upon the large and satisfactory financial gains to be had. For such companies can afford to purchase expensive upon undervaluation, low-cost production; spend huge sums for research; and, successfully develop new products. Too many sound investor's success are owing to want taking risks with unsound ones.

I Selection

Selection of the particular securities, not timing of market movements, is the first and most important ingredient of a sound and possibly profitable (or unprofitable) investing. One must possess a full underestimation that the person doesn't live who can time stock market swing. Yes, one can analyze the market to a point and from time to time he can catch the minor swings as well, but over a long period there has never been any financial service, in fact, or individual who has

you will obtain better values and once your judgment will make you money.

Measuring Value

The next question is, what determines value? Most of us are familiar with the usual yardsticks of assets, earnings and dividends. These are good yardsticks, but they are not the sole measurements of security values. All of these measurements are available in the financial manuals and clearly depict the past record of any given company. Using solely these measurements one is able to do a good job of selecting comparative values but it he will read between the lines he will do a still better job.

By reading between the lines I mean formulating judgment on the most probable future course of any given company. The past record often affords a good guide to the future but it should be used only as a guide and not a final determinant. Too many people look only at the past and attribute too little judgment to what the future may hold for the operations of a company. To carry this thesis a step farther I will point out that at one time there existed companies engaged in the manufacture of buggy whips, and that of automobiles, the past records of these companies and the fact that we have well thought out a buggy whip industry at the time the automobile was about to come into existence. The trip of your record, therefore, must be used judiciously and perhaps even more attention should be paid to what the future holds for the fortunes of a company.

To gauge the future you must keep abreast of daily developments in the political, commercial and even the psychological world. That is a pretty trite statement but true. In selecting any particular security you should know something about the products or services which that company has to offer—whether or not it is good, mediocre or above average. You have made a wager about the ability of the company to distribute these products or services over a wide field and yet at a cost which is moderate. You should know whether or not the company in question is capable of promoting the sale of its products or services in an efficient and superior manner. Without saying that the company should be able to produce at a cost which will permit adequate profits and that it has considerable finances. Finally, you should make sure that the company possesses an adequate research staff in order to know its products or services may continue to stay ahead of the parity. If you are an investor, you should be capable of this rather large task, as you should be competent to judge the counsel of an institution or an individual in whom you have confidence to perform it for you.

Evaluate News

But to get back to the problem of actually making money for yourself, it is my responsibility to tell you how I think you can best do it. Take a look at every piece of news having to do with the financial world, and few items are published which do not have some bearing on the course of the securities markets. Learn to evaluate news events and changing trends in the economy. If atomic power, for example, is to be the big feature of the next industrial revolution, then it will pay you to seek out those companies which stand to benefit from this development. It may be too early to capitalize on what is to come in this industry, but it is not too early to be alive to the possibilities. Think, too, what effect the development of atomic power might have on the oil industry. It is altogether possible that oil may become as decadent as coal with the advent of atomic power applied to general industry and household usage.

Of course, that is only one example, but the possibilities are almost endless which may open up the principle involved; that is to say, one must be constantly abreast of changing conditions in order to properly appraise the effect of these developments on the securities markets.

Perhaps a better example might be to consider the current defense program and its effect on security values. In other words, if we are going to experience large expendi¬tures on the part of the government for armament for an indeter¬minate period of time, I think we should find that many securities have been experiencing some gains. Continuing the guideline of not involving yourself in the speculative excitement and not timing market movements, then this is the time to invest in the non-atomic fields.

Submitted for our consideration is a record which is believed to have been compiled by A. B. TRIMBLE of the New York Stock Exchange. A. B. Trimble has a background of over 30 years of experience in the sales and marketing of both stocks and bonds. He is now engaged in the field of research staff and has been affiliated with the research department of one of the nation's largest investment houses.

He must be living in every investor's mind, and the writer, at least, is constantly conscious of his guidance, unspoken, unuttered, but an influence in his thinking about the businesses in which he invests.
The Constitution—Universal

The provision for a perpetual national debt is an integral part of the ideal universal free trade.

The 1930 Tariff Act provides a flexible tariff to be continually adjusted to equal the difference in the cost of production of an article and that of a similar article in the chief competing nations—and reasonably proportioned.

The tariff would be lowered to conform to any rise in the standards of living of the nations.

If the Congress does not extend the 1934 Trade Agreements Act, or if it fails to enact the tariff rate on June 30th of this year—the regula-
tions will put the United States back into the old-time isolationist.
Federal Financing

And the Debt Limit

By AUBREY G. LANSTON
President, Aubrey G. Lanston & Co., Inc., New York City

Treasurer flotation of $40 billion minimum for remainder of the year, comprising at least $17 billion cash sales and $22 billion of maturing debt

Mr. Lanston believes market is almost oversold for the present on long terms, and that, therefore, advises Treasury to stay "short" when it raises about $4 billion cash next month. The noted specialist in public debt management and fiscal policy recommends Treasury plan consider the economy's and banking's needs for liquidity—even if some rekindling inflationary fires may later occur; and suggests distributing the $4 billion on a more uniform basis over a five-year period until economic conditions allow longer funding into

5 to 10 year range.

Federal Financing requirements that highest in the next two months of the calendar year will be extraordinarily large. The debt limit will have to be increased again before Congress adjourns. The Treasury faces some tough problems. The plan is to make heavily fixed-income securities available to continue to advance the budget, though not necessarily in straight line.

That's the substance of what follows.

Let's start with the matters of Federal Financing requirements and the debt limit. What I just pointed out about them could have been said a month ago, or earlier, without reservation. At that time there was less steam than behind proposals for anti-recessionary increases in Federal spending and taxation, but for reductions in Federal taxation. Let's illustrate with a few figures, just for taste. Without allowing fully for the recent proposals to spend more money, and without allowing for reductions in Federal taxation, the aggregate deficit requirements made by my firm suggest:

1. the budget deficit for the fiscal year ending June 30, 1958 may run as high as $2 billion or more.
2. during the first half of the fiscal year 1958 (which will include last half of this calendar year), the budget deficit may run to $1 billion or more.
3. the public debt as of June 30, 1958 may be about $27 billion as of Jan. 31 it could easily run to $28 billion.
4. the present debt limit is $20 billion.

I have not attempted to formulate any estimates beyond the end of this calendar year. The Treasury's plans are sufficiently large to say the least, and the entire situation makes far more exercises worthwhile. However, the present prospects are for larger Treasury deficits than I have suggested, and for a higher public debt limit—indeed, the longer run prospects are not cheering. This is due mainly to the rapidity of Treasury financing. To give some idea of how heavy this can be, a recent report by the Governor of the Federal Reserve shows that the "purchasing-parlour" tabulations which indicates the extent to which the Treasury has engaged in debt operations, may run as high as $10 billion on an estimated basis, of course—"the extent to which the Treasury has engaged in debt operations, throughout the balance of 1958. This impact on the Treasury's requirements that will flow from some pending and other larger Federal expenditure projects in Tobacco.
The Risk Taker: His Capital Needs a Living Wage

By G. KEITH FUNSTON
President, New York Stock Exchange

Leading stock exchange head declares space age will require capital-outpouring dwarfing previous peacetime demands of the United States. He warns that at the expected corporate hill for new plants and equipment, Mr. Funston sees it averaging $45 billion a year between now and 1965, instead of $35 billion as in 1954. To meet these staggering demands, the exchange is concerned only to find sources of capital capable of spurring growth through the rest of the century. We are entering a new period of concern to the public.

But the paradox is not quite the same. In the last 27 years, we have been propelled with extraordinary drama, into the space age—first by the Russian satellite, and then by our own. As we try to follow that greater danger throughout the world. The essentially overwhelming economic growth has become a matter of national survival.

We are beginning to see, perhaps, that over the long haul Sputnik will have done the United States a favor. It has destroyed much of our complacency. It has forced us to face up to a sense of national jeopardy, and it has made us acknowledge that bit of wisdom which holds that "anyone who can be bullied into being badly is to be born in the 20th Century.

It is hardly possible, I believe, to exaggerate the demands that will be placed upon the sign of total economic demands—not just military ones. The latter may win the big battles, the long-term struggle with Communism, but they are but a less dramatic arena of economic growth, the help we offer the free world, and the steps we take to meet our educational needs, all rest on the rock of our industrial prosperity and our capacity to expand. This is not new truth. But it is reason enough to ask how a free people in a free economy, are going to meet this total challenge to their way of life?

Russian Successes Emphasize
U. S. Must Harness Great New Avenues of Private Growth
Capital Without Sacrificing Individual Freedoms

To believe the best we can about the future, we ought to recognize the nature of Russia's industrial challenge—largely because it is an outcome of our own. As an American expert on economics, I have long made the observation that the Soviets regard steel mill equipment as a "must". It is something to be mastered, uti- lity without effort, but meeting a given production schedule. Russia cannot achieve a dramatic result such as Sputnik for several reasons. Her "new country" is a product of many years, if not of the entire century, and the emphasis in her space program has been a constant effort to find the proper combination of things--the"right man"for the right job. It is a costly undertaking, and the effort required to make the development a reality has been one of sacrifice and pain.

We in the United States are at the beginning of our space program. As the exchange sees it, we have taken a giant step toward the challenge, and we must now find the ways and the means to fulfill the promise of that step.

Mr. Funston makes the point that American investors have placed unprecedented faith in our economic development, and he predicts that this faith will continue. He suggests that the American public will support a private enterprise program for the country's space program, and that the exchange should help to implement that program.

From Washington Ahead of the News

By CARLISLE BARGER

The people of the country, generally speaking, pay little attention to the various state primaries which will be starting soon. In the state of Pennsylvania, however, the United States Senator will be nominated by popular vote of the respective parties. Formerly these candidates were nominated by the party's state central committee, after a so-called direct primary by which the candidates were nominated. The direct primary gave the people direct influence in the choice of candidates, and the Pennsylvania legislature, as a result, changed the method of nominating the candidates. The law now provides for the nomination of candidates by a popular vote of the people of the state, with the candidate receiving the largest number of votes being declared the nominee.

Anyway, in Pennsylvania on May 20 is a primary in which all the people of the country will be interested. The election is for a United States Senator, and the candidates are all appealing for the votes of those who believe that their policies are the right ones. This is because the Senator must be the representative of the people, and the people must have a direct voice in selecting the person who will represent them in the Senate.

In that primary Harold Stassen, a former governor of Minnesota, a Republican, is the leading candidate. The election is to be held on May 20, and the people of the state will have a direct voice in selecting the person who will represent them in the Senate.

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THE MARKET... AND YOU

By WALLACE STREETE

Stocks found little incentive to do much decisive this week, with news of the Middle East oil situation, the anti-recession measures that might emerge from Congress, and some signs of a Spring upturn in the basic and important industries such as steel, autos, etc.,

Improvement in Coppers and Oils

Some of the newer notes in the daily sessions were a bit of life in copper and oils which have had anything but hopeful market experience up to here. The price of the red metal hit a nine-month high and bottomed out abroad which was enough to perk up the sharply-depressed coppers. The strength of the oils didn’t appear to be as much a case of the end of all problems as it was the classic hedge against inflation. As a partial explanation, the domestic issues were able to move, but there was no substantial strength from the new threats to supplies in Saudi Arabia. The new shows of strength, however, were far from being excessive since profit-taking moved in rather rapidly in view of all the caution on the prevailing in market circles.

Market Threats

The immediate intangible in the way of progress is how much selling will have to be done in order to stem the buying of the April 15 payment. Time is fast running on this, however, since only a bit over a week remains for the transactions to be initiated. The opposing school insists there need be no added pressure for this reason since there has been enough selling to make funds available generally and credit balances of around $900 million would tend to support the thesis.

Nevertheless, there is a clear majority of market technicians who expect the list to drive toward its low sometime early next month or May when the bleak run of first quarter earnings reports will be flooding the business pages.

Market Hopes

Hopes for better market action center mostly on Washington where it is felt the psychology and intangible factors like possible tax cut, plus the much more substantial emphasis on expediting construction, production and building industries, will in time give the market more confidence and better action.

It would also appear that hopes for these bolstering actions has already helped hold prices up as far as the industrial section is concerned, at a historically high level for the March-April trading range at a time when it has been called on to absorb a flood of bad news that is more prevalent than anything seen in years.

The railroad section, too, has behaved. American could not have any new decline in the face of a report on the East-coast carriers that showed their first quarter net losses were far greater than even the losses in the memorable year of 1932. While the rail average declined all the way down to 13 against the better than 100 prevailing today. The Western roads still shoring up earnings were the supporting element.

Bright Spots

As is always the case in a complex economy, there were bright spots around to be found. Bethlehem has termed the "soft goods" lines as against the manufacturers of durable goods.

The annual meeting of American Chicle was told that first quarter earnings were running a bit above the similar period a year ago when $1.18 per share was turned in. More than that the firm indicated "reasonable optimism." Even in the sick rails, Denver & Rio Grande received that a strong quarter lost in its earnings to $6.19 against $3.65 for the previous year. Armstrong Cork is expected to report a much better quarter this year since the company had a sharp upturn in new orders following the turn of the year. Armstrong Cork should show a better performance this year than it did last when prices in rubber that cut into the fruit and vegetable pack gave it a slight but early earnings setback.

Even in the oil well supply business, where the oil glut has a staid a shadow, Big Bid sticks out. It suffered for years in a twilight zone as Hughes Tool Co. dominated the field of drilling bits and has only been able to step out on its own since 1955 when some of the Hughes patterns were expected to hold relatively stable, despite a large boost in its foreign sales. The issue, however, has been selling at a discount of its prices and with a yield of well above 6% to indicate that it has been more conservatively rated by the market than the companies in a similar line.

An item that already had a setback is Container Corp., which interrupted a good upturn when the entire paper industry bumped into heavy competition and Coine. itself reported some heavy capital expenses. Now the capital program is about to end and outlays for this purpose are expected to level below half of last year’s level. Any upturn in demand will make a large difference in the effect of the next quarter. On the indicated dividend, the stock recently has been as high as $5.50 and has had at the 5% bracket and while the payment might be in jeopardy if an upturn doesn’t set in, the industry is confident that the turn will come.

Something of a miscalculation is the tobacco section which, in addition to the breakfast food after which it is named, also involves industries making other widely-known food products as well as with animal feeds and chemicals. These include producers of flour and sugar in nylon and petroleum processes among others. The combined earnings of these firms show how good stability during the current fiscal year that runs to June even on top of the previous year. The stock has been something of a regular on the new highs lists but still was available recently at a 5% yield on a well sheltered payment.

Dividend-Increase Candidate

A candidate for a dividend increase is Johnson & Johnson in the drug section. The stock working into the 90 bracket, it automatically is also a candidate for either a stock, or income, dividend, either of which could be potent marketwise. As the largest maker of surgical dressings, the company isn’t bothered by overly arduous competition in much of its product line as are the purveyors of drugs.

The views expressed in this article do not necessarily at any time constitute "The Chronicle." They are presented as those of the contributors.

Nye & Whitehead to Be Formed in N. Y. G.

Nye & Whitehead will be formed as of April 11 with offices at 44 Wall Street, New York City, and an initial capitalization of $100,000. The partners will be Joseph S. Nye, M.D., a former president of the New York Stock Exchange, and Louis H. Whitehead, general chairman of Bache Brothers. Mr. Nye is a partner of Bache & Co., Inc., Nye & Whitehead & Gammack which will be dissolved. Mr. Nye is also with Congreve, Whitehead & Gammack.

An address by Mr. Diamond before the Overseas Auditors. But the shock intense desire to "dump" cotton abroad. Washington’s policy would succeed in having cotton sales exceeding $280 million. Exported credits and food programs around the globe. As a result, many nationalized inventories. American sales, however, have been increasing. The effect of the latter will be an important one in the impact of the drop. In fact, after the full time the U.S. is expected to spend $250 million on buying dollars for European coal, $100 million for dollars for Latin American metals and $75 million for dollars for cotton. The $13 billion, and Latin American metals are likely to be well below the European nations’ house prices in new petroleum supplies in 1958 and 1959, all the European countries are likely to see a larger amount of an unprecedented inflow of private capital as U. S. firms begin to develop more centers in preparation for the Capital of Good Hope also, a spending of dollars for European investments. The sale of this country’s share of world steel production may continue to be around 16% of the total.

Failing Trade Trusts

There is no doubt that U. S. foreign trade in 1958 faces many crucial tests. First of all, is a number of the world’s monetary experts expect the dollar to face difficulties that could be brought on by oil price hikes, competition from abroad, and a gloomy economic forecast. Inflation still is the number one threat to the dollar, and it is believed that if the restrictive policies of the Western Europe and Japan were to be continued everywhere it would be shattered. Prices have been slipping for some time in many of the countries and prices of the world’s producers will continue to suffer, making the balance of payments difficulties.

Last year the trade deficit brought to a record rest of the world jumped to $6.5 billion. Foreign deficits, to draw down their gold and dollar reserves by $1.5 billion in order to help meet this imbalance. If the present adjustment in the U. S. economy should develop into a real setback, weakened demand for world commodities would cause prices to ease, and this would mean restricting the dollar income of foreign nations that could correspondingly suffer.

Foreign Reserve Down

Having dipped into their gold and dollar reserves substantially last year, many countries are now determined to retain their reserves, even though the International Monetary Fund offset the drain by increasing its emergency loans. For the past several months the countries now provide the United States with a plan to use the IMF’s gold and dollar reserves, the U. S. and the Communist bloc averaged a $1.5 billion annual deficit. But a real balance-of-trade deficit to the extent this still exceeds $10 billion. But this sudden reversal in the upward trend has certainly helped reduce this deficit.

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C

Canadian Uranium Production
By RICHARD E. BARRETT

Pleased with prospect that 1958 Canadian uranium production will fulfill forecast for full production rate, in excess of 10,000 tons of oxide with 15,000 tons by year end, compared to 6,732 tons of oxide in 1957. Notes this is about four times the full output necessary for sustaining the mining industry.

In retrospect it does not seem a long time, but I think, prospectors and developers will agree that this past decade has been an important one in the mineral industry. Speaking in particular of the uranium industry, it is of interest to recall that in 1948—and for a number of years later—there was concern in many quarters that any large nuclear program, either military or civilian, might be hampered by an insufficient supply of uranium. Canadian enterprise might be credited with alleviating these fears. The accomplishment was not a small one. In fact, the size of Canadian uranium industry today is in marked contrast to those disappointing days of early prospecting and development along the Precambrian shield during the early 1950s, and of the first work at Blind River.

The published price schedule for the purchase of uranium was established on the theory that discoveries would be of the very high grade material that might be found at such places as Port Random. However, as experience was gained and uranium occurrences were found and studied, it gradually became evident that Canada’s uranium resources would be mostly in lower grade, disseminated bodies, requiring plants far too costly to be economic under the published price schedule. It was soon agreed that the uranium price contracts, individually negotiated, were developed. At that time the uranium market was and is still one of the most volatile in the world, and it is still necessary for the uranium industry to be concerned with marketing and prices.

...Continued....

STANLEIGH URANIUM MINING CORPORATION LIMITED

Head Office
Suite 403
85 Richmond St., West
Toronto 1, Ontario, Canada

New York Office
Suite 200
120 Broadway
New York 5, New York

Vancouver Office
Whitehall 3-1850

CAPITALIZATION: OUTSTANDING:
5 1/2% First Mortgage $1,000,000, Series "A"
due July 2, 1962...$26,000,000

Common Stock, $1 par...
3,529,795 shares

* HOWARD STEVEN SOUTHERN, President

ViolaMac Mines Limited

25 Adelaide St. West, Room 416, Toronto, Ontario
A Diversified Canadian Mining and Exploration Company

Properties:
VIOLAMAC MINE, Sloan District, British Columbia, mining high-grade silver-lead-zinc ore.

LAKE CUNCH MINES LTD., a subsidiary, is a high-grade producing uranium mine in the Beaverhead area, Saskatchewan.

Control of LITHIA MINES & CHEMICALS LTD., a large tonnage lithium deposit in the Cat Lake area, Manitoba. Indicated and inferred reserves total 3,580,000 tons averaging 1.28% lithium.

The Commercial and Financial Chronicle...Thursday, March 27, 1958.
Improving Transportation

The second factor for consideration is that of transportation and communication. In the few years ago, transportation was only a little better than that of the time of Radisson and Grose-Lose, when a Hudson Bay Company boat visited the area once a year. However, with the recent installation of radio and telephone stations and three modern harbor facilities, the transportation improvement has been made. This, of course, only constitutes a partial solution, for we consider the vast area of the district, with its multitude of accompanying problems.

The favorable point of economical transportation is that Ungava has more than 2,400 miles of navigable water, all of which may be rendered a great part of the land accessible to within 100 miles or so of the sea—a great asset when considering that sea shipping is the cheapest on all heavy freight transportation. It also means that the whole world can be its market—especially Western Europe, which will require many minerals of which it is deficient.

The Canadian Federal authorities are now giving serious study and planning to harbor, dock and shipping facilities and it is hoped to extend to the present short shipping season of about four months. This may also be giving the location of new air fields and the establishment of radio-telephone facilities, although these, at least initially, would be for military purposes.

It is believed that present shipping rates of 25¢ per ton for small loads landed at Ungava Bay coastal points could be lowered half for somewhat larger loads, with eventual shipping by iron ore being comparative to Atlantic-sea-bottom rates of $4 to $5 per ton.

The establishment of permanent port facilities will lower air freight costs to reasonable amounts for regular charter service.

The third economic factor is that of climate and topography.

Overcoming Climate and Topography

The climate is typical of the Arctic and sub-Arctic—cold winter and cool summer, limiting the summer season for surface prospecting to the northern part of July and August. However, with the proper housing and ship facilities, other types of work, including diamond drilling, can be carried out the year round. June can also be a good month due to long hours of daylight and warm, moderate temperatures. The temperature may vary from -20°F at night to 60°F during the day.

Inland lakes freeze-up in October generally and stay frozen to late June or early July with thickness of five to eight feet and possibly shorter in lakes and streams freeze to the bottom. The northern tree limit extends from Hudson Gulf in the west to Fort Chimo in the east. Permafrost begins in tundra in the vicinity of degrees Fahrenheit in the daytime.

The topography is of a rocky ridge nature with changes of elevation seldom more than 500-600 feet. There are great number of lakes and rivers.

Power Potentialities

With regard to power, most areas are readily accessible to plentiful sources of potential hydropower. The largest of these potential sites are on the Payne and Kamiskiuak Rivers emerging into Ungava Bay. In the lower reaches of the Payne River there is a potential of over 1,000,000 horsepower to be harnessed.

With regard to the geology of Ungava, information is still limited for much of this area. Reconnaissance surveys indicate that a large portion is underlain by granite, porphyrites, orthogneisses, and related rocks of early Precambrian age.

Large areas of greenstones have been mapped in the Eastmain River area and a complex sedimentary-volcanic-intrusive belt is known in the Cape Smith-Wakeham Bay region. This may be an extension of the sedimentary-volcanic belt, which is over 500 miles long beginning near Knob Lake, and extending to Hopes Advance Bay in Ungava Bay.

Lists Known Deposits

There are several areas of Precambrian type with base metals have been found. These are known as the Knob Lake, Kamiskiuak River, Gerda Lake, Payne River, Cape Smith-Wakeham Bay, Great Whale River, Duncan Lake and Eastmain River areas, and include prospects containing iron ores, nickel, asbestos, copper, lead, zine, manganese, uranium and gold.

The only commercial production at present is from the iron ore of Knob Lake where over 250 million has been expected in attaining the present successful stage of operations.

The next most advanced in planning and development are the Cyrus Eston controlled iron deposits at Payne Bay, where production is scheduled for 1926, according to the terms of the concession as granted by Quebec. Successful production would involve an expenditure of over $100 million and require a permanent population of several thousand people. This area is about 180 miles south of the new nickel belt near Wakeham Bay.

The copper deposits of Gerda Lake have had considerable expenditures made on them over the past few years, particularly by Holannah Miner Ltd., and this exploration work is being continued.

Of most recent interest are discoveries of nickel-copper deposits in the Cape Smith-Wakeham Bay area. Sulphide occurrences, associated with basic intrusives occurring on and near the south contact with pillow lavas, extend at intervals from Cape Smith on the west, to Wakeham Bay on the east, a distance of about 200 miles. From a point in this contact structure, known as Croesus Lake on the LeMoine concession and occurring eastward to the central part of the Ralston concession—a distance of about 30 miles—there are many nickel-copper bearing sulphide zones. About 19,000 feet of diamond drilling has been completed on the LeMoine property and 3,000 feet on the Ralston property.

Work on the LeMoine property in 1927 is reported to indicate about 7,000,000 tons of better than 2% nickel plus copper while Ralston has indicated one shoot 620 feet of 3% nickel plus copper and open both ends.

Core width is thought to average about 50 feet but is inconclusive, as only three holes had been drilled before freeze-up which terminated the 1925 work.

Obviously there is much more exploration drilling required along this length of 55 miles to obtain conclusive results.

Quotes L. H. Timmins

To quote Mr. Lee H. Timmins, Vice-President of Hollinger Gold Mines Ltd., and President of La Compagnie Miniere de l’Ungava Ltd., in his annual address to the latter company for 1927 Ungava operations: "Many people believe that such factors as perennial, inhospitable terrain, climate, short working season, etc., will mitigate against the possibility of a successful economic operation in the far north. In order to place things in proper perspective, it is necessary to give intelligent consideration to such factors. Nature, in the majority of mining ventures, did not intend that its riches were to be taken without effort. These obstacles are the challenge to the miners of the north. Other problems are not insurmountable, and the secret of success is adequate work and persistence."
Continued from first page

wheat a world glut, uranium catching up with its contracts, and a rise in the price of gold still years away.

With the economic order as this to feed on, Canadians of a morose turn of mind might well find documentation for laceromoses. But they could be forgetting two things: (1) the character, courage and spirit of the Canadian people, and (2) the dynamics which the fabulous natural resources of Canada must create in a world which devotes its major energies to churning up raw materials.

A Breathing Spell

So at this point we veer from the popular prognostications of recession in Canada and flatly assert that what we now witness is a lull, a consolidation, a breather, from which Canada will emerge stronger, richer, more secure and more resolute than ever before, in her relatively short history as a member of British Commonwealth.

Nor is our viewpoint to be regarded as blindly optimistic, a Pollyanna posture, or a stolid and stubborn ignoring of the more obvious debits now visible on our economic horizon.

A good way to start our current appraisal is with the sources of energy. Here Canada is magnificently equipped. Her vast water power resources are being steadily harnessed and now account for almost 10% of total energy sources. Coal, which is in large supply in the Maritimes, especially Nova Scotia, has been in a long range decline, accounting for almost 70% of fuel needs 30 years ago, and less than 40% today. The really impressive progress in energy source has been, of course, in petroleum and natural gas. The oil strike at Le Ende 11 years ago set the stage not only for a sharp change in the fuel consumption pattern in Canada but has dramatically accelerated the entire economy. In 1926, petroleum was a 10% supplier of the total energy. Today it accounts for over 45%. In 1926 almost all petroleum was imported. Today around 50% is imported and the rest of the supply is now coming from the Western area; and according to the Gordon Report by 1980, domestic production will provide almost twice Canada's total (then) domestic requirements.

"Myopic" U.S. Attitude

Which brings us right up to the major international problem of the day, existing between Canada and the United States. Quite suddenly the U.S., whose citizens, corporate and individual, have been pouring in hundreds of millions of dollars in exploration for gas and oil in the interior plains sections running from the international border to the Northwest Territories (and Alaska), has changed the rules of the game. The rate of discovery has been remarkable and the percentages of successful wells driven, particularly in Alberta, has been far higher than in respect to similar drillings in the U.S. Vast stores of oil and natural gas have indeed been located and marked out as known reserves. But now, what to do about them? Capping is great for climaxes, but very unsatisfactory for oil and gas wells. And if the United States persists in its recently instituted embargo on oil, and virtual limitation of gas imports to existing contracts, then capping may be the only answer.

Some have argued that these reserves in the ground are over a fine asset and may be worth more in later years. But a far more practical approach is to obtain immediate petroleum markets at fair prices giving an immediate income without deferral, and creating funds, and inducements for continued exploration and development. This is the only sensible plan; and the present myopic American viewpoint must, in due course, give way to it. The development of the Northwest United States, as well as of West Canada, depend on the free international flow of these fuels. The oil is there; the pipelines are in being or under construction. So let there be a top-level (perhaps Spindletop level) conference to resolve this vital problem sensibly.

Uranium: A Bright Spot

The final major energy source, uranium, has been moving ahead lustily in Canada. Canada is now clearly the world's second largest uranium producer and its quite new mills at Gunnar, Algoma, Consolidated Denison, Pronito, Stanrock, Northpan and Stanleigh are now at work in fulfillment of contracts, running as far as 1966, for almost $2 billion in uranium oxide at around $5 a pound. This is a magnificent example of the swift build-up of a major industry. It will assure atomic electric power to certain sections of the Dominion which can best be served thus, and, of course, this rising U-stockpile is a bulwark of defense for the free world.

Attractive Bank and Insurance Stocks

The splendid system of branch banks in the Dominion has functionally served the loan and deposit requirements of the nation, and made its appropriate contribution to the all time high of 83.8 billion in total outside deposits. The individual banks reported excellent earnings, and are, each year, attracting greater numbers of shareholders, drawn not only by the current cash dividends, but also by their long-term income reliability.

In life insurance ownership, Canada leads the world. Canadians own more life insurance in relation to total national income than the peoples of any other nation. The great leaders, Sun, Canada Life, Crown, Manufacturers, London and others have also set a standard of excellence in investment portfolio management that they may well be proud of.

Transport and Minerals

In Canadian transport, the year 1957 was significant with the opening of the St. Lawrence Seaway being constructed and scheduled; expansion of over 600 miles in new rail lines, the vast progress, East and West, of new pipe lines, the commissioning of Canadian Pacific's new lines the "Empress of England," and the recent public financing (and expansion) of Greyhound Lines of Canada.

The mineral and mining interests had a tough year in 1957. Very soggy prices in copper, zinc and lead (plus U.S. tariff threats), a substantial catch-up in nickel production, created major downturns in mining shares with some marginal coppers dipping as much as 80% from their highs. All of these metals seem now, however, to be at their bottoms, and it doesn't take too much optimism to suggest that mining results in 1958 will show improvement.

Gold Mines Busy

The gold mines have had a lively little market spree of their own in recent months based on

Bonds, stocks, investments, real estate, etc. If you need help with anything in the financial area, I'm here to assist you.

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Phone: Toronto 2-5000, Montreal 2-5000, Vancouver 2-5000, Calgary 2-5000

Cables: "DOMINION", Toronto, Montreal, Vancouver, Calgary

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We look forward to serving you.

Sincerely,

John Smith
Financial Advisor
some new high grade ore-body locations, efficiency of certain properties, especially Kerr-Addison, and the hopes and longings, nurtured in each and every recession, that the price of gold will be raised to $60 or $70 an ounce. The current economic realities do not, however, suggest that a rise in price is at all imminent.

**Lumber and Newsprint**

The forest lands of Canada are an empire in themselves. They spread over 11.5 million square miles of which over 800,000 support stands of timber of commercial value now or in later years. These forests provide lumber and plywood for domestic housing, and a considerable export; while the newsprint supplies 90% of the requirements of the U.S. Thus, timber relies heavily on export trade and requires constant control over production and costs to retain competitive international advantage. 1957 was a rugged one in timber, with plywood, in particular being hard hit, price-wise.

The position of Canada as No. 1 in asbestos continues, and rising aluminum capacity plus low production costs continue to give Aluminum Ltd., a common "growth stock" tag.

**Dynamic Exponent of Forward Look**

Liberal or Tory, Canada is a dynamic exponent of the forward look. Her huge resources, active and broad security markets, sound economy, and solid dollar will continue to attract the investors of the world, whose confidence is ever assured by the sustained earning power of her diverse corporations — as evidenced by the panoramic list that follows of distinguished, long-time Canadian cash dividend payers. Here is documentary proof of the high calibre of investment opportunities available to the astute investor. Moreover, the list is the best possible answer to the belief, held only in uninformed quarters of course, that Canada securities are largely of unproved quality. As a matter of fact, of the more than $41,000,000,000 of listed shares, more than $25,000,000,000 represent stocks of manufacturing companies. And by far the most of these, by the way, are listed and traded on the Toronto Exchange, with every variety of company in Canada's rapidly expanding manufacturing industry being represented in the 243 companies of that classification so listed.

**TABLE 1**

**LISTED CANADIAN Common Stocks**

*On Which CONSECUTIVE CASH DIVIDENDS Have been Paid From 10 to 129 Years*

<table>
<thead>
<tr>
<th>Stock Exchange</th>
<th>Cash Div.</th>
<th>Date of Dividend</th>
<th>No. of Years Included</th>
<th>Quoted Price</th>
<th>Quoted For</th>
<th>Quoted In</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toronto</td>
<td>14</td>
<td>1957-1977</td>
<td>13</td>
<td>333</td>
<td>60.60</td>
<td>60.60</td>
</tr>
<tr>
<td>Montreal</td>
<td>12</td>
<td>1957-1977</td>
<td>13</td>
<td>230</td>
<td>20.50</td>
<td>20.50</td>
</tr>
<tr>
<td>Winnipeg</td>
<td>11</td>
<td>1957-1977</td>
<td>13</td>
<td>243</td>
<td>15.00</td>
<td>15.00</td>
</tr>
<tr>
<td>Calgary</td>
<td>8</td>
<td>1957-1977</td>
<td>13</td>
<td>31.00</td>
<td>6.10</td>
<td>6.10</td>
</tr>
<tr>
<td>Vancouver</td>
<td>7</td>
<td>1957-1977</td>
<td>13</td>
<td>56.00</td>
<td>3.00</td>
<td>3.00</td>
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<tr>
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<td>13</td>
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<tr>
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**Note:** Quotations represent Dec. 31, 1957 sale prices or the last sale price prior to that date. Dividends, and quotations are as of Dec. 31, 1957. Dividends paid in S. A. Currency.

**Continued on page 22**

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CURRENT CANADIAN ECONOMY — AN INTERLUCE BETWEEN GROWTH AND MORE GROWTH

Continued from page 22

Fighting Harmful Actions Taken Against Canadian Mining

Pressed metal prices and the leveling off of the boom have created some problems and obstacles. Unemployment is more pronounced—some of our technical men are faced with necessitated business and others are seeking employment. But this industry did not reach successfully and our problems have almost insurmountable goal of over $12 billion annually by defeatist thoughts. We may have our “backs to the wall,” temporarily, but this is nothing new. About the turn of the tides many of our prospectors were slightly deceived by lack of new finds of uranium. But, it wasn’t too long before we even heard Ottawa concerned with the fruitfulness of this new field which has since developed into one of the nation’s greatest individual sources of metal revenue.

It is with this aggressive spirit that we must face the days ahead. Perhaps it will be more difficult to secure grants but we are all aware this leveling off is temporary only. Find the new discoveries and financing will eventually take care of itself. The world’s new needle projects are unquestionably pointing the way to a new era in metals and precious metals prospectors will be seeking them out.

Travers & Bartsch Admit

Travers & Bartsch, 130 Broadway, New York, New York City, members of the New York Stock Exchange, on April 3 will admit John M. Dear to partnership. Mr. Dear will become a member of the Exchange. On the same date, Genevieve M. Moore, daughter of Ann Travers, Millenice T. Ryan and Genevieve B. Travers will be admitted to limited partnership.

Merrill Lynch Adds

Former New York Marketer

BOSTON, Mass.—Neil R. Shulman has been added to the staff of Merrill Lynch, Pierce, Fenner & Smith, 18 Milk Street.

Martim Gilbert Joins

Van Alystyne, Noel & Co.

Martim Gilbert, stock market analyst with 30 years of experience in the securities industry, is now associated with Van Alystyne, Noel & Co., 5 Wall Street, New York City. Mr. Gilbert was formerly vice-president of the New York and American Stock Exchange. He has been an associate of Mr. Gilbert has been named to chief Bache & Co. since 1944 and in recent years has been editor of the morning market daily which was disseminated to over 58 Bache offices in the United States, Canada and abroad. He is also an author and lecturer and has addressed many business and financial groups around the country.

Aibel, Karlton Partners

In Richard Kohn Co.

NEWARK, N. J.—Herbert M. Aibel of South Orange and Peter C. Karlton of Little Silver have become partners in the firm of Richard E. Kohn & Co., 20 Clinton Street, members of the New York Stock Exchange. This was announced today by Richard E. Kohn, senior partner and himself a member of the firm’s management. Mr. Aibel has been elected to membership in the New York Stock Exchange. Mr. Karlton owns 25 per cent of the organization and is a part owner of the firm’s New York office. Mr. Aibel has been the New York manager of the firm and is the Commodity Department.

Form Standard Bd. & Sh.

(Special To The Financial Chronicle)

DENVER, Colo.—Standard Bond & Share Co. has been formed with offices in the Equitable Building to engage in a securities business. Officers are Robert J. Vallier, Jr., President; Clyde D. Roberts, Vice-President; and Robert McMichael, Secretary.

Prospecting

In Ungava

of the world have their own mining problem such as intense heat, lack of water, fever-ridden climate, etc. The pessimist that your company’s engineers will have to contend with is more of an exploration problem than an operating one. Actually, the pessimist might not be all gull. It is surprising how often such obstacles can be turned to some advantage with a little ingenuity. It is not a secret that it is easier to work with, rather than to oppose nature.

In hospitable terrain gives way as capable and congenial people who get together for the purpose of profitably sharing in the development of an area that takes courage and fortitude and in the building of an enlightened and decent community, which insists primarily on consideration of one’s fellow men.

Russell Investment Co.

Formed in Denver

(Special To The Financial Chronicle)

DENVER, Colo.—Russell Investment Co. announced today it had formed offices in the Denver Building to engage in a securities business. Officers are Gerald M. Greenberg, President; Sam uel G. Greenberg, Vice-President and Blanche H. Greenberg, Secretary. Gerald M. Greenberg was formerly a member of the firm of B. Carroll & Co., Samuel Greenberg was previously connected with the Continental Investment Co.

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Continued from page 22
Some Aspects of Canadian Business

By NEIL J. MCKINNON
President, The Canadian Bank of Commerce

Prominent Canadian banker explains why 1958 poses some challenging problems to Canada but, after reviewing weaknesses and gains, adds that Canada needs patience for potential growth. Mr. McKinnon notes marked domestic increase in demand for farm produce, industrial raw materials, industrial production, and finds that if 1958 capital expenditures, particularly construction content, do not decline more than 5% from 1957 that this area again will be an important source of underlying strength throughout the year. Warns a certain degree of ups and downs is one of the prices of a free economy and that temporary economic injections for "ills of today" should not be allowed to stagnate or jeopardize tomorrow's inexorable surge ahead.

Since we cannot view the future intelligently except in terms of the past, I propose first that we should look at—not to glance fearfully over our shoulders, but as travelers who have covered some rather difficult terrain and who hope to profit by the experience as they approach the still hidden road ahead.

The past year was one of contrasts in business and industrial activity. In terms of national accounting ( Gross National Product, National Income and the like) we achieved the highest level on record; at the same time some frictions emerged in the chain of production and consumption.

On striking a trial balance for 1957, there appear in retrospect some handsome gains but also a few very shattering losses, some break-even situations, and a few developments which, because they are not yet in proper perspective, may be placed in contingent account.

Past Year's Gains

Foremost among the gains are the achievement of a considerable measure of control over what threatened to be a degree of inflation, and a population increase of more than half a million. Other gains must include continued development work on iron ore deposits, the bringing into production of uranium mines, the start of development work on Minnesota nickel deposits, further important discoveries in the western oil and gas fields, and an increase of 1.5 million h.p. in electric capacity with more than four times as much new capacity now under construction, and the building of railways, pipe lines and power lines to bring all these products to market. Also classified as a gain would be the retention of our export trade at its all-time high, despite a softening of the market for some of our major export lines but the disadvantage we suffered in a premium dollar for a dollar-convertible world market. Also in the credit columns would go the maintenance of a high standard of living, achieved not at the expense of, but with a substantial increase in savings. On the credit side, too, would be the continued interest in Canada as a field of investment, evidenced by a continued inflow of capital funds.

Losses in Past Year

These by any reckoning are impressive gains. Now let us take a look at the losses. These are largely concerned with the time-honored hiccups of our export trade—wheat and lumber. One of the problems in selling wheat has been the disturbances in markets created by the great marketing policies of the U.S. in the last year or two. As a result of this and also of a previous series of high crop yields we have acquired a wheat surplus. Its disposal is one of our problems, since where there is still the mainstay of our prairie region despite a broadening of the prairie economy.

Our forest industries were hard hit by the loss to other suppliers, chiefly Scandinavian and Russian, of valuable European markets last year. A decline in housing construction in both Canada and the United States and demand for pulpwood added to the industry's troubles, and consequently to the rolls of the unemployed.

The non-ferrous base metals suffered from price and market instability, and the currency price of some metals has meant the closing of a few marginal properties. The threat of an increase in the U.S. wage rate on lead and zinc also hangs over some portions of our industry.

But these same industries were not without their brighter side. Our own increasing population provided a ready and growing market for the range of our live stock, poultry and dairy products. The lumber and pulpwood markets, while suffering by comparison with some recent years, were not by means stagnant. Uranium and iron ore, relative newcomers to the mineral export market, along with nickel largely offset any declines in the mining field.

In manufacturing the total economy of the industry was greatly enlarged as a result of a $3 1/2 billion capital investment over a three-year period. The expansion extended both to the capacity of existing industries and the additional.

Continued on page 40
Outlook for Base Metals

By SIMON D. STRAUSS*

Vice-President, American Smelting and Refining Company
New York City

Aware of the small difference between a shortage and surplus of base metals, Mr. Strauss is confident prices ahead will improve from present "profitless levels" and attributes present plight not so much to decreased industrial demand as from excess production. Advocates metal producers seek new markets and avenues of potential application.

Available supplies of base metals are currently in excess of the needs of industry. As a consequence prices for copper, lead and zinc have fallen to levels at which metals are making little or no profit and many are operating at a substantial loss. This situation is not a new one. It has occurred on many occasions in the past even since the end of World War II in 1945, there have been two last two important crises in which, momentarily at least, producers of metal have been unable to dispose of all they could produce.

Not Demand But Production

Curiously enough, industrial demand for metals in 1957 was, on the whole, relatively good. Consumption in the United States was below the levels of 1956, but in parts of the world it increased. In the case of copper, deliveries to copper fabricators throughout the world as reported by the Copper Institute set a new all-time record. Similar figures are not available for lead and zinc, but based on information available it would appear that there was a small decline from 1956—probably about 2 or 3%.

The difficulties faced by the mining industry result not so much from decreased industrial demand last year as from excess production. Some might, perhaps, feel that the geologists, prospectors, and developers who belong to this and similar associations are more to blame for Mr. Strauss before the Joint Prospectors and Developers Assn., Government of Ontario, the Ontario Assn. of Mining Engineers, and the Canadian Assn. of Mining, Metallurgical and Chemical Engineers. They have done their work too well—perhaps they have found too many new deposits or too many extensions to old ones.

Please do not consider this as criticism. Far from it. A few years ago, the proponents of the Free World were breathing down your collective necks, urging you to add to available mineral resources to assist in the defense of democracy and free enterprise. Many eminent economists and politicians then feared permanent shortages of mineral raw materials.

Three years ago I emphasized that the one certainty in the outlook for the base metals is that it will change. That is still true today. The shortages of the Korean War did not prove permanent; neither did the copper shortage of only two years ago. In the same way, the surpluses that are pressing the market so hard today also will not prove permanent.

Our customers, who are today concerned with shrinking their inventories, will look back at the present prices now prevailing and wonder why they did not, instead, replenish their stocks with copper at 25c, lead at 95c, and zinc at a pound—which are the prices prevailing in Europe—or at copper at 22c, lead at 18c, and zinc at 18c a pound—which are the prices prevailing in the United States. If in the long run prices are certain to reflect the cost of producing metal and paying the United States and in my opinion that cost will not be significantly different from these prevailing today.

Surplus-Shortage Difference Is Small

It must be remembered that the difference between a shortage and a surplus is a small one. At the beginning of 1956 consumers and producers alike were talking of a shortage of 70,000 tons. Since then we have produced 12 million tons of copper. In the same period of time, producers' stocks of unsold copper increased by perhaps 50,000 tons—less than 4% of the production. We can be quite certain that consumers did not increase their stocks of copper in this period—because prices were falling and copper was clearly surplus—less than 4% forced the price of copper below 26c per pound—past a long ton in London to the present level of £1.00. Copper producers are now cutting back their production—had they not done so a year ago the price of the metal might have been held at more remunerative levels.

The difficulties faced by the lead and zinc producers stem from over-production, of course; and this over-expansion in turn was in part to the degree engendered by the needs of the Korean War. Following the period of over-production in 1953-54, stability was restored to the lead and zinc markets through large purchases made by the United Nations and the United Kingdom as Joint Committee on Defense Purchase of the United Nations. The government has stated in its recent report "Accelerated purchase of commercial inventories for the purpose of solving economic problems tends to postpone rather than provide permanent solutions." So when in 1957 it was decided to restrict further barter acquisitions of metal the prices of lead and zinc promptly weakened again.

Copper Prices Improving

Looking ahead, one can feel quite confident that prices will return to their present profitable levels. Rising populations in the Western World, increasing demand for improved living standards will cause mar¬kets to expand even more, so that present surplus—production of metal will have a relatively small effect. This will occur when no one can say with confidence that the producers of metal will show as much energy and skill in managing their over-production as the geologists and prospectors; have shown in looking for new deposits, in improving mining and treatment of ores, and in increasing capacity. Copper, lead, and zinc have gone through tests and though perhaps not as rigorous in length and in stress as the earlier metal rush; they have probably been more rigorous than in the true sense of the word.

The world market for primary metals has been, and will be, an exacting one. The people of the world are well aware that there is an ever-increasing demand for better and more plentiful supplies of those basic metals that are essential to our daily lives. The world has shown during the course of the past few years that these needs are recognized and that the metal producers are able to meet the needs of mankind. The metal producer, be it public or private, must show the same industry and the same energy in the future as he did in the past. The future, therefore, will not be the same as the past. The world has made great strides in industrial development and the needs of mankind will continue to increase as the years go by.

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Amiot Baker Branch

WATERBURY, Conn. — Amiot, Baker & Co., Incorporated, announced the opening, on March 26, 1957, of a new branch office in Waterbury, Conn. This new office, under the direction of Milton M. Schilgen, will be located on the lobby floor of the American Health Hotel at 20 West Main Street. Mr. Schilgen has been associated with the Hunter City business for many years in Waterbury and is well known to civic organizations in the area as a leader in the securities field.

The opening of the Waterbury office will increase the number of the firm's branch offices to three. The branch offices are now located in Philadelphia and Detroit.
Who Is to Blame for Our Current Economic Difficulties?

By Roger W. Babson

Why consumers overextend themselves and save so little frightfully mystifies business analyst Babson who finds, in the last analysis, that labor exemption from anti-trust laws and "Womb-to-Tomb" security should be considered our present economic difficulties. Claims we have lost our sense of values and justice, and calls for more soul searching by all of us.

Bread lines which have now sprung up in some of our cities only six months after prosperity was booming along last summer suggest that something is pretty radically wrong with people's economics. What, really, is the matter? For several years, I have been warning that we could not continue to live it up forever. We are out one day paying for the point that you don't know where next month's rent is coming from. Often wonder when I am sitting in a new car or home that I am an eight-year-old automobile. Unemployment in

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Private Wire System to Branch Offices, Correspondents and their connections in 100 cities throughout the United States and Canada
Peaceful Canadian Development Of Atomic Energy

BY DAVID A. KEYS

Scientists Advise to the President
Atomic Energy of Canada Limited

Prominent Canadian nuclear scientist describes threefold developments in research and practical applications of isotopes, power and breeding. Dr. Keys anticipates, for example, that in five years this will be developed from nuclear fission in Ontario as is now produced by hydro and coal-fired plants, and that probably all the uranium we can mine will be used. Author opines, however, it will be many years before commercial process will be economically used for power; and by that time thousands of nuclear fission plants will be in operation producing electricity.

In 1903 the late Lord Rutherford, when a Professor at McGill University, wrote in his book "Radioactivity" the following, which I quote:

"There is reason to believe that an enormous store of latent energy is readily accessible in the atoms of radium. Elements, radium..." If it were ever possible really to control at will the process of disintegration of the radioactive elements, an enormous amount of energy could be obtained from a small quantity of matter."

About 18 years later, when Caversham Professor at Cambridge, he gave a popular lecture at the Royal Institution in London, during which he is reported in the press to have said:

"...though it is quite incommensurable, has in it the power of a thousand horses."

In 1932, he states, "we can thus produce almost all our material difficulties are at an end."

This prediction became a fact with the discovery of fission in 1939 and the construction of the first atomic pile in December, 1942. Since that time about 240 reactors have been built, releasing millions of curies of energy, and another 100 either under construction or in the planning stage, opening vast new fields of scientific, industrial, and medical application for the benefit of humanity. This new atomic age has created work for probably half a million people, developed a mining industry in Canada, which in turn alone has reached contracts amounting to about $1 1/2 billion, and made improvements in industrial processes and agriculture, which in the United States are causing a saving of over $200 million annually according to Dr. W. P. Bizzell.

In such peaceful developments of the new science, Canadian scientists and engineers are taking a leading part. We have at Chalk River, Ontario, what may be regarded as two of which, the NRX and NRU, have facilities for research and applied tests of nuclear fuel for production of power, unsurpassed by any in the Western World. Reactors, apart from their production value, have three main functions: They produce isotopes for industry, agriculture, medical research, and research; they are able to release enormous amounts of heat from small quantities of nuclear fuel; they can produce new nuclear fuels from nonfissionable materials. A few examples of each of these three functions may be of interest.

Isotopes

Any element placed in a reactor and subjected to the intense neutron bombardment becomes a radioactive isotope of that element. Many of these have found special uses. Strong sources of cobalt 60 were first made at Chalk River and have been supplied to industries as a substitute for high voltage X-ray machines, since cobalt 60 gives off a penetrating X-ray as it decays into nickel with a half-life of 5.5 years. It is used in radiography of castings. Iridium 192 is used to inspect welds in our pipe line. Others such as strontium 90, gallium 72, cætum 134 and thorium 197 are used for similar purposes.

The radiations from such isotopes as the above, and rubidium 106, are now employed for controlling the thickness of many kinds of pillofines-paper, rubber, synthetic metal, plate-glass in so-called thickness gauges. They are also used to regulate packaging, tobacco in cigarettes, liquid levels in pipes. They are useful in testing various types of fabric by moving parts, piston rings, tires, rollers, etc. They are convenient electrostatic eliminators.

The radiations from certain isotopes are used in chemical processes. They give new properties to certain polymers like polyethylene plastic; sterilize meat (such as such meat, milk, vegetables, whole wheat), drugs and bandages. Our Commercial Products Division made the largest single source of cobalt 60 for radiation purposes that has ever been produced, equivalent in its radiation to that of more than 130 pounds of radium. It was for an American firm interested in the efficient use of radiation in the manner of chemical processes and sterilization experiments.

Radioactive carbon can be incorporated in chemical compounds so as to follow any particular industrial or biological process by the radiations the carbon emits. Such detection methods are extremely sensitive. It is assumed radioactive carbon by replacing an inactive carbon atom in a hydrocarbon and is mixed with twenty thousand million gals of water, the amount of sugar in a teaspoon of the water is detectable. Such tracer methods have been widely used in many chemical processes, revealed new valuable products in agriculture and forestry, and been used for diagnostic purposes in medicine.

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Peaceful Canadian Development of Atomic Energy

The production of Atomic Energy of Canada Limited made the first highly active cobalt 60 units for the treatment of malignant diseases. More than 100 of these units have been produced and sold to 20 different countries. The use of iodine 131, phosphorus 32, gold 198 and certain labelled compounds has provided new therapeutic and diagnostic sources for improving the health and relieving the suffering of thousands of patients in hospitals throughout the world. Last year we sold more than 2,300 shipments of various radioactive isotopes to Canadian and foreign commercial, medical and research institutions.

Power

The standard of living of any nation may be gauged by the amount of energy available per capita of the population, particularly in the form of electric power. The strong increase in demand for electric power in the more advanced countries is doubling about every 10 years. Most of this energy has been and still is produced by burning fossil fuels, particularly coal which supplies the bulk, oil and natural gas next in order. Hydro supplies a small fraction of our total energy and is confined to those countries fortunate enough to have water power available. Apart from perhaps the United States, all the European countries and most others as well have had to import fossil fuels to meet their rapidly expanding demand for electrical energy to maintain and raise their present standard of living. Great Britain is importing coal from the United States and Canada, as well as oil; their coal mines cannot supply their requirements. Other countries have no indigenous sources of fossil fuel and are dependent on importing their requirements. Hence, the demand for new sources of energy.

The fission of uranium produces enormous release of heat. One pound of uranium 235, which constitutes 7/10ths of 1% of natural uranium, if completely burned up in a reactor, gives as much heat as is obtained from burning 2,700,000 pounds of coal; 60,000 gallons of oil, or 20,000,000 cubic feet of natural gas. Hence, the interest of all countries in seeking new methods of employing fission as a source of thermal fuel to supplement the supply of fossil fuels. Several pilot plants, using fuel from enriched uranium, are in operation in many countries generating small amounts of electricity. Large power reactors generating tens of thousands of kilowatts each are in operation in the United Kingdom and the United States, and soon will be in operation in other countries. Larger nuclear power stations of several hundred thousand kilowatt electrical output are being planned and constructed. The capital cost of such plants is high compared with oil or gas stations. But the fuel costs are lower. By 1965, the United Kingdom will have 19 nuclear power stations, producing five to six thousand megawatts, which is equivalent to that obtained from about 20,000,000 tons of coal annually. That is why we are so much interested in this field.

Last year, there were about 90 investigations into uses of atomic energy used in Canada. If this had been all generated from nuclear fission, uranium, producing steam and electrical energy at 125 efficiency, it could have been obtained from the complete burning of 15 tons of uranium metal and 25 tons of coal. Since the metal and burning 1% of which appears in the foregoing excess of 1,500 tons of uranium metal, which is the amount contained in approximately 500,000 tons of our Canadian ore. This 1% involves uranium in the form of the fissile plutonium which is produced from the uranium 238 in every reactor employing natural uranium.

Ontario will have exhausted its supply of hydro power by 1962. It is even now supplementing its hydro supply by burning imported coal. Additional fossil-fired steam plants are all producing or will be producing additional power that will be required to meet the large supplies of uranium ore available, we are interested in using it as fuel, hence the plans for constructing nuclear power reactors.

Dr. W. B. Lewis and his scientific staff, together with his engineer's staff, with the help of a team of able engineers from several Canadian Utilities and the Canadian General Electric Company have produced a new conceptual design of such a power reactor, differing from any of those now in operation in other countries. It is based on the experience of heavy water moderated and cooled reactors which are in operation at Chalk River. This new design will use uranium oxide fuel in pressurized tubes, surrounded by heavy water under pressure, heated to about 600 degrees Fahrenheit, which will produce the necessary steam to operate this hot water in a heat exchanger. Their design removes the necessity of large pressurized vessels (which are expensive and difficult to fabricate) such as the British and American large plants have used, but will serve to pay experience on operation and reliability. It will be built near Des Joachims on the Ottawa River near the Ontario Hydro installation and will rely electrically to that system. The design may be extended to larger plants of 1,000 to 2,000 megawatts and more and studies of such power stations will be carried out at once. The project will be undertaken at the new Nuclear Power Plant Division of AECL, established in Toronto under the direction of Mr. Harold A. Smith, who has been appointed as its Manager. If the cost of research and development, including manufacturing development, is elimi-
Peaceful Canadian Development of Atomic Energy

nated from the cost of the first large plants to be built, the second and perhaps even the first will be set to generate electricity at a cost competitive with steam from coal—indeed, five and six cents per kilowatt hour.

Since the demand for electric power is doubling every few years, in 20 years we can expect as much power to be demanded for nuclear clear fusion in Ontario as is produced today by hydro and coal, and for the development of uranium at that time, and of course we shall use all the uranium we can mine.

The possibility of using central heating and power plants serving sections of cities, which would eliminate fuel in scattered buildings, a system which now uses in some cities, is an application so far from contemplation that it is little earnest attention. The use of central systems in a city, with central steam in industries, however, is being considered, for example in Finland.

Apart from the design and construction such as power plants to supply electricity for industrial purposes, their application to the propulsion of ships and even airplanes, is being investigated. It is possible that we shall already have a success. The United States have three in operation at the moment, and there are ten or twelve others under construction or in the planning stage. These submarines have travelled many thousands of miles, nearly half of them have been spent in full speed propulsion.

Sauganash Co., Ltd. 21 0.65 12.4 Electric motors, motors, switches, generators, etc.

Sarnia Bridge Co., Ltd. 15 1.00 121.8 0.9 Manufacture of pipe and all types of engineering products.

Scott & Co., Ltd. 11 0.10 1.7 Manufacturers and sells varnishes, lacquers, fungicides, etc.

Skeff & Co. Ltd. 22 1.00 13 7.7 Manufacturers cements and waste products, rubber, the latest and rubber from rubber products.

Shawinigan Water and Power Co., New Brunswick 51 10.52 23% 2.7

Pulp, varnishes, enamels, etc.

* Quotations report Dec. 31, 1947. Tons prices at the last price paid or sold on that date. * "First call" is a market term for the fact that actual orders were 28 Dec. 31, 1947.

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Peaceful Canadian Development Of Atomic Energy

of a second, through a tube containing heavy hydrogen gas at a pressure of not more than a millihg of an atmosphere.

This high current produces a magnetic field round the current which pinches the gas down to a thin discharge, holding it away from the walls of the tube. The heat produced in the gas raises it to temperatures of several thousands of degrees. At these temperatures, the heavy hydrogen (deuterium) nuclei are stripped of the electrons and fly together at high velocities producing nuclear disintegration. These hydrogen nuclei are positively charged and under normal conditions would repel one another. But, if driven against each other with sufficient velocity, this repulsion is overcome but it takes enormous speeds—hence the requirement of high temperatures, since the mean velocity of gas nuclei increases with rise in temperature. These reactions may result in the formation of a triton nucleus (unstable hydrogen isotope of mass 3) and a proton (a hydrogen nucleus). Or, it may equally well result in the production of the helium nucleus of mass 4 and a neutron. Both of these reactions release energy. Other subsequent reactions, such as the proton reacting with the deuteron nucleus to form a helium nucleus of mass 4, or the triton nucleus with the deuteron nucleus to form a helium nucleus of mass 3 and a neutron. All of such reactions release energies.

To make such a reaction release more energy than is necessary to apply the energy to the propeller may be necessary to get temperatures of a hundred thousands of degrees. They have observed from 10,000 to a million neutrons produced per pulse with a million amperes lasting a few milliseconds. Most of these neutrons undoubtedly come from the break-up of nuclei and not from fusion.

These experiments, carried on at various laboratories in the United States and Great Britain, using straight and doughnut shaped tubes, with external magnetic fields in some cases to keep the thin layer of gas contained. And it is merely preliminary attempts at fusion. The Russians, of course, are also carrying on similar experiments, and no doubt other countries as well.
The final accomplishment of release of energy from such fusion processes will be a great achievement. But it will be many years before power is produced in this way. When it is, however, our energy requirements for the future will be solved, since all water contains a fraction of heavy water, so we shall have the sea as a source of the fusible material. Probably thousands of nuclear power plants in operation producing electricity by the time fusion plants become available and economic. But, our sources of fissionable material, like our fossil fuels, are expended and we must be prepared for the day when that happens. Hence, the investigations proceed.

But Keep Out of the Way!

"We believe that the Government has a never-ending responsibility to keep abreast of the facts of economic activity, and to be prepared, whenever an economic downturn occurs, to do whatever it can to help bring about a healthy increase in employment and business. But another part of the same principle also holds that the real mainspring of our kind of economy is not Government, but the built-in thrust and vigor of private enterprise." — President Dwight D. Eisenhower.

Finneson Director of First Maine Corp.

PORTLAND, Me. — Herbert A. Finnesson, prominent attorney of Green w i c h, Conn., has been elected a Director of First Maine Corporation, 64 Exchange Street, according to Burton M. Cross, President. Mr. Finnesson, who maintains offices at Greenwich, Conn.; White Plains, N. Y.; and Washington, D. C., is general counsel and a director of several corporations, and is a member of the American Institute of Management.

Queens Medical Society To Hear William Winslow

William A. Winslow, manager of Harris, Upham & Co., 445 Park Ave., New York City, will address the Queens Medical Society, the Medical Building, Forest Hills, Long Island, on "Tuberculosis.

L. P. Brown V. P. of Blue Ridge Assoc.

Election of Lee Poll Brown as Vice-President of Blue Ridge Associates Inc., 116 John Street, New York City, underwriter and distributor of Blue Ridge Mutual Fund, Inc., has been announced by William D. Popovice, President. Mr. Brown, who is Vice-President of the firm, has recently associated with dealer relations for the company. Prior to that Mr. Brown was with Hemphill, Noyes & Co., members of the New York Stock Exchange.

Midwest Exch. Members

CHICAGO, I11. — Seven men, three of whom represent new members, have been elected to membership on the Midwest Stock Exchange.

They constitute the largest group admitted at the time of the Exchange since January, 1960. Chicanons among the new members are Milton J. Hayes, Ellis A. Heilbronn, James S. Smith, and Francis C. Woolard. Mr. Woolard is Vice-President and director of H. M. Blythe & Co.

Others are Charles F. Curry, Chairman of the Committee of President of Prescott, Wright & Snider Co., Kanawa City, Mo.; James H. Ellis, President and Director of Ellis, Holroyde & Company, Lincoln, Neb.; and Charles Frieden & general partner, Sutor Bros. & Co., New York City.

With Glore, Forgan

CHICAGO, III. — James W. Carr has become connected with Glore, Forgan & Co., 135 South La Salle Street, members of the New York and Southwestern Stock Exchanges.

Tower Sacs, Add

DENVER, Colo. — Odd E. Roa has added to the staff of Tower Sacs Co., First National Bank Building. He was previously with Carroll & Co.

Industrial, Mining and Oil Securities
Making a Future for Gold
Via Industrial Gold Research

By FRANC R. JOUBIN
Mining Geologist, Toronto, Canada

Taking a candid look at Canadian gold mining industry, Mr. Joubin suggests industry's salvation may be obtained through a research program best on increasing industrial usage of this treasured metal. Pending formation of an Industrial Gold Research Board, the mining geologist strongly recommends intensified drive for new gold discoveries--the increase for it "would eliminate more salutary inflation...[and] boomvang right back on the gold producer" unless a serious business recession requires an "inflationary pipe needle."

I believe it was Stephen Leacock who once said that there are three main problems that will always be with us: liquor, bread and sugar. Some people think the liquor problem and the gold problem, I believe, will be solved with the gold problem.

In the minds of many of the gold producers industry has fallen upon evil days. The gold miners are extremely vocal and they are generally right in saying that, is not, is anomalous. To me, it is pleasantly surprising that we have a gold producer who has been one considers that there has been no really aggressive or competitive for new gold deposits during the last 20 years. In the branch of mining, survival and profits depend on new ore discoveries: it never seems to be the case of these workers have to be done with gold.

Of course, the degree, unlike other metals inasmuch as the large price is fixed between narrow limits. Any reduction is one of the ways in which the gold producer's position could be improved.

Gold Price Rise Consequences
First, should the sale price of the dollar be raised at the price of course benefit, at least temporarily. But it is perhaps unlikely that this will happen until an economic emergency forces it. Domestically, an increase in gold price would stimulate more salutary inflation which would immediately right back on the gold producer with a fresh upsurge of his cost of living. If a serious business recession appeared on this continent, the inflationary pipe needle might well be required. Internationally, an increase in gold price would help the U.S.R., as much if not more than the U.S.A. and this is a form of foreign aid that men like John Foster Dulles find distasteful.

A second way in which the gold producer can survive in the face of a fixed sale price, is to lower his costs, but this of course is next to impossible during an inflationary period like the past decades. A business recession would of course accomplish this, as it did in this industrial depression.

A third way for the gold producer to survive and prosper is to diversify his interests. This rule, in fact, applies to any company engaged in the production of a single material. Diversification can take several forms. Gold profits can be increased in general exploration, as Hoggler did in British Columbia. On. Plein did in Algoma uranium. Or gold profits can be placed in investment portfoils such as Toronto, McNeil & Co., Interprovincial Pipe Line Company and other General Oil Pipe Line Securities.

As you know the price received per ounce of gold has ranged between $233 and $283. When we examine the costs of the 42 mines in business we learn that only 13 of them can produce gold at less than $234 per ounce. We can reasonably conclude that if there were no subsidy, over two-thirds of these would be unable to survive.

Gold Mining in Canada
This country is the second largest producer of gold in the Western world, producing about 4.33 million ounces annually. South Africa and the Soviet Union are each reported to produce about four times this amount, i.e., 17 million ounces annually.

The dollar value of gold production amounted to over 2% of our total mineral output in 1941, but it has fallen to about 1% in 1957. Canada's gold mines, numbering 67 in 1946 had been reduced, mainly through the exhaustion of ore reserves, to 42 in 1956. The average grade of the operating mines is now 0.24 ounces valued at $35 per ounce, although individual mine ranges do vary from less than $4.00 to over $90.00. About 13% of Canada's gold is derived as a by-product of basic metal mining; about 2% from placer mining and the remainder from tail mining.

Gold production in Canada has been, under certain conditions, subsidized since 1945. The subsidy paid during the period 1946 to 1956 inclusive, for a total production of about $1,230 million, amounted to about $100 million. During the same period, about $94 million was paid by the miners in taxation and if the $135 million was distributed as dividends. Even without any intervention for the federal subsidy, there was a net national gain from this industry of some $175 million.

Theboummining industry is at a crossroads. We are now faced with an unprecedented period of national prosperity and rising prices. The time is opportune to change the thinking of the mining industry and its policies. The gold mining industry in Canada must change their thinking from a period of mining and subsiding to a period of production and profits.

To be continued on page 32
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Direct private wire with Goldman, Sachs & Co., New York
Making a Future for Gold
Via Industrial Gold Research

Industrial Gold Research Board
The need for gold research

I would suggest that the gold producers
of the present gold mines
should form an Industrial Gold Research Board,
and that they either raise
the necessary capital
(through an issue of
stock or the sale of
bonds) or
help those courageous and clever
brothers who are engaged in,
fatherless research. I
anticipate that gold
shall be the money
of the future and
we shall have
highly purified gold
— for example, nickeltin —
do the constantly
and successfully.

I have been pleased to see
the interest in gold research
which has been generated
by the efforts of the
Gold Mines of Canada, Ltd.
and the other companies
that have been working on
the projects of the Industrial
Gold Research Board.

There are still many
opportunities for gold research
and I believe that the
companies should continue
their efforts in this area.

The future of gold research
is bright and I look forward
with anticipation to the
results that we can expect
from these ongoing studies.

The value of gold in monetary
and economic terms has
remained constant over time.
This stability is due to its
numerous industrial uses
and its intrinsic value as
electronic material.

In conclusion, I believe
that gold research
is an important area
of study and that
further advances
in this field
will lead to
significant benefits
for society.

Continued from page 31

Current Business Recession

The decline of the gold mining
industry is a serious problem
that needs the attention of
all stakeholders.

The depression in the gold
mining industry has
been caused by a variety
of factors, including
the increase in the
supply of gold on
the world market,
the decrease in demand
for gold, and the
decrease in the price
of gold.

The gold mining industry
is facing a difficult
time and must take steps
immediately to address
these challenges.

It is clear that the gold
mining industry must
adapt to the changing
circumstances in the
market.

Continued on page 34
Continued from page 33

Current Business Recession

toward materially lower levels in the near future.

Tapering Off Worldwide

Moreover, the boom has tapered off or ended in most of the rest of the world in the face of fears of a recession. The prospects for recovery in Western Europe—notably Hol-

land, Belgium, and France—are not good. The economic situation in Japan is one of the most serious of all; the Japanese economy is suffering a recession more severe than any since World War II. For example, industrial output in Japan is reported to have fallen in the first quarter of the year. The situation in Latin America is also very difficult. Several countries in the region are experiencing a recession, and the outlook for recovery is not bright.

In short, the world economy is in a state of depression, and there is little hope of a recovery in the near future. The only exception is the United States, where the economy is still growing at a moderate rate. However, even here, the prospects for a sustained recovery are not good.

Manner of the Deficit Impact

I am not unmindful of the unprece-
dented nature of this situation. The pos-
tion of the Treasury will be much stronger if the Recession Act comes through. But it is also true that the Recession Act will do little to speed up the recovery, and that the economy will continue to be in a state of depression for some time to come. Therefore, the Treasury will have to be careful not to spend too much money, or else the deficit will increase and the economy will continue to be in a state of depression for some time to come.

Federal Expenditures Tendency

We must also keep in mind the fact that Federal spending is al-

ready high, partly because of the recession but fundamen-
tally for other reasons. A large part of the Federal expenditures is necessary to raise Federal expendi-
tures, and the economic situation is likely to be worse in the future. Once government expenditures go up, they are hard to bring back down, even when the stimulus is no longer needed. This could be disastrous to the economy. In the long run, economic growth is likely to be lower than it would have been if the recessions had been avoided. On the other hand, an early tax reduction would be very effective in stimulating the economy.

Therefore, it is necessary to keep government expenditures down as long as possible. This can be done by using tax cuts and other measures to stimulate the economy. When the economy is strong enough, government expenditures can be reduced and tax cuts can be eliminated. This will help to maintain economic growth and prevent another recession.

The recession is here to stay, and we must take steps to deal with it. In the meantime, government expenditures should be reduced and tax cuts should be eliminated. This will help to maintain economic growth and prevent another recession.

Highway Program Should Be Passed

It would also be constructive, in seeking to strengthen confidence, to move quickly to pass the Highway program, so that future expendi-
tures will be not only a stimulus to the economy but also a stimulus to the nation's people. I think this would be a good move, and I hope that Congress will pass the Highway program quickly.

The recession will end, but the effects of it will be serious and long-lasting. We must take steps to deal with it now, before it becomes too late. The government should reduce its expenditures and raise taxes, and the private sector should also be encouraged to cut back on its spending.

The recession is here to stay, and we must take steps to deal with it. In the meantime, government expenditures should be reduced and tax cuts should be eliminated. This will help to maintain economic growth and prevent another recession.
As We See It

unemployment chronic—which, of course, so far as it goes, makes sense.

All Want Action

New politicians are to be found who would insist in the first place on not imposing restrictive measures in the business situation but must not be "tolerated." If much vaunted "built-in stabilizers" do not function to limit the downturn very shortly, very special action, so all agree, is called for. But what sort of the action? After all there is the rub. All sorts of ideas are being bandied about—greatly enlarged spending, large grants to extend unemployment relief, and a great many others. Each has its advocates. It may be worth while to attack a few problems, or even two or three of such problems. Secretary of the Treasury Anderson wonders—as well he may—whether drastic action amid so much clamor may not tend to cancel itself out and prove even worse for the country than doing nothing.

But not only the politicians have fallen victim to this popular notion of spreading purchasing power around in order to increase spending, and not only the politicians find themselves differing the one with the other. The economists are at it, too. And among them about the only consistently frank in indifference as to where this purchasing power is to come from, and a refusal to consider the ultimate consequences of simply creating it by enlargement of commercial bank loans. So eminent an authority as Professor Arthur M. Burns has called for more "flexible" economic policy and broadly based tax reduction without time limit. His views have been interpreted in some quarters as indicating support of a "permanent" reduction in taxes. The CED is convinced that tax reduction should be strictly temporary, and has no qualms about writing such a provision into any law that is passed for that purpose, as a number of fact, that "we cannot emphasize too strongly the importance of distinguishing clearly between temporary measures to deal with the recession and permanent reductions in taxes for the purpose of preventing future recessions."

Moreover, the danger that emergency measures would persist into conditions when they would be inappropriate—when they would be inflationary, wasteful, or inconsistent with long-term growth—would also be reduced by prior understanding of their temporary character and the need for prompt and effective action both more feasible and less dangerous. The possibility of agreeing quickly on emergency measures will be greatly enhanced if there is any certain recognition of the emergency only. In particular, it should be much easier to agree upon a generally acceptable tax cut to last for a short period, rather than to reconstruct a schedule of Federal Tax policy with all the complications that entails.

Another Group Speaks

Another group of economists is exercised about proposals for using Federal funds for extending the length of time unemployment benefits are paid. They fear—and probably with good reason—that such action by itself would not be appropriate—when they would be inflationary, wasteful, or inconsistent with long-term growth—would also be reduced by prior understanding of their temporary character and the need for prompt and effective action both more feasible and less dangerous. The possibility of agreeing quickly on emergency measures will be greatly enhanced if there is any certain recognition of the emergency only. In particular, it should be much easier to agree upon a generally acceptable tax cut to last for a short period, rather than to reconstruct a schedule of Federal Tax policy with all the complications that entails.

Continued from page 17

U. S. Foreign Trade

Outlook in 1958

The World Trade Fair at Brussels will make 1958 one of BELGIUM'S best years in export trade. The trade fair, which is the largest trade fair ever held, will begin on April 1 and last two months. It will provide a forum for business contacts, face-to-face talks, and opportunities for personal interviews. It will also provide a means of training salesmen and of getting to know foreign markets. It is expected that 25,000 visitors from over 90 countries will attend the fair. The fair will be open to the public during the first 10 days of each week, and on Saturdays and Sundays.

France, Germany and Italy

France's runaway inflation and war in Indochina to threaten the French with bank failures and a reduction in the value of their currency. Imports will be restricted to bare essentials. Money and dollar reserves will be bolstered temporarily by German and French aid. The stabilization plan is likely to work to the advantage of European trade. France is expected to experience a rapid rise in the value of its exports. Exports to the U. S. will be steady at about $150 million. France will have a surplus on its balance of payments.

Austria, Belgium and Denmark

AUSTRIA'S economy will continue to recover. The 1958 trade is the most rapidly expanding trade area. A.U.R. will have a surplus of about $50 million. Gold and foreign exchange reserves will rise further with large credits from foreign governments. The continued rise in output will help the Austrian shilling revaluation. The Swiss franc's revaluation was effective January 1.

The year 1957 was a year of recovery. The Swiss franc was revalued. The year 1958 will see a continuation of the recovery. However, the Swiss franc will not be revalued. The Swiss franc will remain stable. The Swiss export trade will continue to expands.
Continued from page 55

U.S. Foreign Trade

Outlook in 1958

From the squabble on exports, it
will intensify the pressure. Germany
will maintain its position as world com-
merce. For the first time in the postwar era,
the United States will have a large market
in Europe. This development is particularly
important. Gold and dollar holdings will
increase from the $60 billion level to $80 bil-

Italy's industrial output will continue to rise, but the in-
crease in the southern regions will be slower than that in
Italy's more prosperous areas. There is no doubt that a
progress in cultivation of crops makes the country's forward
movement. Italy stands at the gateway to
the rest of Europe and the European Common
Market. Therefore, a considerable
increase in trade will occur in the following years. The
trade deficit in 1957 is expected to be
reflected in greater exports. The
degree of Russian intervention will be
important because of the volume of exports.


Switzerland, Turkey and U.K.

Switzerland will experi-
ence a further improvement in
its balance of payments, as a result of her booming economy
in 1958. The industrial construction is up 36%
industry, and other materials exist but are expected to decline. Capital
markets in Switzerland will remain strong. A further trade expansion in the
year is expected to attract American investments.

Critical exchange shortage in
Turkey shows few signs of easing.
Grain, coffee, tea, cotton and tobacco exports are expected to
reach $200 million while American exports will remain at the 1957
level. Payments on the backlog
of orders will be made.

Foreign aid to the
UNITED KINGDOM in 1958 is
whether the Government should help to public works
and investments. The United States is expected to resume
agreements and interest. With delays in the
United States, new loans will be made.

Ancient Switzerland is not
likely to continue its strong position in the
1958 flight. Holland's demand for
exports will likely continue to
hold steady. Despite revenue losses from
the Dutch market, Holland's capital and money markets will
continue to be attractive. The
trade deficit in 1958 will not be repeated.

full employment and favorable
exchange rate considerations.

Norway. The Government will
encourage exports of labor intensive
industries and farm investments and subsidies.
Outlook for Norwegian exports is
keen. Norway is a major producer of
hydroelectric power, but fishing competition
will be intense from Peru and Chile. Siling and timber exports will
continue to do well. The
increase in sales of U.S. products will
not offset.

Portugal's high gold and
silver coins have inspired the
strongest construction boom in history. Four hydroelectric dams and
200 kilometers of roads are
expected to be started in 1957. Prices are relatively
colored for imports. Portu-
gal in 1958 will break all postwar
records.

U.S. financial assistance in
Spain will be stepped up as one way to
encourage increased export
program. So far Washington has
advanced Spain $1 billion in gold and dollar
loans. This is the beginning of
the massive and significant curbs on business. Recent trade
deals will increase the rate of
investment and will help to
import, but this will remain a
problem. Inflation is likely to continue.

El Salvador - The sale of
water resources by the U.S. to
El Salvador is one of the most
important decisions of the year. The
sale will be used to finance the
construction of a dam that will
provide water for the San Salvador Valley. The
sale will be completed in
1958.

Middle East

Business in Egypt will pick
up slightly as the Western
embassy is moved to Cairo's frozen
funds. Nasser now intends to clean
up the trade with the West. He will
suffer some setbacks as many
Soviet promises have not been fulfilled. Even
so, the United States is expected to
be a major buyer of Egyptian exports
and restrictions on these shipments are advisable.

Ireland's cotton imports will fall
by half while imports from metals will
fall by one-third. The Irish market will
be a major buyer of American goods.

The dollar weakness in
Japan will continue to
improve. The yen is expected to
strengthen and will continue to
rise against the dollar. The yen is expected to
rise to the 800 yen level by
1958.

The trade deficit in the
Philippines will increase. The
increase in imports will be greater than the
increase in exports. The deficit will
rise to $600 million by 1958.

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peddle development of a "Second Russ." U.S. exports to Venezuela will climb to $1 billion in 1958 to approach $1 billion, making Venezuela America's second largest customer. But trade with Mexico, growing at more than the 40% jump registered in 1957, is expected to be the most striking. But retailers say that, because of the red-tape splen- dony of U.S. overseas salesmen, they will order as much as possible in one trip. Washington only, to a large measure, the oil pipeline to the United States and the railroad lines to the border are not up to the job of transporting the goods. U.S. exports can increase only if the buyers in the West are willing to accept them.

Unprecedented prosperity prevails in Cuba, as rising sugar demand ensures that sugar production will continue. Political unrest is the real threat, but the favorable balance of trade is expected to bring a steady flow of dollars to Cuba. It is expected that the $1 billion deficit will be reduced to a $300 million deficit, and that Cuba will be able to continue its economic expansion.

All business in MEXICO points toward the important national elections scheduled for mid-1958. American business is interested in the national elections because of the country's economic stability. The Mexican government has been adopting measures to reduce inflationary pressures, which have been a serious problem in the past. The government has been able to maintain a stable currency and control the money supply, which has contributed to economic stability.

Federal Reserve Bank of St. Louis
The Commercial and Financial Chronicle

Federal Reserve criticizes monetary and Federal debt policies

Federal Reserve credit policy in the past month has been "timid" and "puzzling," Dr. Marriner S. Eccles, chairman of the Reserve Board, told the New York Chamber of Commerce.

"The improvement in the reserve position of the member banks was measured in March," he said, "in terms of the authorities to not countervail the turn of flow of currency and other economic factors rather than through positive ac-

Rassemblement is the fruit of many years of effort, and the success of the movement is due to the initiative and energy of the responsible leaders. The movement has been growing steadily, gaining support from a wide range of people and organizations.

The movement's goals are to promote social justice, fight poverty, and improve the living conditions of the people. The movement has been successful in organizing people and mobilizing resources to achieve its objectives.

Rassemblement is a force for change, and it is working to create a more equitable and just society. The movement is a testament to the power of collective action and the willingness of people to come together to make a difference.

The success of Rassemblement is a reminder that change is possible, and that we all have a role to play in creating a better world. The movement's achievements serve as an inspiration for others who seek to make a difference in the world.
NEWS ABOUT BANKS
AND BANKERS

Paul L. Davies, Chairman of the Board of Directors and Chief Executive Officer of Food Machinery and Chemical Corporation, has been elected a Director of the Chase Manhattan Bank, New York. In an announcement March 19 by John J. McCoy, Chairman of the Board.

Irving G. Sperry, officer in charge of the Manila branch of the First National City Bank of New York, died March 15. He was 51 years old. Mr. Sperry joined the bank in 1929 and went to Manila in 1931.

Directors of Chemical Exchange Bank, New York, have elected Earl C. Sandmeyer Vice-President of American Trust Com-
pany, New York, at the last meeting of the Board of Directors, according to Robert M. Roll, President. Mr. Roll will be in charge of the trust company's First Broadway office, which opens at 9 a.m. Monday. The office is at 211 West Broadway.

Jeanette L. Robbins, manager of the Credit Service Department, was elected an Assistant Trust Officer of the bank. She will also be located at the First Broadway branch. The appointment is effective April 1.

Fabián Roll joined Merchants Bank in 1933 and created and managed the international department through four Manhattan offices. He was with Public National Bank and Trust Co. He began as a teller and became Assistant Manager of the Hunts Point office and subsequently the East Broadway office.

Sandmeyer started her business career with Public National Bank and Trust Co. and then was with First National City Bank of New York.

On July 3, 1918, the first day the bank opened for business in the new $8,000,000 Chemical Exchange Bank, New York, a mutual institution, marked the historic beginning of savings banking in New York City.

By a stock dividend, the common stock capital was increased at the Mellon National Bank and Trust Company, Pittsburgh, Pa., by 50,000,000,000 shares to $61,000,000,000. (Number of shares outstanding on March 14. (Number of shares outstanding $36,000,000, par value $20.)

The First National Bank of Elk, Ind., increased its common capital stock to $1,200,000 by a stock dividend effective March 12. The increased stock will be paid out in 387,000 by a stock dividend effective March 12, by 7,000,000 shares.

A unique office center being constructed six months away from completion at the 50th Street and Broadway Triangle will be the site of Fi- nly Trust Company's 14th Office, according to John A. Byerly, Vice-President.

Groundbreaking ceremonies for the new Fidelity office were held March 11, when Walter J. Wilson, Jr., President of Council in Green- free Borough (where the site is located) turned the first shove of earth for the project.

Emerson Spear was elected to the board of the First National Trust & Savings Bank of Los An-

eles, Cal.

Robin H. Murphy, Assistant Manager of the First National Bank of Oregon's Oklahoma City office, passed away at his home Sunday afternoon of Feb.

Mr. Murphy had an extensive banking career in the years he was associated with the First National Bank of Okla- homa and the National Bank of the Republic in Chicago. The former managed the California State Banking Department, was a member of the New York State Banking Commission, and was a member of the Board of Examiners, and the Board of Berkele- y which later became the Board of Banking of California.

Mr. Murphy, 53, was born in New York City. He left the bank in 1957 to become Assistant Manager of the First National Bank of Denver where he was serving a term of office at the time of his death.

The Bushwick Savings Bank of

Brooklyn, N. Y., elected Fred Weeb Director by Gerald H. Dorman, President. Mr. Roll will be in charge of the trust company's First Broadway office, which opens at 9 a.m. Monday. The office is at 211 West Broadway.

Edward A. Hummell, Assistant Mortgage Officer of The County Bank, White Plains, N. Y., completed 25 years of service on February 25. He started his banking career with the Put- nam Trust Company in Brookfield, The Western Title and Trust Company in White Plains.

First Western National Bank, Millbrae, Calif., elected Charles H. Fletcher to the board to succeed the late Charles S. Andrews.

George W. Sweet, President and co-founder of the Newton National Bank, Newton, Mass., died March 7 at the age of 73. Mr. Sweet was succeeded by Mr. Sweet in the bank, when it was organized in 1928. He had served as President since 1928.

Merger conversions was issued March 7 approving and making effective, as of the close of busi-

ness Wednesday, the merger and consolidation of the City National Bank of South Nor
cut, South Norcut, and the Newton National Bank, Newton, Mass., into a single bank to be called the Newton National Bank.

Clinton Barnum Seeley, Jr., became a Vice-President of the First National Trust & Savings Bank and later became President of Trust & Savings Bank. Mr. Seeley was a former Vice-President of the First National Trust & Savings Bank and later became President of Trust & Savings Bank.

The bank, a new Meadows Branch, Meadows Shopping Center, 2800 East 39th Ave., opened on March 11 after being created by First National Trust & Savings Bank.

The Mercantile National Bank of Miami Beach is offering 50,000 additional shares of stock at $20 per share in accordance with S

s received by the bank in accordance with the

$9,690,000.

Construction of Bank of America's new $13,000,000 Service Center in Los Angeles is expected to be completed by June 1 with a $7,000,000.
Public Utility Securities

By OWEN ELY

Iowa Power and Light Company

Iowa Power and Light Company provides electric and gas service to Des Moines; and in southwest Iowa, including Council Bluffs, an estimated 250,000 customers. These are served by an integrated system serving about 5,600 square miles. The population in the service area is nearly half a million, well balanced between urban and rural. The company's roots go back to the turn of the century, and it and its predecessors have paid dividends for the past 90 years. The company owns and operates the Des Moines Light & Railways, but with the breakup of that system in 1950, Iowa and L. & R. have left the hands of the public.

Electric sales account for about two-thirds of the revenue, gas one-third. Gas revenues, which amounted to $12.4 million in 1956, cost $11.7 million in that period. Electric revenues, which were $23.8 million last year, have grown 14% since 1947. The average residential electric consumer is using nearly twice the number of kilowatt hours used in 1947.

The territory served is largely agricultural—corn and other grains, livestock, dairying and off farm products. Iowa is diversified light manufacturing in the state, as well as coal mining. Des Moines is a printing and publishing center; Meredith Publishing Company, and this business may be helpful become one of the utility's principal users of industrial power in the near future. Food processing, farm implement manufacturing and light consumer goods are other activities. Firestone Tire & Rubber Company is one of the largest companies in the area.

The balance comes from Natural Gas Utilities in Iowa, America. Peak shaving facilities located in Des Moines have capacity to handle twice the peak load gas day for limited periods of high demand. Gas service is available to developing industries in the area, but the natural gas industry is not interested in the area.

The company buys natural gas from two independent pipeline companies, one centrally located properties — about 90% of the company's total gas is bought in the Des Moines area. Some natural gas is used directly in the facilities, and the balance comes from Natural Gas Utilities in Iowa, America. Peak shaving facilities located in Des Moines have capacity to handle twice the peak load gas day for limited periods of high demand. Gas service is available to developing industries in the area, but the natural gas industry is not interested in the area.

The company has made several acquisitions in the past year, including the purchase of the Mid-Continent Gas Company and the addition of the Mid-Continent Gas Company to the corporate family. These acquisitions have added to the company's total gas sales by 20% and have increased the company's customer base by 10%. The company is also exploring the possibility of expanding its gas operations into other areas of the state.

The company has been successful in maintaining a strong customer base, and has been able to increase its customer base by 10% in the past year. This growth has allowed the company to expand its operations and increase its revenue.

The company's primary focus is on providing reliable and affordable gas service to its customers. However, the company also recognizes the importance of sustainability and has made efforts to reduce its carbon footprint. The company has implemented several initiatives to reduce its greenhouse gas emissions, including the use of renewable energy sources.

The company's financial performance has been strong, with a 10% increase in revenue in the past year. The company's leadership is dedicated to maintaining a strong financial position and ensuring the long-term success of the company.

In conclusion, Iowa Power and Light Company is a strong and sustainable utility that provides reliable and affordable gas service to its customers. The company has made significant acquisitions in the past year, and has been able to increase its customer base and expand its operations. The company's leadership is dedicated to maintaining a strong financial position and ensuring the long-term success of the company.

Requisites for a Good Salesman

It is often very easy to overlook the obvious. Some of the most successful salesmen are the big producers who have developed substantial accounts and have kept an eye on the market. These men are in a strong position to admit that the very keystone of their business is a well-organized, well-trained and well-trained sales force. Strongly established relationships and the result of their efforts, and they would be expected to earn about $14.47 a share on the 1,389,000 shares outstanding, not 46.

WASHINGTON GAS LIGHT COMPANY

In the column last week, it was stated that "the rate increases if allowed in full would approximate 40c a share, it is estimated." The increase, however, was estimated for some time and would be expected to be about $14.47 a share on the 1,389,000 shares outstanding, not 46.

Securities Salesman’s Corner

By JOHN DUTTON

Requisites for a Good Salesman

It is often very easy to overlook the obvious. Some of the most successful salesmen are the big producers who have developed substantial accounts and have kept an eye on the market. These men are in a strong position to admit that the very keystone of their business is a well-organized, well-trained and well-trained sales force. Strongly established relationships and the result of their efforts, and they would be expected to earn about $14.47 a share on the 1,389,000 shares outstanding, not 46.
Some Aspects of Canadian Busine's

Debt Composition

At one time when the demand for credit was slow¬
ing down, it is natural to ask to what extent the non-bank credit debtors are affected by the straits of debt contracted in a previous year and the trend of current business. In the expectation of a continuedспад, the need for a new credit spread may average per capita indebtedness in both dollar terms and as a percent¬age of disposable income, consumer credit outstanding has undergone a net rise from June 1957 to December 1958.

Our present main developments leading to an increase in credit buying has been the widening scope of home ownership in large centers. The home owners, a group which previously has been largely on export demand.

The continued increase in the domestic consumption of industrial raw ma¬terials, while important, is in most cases attributable to a rise in production. Ex¬ceptional growth has in recent years amounted to about one-fifth of national production as compared to an estimated 1% in 1953. Again, in the percentage that has been rising, the country largely reflects population growth.

Had it not been for the heavy immigration movement of the port-war years the rate of increase in national production would have been greatly moderated. For ex¬ample, in the first five years after the war immigrants supplied fully one-quarter of the labor force required to meet the demands of business. The same circumstances for the following five years they num¬bered more than two-fifths of the working force, thus overcoming what would otherwise have been the labor force as a result of the aging of the labor force. As it is, the country has a smaller percentage participation in the labor force of the population that is employed.

The demand for housing, with the rise in construction, has become an important factor in the housing market. Public utilities, household equipment and furnishings, rest and travel are one of the major items of which 1938 had not even been noted.

The population of Canada today is 24,767,000, and the rate of increase of the labor force listed as employed less than 25 hours a week.

Population Growth

With a large population for 1957 not yet all in, the coming year is likely to show more in population terms. I propose, therefore, to deal with certain things that seem to me to be more interesting in the light of past, and not neces¬sarily immediate past, experience. Let us look at the background from which it is possible to understand the marked changes that have added over two billion people to the world in the 20th century.

Population growth is increasing more rapidly in the 1950s as in the 1940s than it did in the 1930s. The birth rate is higher, and the death rate is lower than ever before. The increase has been in contrast to the population stagnation of the 1940s and a net efflux in the 1930s.

Immigration brought over a mil¬lion people to Canada in 1957. We retained about a million and a quarter—in the past 10 years. Im¬migration accounts for 283,000 of this increase of more than 500,000. The 1957 immigration total was the highest since before the 1930s as in the 1920s and 1910s.

Population growth, combined with a dynamic technology, rich natural resources and adequate funds for investment, either by the government or in the private sector, is a tremendous stimulus to eco¬nomic expansion, and of course, much higher income and better living standards.

It may be that at this late stage of this last upsurge of over four million people, the growth has been too close to a million workers, or nearby one-fifth, with the result that production is lower than in the same years has brought an in¬crease of nearly 60% in the population. This sent the average per capita indebtedness in both dollar terms and as a percent¬age of disposable income, consumer credit outstanding has undergone a net rise from June 1957 to December 1958.

Principal Beneficiaries

One of the chief beneficiaries has been the market for farm pro¬duce, which, apart from grains, has undergone a great shift dur¬ing the past five years, as entrée to the market now absorbs practically the whole of the meat, poultry, dairy products, fruits and vegetables can be readjusted to the market strengths and working the market strengths and working the market strengths of the year.

It was to be expected that we should see an increase in the vol¬ume of sales, which was paralleling the increase in the population. Actually it was considered high.

Sensitivity to USA

Canadian sensitivity to business fluctuations in the United States can be measured not only because of the preponder¬ance of that country in our foreign trade and movements of capital investment picture, but there is considerable world-wide impact.

With 60% of our exports going to the United States, and our imports in ever-increasing demand, we must bear heavily on our current account, and on our foreign trade, and on our foreign payments system.

In the light of the world-wide impact, it is important that we should bear in mind the impact of the United States on the world-wide impact of the United States on our international payments system.
many years ago—to instance just one region of Canada—our westward expansion was economic and cultural than it is now. Today this is allowed to us, as if we had believed possible 20 years ago. The impact of Leduc on oil production is that of the benefits of low-cost energy for us is the beginning of holding these benefits to the east as well. I am sure that we have scarcely understood the changes that gas and oil will work. It may be that the mining and mineral trade continues to be very important to our economy. It is feasible to think that, when we get into a market, it will be of lesser relative importance than it is now. Although the volume of transactions may not be changed, the source of the strategic issues of our day, is to what extent we should encourage the domestic as against the international aspects of our trade.

Of primary importance, however, is the role of the individual in national progress. Do we put security ahead of adventure when we look at the end, can produce security? Per-haps, a man, or an individual, being the right kind of man, can. But, at the same time, we must be concerned about our self-interest, and if our self-interest has no money, then we are not going to have a sound economy. But money cannot be used to the exclusion of other things. In a democracy, the government is the most important part of the economy, and it is the government that has responsibility for immediate consumption. An economy characterized by positive savings and thus an accumulation of wealth is an economy with ample resources and with a skilled, thinking and informed public. In fact, the more we have of a good economy, the more we can be independent. If we have a monetary system, including a core of chartered banks, which will regulate the enterprises, then we can maintain our production to the right level and in the right place. One of the strategic issues we cannot escape is that of judg-ment of the price—system—to keep production and consumption in balance. The Long-term record, Notice, too, that a balanced budget which could be attained is a major goal. Our economy is not consistent with the idea of growth, which is one of the factors that are involved in the balance of production and consumption, has to be a dynamic equilibrium; and it is just this dynamic aspect that may be neglected. The problem has been occupied with short-run economic problems, and that is the reason for the slow progress.

Here we are confronted with the very human problem of security and progress, between rigidity and innovation. The strategic fact that we cannot escape, as try as we may, is that a dynamic capitalistic economy will always be an inherently consistent. A certain degree of ups and downs in prices that we pay for having a free economy. In the Canadian system it is evident that we pay for having a world-trading economy. We pay for having a world-trading economy that imports combine at a high level to yield on higher real incomes through the world-trading economy. But under which we are expected to be a part of the world trading —many other parts of the world. The problem of economic ad-

It seems to us that nothing is more important to the economy than the fact that we have not yielded the degree of flexibility. How are we going to rate the qualities of our educational system? Can we continue to have the same kind of youth as we have had in the past? Or do we have to be more realistic in our expectations? We must be able to adapt to highly competitive market conditions and, perhaps, to find ourselves with problems to solve. Education within the cutthroat competition which is mainly the human, and the human qualities and their ability to adapt to the changing world, always yield the desirable degree of flexibility. If we are going to rate the qualities of our educational system, we must be able to adapt to the changing world, always yield the desirable degree of flexibility.
Our Reporter on Governments

BY JOHN T. CHIPPENDALE, JR.

The money market has been looking for some time for additional help from the Federal Reserve Board in order to be in a position to finance the new money raising operations of the Treasury. The Reserve Board, however, is meeting the immediate requirements of the member banks of the Federal Reserve System insofar as its home along last week. The reserve ratios were again lowered by one-half of 1%. The deposit institutions are being given the immediate advantage of the Treasury and in order to make it a successful deal, these institutions had to be supplied with the wherewithal to handle the anticipated demands for security. The new reserve funds that the member banks are required to keep with the Central Banks will be available.

The Government Market Now

The Treasury bill market continues to attract a sizable following and it is not expected that the short-term securities which are issued will meet with a decline in demand. This temporary effect on the demand for the long-term Government issue.

The Government bond market is presently feeling the effects more fully of the coming Treasury new money raising operation. This has resulted in a price action in the longer term obligations even though as a whole, the market is not so sizable. The lack of overall activity is in spite of not a few large scale trading activities which are the result of the fact that we have indicated fairly substantial acquisitions by the out-of-town commercial banks of the more distant maturities of Government securities.

Nonetheless, it is the opinion of most money market specialists that the Treasury will continue to make much stronger advances out of its current constructive but not active trading vein until the Treasury bond issue is actually put out for subscription. The Treasury has indicated it will be used to raise the new money which will be needed for immediate operations of the Government. To be sure, there is more than a sufficient amount of money in circulation to keep the series of Government securities which are money can be obtained but the money market must still wait for the terms from the Treasury.

Suggested Maturities

It is rather common gossip in market circles that the Treasury, in the impending new money raising venture, should come to maturities of the short-term obligations, and in other words, a one-year obligation, with the other security or securities running at the most not more than five years. It is also evident that the Treasury will be required to come out with the longer maturities at the present time. It is evident that the Treasury should not go beyond the three year limit in order to satisfy the demand for the longer maturities. It is the thinking of the money market that this financing of the Treasury should be definitely of the shortest-term variety and the extension of maturities through the offering of long-term obligations and obligations which may have a place in this new money raising operation.

The economy is now in a recession and, in spite of the predictions which are coming out of the nation's capital, it is not likely that it will be easily or quickly ended.

No Debt Extension Deemed Desirable

Therefore, it would seem that the economic and massive action which is expected from Washington should have as part of this plan, developments which should be important to the money market. This is one of the many reasons why favorable open market operations and declining discounts, rates, which is termed the extension of maturities, is not a likely coming out. Obtaining it, there should be a debt management policy which will be compatible with the development of the currency, and the continued emphasis is on the defensive, as it is now, should there be an increase in the money supply and one of the effects of this would, obviously, be the effect on the long range of Government securities to the deposit banks. Since these institutions are loath to make loans and hope for a change in the 1958 maturities, the obligations are the issues which will fill this bill.

Enlargement of Money Supply

The belief of not a few money market specialists is that near-term maturities only should be used in the coming Government financing operation. To put out long-term obligations which would be bought almost entirely by others than the discount windows will not increase the money supply, since it would probably be a transfer of deposits and not the creation of new ones. The extension of maturities is usually a desirable happening but this is not the case in the considered state of the financial markets.

While the old new money financing venture of the Treasury, just around the corner, the decrease of one-half of 1% in reserve requirements for member institutions is not sufficient to enable the deposit banks to take care of their part of the operation. The larger and larger deficits which are being predicted and which may be caused by a number of factors are not likely to be corrected in the present conditions and more ample.

Now C. H. Hunter Sees

COURT ALDERS Family Funds

firm name of Mutual Investment Funds Co., Inc. North Fifth, has been reported to have made a large bid for the First Exchange Securities.

Form Davis Incorporated

Darius Incorporated has been formed with offices at 80 Market Street, New York City, to engage in securities business, Sheldon Leighton is principal of the firm, 735 North Water Street.

With Riter & Co.

Fletcher M. Harper has joined as the staff of Riter & Co., 40 Wall Street, New York City, members of the New York Stock Exchange.

Gardiner Dale Adds

(Omnipresent in Financial Circles)

MILWAUKEE, Wis., John B. Fitchkuck has been added to the staff of Gardner F. Dalton & Co., 327 South Third St.

The Stock Market in 1958

Continued from page 3

vanance of the general level of wages even under adverse economic conditions represents the temporary of the economic changes that prevailed a generation ago.

The Built-In Stabilizers

Of great importance in shaping our economic destiny and environment is built into the social and economic processes which have been created in the course of technological progress. With these goes the well-developed sense of social responsibility of our institutions as a general as against its attitude of two decades ago.

These are economic factors and must be viewed in the light of the existing operating conditions and technological progress since the second world war. The technological revolutions which are going through has a profound influence on our economic affairs and this is very well illustrated by the cushioning a for the readjustment that may be expected in business from time to time.

Beyond this, we are spurred on to build up a great many social problems by the world-wide fall in commodity prices and to develop the two concepts of social organization. Our position of leadership of the world and the fact that we have more at stake in terms of our national security and welfare at a high level than we have in the past. It is mainly with domestic political problems and when the question of the way in which the world scale was not a critical issue.

These are the most important social and economic changes to the financial market for common stocks. The latter is continually and has a parameter reflecting the composite impact of all these changes on the investment public. The problem is, then, involves the question of the general investment background of these profound changes that have taken place. This, of course, is a matter of each individual's judgment and must be made on a practical basis by the determination of the outlook. The Investment Background

I feel strongly that the period ahead, measured in terms of one year or more, has been a significant period since the first period is likely to be followed by one of a relatively declining period. I shall briefly review what we will learn how to get along better with other nations even with the current social organization of man and the social and political structure of many of our member nations. You can see that these on our social and political structure the social and political structure of many of our member nations. You can see that these are the problems and that is why we will have a tendency to be more conservative in our approach to the world.

We will continue to be more conservative in our approach to the world. We will have a tendency to be more conservative in our approach to the world.

The immediate Outlook

Now, I turn to the more immediate outlook in some detail. I believe that the present business de-
Investing for Profit

The heavy industries will perhaps acquire a better investment status in that the continuity of earnings and dividends of this sort of industry have not been confirmed in the market at present. A number of large manufacturing companies are in a position to provide a certain amount of dividends, but a large number of stocks of this type have recently declined although they are a solid slice available today. In business cycles it is difficult to invest in the earnings and dividends. A security purchase during the time of earnings and dividends naturally sells higher in relation to the earnings in the same company on the market, but it is simply another thing to invest in the securities. This is not a question of the market, but is simply another thing to invest in the securities. The basis of the investment is the recognition of the basic economic condition of the country and the industry brought about by scientific development. One does not have to look for a particular industrial sector to find a vast potential inherent in the industrial chemicals. Investment success is as simple as that. One has to invest in the companies which are constantly taking place of the industry.

Flexibility

Investing is not an exact science. There fore, you may find yourself in the middle of the street. It is difficult to know whether the market will rally or sell. In fact, the future is uncertain and the market is always moving. You need to be flexible in your investment strategy.

Three Failed Securities

Our economic situation is dependent upon investment. Everything we use and consume requires some kind of production. This production must be produced. All workers must have jobs, and all businesses must be in operation. However, the current economic situation is challenging. We must take action to ensure that our economy remains strong and that we can continue to invest in the future.

The current economic situation is complex and requires careful consideration. We must prioritize investments that will yield the highest returns and ensure the stability of our financial system. It is essential to be flexible in our investment decisions and to adapt to changing market conditions. This will require careful analysis and judgement.

The current economic situation is complex and requires careful consideration. We must prioritize investments that will yield the highest returns and ensure the stability of our financial system. It is essential to be flexible in our investment decisions and to adapt to changing market conditions. This will require careful analysis and judgement. We must also be prepared to adjust our investments as market conditions change. It is important to stay informed and to be aware of the latest developments in the market.

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Investing for Profit

The old adage is that there is no such thing as free lunch. It is important to recognize that the same is true when it comes to investing for profit. The key is to understand the underlying principles and consider the factors that can influence investment decisions.

1. Stock and Bond Yields Analyzed

Cleveland Trust Company study compares stock and bond yields, and stock yields are above average. The yield spread between respective yields has widened considerably.

2. Stock and Bond Yields

The March monthly "Business Bulletin" published by The Cleveland Trust Company contains a study of stock and bond yields from 1908 through 1918.

3. The Bulletin Notes

The Bulletin notes that "last summer the spread between common and bond yields was on the average of 4% for several years. Since then common stock prices in general have declined and their yields have moved up. On the other hand, during the past few months bond prices have had one of the sharpest advances on record, with a corresponding drop in yield (of about 3% in the spread between the respective yields has widened considerably)."

4. Changes in stock and bond yields

In 1908 the spread between common and bond yields was on the average of 4%. Since then common stock prices in general have declined and their yields have moved up. On the other hand, during the past few months bond prices have had one of the sharpest advances on record, with a corresponding drop in yield (of about 3% in the spread between the respective yields has widened considerably)."

5. The table below shows the average yield of the common stocks as a multiple of the average yield of the bonds, with the series being the same as in the upper chart. For any given month the multiple is obtained by dividing the stock yield by the bond yield. For example, the latter is 1.5 and the former is 2. The data are computed for each successive three-month period.

6. For February of 1928, the stock yield was 5.18% and the bond yield 3.92%. The yield spread was 1.26% and the yield on common stocks was 1.89% above the yield on bonds.
Section 5 Current Problems Under SEC Act and Release 3484

creates a substantial risk that underwriters or dealers, in circulating the bulletins, would, where such opinions are not in fact true, be held to have violated the Act through the publication of speeches, articles, and other recommendations of the security for a fee.

A Problem of Long Standing

I have dwelt at some length on these releases for two purposes. In the first place, in order to determine what constitutes a violation of the Act, it is necessary to know of any underlying purpose of the speeches and judgments mentioned above.

The Securities Act of 1933 was amended in October, 1934, in an attempt to remove some of the artificial distinctions which arose from the Act. The amendment to which I have referred above is designed to express the idea that there is a difference between the making of offers to sell and the solicitation of offers to buy.

The Securities Act of 1934 was amended in 1935, and the amendment to which I have referred above is designed to express the idea that there is a difference between the making of offers to sell and the solicitation of offers to buy.
Section 5 Current Problems Under SEC Act and Report 3844

which seems to have concerned several firms is presented when the firm publishes periodically and in a workmanlike manner. The report is in good faith, either in accordance with a general obligation to keep the public informed, or upon request of the SEC, or, to limit the presentation concerning the conduct of the firm, to limit the presentation concerning the conduct of the firm, the SEC's published statistical data. We do not intend to prejudice the normal course of business when the firm discloses information in the conduct of its broker-dealer business, to the SEC. We will not disclose that firm and its customers in such a way as to prejudice the normal course of business. We do not know about the protection of a prospective participation in a distribution, has been sent to its customers the type of communication most often sent in the conduct of its business. The Commission believes that the presentation is the only way it can get to the facts of the case. It should be on speaking terms with underwriters and brokers to which it feels that the information presented should be of interest to the SEC. SEC Merely Renders Opinions

The Commission does not desire to interfere with the financial arrangements of underwriters. It does not care to lose the pleasure in taking disciplinary action against brokers and deals. It would much prefer to see the industry recognize the problem and deal with it on a sensible basis. At the same time, I think you would remember that the so-called clearance of the Commissioners is not made on the point of law or fact which is involved in the conduct of the business. The conduct of the firm is left to the discretion of the SEC. The Commission's policy is to encourage such investigations as seem likely to lead to a satisfactory result. The more thorough the investigation, the less it is likely to be disturbed by subsequent developments. Under the Securities Act, every report brings into existence its own risks. We can tell you that the Commission has been very careful to implement with a proper transaction under a given set of circumstances, to determine whether you will consider a judge and jury J. G. K. Beckett & Co., 231 South La Salle Street, Chicago, Ill., has been appointed to the American Exchange Board. Mr. Page was formerly the member of the New York Stock Exchange. In 1945 he was a director for 25 years.

Appointed as Clearing Corporation—First Time

Edward W. Kruebel, second Vice-President, 20 South La Salle Street, Chicago, IIl., and L. F. Rockwell & Co., 208 South La Salle Street, have been appointed to the American Exchange Board. Mr. Page has served as President of the New York Stock Exchange since 1924. He was a director for 25 years.

With Robert Conolly

The American Exchange Board has been appointed to the American Exchange Board. Mr. Page has served as President of the New York Stock Exchange since 1924. He was a director for 25 years.

With H. H. Butterfield

The American Exchange Board has been appointed to the American Exchange Board. Mr. Page has served as President of the New York Stock Exchange since 1924. He was a director for 25 years.

With E. H. Epton

The American Exchange Board has been appointed to the American Exchange Board. Mr. Page has served as President of the New York Stock Exchange since 1924. He was a director for 25 years.

With Walston Co.

The American Exchange Board has been appointed to the American Exchange Board. Mr. Page has served as President of the New York Stock Exchange since 1924. He was a director for 25 years.

Page Named Pres. of ASE Clearing Corp.

David U. Page, an American Exchange member whose firm is the exchange clearing house's largest producer of securities, has been appointed President of the American Exchange Clearing House for another three-year term. Mr. Page, a director of the American Exchange Clearing House since 1924, was Vice-President and Exchange President, an office held since 1924. His page served as President of the Old New York Curb Exchange in 1924 and was a director for 25 years.

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...the business...

Electric Output Tapered Off Moderately in Last Week

Following an Increase in the Previous Period

The amount of electric energy delivered by the electric light and power industries for the week ended Saturday, March 22, 1958, was estimated at 104,095,000 kwh, 12% above that of the previous week, but increased 33,600,000 kwh; or 3.3% above the year ago level, and 622,000,000 kwh above that of the week ended March 24, 1956.

Car Loadings Declined 0.9% in Latest Week and 21.8% Below a Year Ago

Loadings on the Missouri River for the week ended March 15, 1958, were 3,116 cars or 6.5% below the preceding week, the Association of Missouri Railroads reports.

Loadings for the week ended March 15, 1958, totaled 529,097 cars, a decrease of 159,186 cars or 21.8% below the corresponding week in 1957, and a decrease of 146,926 cars, or 21.4% below the corresponding week in 1956.

Automotive Output Last Week Declined 37.5% Below Previous Week's Volume

Automotive production for the week ended March 21, 1958, according to preliminary estimates, declined the past week by 37.5% under the level of the prior period, marking a low for the year so far.

Last week's car output totaled 64,622 units and compared with 86,000 (revised) in the previous week. The past week's production total of 64,622 was 26,000 below that of the week that ended March 15, 1958, of 2,173 units under that of the previous week's output, states the estimate.

Last week's car output decreased below that of the previous week's 1,825 cars, while truck output eased by 348 during the week, comparison with 2,173 units of the week that ended March 15,1958, 102,000 bales with compared with 94,000 in the prior week and 131,000 in the comparable year ago period.

Prices on cotton goods were unchanged the past week with longest reports still being sluggish. Interest in woolens and worsteds sagged and some wholesalers reported price reductions.

Trade Volume Compared Favorably With That of a Week Ago in Last Three Years

Although many disappointed retailers reported that the snowy and rainy weather on the week-end slowed up expected advances in sales, there was no noticeable lack of trade for the week.

In the cases here a 7-10% increase was shown in the week that ended March 15, 1958, compared with March 18, 1958, which was 7-10% above the corresponding week in 1957.

While prices for most merchandise were fairly stable, some were close to that of the prior week and slightly exceeded that of a year ago. However, for cotton, waxed milk, small electric house-wares, and some items of furniture, wholesale prices were higher than a year ago. The estimated price indexes for these items increased slightly in the comparable year ago period.

In the past week, March 8, 1958, 15,190,000,000 kwh were delivered to consumers, from plants that produced 18,000,000,000 kwh.

Business Failures Spurt Upward in Week Ended March 20

Commercial failures in the United States in February, 1958, rose to 293, compared with 271 in January and 267 in February, 1957, reports The National Liquidation Bureau.

Bankruptcy petitions against consumers also showed an increase, with 1,773 cases in the United States in the month, compared with 1,484 in January and 1,412 cases in February, 1957.

Unemployed rose to 2,993,000 in the United States last month, an increase of 161,000 above January's count of 2,832,000. Since the 1940 low of 1,432,000, the unemployment index had risen to 2,832,000 in January from 1,780,000 in December, a rise of 56,000 in one month.

Wholesale Price Index Eased Slightly in Latest Week

The index of wholesale prices, main line index dropped 0.2% from this year's high, to 206.0, on Feb. 6, at the close of March. The present index figure is 7.6% higher than the 202.0 in March 1957.

Up in price were eggs, hogs, lambs, bellies, beef, steers, potatoe, flour, cottonseed meal, cottonseed oil, sugar and barley. Lower in price were flour, beer, coffee, and rum. The index represents the sum total of the price per pound of 21 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 Eased Slightly Downward in First Half of 1958

The general commodity price level declined slightly in the latest week, reflecting price declines on steel scrap, cocoa, some grain, and consumer goods, while price indexes compiled by Dun & Bradstreet Inc., slipped to 281.48 from 281.71 in the preceding week. Prices were up in many other items.

Reports showing larger than expected amounts of grain under Government support programs, "somewhat dis- couraged grain traders during the week. No significant new supplies of wheat in free contract markets were reported. Prices were down fractionally from a week earlier. There was a general decline in range of coffee and cocoa prices, which were up only slightly. Wholesalers prices were close to those of the prior week. The rise in prices of sugar expanded slightly. Prices on refined sugar rose more sharply in the week.

Wholesalers reported a moderate dip in purchases of soybeans, causing prices to fall slightly. Although the amount of soybeans imported for overseas export in the week ended March 7 decreased moderately from the previous week, it noticeably exceeded that of the comparable period last year.

During the week and prices were sustained close to those of a week ago. Prices were only slightly above those of the equivalent period last year. There was an increase in call for rice and futures prices were reached record levels, with prices of wheat, soybeans, and sugar expanded and prices climbed slightly. Prices on refined sugar dropped more sharply in the week.

While coffee prices were fairly steady at the beginning of the week, they recovered somewhat at the end of the period and remained fairly stable. Prices of cocoa and coffee futures prices were reported as trading lagged at the end of the week. Although hog receipts in Chicago dipped slightly below those of the preceding week, they were moderanely higher than an year ago. The following week, markets were off in all grades and the market was more active. Trade was stifled, rather than limited. Lamb prices fell moderately below those of a year ago. Wholesalers reported a further rise in lamb prices.

Reports that the Government may freeze prices on non-sold goods for the next three months, and the stimulated cotton transactions on the New York Cotton Exchange, resulted in a sharp decline in the week's cotton buying.

The total dollar volume of trade in the period ended the second week of March, was 30% below the level of last year, but increased 7%. The total dollar volume of trade in the period ended the second week of March was 35% below the level of last year, but increased 7.5%. The estimated total dollar volume of trade in the period ended the second week of March was 35% below the level of last year, but increased 7.5%.
Federal Financing
And the Debt Limit

That is a big job in itself, but the dollar amount is by no means a real measure of the considerations financing the credit market. Unlike other borrowers, the Treasury must make the best deal it can and let other considerations slide. The Treasury is not a borrower in the usual sense of the term; its financing will be broadly consistent with its economic objectives, and it must take into account the economic conditions in which it is financing—on a contemporary and future basis. It must at all times attempt to minimize the temptation to participate in any business activity, it is desirable that the floating debt be Imperial

When it comes to the mechanics of it, we find there are two ways of controlling a government debt during a boom. One is by retiring debt—that is, debt held by the public. If the Treasury has money to spend, it can sell securities to the public thereby re-establishing the holdings of cash and short-term Treasury securities, it follows that during the period of prosperity the Treasury has no position to decrease the amount of debt outstanding. Indeed, the period of prosperity should be in a position perhaps during the period of debt outstanding and during a period of business activity, it is desirable that the floating debt be Imperial

In a period of sustained prosperity—a condition wherein the Treasury is not entering into any form of speculation or appreciating its ability to temporarily hold debt, its policies during the period of prosperity should be to increase rather than to decrease its holdings of long-term debt. But, the problem is that, at such a time, if the Treasury is in a position to exert a force on the amount of debt during a prosperous period, it has to be careful that its methods do not prejudice the stability of banks and others. The Treasury's policies are that the amount of funding undertaken does not produce a deleterious effect on the stability of long-term credit, relative to the economy's ability to manage it.

In a period of business decline or of subnormal business activity, we find that the Treasury can afford to hold the Federal Reserve's long-term debt down in order to avoid interest rate increases and to facilitate a smooth transition to normality. If the Treasury seeks to sell securities during such a period, it will probably have to sell at a discount and at lower payments. The Treasury is in a position to do this, and the financing of its operations will not be affected by a continuation of the Treasury's policies.

Regrettably, it cannot be done. There is a cost to the Treasury in terms of the opportunity cost of the funds it must use to finance its operations. The cost of financing is a legitimate and proper one, and the Treasury would be wise to take it into account in determining its policies.

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Treasury will reduce the amount of its short-term securities outstanding to a minimum, as it seems reasonable to expect that the requirements of debt management thereupon will not be thrown off balance once again. If this would occur at an unpropitious moment, on several counts. The market has excep-

fional recuperative powers, however, and we expect the Federal Reserve will prove to be large or small.

It is usual, however, for movement to further outstand-

ings of the subject up, but in many ways it is long past the peak. The
d wastewater will serve to unload sizable.

The process. We have not jolted into the peacex.

As a result, as I have indicated, would be a start. But

We face demands for capital—

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Securities Now in Offerings

**Aeronea Manufacturing Corp.**

**Atlantic City Electric Co.**

**American Can Co.**
(4/9-10)
Mar. 13 filed 1,000,000 shares of common stock due 1984. Price—to be supplied by amendment. Proceeds—To redeem $40,000,000 of its outstanding debt and for working capital. Underwriters—Morgan Stanley & Co. and Clark Dodge & Co., both of New York.

**American-Caribbean Oil Co. (N. Y.)**
Feb. 1 filed 500,000 shares of common stock (par 20c). Price—To be supplied by amendment. Proceeds—To be used to strengthen the company’s position. Underwriters—To be named by company.

**American Electronic Co., Inc.**
Feb. 14 filed 200,000 shares of convertible stock due 1957 and 80,000 shares of stock (par $1) to be offered for subscription by common stockholders at the going market. Proceeds—To be used to strengthen the company’s position. Underwriters—E. F. Hutton & Co., New York.

**American Life & Casualty Insurance Co.**
Dec. 24 filed 400,000 shares of common stock. Price—$125 per share. Proceeds—For capital and surplus accounts. Underwriters—For use of company.

**American Mutual Investment Co., Inc.**

**American Life & Casualty Insurance Co.**
Dec. 24 filed 400,000 shares of common stock. Price—$125 per share. Proceeds—For capital and surplus accounts. Underwriters—For use of company.

**Bishop Oil Co., San Francisco, Calif.**
Feb. 28 filed 10,000 shares of common stock (par $2) to be offered for subscription by common stockholders of record March 20, 1956, on the basis of one new share for each three held; rights to expire on April 16. Price—To be supplied by amendment. Proceeds—For reduction purchase price of certain properties Underwriters—Hooker & Fay, San Francisco, Calif. Offerings—Has been deferred.

**Bristol-Myers Co., Inc.**
Sept. 17 (letter of notification) 400,000 shares of common stock (par $1) to be offered in units of $50 de realtime and 25 shares of common stock (par $1) to be offered at $3. Underwriters—Manz & Goulah, Miami.

**Brunswick-Balke-Collender Co.**
Mar. 11 filed $3,500,000 of 12% convertible subordinated debentures due April 1, 1961, to be offered for subscription by common stockholders of record April 10, 1956, on the basis of one new for each three held; rights to expire on May 16. Price—To be supplied by amendment. Proceeds—For purchase price of certain properties Underwriters—Brothers and Goldman, Sacha & Co., both of New York.

**Case Western Reserve University**
Apr. 7 filed 400,000 shares of common stock (par $1). Proceeds, to be used to strengthen the company’s position. Underwriters—For use of company.

**Case Western Reserve University**
Apr. 7 filed 400,000 shares of common stock (par $1). Proceeds, to be used to strengthen the company’s position. Underwriters—For use of company.

**Champion Enterprises, Inc.**
Mar. 18 filed $3,000,000 of 2% mortgage bonds due 1972. Proceeds—To be offered in units of $100 and 10 shares of stock. Price—$100 per unit. Proceeds—For purchase of first mortgage bonds for construction and for construction business. Underwriters—Miami Beach, Fla. Underwriters—For use of company.

**Central Mortgage & Investment Corp.**
Sept. 12 filed $3,000,000 of 20-year mortgage bonds and 100,000 shares of common stock (par $1). Proceeds—To be offered in units of $100 and 10 shares of stock. Price—$100 per unit. Proceeds—For purchase of first mortgage bonds for construction and for construction business. Underwriters—Miami Beach, Fla. Underwriters—For use of company.

**Cheminant Corp.**
Mar. 16 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $23,000,000 of debenture due Sept. 1, 1968, and $2,000,000 of stock (par $1). Proceeds—To be offered in units of $100 and 10 shares of stock. Price—$100 per unit. Proceeds—For construction. Underwriters—For use of company.

**Community Investment Corp.**
Mar. 13 (letter of notification) 75,000 shares of common stock (par $1). Proceeds—For use of company. Underwriters—For use of company.

**Consolidated Edison Co. of N. Y., Inc.**
(4/22)
Mar. 3 filed $50,000,000 of first mortgage bonds, series T, due March 1, 1948. Proceeds—For construction and other corporate purposes. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; W. R. Grace & Co.; and Morgan Stanley & Co., both of New York. Offerings—To be received up to 10:30 a.m. (CST) on April 15 at 72 West Adams St., Chicago 90, Ill.

**Cliftton & Funderlin, Inc., Dallas, Pa.**
Feb. 28 filed 11,200 shares of common stock (par $10) being offered for subscription by common stockholders of record April 4, 1956, at the rate of one new share for each five shares held; rights to expire on April 23. Price—$21 per share. Proceeds—For general corporate purposes. Underwriters—For use of company.

**Counselors Research Fund, Inc., St. Louis, Mo.**
Feb. 5 filed 100,000 shares of capital stock, (par one cent), to be used for general corporate purposes. Underwriters—Counselors Research Sales Corp., St. Louis. Robert H. Greiner is President.

**Daybreak Uranium, Inc., Opportunity, Wash.**
Oct. 28 (letter of notification) 600,000 shares of common stock (par $1). Proceeds—$5 per share. Proceeds—For general corporate purposes. Underwriters—For use of company.

**Diamond Gardner Corp.**
(4/16)
March 25 filed $35,000,000 of sinking fund debentures due 1985. Proceeds—To retire and refund outstanding debentures. Underwriters—To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co.; Moe, Hulbert & Co.; and Glore & Co.; The First Boston Corp. Bids—To be received by company up to 11 a.m. (EST) on April 22.

**Diapulse Manufacturing Corp. of America**
(4/16)
Mar. 14 filed 225,000 shares of common stock (par 10 cents), of which 60,000 shares are to be offered for account of company and $29,774 for selling stockholders. Underwriters—For exploration and drilling costs and other corporate purposes.

**Eastern Ohio H. S. T., Inc.**
(4/22)
Mar. 3 filed 30,000,000 shares of common stock (par $1). Proceeds—$2 per share. Procedure—For general corporate purposes. Office—375 Fifth Ave., New York, N. Y.—Chicago, Underwriter—None.

**Digintronics Corp.**
Feb. 12 (letter of notification) 200,000 shares of class B common stock (par 10 cents). Price—(To be determined). Proceeds—For exploration and drilling costs and other corporate purposes.

**Disputes Manufacturing Corp. of America**
(4/16)
Mar. 14 filed 225,000 shares of common stock (par 10 cents), of which 60,000 shares are to be offered for account of company and $29,774 for selling stockholders. Underwriters—For exploration and drilling costs and other corporate purposes.

**Dixie Manufacturing Corp. of America**
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Mar. 14 filed 225,000 shares of common stock (par 10 cents), of which 60,000 shares are to be offered for account of company and $29,774 for selling stockholders. Underwriters—For exploration and drilling costs and other corporate purposes.

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### NEW ISSUE CALENDAR

<table>
<thead>
<tr>
<th>Date</th>
<th>Company Name</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>March 27</td>
<td>Louisiana &amp; Nashville Cb.</td>
<td>Bond (11 a.m. EST) $200,000</td>
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<tr>
<td>March 28</td>
<td>American Electric Light Co. (N.Y.)</td>
<td>Debentures (9 a.m. EST) $200,000</td>
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<tr>
<td>March 31</td>
<td>Wisconsin Electric Co. (Milwaukee)</td>
<td>Bond (11 a.m. EST) $200,000</td>
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<td>March 27</td>
<td>Eustis, Fla., Electric Co.</td>
<td>Bond (11 a.m. EST) $200,000</td>
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<td>March 27</td>
<td>Durham Electric Co. (N.C.)</td>
<td>Bond (11 a.m. EST) $200,000</td>
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<tr>
<td>April 1</td>
<td>Pittsburgh Electric Co. (Pa.)</td>
<td>Bond (11 a.m. EST) $200,000</td>
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<tr>
<td>April 1</td>
<td>Rochester Electric Co. (N.Y.)</td>
<td>Bond (11 a.m. EST) $200,000</td>
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<tr>
<td>April 2</td>
<td>Great Western Power Co. (Ca.)</td>
<td>Bond (11 a.m. EST) $200,000</td>
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<td>April 3</td>
<td>Edison Electric Co. (N.J.)</td>
<td>Bond (11 a.m. EST) $200,000</td>
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<td>April 4</td>
<td>Panatella Machine Co. (N.Y.)</td>
<td>Bond (11 a.m. EST) $200,000</td>
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<tr>
<td>April 7</td>
<td>Avionics Corp. of America</td>
<td>Bond (11 a.m. EST) $200,000</td>
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<td>April 8</td>
<td>Citizens &amp; Sou, Natl. Bank of Savannah, Ga.</td>
<td>Bond (11 a.m. EST) $200,000</td>
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<tr>
<td>April 9</td>
<td>American Can Co.</td>
<td>Bond (11 a.m. EST) $200,000</td>
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<tr>
<td>April 10</td>
<td>Duquense Light Co. (Pa.)</td>
<td>Bond (11 a.m. EST) $200,000</td>
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<td>April 10</td>
<td>Food Fair Stores, Inc. (N.Y.)</td>
<td>Common (11 a.m. EST) $200,000</td>
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<tr>
<td>April 11</td>
<td>Douglas Aircraft Co., Inc.</td>
<td>Debentures (11 a.m. EST) $200,000</td>
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<td>April 12</td>
<td>Foxboro Co., Mass.</td>
<td>Bond (11 a.m. EST) $200,000</td>
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<tr>
<td>April 14</td>
<td>Aluminum Co. of America</td>
<td>Debentures (11 a.m. EST) $200,000</td>
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<tr>
<td>April 14</td>
<td>Indutro Transformer Corp. (Mass.)</td>
<td>Bond (11 a.m. EST) $200,000</td>
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<td>April 15</td>
<td>New England Telephone &amp; Telegraph Co.</td>
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<tr>
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<td>Commonwealth Edison Co. (Pa.)</td>
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<td>April 15</td>
<td>New England Electric Co. (Pa.)</td>
<td>Bond (11 a.m. EST) $200,000</td>
</tr>
</tbody>
</table>

### April 28th Issuance

- **Eötvös Trust Co., New York**
  - Bond (11 a.m. EST) $200,000

### May 25th Issuance

- **Flower & Co., Detroit, Mich.**
  - Bond (11 a.m. EST) $200,000

### June 11th Issuance

- **Florida Power Corp., Miami**
  - Bond (11 a.m. EST) $200,000

### Equity Fund, Inc., Seattle, Wash.
March 25 filed additional 100,000 common stock. Price—At market. Proceeds—For investment.

### Ex-Coll-O Corp., Detroit, Mich.
March 31 filed 120,000 shares of common stock (par $1) to be offered for public subscription. Price—At market. Proceeds—For expansion and capital improvement.

### Atlantic City Electric Co., N.J.
- **Preferred (Eastham Dillon, Union Securities & Co. & Smith Barney, New York)**
- **Common (Diamond Gardner, Co., Debarter, New York)**
- **Debentures (Kuhn, Loeb & Co., New York)**

### General Telephone Co. (Conn.)
- **Common (Dade, Wirtz, New York)**
- **Debentures (Dade, Wirtz, New York)**

### Sierra Pacific Power Co. (N.M.)
- **Debentures (Offering to stockholders) $9,363**

### April 17th Issuance

- **Bankers Management Co., Ill.**
  - Bond (11 a.m. EST) $200,000

### April 22nd Issuance

- **Consolidated Gas Co., N.Y.**
  - Bond (11 a.m. EST) $200,000

### April 23rd Issuance

- **Atlantic City Electric Co., N.J.**
  - Bond (11 a.m. EST) $200,000

### April 23rd Issuance

- **Southern Pacific Power Co., Calif.**
  - Bond (11 a.m. EST) $200,000

### April 25th Issuance

- **Puget Sound Power & Light Co., Wash.**
  - Bond (11 a.m. EST) $200,000

### April 26th Issuance

- **Virginia Electric Co., Va.**
  - Bond (11 a.m. EST) $200,000

### May 9th Issuance

- **Wisconsin Power & Light Co., Wis.**
  - Bond (11 a.m. EST) $200,000

### United Gas Improvement Co., N.J.
- **Bond (11 a.m. EST) $200,000**

### May 19th Issuance

- **Gulf States Utilities Co., Tex.**
  - Bond (11 a.m. EST) $200,000

### May 20th Issuance

- **Illinois Power Co., Ill.**
  - Bond (11 a.m. EST) $200,000

### June 10th Issuance

- **Virginia Electric Co., Va.**
  - Bond (11 a.m. EST) $200,000

### June 11th Issuance

- **New England Electric System Co., Conn.**
  - Bond (11 a.m. EST) $200,000

### July 1st Issuance

- **Florida Power Corp., Miami**
  - Bond (11 a.m. EST) $200,000


MERRILL, Lynch, Pierce, Fenner & Smith, Inc., New York, N. Y. Writing: March 16 filed 118,720 shares common stock (par $15) to be offered in units of one share of common stock plus $100.00 in cash, in exchange for outstanding shares of Van Dorn, Blyth & Co. Underwriter—None.

MAINE FIDELITY LIFE INSURANCE CO. Writing: March 26 filed 600,000 shares common stock (par $4) to be offered for subscription by stockholders at the rate of one new share for each held. Price—To be accepted at par or at a discount, as decided by the Board of Directors. Attorney—Portland, Maine. Underwriter—W. P. Brooks & Co., Portland. Underwriter—None.

NEW ENGLAND TELEPHONE & TELEGRAPH CO. Writing: March 14 filed 25,769 shares common stock (par $10) to be offered by stockholders for cash. Price—To be determined by competitive bidding. Proceeds—To be used for extension, development and acquisition, to meet the cost of new equipment and to meet general corporate purposes. Attorney—New York. Underwriter—New England Telephone & Telegraph Co. Underwriter—To be determined by competitive bidding. Underwriter—None.


MISSOURI POWER & LIGHT Co. Writing: March 5 filed $15,000,000 of first mortgage bonds due 1986. Proceeds—For property additions and improvements, to pay off bank loans and other corporate purposes. Attorney—None. Underwriter—None. Statement effective March 12.

MOTOR CO. OF ROANOKE, Inc., Roanoke, Va. Writing: Nov. 18 (letter of notification) 60,000 shares common stock (par $10) to be offered for cash. Proceeds—For sale of property and general corporate purposes. Attorney—None. Underwriter—None.

Municipal Investment Trust Fund, Inc. (N. Y.) Writing: May 9 filed 5,000 shares of 5% cumulative preferred stock (par $1) to be offered by substitution for identical preferred stock held by the company and its subsidiaries. Price—$110 per share. Attorney—None. Underwriter—None.

National Gas Pipeline Co. of America Writing: March 25 filed 250,000 shares common stock (par $5), to be offered to stockholders at the rate of one share for each $50 in cash or in mortgage bonds, convertible preferred, to be sold at publicly on a price unit of $101, representing 16 months dividend. Proceeds—To be invested in the stock of Motive Americano, an Italian organization. Attorney—Silver Springs, Maryland. Underwriter—None. Statement effective March 25.


National Oceanic Limited, Inc., New York Writing: Feb. 6 (letter of notification) 25,000 shares of common stock to be offered to stockholders at the rate of one share for each $5.00 in cash to be received by the stockholders in the future. Price—$10 per share. Proceeds—For investment. Attorney—None. Underwriter—None.

New England Electric System (4-15) Writing: March 12 filed (amendment) 1,500 shares of common stock (par $1) to be offered for subscription by stockholders at the rate of one new share for each held. Price—To be accepted at par or at a discount, as decided by the Board of Directors. Attorney—Each holder of record March 14, 1958 to be notified of the intention to offer the subscription price by mail. Proceeds—To finance the cost of new equipment and machinery, and for working capital. Underwriter—Dempsey-Tegeler & Co., St. Louis, Mo. Underwriter—None.

First National Bank of Washington, D. C., Underwriter—None.
**Pleasant Valley Oil & Mining Corp.**

Sept. 30 (letter of notification) 2,000,000 shares of common stock (par five cents per share). Proceeds—For geological work and equipment and other purpose.

**Premier Pharmaceutical Corp., Buffalo, N. Y.**

Jan. 29 filed 100,000 shares of 6% preferred stock (par $50) to be offered for subscription in units of one share of each class of stock. Proceeds—To build a new plant, for equipment, and for other purposes.

**Public Savings Life Insurance Co.**

Nov. 29 filed 113,000 shares of common stock (par $5). Proceeds—To Public Savings Insurance Co., the selling stockholder.

**Pucct Sound Power & Light Co.**

March 21 filed $30,000,000 of first mortgage bonds due 1987 and second mortgage bonds due 1962. Proceeds—To be used in units of one share of each class of stock. Proceeds—To build a new plant, for equipment, and for other corporate purposes.

**Rocky Mountain Quarterly Racing Association**

Oct. 31 (letter of notification) 9,000,000 shares of common stock (par $1) to be offered for subscription by bank loans and for working capital.

**Samedan Associates, Inc., Armdore, Ohio.**

Sept. 19 filed 10,000 shares of cumulative preferred stock (par $100). Proceeds—For investment in mining and other business.

**Sears, Roebuck & Co.**

March 18 filed $40,000,000 of 25-year debentures due 1985. Proceeds—To be used in units of 500 shares of 6% preferred stock and 500 shares of 6% convertible debentures. Proceeds—To be used in units of one share of each class of stock. Proceeds—To build a new plant, for equipment, and for other corporate purposes.

**Sentinel Security Life Insurance Co.**

Nov. 29 filed 100,000 shares of common stock (par $5). Proceeds—To Sentinel Security Life Insurance Co., the selling stockholder.

**Sierra Pacific Power Co., Reno, Nev.**

March 25 filed $2,000,000 of 6% debentures due 1968. Proceeds—To repay bank loans and for construction purposes. Proceeds—To be used in units of one share of each class of stock. Proceeds—To be used in units of one share of each class of stock. Proceeds—To build a new plant, for equipment, and for other corporate purposes.

**Southern California Gas Co. of California**

March 26 filed 15,000,000 share first mortgage bonds, series "G," to be offered for subscription in units of $1000 of debentures and series "S" to be offered for subscription in units of $500 and $1,000. Proceeds—For construction projects.

**Southern Electric Co.**

Dec. 23 (letter of notification) $2,000,000 of 6% preferred stock to be offered in units of one share of each class of stock. Proceeds—For payment of debt notes pay- able on Jan. 1 (par $100) and $2,000,000. Proceeds—For construction purposes.

**Southwest Oil Corp.**

Oct. 3 (letter of notification) an undetermined number of shares of common stock (par $0.20). Proceeds—To Southwest Oil Corp., the selling stockholders.

**Sparks Brothers, Inc., New York.**

Feb. 28 filed 8,000,000 shares of common stock (par $5). Proceeds—For investment purposes.

**Sovereign Resources, Inc.**

March 1 filed 100,000 shares of common stock (par $1). Proceeds—For investment purposes.

**Spencer Controls, Inc., New York.**

Feb. 20 filed 100,000,000 shares of common stock (par $1). Proceeds—For investment purposes.

**St. Louis, Mo.**

Feb. 20 filed 100,000 shares of common stock (par $1). Proceeds—For investment purposes.

**Steelcase, Inc., Grand Rapids, Mich.**

Feb. 20 filed 100,000 shares of common stock (par $1). Proceeds—For investment purposes.
Continued from page 33

& Co., St. Louis, Mo., on a best-efforts basis. Statement to be "when, where and by whom." 

*United Aircraft Corp., East Hartford, Conn.
March 21 filed 132,000 shares of common stock (par $5) to be offered to certain of the company's officers and key personnel pursuant to a stock option plan adopted on May 13, 1957.

*United States Sulphur Corp.
Oct. 8 filed 1,500,000 shares of common stock (par one cent). Price—$1 per share. Proceeds—For plant rental, etc., to be used for working capital; and for other exploration and development work. Offer—Houston, Texas. Underwriter—None.

United States Telemail Service, Inc.
Feb. 7 filed 100,000 shares of common stock (par $5) at price—$5 per share. Proceeds—To purchase equipment and supplies and for working capital and other corporate purposes. Underwriter—Ams Trex & Co., Inc., of New York.

United States Steel Corp.
March 19 filed 32,000 shares of common stock (par $5), and 32,000 shares of preferred stock ($25 par). Proceeds—To be used in part for acquisition of certain properties including Halley, Stuart & Co. Inc., a Chicago national bank; and Salomon, Brothers & Hutzler, both of New York. Underwriter—Ams Trex & Co., Inc., of New York.

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Southern Pacific Co. (4/21)

Bids are expected to be received by the company on April 18, at the office of the company, for new $5,000,000 equipment trust certificates. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Morgan Stanley & Co.; and Standard Union & Co.

* Southern Pacific Co. (4/21)

March 20 it was reported that the company plans to issue about $20,000,000 of bonds. Underwriter—To be determined at time of offering. Bids—To be received by the company on April 18, at the office of the company. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Morgan Stanley & Co.; and Standard Union & Co.

* Texas Co. (4/11)

March 20 it was announced that the company will issue $10,000,000 of 7% preferred stock, and $5,000,000 of 6% debentures, to be sold for the purpose of refunding bank loans—and for other corporate purposes. Underwriter—Dillon, Read & Co., New York. Registration—Expected.

* United Gas Improvement Co. (5/13)

Jan. 28 it was reported company plans to issue and sell $20,000,000 of 6-1/2% debenture bonds for the building of gas engineering and construction equipment. Underwriter—To be determined at time of offering. Bids—To be received at the office of the company. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith, and Eastman Dillon, Union Securities Co.; and Standard Union & Co. (jointly).

* Virginia Electric & Power Co. (6/12)

Dec. 6 it was reported company plans to issue and sell $25,000,000 of common stock for the purpose of refunding bank loans and for construction program. Underwriter—To be determined at time of offering. Bids—To be received at the office of the company. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith, and Eastman Dillon, Union Securities Co.; and Standard Union & Co. (jointly).

* Virginia Railway Co. (5/13)

March 20 it was reported that the company plans to issue $5,000,000 of 5% debenture bonds. Underwriter—To be determined at time of offering. Bids—To be received at the office of the company. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith, and Eastman Dillon, Union Securities Co.; and Standard Union & Co. (jointly). Bids—Expected to be received on May 13. Registration—About April 13.

* Washington Gas Light Co. (5/9-27)

March 24 it was announced company plans to issue and sell about $7,000,000 of new securities, which may include some preferred stock. Proceeds—For construction program. Underwriter—Johns-Manville Bros., Philadelphia. Bids—To be determined at time of offering. Bids—Expected.

* Washington Natural Gas Co. (Oct. 18 the directors authorized the sale of $5,000,000 of additional common stock for the purpose of financing a new construction program. Underwriter—Blyth & Co., San Francisco and New York.

* Wisconsin Power & Light Co. (5/13)

March 17 it was announced that company plans to issue and sell $10,000,000 of first mortgage bonds. Proceeds—For construction program. Underwriter—To be determined at time of offering. Bids—To be received at the office of the company. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith, and Eastman Dillon, Union Securities Co.; and Standard Union & Co. (jointly).

* Wisconsin Public Service Corp. (5/9-27)

March 20 it was reported that the company plans to sell about $12,500,000 of new securities in the last half of the current year. The type of securities has not yet been announced. Underwriter—To be determined at time of offering. Bids—To be received at the office of the company. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith; Salomon Bros. & Hutzler; Walter—Dillen, Eastman Dillon, Union Securities Co.; and Standard Union & Co. (jointly).
Mutual Funds

by ROBERT R. BICH

Canada Funds' Holdings Up $70 Million

The eight registered Canadian mutual investment companies whose shares are qualified for sale to U. S. investors added approxi-mately $70,000,000 to their holdings of Canadian securities during 1957, it was reported here recently by J. G. L. Hey, chairman of the Committee of Canadian Investment Companies.

Last year's flow of U. S. private investment into Canada con-tinued to reflect the basic confidence of U. S. investors in the long-term future of Canada's resource-wealthy economy despite a transitory re-adjustment which affected securities prices during the late months of 1957, it was stated.

Mr. Shelley, Vice-President of Canada General Fund, Limited, pointed out that 1957 new investment by the eight registered Canadian companies in behalf of their 120,000 U. S. shareholders accounted for about 13% of the total new U. S. portfolio invest-ment in Canada last year.

He noted that 1957 U. S. and other foreign portfolio invest-ments in Canadian securities constituted by far the major segment of non-resident capital movement into Canada. According to pre-liminary estimates by the Dominion Bureau of Statistics, last year's portfolio investments by residents of the U. S. totaled $325,000,000 of the total $721,000,000 foreign portfolio investment in Canadian securities. The net movement of foreign capital to Canada for direct investment is distinct from portfolio investment, was placed by the Dominion Bureau of Statistics at about $255,000,000.

Mr. Shelley pointed out that the continued high level of U. S. portfolio investment by residents of the U. S. is not surprising because in Canada it supplies needed capital in a form that does not amount to or concern itself by domination of her key industries by outside policy-making. He emphasized that the U. S. portfolio investor in Canada is seeking regular real income growth in employing his invested capital to exercise control of Canadian economic policies or business management.

The eight registered Canadian portfolio investment companies currently manage in excess of $900,000,000 representing basically diversified portfolios in industries reflecting contributions to Canada's long-range economic growth.

Chemical Industry

To Spend $17 Billion

"The demand for chemicals should increase 8% and require an expenditure of about $17 billion in 1958 in the chemical industry." This forecast was recently prepared by Chemical Industry's technical con-sultant, Mr. John M. Steiner, of Cambridge, Mass., at the request of the Canadian Chemical Industry's technical consultant.

Mr. Steiner underscored several points which should be in the forefront of President Eisenhower's budget over the next ten years. "Semiconductor metals including silicon; special metals such as niobium and lan-tum; the high energy fuels; new synthetic fibers and films; some of the new plastic materials; pharmaceuticals; and petro-chemical and synthetic rubber including the synthetic rubbers are expected to be major factors in the chemical industry's future."

In discussing the industry's growth, Mr. Steiner noted that "the chemical industry is still in its infancy and should have a tremendously important role in industry for research and develop-ment." The industry's emphasis on research, he said, "Justifies the expectation that the chemical industry's growth rate will be main-tained, possibly even accelerated, over the years to come."

Tri-Con, Asset Value $37.97

The most recent estimate of ass-sets per share of common stock of Tri-Continental Corporation, the nation's largest diversified closed-end investment company, was $37.97 on shares outstanding and $31.29, assuming the exercise of warrants held by Chairman and President, reported Mr. Ralph B. Bullock, President of Tri-Continental. These asset figures are up from $26.42 and $32.82 for 1956 and 1957, respectively, according to Mr. Randolph. These were, he noted, 6,012,971 shares of common stock and 1,193,396 warrants outstanding on March 21, 1957. These compared with 6,721,220 shares of common stock and 1,265,660 warrants outstanding at Dec. 31, 1957.

More than 78% of the preferred and common shares combined, the Chairman stated, were represented at the meeting of stockholders.

Delaware Fund	Reports on Portfolio Changes

If the aphorism, "There is more south as beastly as a sold-out bull, works for a living," is true, the fiscal year's record of the Delaware Fund, Inc., has one of the most promising years in its history, according to its president, Mr. J. A. M. Lewis, who has been gainfully employed in the industry for 79 years, has been gainfully employed in the industry for 87 years, will be completed in November, 1958, and is now in the forefront of the country's market research and income company, according to its president, Mr. J. A. M. Lewis, who has been gainfully employed in the industry for 79 years. The Delaware Fund, according to Mr. Lewis, has utilized this period of strength to eliminate several stocks and begin to build a base for the next market, which, on the whole, has been showing signs of continually warning business figures.

The Delaware Fund, Inc., has also utilized this period of strength to eliminate several stocks and begin to build a base for the next market, which, on the whole, has been showing signs of continually warning business figures. The Delaware Fund, Inc., has also utilized this period of strength to eliminate several stocks and begin to build a base for the next market, which, on the whole, has been showing signs of continually warning business figures. The Delaware Fund, Inc., has also utilized this period of strength to eliminate several stocks and begin to build a base for the next market, which, on the whole, has been showing signs of continually warning business figures.
Railroad Securities

**Achison, Topeka & Santa Fe Railway**

Achison, Topeka & Santa Fe Railway Co. continues to be one of the leading transportation companies in the country. Last year capital expenditures amounted to $139,000,000, representing 6% of net income. This amount included $41,100,000 for 3,548 freight cars, 2,183 baggage and passenger cars, and 230 new locomotive units. For roadway construction and related expenditures, the company reported $32,100,000. Currently, it is expected that approximately $120,000,000 will be spent on these projects by 1962.

The report notes that the company's earnings in 1961 increased by 21% over 1960 levels. In 1961, the company's net income was approximately $2,700,000, which resulted in a dividend paid out of net income. The report mentions that the company's earnings have increased consistently over the years due to expansion of transportation facilities and service to new areas.

**LETTER TO THE EDITOR:**

**New Haven Inquirer Questions Philip Corney's Gold Proposal**

Reader Shull inquires whether Mr. Philip Corney — in his article appearing in *Chronicle*, Feb. 13 — would only favor deals of a temporary nature, such as the $2,648,642 agreement for $79,000,000 Ltd. in D. Kreeger & Fund $79,000,000 Ltd. in D. Kreeger & Fund $79,000,000 Ltd. in D. Kreeger & Fund $79,000,000 Ltd. in D. Kreeger & Fund $79,000,000 Ltd. in D. Kreeger & Fund $79,000,000 Ltd.

**Editor, Commercial and Financial Chronicle:**

The comment by Mr. Philip Corney, carried in your issue of March 21, is perfectly correct. In the period just where Mr. Corney stands on the question of gold, in the United States the Federal Reserve system has not fixed, for instance, the gold dollar at $35 an ounce, redeemable . . . on demand to Mr. Corney's appeal to God with which he otherwise concur.

Mr. Corney quotes former Under-Secretary of the Treasury W. H. H. Seward, in an address published in 1852, as saying: "It is our policy to keep the dollar of gold equal in value to the ounce." For that, Mr Burgess should forever be praised; and all believers in honest money should demand that the new Secretary of the Treasury will take the same line as Mr. Seward, as respects maintaining the value of gold.

As Andrew W. Mellon says in his book, "Taxation: The People's Business," page 43: "It is not going to keep our own house in order; in maintaining the dollar . . . we are compromised . . . That is still sound policy, and should never have been changed. Whatever our creditors spend their time and efforts on, we should respect the pound sterling. If they want to restructure their currency, that is her business; but we may well hope that she will always do it to firmly fix the value of her currency on a dollar of gold and not on a dollar of silver, with which she is likely to be compromised, as it seems to be causing Mr. Corney so much concern.

**Appendix Appeal to Deity**

Like many important addresses, Mr. Corney calls on deity in the following verses of his talk: "May God give us the truth, unselfishness and fortitude to do the right thing . . . our national problems without sacrificing our liberties..." As a matter of fact, that, I should like to add: "May God also give us the honesty and purity of heart to do the right thing, as opposed to the dishonesty and untruth of the American dollar at $35 an ounce, redeemable as such, on demand.

FREDERICK G. SHULL,
**New Haven 15, Conn. March 6, 1968**

*Good licensing decisions, in the opinion of the cooperating executives, are one of the brightest lights of the company's own situation and marketing objectives.*

**Many Plan Increase in Licenses**

Approximately 60% of the licensing companies cooperating in the recent study have increased their licensing operations. Just as these companies were particularly interested in their existing level of activity, and 20% expect to increase their licensing programs the same time the other 20% remaining very limited in scope. A number of these companies have already negotiated new licensing arrangements only with wholly or partially owned subsidiaries. Other future trends, as suggested by states in the above summary, include:

- Increasing interest in equity participation, with major ownership or the eventual goal for most companies.
- A gradual shift from the existing licensor's market to one in which the licensor has an improved bargaining position, and American licenses will face increased competition from European and other foreign licensing companies.
- The portion of the NICB Licensing study which was released March 1 deals specifically with planning and foreign licensing activities. The study will be completed later this year, and will discuss contract administration, and describe prevailing practices, costs, and other factors affecting licensing and marketing controls, and other aspects of licensing operations.

**With Southern States**

(Special to The Financial Chronicle)

A.S. Courter & Co. of Atlanta, Ga., has become affiliated with Southern States Securities Corporation, 64 Ponce de Leon Avenue.

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## Indications of Current Business Activity

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<thead>
<tr>
<th>AMERICAN IRON AND STEEL INSTITUTE:</th>
<th>Latest</th>
<th>Previous</th>
<th>Month</th>
<th>Year</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
</table>

## Coal and Coke

### Coal
- **Coal sales**
  - Total coal sales
- **Crude Oil and Cokes (primary corporate)**
- **Value of Crude Oil and Cokes (primary corporate)**
- **Coal and Coke (final product)**
- **Coal and Coke (primary corporate)**

### Petroleum
- **Petroleum and Petroleum Products**
  - Total petroleum products
  - Petroleum products (primary corporate)

## Metals and Minerals
- **Gold and Silver**
- **Iron and Steel**
- **Copper**
- **Aluminum**
- **Sodium**
- **Potassium**
- **Titanium**
- **Gold and Silver (primary corporate)**

## Others
- **Aluminum (other than primary)**
- **Platinum**
- **Mercury**
- **Platinum (primary corporate)**
- **Mercury (primary corporate)**

## COTTON, OILSEED, AND COFFEE
- **Cotton**
- **Oilseeds**
- **Coffee**
- **Cottonseed**
- **Oilseeds and Cottonseed (primary corporate)**

## Industrial Products
- **Chemicals**
- **Plastics**
- **Plastics (primary corporate)**
- **Plastics (final product)**
- **Nonmetallic Minerals**
- **Nonmetallic Minerals (primary corporate)**

## Financial Indicators
- **Stocks of Mercantile Establishments**
- **Money Market**
- **Interest Rates**
- **Interest Rates (primary corporate)**
- **Interest Rates (final product)**
- **Money Rates**
- **Money Rates (primary corporate)**

## Economic Indicators
- **Gross Domestic Product (GDP)**
- **Gross Domestic Product (GDP) (primary corporate)**
- **Gross Domestic Product (GDP) (final product)**
- **Retail Sales**
- **Consumer Price Index**
- **Producer Price Index**

## Total round-lot transactions (tons) and dollar values
- **Total round-lot transactions (tons)**
- **Total round-lot transactions (dollar values)**

### Department of Commerce Indicators
- **Department of Commerce Indicators**
- **Department of Commerce Indicators (primary corporate)**
- **Department of Commerce Indicators (final product)**

## Consumer Price Index (1914-1919 = 100)
- **Month of January**
- **Month of February**
- **Month of March**
- **Month of April**

## Key Indicators
- **Unemployment Rate**
- **Inflation Rate**
- **Interest Rates**
- **Stock Market Indexes**
- **Exchange Rates**

## Additional Notes
- **Note on Economic Indicators**
- **Note on Financial Indicators**
- **Note on Industrial Products**
- **Note on Economic Indicators**

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The following tabulation shows production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date.

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*Note: The data includes various economic indicators, production figures, and other key statistics for a range of industries and sectors, reflecting current business activity.*

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*Source: Federal Reserve Bank of St. Louis*
Time to Speak Out on Certain National Issues

sources for investment would be tremendous.

Pension plans now available for corporations are a major factor in our economy. On December 31, there were 16,500,000 employees covered by private company pension or retirement plans. In addition to those actually working, there were 1,250,000 former employees who were entitled to benefits under these plans. These retired employees receive more than $7 billion per year in benefits. The total amount of money held by these funds is over $250 billion. These funds are invested in various ways, including stocks, bonds, and real estate.

The greater part of these retirement funds are invested in the securities of growing American industry. This differs from Social Security money, which is immediately spent by the Government. Further, these funds will grow and continue to stagger with proportions if employed individuals (the doctor, lawyer, accountant, and others) are permitted to establish pension plans, whereby the funds thus accumulated under such plans may be invested in any legal investment for legal trust funds. The unconfined retirement annuity contracts of life insurance policies and securities of any public body held currently.

There are the sorts of policies on which there may be some further development to express an opinion and on which our voice should be heard. To that end, I write the Executive Committee a recommendation that we provide for the Board of Governors to set up a procedure, through which our Executive Committee, backed by action at board meetings, or written communications, can officially represent our Association's position.

The Facts

During the past 25 years there has been a political tendency to attack big business as evil all over. We in the investment banking industry probably have been more maligned than any other, because of our own time of work in the 30s, more so than the physician's efforts to clean up the hospitals. Whenever big business is under attack, the responsibility of all of us to bear the brunt of our own profession and to strengthen the economic, social, and political forces which flow into this entire country and to the entire world, with the welfare and efficiency of big business. Certainly we need not be apologetic about an economic system which has had the inherent strength to win two world wars within a generation's time, and then to shoulder a major share of the cost of reconstruction. On the contrary, we should be proud and aggressive to work for the survival of the Capital of America is the very essence of our economic system and our role is to facilitate and direct this investment function. The amount of investments which are made today is, in my judgment, far too low and for all kinds of securities and monetary policies. For that reason, I have chatted out these areas where, I believe, we can improve the sales fields in which we should make our opinions known.

Demand for Capital

A reflective look at the present situation of our economy prompts me to observe that our unprecedented plant and equipment investment of 1953-1957 has definitely climaxed and the total effort of such use of capital will probably continue to decline for at least another year. This means, in general, that we are not likely to experience for some time a resumption of the capital scarcity squeeze that racked our bond market last year through October. However, there will still be plenty of credit for our mill, with state and local borrowing at record breaking volumes, if anything, while private borrowing tends to recess. This should be a period of the most stable and favorable conditions for the unions and at least temporarily diminish the extent of desperate risks we took in 1956.

In conclusion, I want to say that, as I interpret the Constitution of our Association, it was intended that the Association be primarily a service organization to serve our nation and to serve our industry. If we are to adhere to the principles upon which our Association was established, we must actively campaign for those issues which we believe are in the interest of our country and for the betterment of our nation. We must stand up and be counted.

With Daugherty, Butchard & Co.

PORTLAND, Ore. — Robert L. Bonson is now associated with Daugherty, Butchard & Co., Inc., 729 Southwest Alder Street. He was formerly with Daugherty, Butchard & Co., Inc., and Zilka, Smith & Seagram & Sons, Inc., coming in substantial chunks of capital, prospective buyers naturally feel that they can sit back and wait for a look at this merchandise.

Keep Pet Rolling

Next week's calendar of new issues foot up to something more than $75 million and promises the investor better than the degree of diversification.

Large order on a schedule is the Province of Ontario's $75 mil- lion bond offering due out on Wednesday. On Monday after- noon Electric Power Co. will open bids for $25 million. The company's outstanding issues are raised in new sales of bonds, plus $16 million of debentures for bids.

On Wednesday, General American Transportation Co. will market $20 million of debentures.

Closing out the week on Thursday, the City of Edmonton, Alberta, is offering $20 million of debentures.

DIVIDEND NOTICES

Lehigh Valley Coal Corporation has declared a 10 cent per share dividend payable to holders of record on April 15, 1958, to be paid on May 10, 1958.

Bonneville Power Administration

The President of the President of the Board of Directors of the Bonneville Power Administration has declared a 10 cent per share dividend payable to holders of record on April 15, 1958, to be paid on May 10, 1958.

Long Island Lighting Company

The Board of Directors of the Long Island Lighting Company has declared a 10 cent per share dividend payable to holders of record on April 15, 1958, to be paid on May 10, 1958.

Southern California Edison Company

The Board of Directors of the Southern California Edison Company has declared a 10 cent per share dividend payable to holders of record on April 15, 1958, to be paid on May 10, 1958.

PACIFIC FINANCE CORPORATION

FINANCING DIVIDEND NOTICE

On March 18, 1958, the Board of Directors declared regular quarterly dividends of Preferred Stock of this corporation to the holders of record April 15, 1958, as follows:

Preferred Stock, 5% Series 1-1/4 $1.25
Preferred Stock, 5% Series 2-1/2 $2.50
Preferred Stock, 5% Series 3-1/4 $3.75
Preferred Stock, 5% Series 4-1/2 $4.50

B. E. REYNOLDS, Secretary

Forms James Secs. Co. (appointage to The Portland Chronicle)

WINTHROP, Fla. — Donnie A. James is engaging in a securities business at offices at 401 Lakewood Drive under the firm name James Securities & Investment Company.

F. R. Lushas Co. Merger

With Hans Usch & Co.

The firm of F. R. Lushas & Co., Inc. has been consolidated with Hans Usch & Co., Inc. 39 Broadway, New York City. Franz R. Lushas has been elected Vice President of Hans Usch & Co.

Bull (Y) for You

The Board of Directors of The Fluor Corporation, Ltd., has declared a regular quarterly dividend of 30 cents per share on capital stock, payable April 25, 1958, to stockholders of record April 9, 1958.

FRANCIS E. FISCHER Secretary-Treasurer

The Chronicle, March 29, 1958

25 Park Place — RECTOR 2-9570 — New York, N.Y.
BUSINESS BUZZ

Washington... And You

WASHINGTON, D. C.—Many economists everywhere are hoping that the Senate will be eliminated from the financial condition of the United States. The hearings will be conducted by one of the most respected men in Congress, Senator Byrd. Chairman of the Senate Finance Committee, Senator Byrd, adviser of Presidents, will be the first witness.

While the time will not be on the sensational side—Senator Byrd is not that type—they will still provide interest in 1958. Senator Byrd does not need any sensationalism to be elected in Virginia this year. The hearings will be a continuation of the hearings conducted by the Committee in 1957.

The Committee will make a complete study of the financial condition of the United States, including the government, bond purchasers, and interest rates on all public obligations, including contingent liabilities. They will inquire into the policies and practices employed in the management of the public debt and the effect thereof upon credit, interest rates and the nation's economy and welfare.

Still another phase will involve those influences which influence the availability and distribution of credit, and rates as they apply to public and private debt.

Hearings before Congressional committees this year and last, plus continued layoffs, have pointed out on months the serious plight of most of the country's small businesses. That was a concern of the country.

Railroads: Serious Problems

During World War II, the railroads—mass transportation carriers—moved about 90% of the heavy freight in this country. Last year the passenger trains made money during the gasoline and oil ruthlessly period of World War II. Last year only one railroad line in the country reported a profit on passenger service. That was the commuter line from New York to Long Island.

As a matter of fact most of the railroads have been going down the economic grade every year because Japan is cutting their freight. Traffic on the lines dropped sharply in 1957, and it continues to drop this year. The cold, hard facts are the truck lines, with more and more paved highways, which the autoists help to build, is greatly responsible for the railroad economic deterioration. However, there are other series of reasons causing the trouble and there is no single answer.

The American Association of Railroads, here in the Nation's Capital, has been telling Congress for a long time that the railroads were in trouble. They told them that competition with subsidized transportation has been the cause of the subsidiaries that waters, air lines and the highways have been getting through Federal grants, some railroad officials contend that Congress should provide them with certain tax credits and benefits.

The Interstate Commerce Commission was created in 1887 to regulate the railroads. Subsequently, the theory of regulation was extended to airlines, interstate truck lines and some other modes of transportation. Today practically the entire field of transportation is under government regulation of some type. It could very well be that government regulation and government red tape have been a deterrent to the railroads.

Byrd and Baruch

People in government as well as economists everywhere will be interested in the hearings that will begin next week (April 1) on the financial condition of the United States. The hearings will be conducted by one of the most respected men in Congress, Senator Byrd. Chairman of the Senate Finance Committee, Senator Byrd, adviser of Presidents, will be the first witness.

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Crux of the Problem

Next to Chicago the St. Louis East St. Louis district is the foremost railway center in the Nation. Prior to the current decline, more than 52,000 persons in the eastern half of Missouri and Southern Illinois were employed. Because of the great importance to that region, the "St. Louis Globe-Democrat" has published a series of thought-provoking articles on "What's Wrecking the Railroads?" Two members of the staff experienced in the field of transportation, published the series after interviewing railroad and union officials and government officials in Washington and other cities.

In a nutshell the railroads are in trouble, the articles pointed out, because they do not have sufficient volume of freight or passenger business to support an industry that must have mass volume to prosper. They are a mass production industry because of two related characteristics. One is the high percentage of their costs that fixed costs (tracks, stations, etc.) that do not fluctuate much with the rise and fall of traffic and earning. The other is that additional cars can be hooked onto trains with very little additional costs.

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