EDITORIAL

As We See It

"I return herewith, without my approval, Senate Joint Resolution 162. I have given earnest consideration to the many representations made me both for and against it. It is my judgment that to approve this resolution would be ill-advised, from the standpoint both of the nation and of our farm families as well."

"Specifically, the resolution would have such consequences as these:

"(1) It would pile up more farm products in government warehouses.

"(2) It would restrict the growth of markets.

"(3) It would postpone the day when agriculture can be released from the straitjacket of controls.

"(4) It would by-pass the problems of the small operator who produces so little for sale that price supports have scant meaning.

"(5) It would hold up the transition to modern parity and would in fact disregard the parity principle.

"(6) It would be unfair to those winter wheat growers who signed up under the 1938 acreage reserve program with the understanding that the price supports which had then been announced would be effective rates."

These are the opening sentences in the President's message vetoing the political plan to freeze farm price supports in this, an election year. We find ourselves unable to endorse all of the President's reasoning, but there is no question that this action required great political courage, notableward. Continued on page 32.

The Pace of the 1958 Business Recovery

By DR. GORDON W. MCKINLEY

Director of Economic and Investment Research

Prudential Insurance Company of America

Prudential economist avers intelligent action by Federal Government can make this recession's duration shorter than its two predecessors and achieve a fourth quarter G. N. P. at annual rate of $447 billion. Dr. McKinley concludes, however, that this good increase over present level still would leave unemployment above normal. Expects declining corporate demand for long-term capital and rising governmental financing leaving total demand at its present level for the year; sees possible fractional short-term interest rate decline, but long-term rates at year-end at present level; and doubts future years will present as attractive borrowing terms as now.

I want to discuss five questions: First, what caused the present business recession? Second, what has happened thus far in the recession? Third, what is likely to happen to business during the remainder of 1958? Fourth, when are we able to look back upon this recession; and compare it to the mild recessions of 1949 and 1954, will it prove to be more severe or less severe than these previous business dips? Fifth, what is likely to happen in the money and capital markets during the remainder of 1958?

By Gordon W. McKinley

Railroads Must Consolidate

In Order to Survive

By JOHN W. BARRIGER

President, Pittsburgh & Lake Erie Railroad Company

New York Central System

Head of Pittsburgh & Lake Erie Railroad explains why consolidation, and not coordination, is so urgently necessary if the industry is to survive. Mr. Barriger recommends reducing 132 primary railroads to 29, or less, as the way to achieve an end of $1 billion "needed to preserve not only the physical and financial integrity of the . . . industry, but also to pay for its rapid modernization." Points out that this solution is a generation old, and requires departure from the coordination provisions of the Emergency Transportation Act of 1933 and returning to objective motivating the consolidation provisions of the Transportation Act of 1920.

The railroad industry is in a critical condition due to financial and economic pressures brought on by overcapitalization. Increased use of joint facility arrangements and joint services as a means for making substantial reductions in operating expenses has much to commend it in this emergency. It may be effected quickly, it obviates the curtailing of both service and maintenance standards, and does not require large capital investment.

Some of the elder members of the American Railway Engineering Association favor the consolidation mandate of the Transportation Act of 1920. However, so many obstacles were placed in the way of railroad consolidation after 1920 that comparatively little was accomplished, and, in the response to repeated requests of the Interstate Commerce Commission, the requirements of the Transportation Act were dropped.

Continued on page 32.
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JOHN R. BOLAND
President R. R. Boland & Co.
New York City

Cinerama Productions Corp.

Foreword
Dec. 20th, 1953—Jan. 18th, 1958 may prove to be amongst the most important “margins” in the development of Cinerama and the start of its real expansion the world over. On these days the new and adjoining partnership contract between Cinerama Productions Corp. and the newly organized Stanley Warner Cinerama Corporation set a whole new standard. Nearly signed was the new contract with Cinerama, Inc. was consummated. This is a step forward for Cinerama.

Highlights of New Agreements
The new contract provides Cinerama with the right to accept or reject any new agreement or franchise in the United States and Canada. In the case of acceptance, 50% of the cost is charged to the United States for the whole of the United States and Canada, and the net profit basis is 40% to Canada, 40% to the United States. Since the Stanley Warner Cinerama Corporation is wholly owned subsidiary of the parent company, these terms of the agreement were outlined in the Cinerama Productions contract, and the whole of the financial arrangements are satisfactory.

In their opinion, all charges of the equipment and opening of the theatres is borne by the Stanley Warner Cinerama Corporation. However, Cinerama Productions Corp. then realize a 50% of the profits of the theatre after case of installation of new equipment.

The 50% production fee for Proteus was advanced by Stanley Warner Cinerama Corporation according to the contract. Production of Cinerama has been drastically reduced to a fixed charge per picture, and Stanley Warner acquired and repossessed a retroactive “Seven Wonders Of The World” and “Search For Paradise” effecting a saving in the aggregate of over $25,000,000, 50% of which would otherwise have been charged against the Cinerama Corporation.

During the showing of “Search For Paradise,” the new agreement provides for the first time a net profit basis of $25,000,000 50% charged on the agreement. This basis is set to last for 14 years, after which the Pictures are to be returned to the Cinerama Corporation.

The profit is increased, and the net profit is reduced to 50% charged on the agreement. In this way, the new contract with Cinerama, Inc. was consummated. This is a step forward for Cinerama.

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JOHN R. BOLAND
President R. R. Boland & Co.
New York City

Cinerama Productions Corp.

royalty or rental basis was changed and Cinerama, Inc. now receives 5% of the gross box office receipts instead of 10% of the gross or rentals on equipment. The partnership, Stanley Warner Cinerama Productions Corp., reorganized the exclusive franchise for the production and exhibition of Cinerama and all future production, in the form of continuing series of major motion pictures, on a non-exclusive basis.

In the absence of relinquishing the exclusive franchise to make and produce new motion pictures throughout the world, CINERAMA, at long last, has been put on a basis that Cinerama, Inc. can make new pictures. This competitive basis is also a factor in the new agreement, since Stanley Warner is exemplified by the fact that Stanley Warner purchases (b) 50% of equipment for expanding the theatre chain abroad and has taken options on both new and additional sets of equipment for opening of additional theatres throughout the American continent. With the new production, “Cinerama-South Pacific” nearing completion, negotiations on an outstanding musical production, if not a new production per se, are on the American horizon.

Cinerama Productions Corp.

Since Aug. 13, 1953, Cinerama Productions Corp. has been expanding the exhibition chain abroad at the rate of 1000 per cent, and at the time that the company began with almost $3,000,000 in capital and $10,000,000 in working capital. The company is well on its way.

At that time the company developed a world wide,Cinerama exhibition through the production of outstanding Cinerama pictures. Each of these pictures has paid for its production. The pictures are: “Cinerama South Pacific,” “Wonders of the World” and “The Search For Paradise.”

On the first quarter of the current year, ended Jan. 31, 1958, the result of the corporation amounted to $257,000 or 23 cents per share, of which $125,000 was paid for dividends. The result was probably significant when compared with past surpluses for 40 dividends. The profit of the corporation amounted to $257,000 or 23 cents per share, or at the rate of slightly under 1% the annual earnings of the corporation for the current fiscal year has been approximately $2,000,000.

Dividends on common stock in 1958 are entirely dependent on the amount of earnings which will provide dividends per share. The dividend on the common stock is $257,000 or 23 cents per share, which will provide dividends per share.

The Joy “Continuous Miner” has made many innovations in mining whereby produc-

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JOHN B. WINKLER
President

This Week’s Formulas and Their Selections
Cinerama Productions Corp.—John R. Boland, President, John R. Boland & Co., New York City, (Page 2)

JOY MANUFACTURING CO.—Rob. R. Boland, Partner, Bernard Winkler & Co., New York City. (Page 2)

RECOMMENDATION
The continuing success of Cinerama Productions Corp. on a limited basis has been displayed by the production and exhibition of the pictures. With the present expansion plans and the opening of new production lines now in the making and planning stages, the opening of new theatres and the opening of the new production line, the outlook for the long pull is most promising and, in my opinion, the stock is an outstanding speculation for appreciation.

Being a member of Cinerama Productions Corp., it should be clear that the options expressed herein are solely opinion and are not representations that such opinions are those of any other members of the management or Board of Directors.

ROBIN L. WINKLER
Partner, Bernard Winkler & Co.

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N. Q. B.
OVER-THE-COUNTER 
INDUSTRIAL STOCK INDEX
19-Year Performance of 35 Industrial Stocks

(Continued on page 44)
An Open Letter to Congress
By NEIL CAROTHERS

Dean Carothers, in no uncertain terms, assures Congress bears a culmination responsibility for causing recession and hindering recovery—by legislating labor anarchy and spending astronomical sums on non-defense purposes, and challenges Congress to "start recovery in six by taking his two recommended steps. The Dean Emeritus of Lehigh University depicts Congress' tax-cut proposals as a "shameful betrayal" of the voters" and describes other proposed cures. Author points out unions exist most strongly in "areas in which unemployment is greatest [and] depression is deepest"; denies workers cannot get fair wages except by force; and recalls last October's prediction which came true a trifle sooner than expected.

The Congress of the U. S.

Dear Sirs:

On Oct. 16 last the Commercial & Financial Chronicle published "An Open Letter to the President" which I had written. This letter had one purpose. That was to call the attention of the President to the ruinous effects of unbridled wage increases in the basic industries of this country. In the "the "Open Letter" there were set down the truths about forced wage increases, showing how they injure the entire economy, including the basic industries. In this letter to you [members of Congress] these truths can only be listed, without the extensive statistical data used in the previous "Open Letter." Here are they:

Lists Economic Truths:

1. Under free enterprise wages are automatically set to the contribution of the worker to production.

2. This automatic setting of wage rates results in the highest possible degree of production, employment, and wages the fairest possible division of the national income.

3. When enterprise is free, neither employers nor wage earners can control these fair and proper wages based on the value of the work produced.

4. Wages can be artificially raised without reference to productivity by legislation or by force. The chief instrument of force being the strike, when it is a legally licensed destruction of property, production, and employment designed to force helplessness to surrender.

5. Forced wage increases reduce total production and total wealth, destroy the balance between production and consumption, cause a minority of workers uneared wages at the expense of lower-paid workers, and create a wage-price spiral of inflation.

Rationalization of Strikes

It is not the purpose of this letter to discuss the excuses that are offered in defense of wage increases obtained by force. The chief ones are as follows:

(a) That there is a right to strike.

(b) That workers cannot get fair wages except by force.

(c) That it is justifiable to force wage increases if the employer is making profits.

(d) That unions have raised the wage levels of workers.

Every one of these propagandist excuses is woolly and probably false. You, the Congress, have legislated labor anarchy and spending astronomical sums on non-defense purposes, and challenges Congress to "start recovery in six by taking his two recommended steps. The Dean Emeritus of Lehigh University depicts Congress' tax-cut proposals as a "shameful betrayal" of the voters" and describes other proposed cures. Author points out unions exist most strongly in "areas in which unemployment is greatest [and] depression is deepest"; denies workers cannot get fair wages except by force; and recalls last October's prediction which came true a trifle sooner than expected.

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By DE. IRA U. COBBAGE
Enterprise Economist

Providing some evaluation of the common stock of this diverse enterprise primarily as a speculation in steel, aluminum and cement.

Anyone who ever stepped on the teeth of a dog, not as a result, promptly whacked on the head by the handle, under
stands the principle of leverage. Nowadays, somewhat similar principles apply to folks who bought Kaiser Industries' highly leveraged common stock at 17½ (its high for the past two years) and still own it at the day's price of 8½. Leverage is not exactly a respected thing but it surely is a two-edged sword. And with these alone horizons we launch upon our topic for today, Kaiser Industries Corporation. The sale of common stock, which acquires its market and earnings' leverage by virtue of being at the holding or pointed end of an inverted pyramid representing roughly $500 million of debt and preferred stock lying ahead, in respect to leverage never has been so good!

Wherever the name of Kaiser has appeared on our industrial scene, it has been associated with aluminum. The Kaiser shipyards in World War II sprang from the leading producing capacity of vessels. Equally, the corporate components of Kaiser Industries have long a way, fast. Let's look at them one at a time, in the order of their magnitude.

First, aluminum. The postwar demand for this has been terrific, and aluminum and Chemical moved swiftly from zero into the top 50 rank in terms of production. Of total annual production capacity in the United States, the Kaiser share stands at 3.8 million tons, now accounts for about 28% (460,000) of a total and by the end of the year should attain a capacity of 600,000. Kaiser and Aluminum Industries in this affiliate run to about 45% through ownership of 500,000 and 8½ million aluminum common shares. At 24 (down from its 1966 high of 70) this holding has a market value of about $100 million.

What are the prospects in this, the largest single investment of KIC? Obviously, although aluminum has been widely tagged as a "growth" industry, some of the buying enthusiasm. Marketwise, earning-wise, price -wise (the record is that of 1965 when for the first time in 15 years) and because of substantial declines in the industry in relation to visible current demand, rampant bullishness about aluminum does seem warranted. Over the long run, however, most analysts consider its prospects favorable because of (1) new and expanded civilian uses in motor cars, structures, transportations, and (2) increasing competitive inroads on other metals especially steel and copper (the present price dips may help this). Nineteen hundred and fifty-eight million pounds of Kaiser Aluminum dipped from $27.2 in 1956 to $15.9 a share in 1957; they can move rapidly forward again, when and if a more vigorous demand materializes. This is the industry of rich companies and aggressive managers and annual earnings are "no -weak sisters" or marginal producers.

The second major asset in the KIC holding company echelon is railroad equipment. Kaiser Steel. Here is another energetic penetration into a growing industry, in this instance on the West Coast, where Kaiser has an ideal position to supply with a sizable percentage being brought in from the East. Exports adding substantially to delivered prices. Before this year is out, Kaiser Steel will have expanded its plant capacity of 1,500,000 tons by over 100%. Nineteen hundred fifty-seven earnings, by the way, were $3.91 a share. Two years ago, new machinery and extended facilities, per share net might well move to 9 or more this year. The KIC earnings in the Over-The-Court district are 15.4% by the textiles; and 13.2% by the airlines, among 20 groups working higher during the same period.

Divergence carried through to the earnings demonstrate it has been calculated by Hentz & Co., the following declines exemplify such performance mild the general rise.—Kong-Seeley 25%; Chicago 20%; Foster Wheeler 15%; Goodyear 11%; General Tire 10%. On the other side of the middle range only 3½% registered were—Minute Maid 76%; Lorilard 38%; Rebuilt 38%; Everhard 38%

Sears Roebuck; Kaiser Engineers, Inc., have been of the major picture action of recently appearing to feature at least selected subject as well. "Investor" rating is by the professional KI, we come to its "selected stocks" stock, a very high selling price, almost a full price. Income from dividends and operations in 1958 was $4 a share on K1. The most recent dividend, 5½, was paid in the common share in undistributed profit in the current year. Stock was sold a little over $100 a share at 41. Next year's dividend is now expected to be about 8%.

Most of the issues selected for the focus purposes for the instant appear to be on the rise. That is not quite the case with Kaiser Steel, underwritten by the Aluminum Corporation of America. Kaiser Steel's price rose in 1957 and in the same year was bought by Kaiser Aluminum. Its aluminum was receded from $17.2 to $13.5, while the Permanente Cement earnings received by the already existing group of purchases. This liability comes from the usual difficulties in the situation, which has been enlarged into practically all situations over the year, on which the new investor must pay the capital gains tax of 48.4%. Such or poor factor into the indicated asset valuation must be brought to the buyer into a new fund.

Open- vs-Closed End—By reason of the ownership of the New Willam Street open-end fund by the Kaiser Industries Corporation, which has managed the long-existing closed-end second fund, the Kaiser Corp is the essential characteristic of the point of difference between the closed-end and open-end funds, the decisions and techniques are highlighted. As it is the case with an open-end fund will continue itself to readily marketable securities, the Kaiser Industries Corporation, which has established the closed-end Lehamann Corporation, its portfolio will continue to include "developmental long-term capital investments." Also included in the "fish-bowl" scrutiny which ensues from the continuing product development and promotion of the closed-end, not more the direct pecuniary keeping, the managers will be running the portfolio of One Wilmut and are not "fishy," safely, and otherwise popularly, it is all a "well -run" fund, in administering the fixedly capitalized Lehamann Corporation. What is important in this portfolio is a usual market capital, but it is important because called " safe," in order to which open-end management are necessarily subjected.

Discount-Financial Implications—While the above remarks are vital, the dual operation are vital aspects of the differences in the market the price of KIC is the above-mentioned fact in the case of the present price when the stock is below the net asset value in the case of the present price when the stock is below the net asset value in the case of the present price.
Preliminary figures on retail trade for the country as a whole tend to show that the Easter sales were not as high as expected and that March sales volume was 3% below that of a similar week a year ago.

This week the United States Department of Labor released its report on the nation's employment situation and, in keeping with expectations, showed March's jobless rate climbing a bit as it showed that despite it in the number of jobless total employment in March of this year grew 1% since the downward trend in jobs made itself felt in the latter part of last year.

Employment rose to 62,311,000. Up 328,000 from a month earlier. Although March's unemployment rate figure was the highest March employment on record, unemployment at mid-March stood at 15,000. This was 25,000 above the mid-February level and reflected by far the smallest month-to-month rise since the jobless began increasing last November. From October through January, unemployment showed an average monthly rise of 670,000.

Most of the contract work in employment, as compared with a 10% rise in manufacturing, was in nonresidential building, a sector of the country's retail volume and the ability of the consumer to liquidate debt depend on whether the current recovery is in itself, a very good period, in which case the country's growth and bright.

For the month of February alone, consumers' installment debt fell more than seasonally, according to the Federal Reserve Board, with non-durable goods and automobiles and other durable goods. The decline during the February month was 15,000,000,000, compared with a 1.5 billion dollar decrease in the comparable February periods. At February's installment debt outstanding at the end of February exceeded that of the comparable period by about 3%.

The auto industry handed steel mills an extra big helping of bad news this week. Detroit has hit the steel mill by orders for January when the country bought 60 billion tons steel month to week, it is estimated only four million tons is more than a few months, or one million tons less than it is using. Market research shows no apparent increase on dates of steel in inventory, but they are steady sales for the balance of the 1957 model year.

Mr. Brown states that the steel companies can expect little help from Detroit toward the current recovery, with what he described as a "fossil current stock" before August or September. At that time, the buyers are thinking about steel for the recovery and new construction. While not unexpected, the news from Detroit blasted hopes that the purchase orders might be the result of a possible strike over new labor contract demand. A present, the companies figure that current steel inventories are enough to last for the first quarter of next year.

The national steel working group has, in the past, expressed concern that the recovery is not showing in the steel market, and that steel mills will have to look to the lightweight industries to help stimulate demand. The industry pointed out that the slowdown in a steel mill is such an expensive proposition that its probable duration must be long enough to justify the cost.

Steel men, this trade weekly continues, arei looking up for themselves. With the think that the market cannot be more than it is. But the fact is that no one is quite sure that the boom has ended. A steel mill is still about 15,000,000 tons, inventory liquidation has been the biggest factor.

In the month of February, the steel mills had been able to turn out nearly one million tons of steel month to week, there is no real evidence that an uptrend is in the making.

The "Iron Age" declared that the steel mills are still plagued by the inventory cutbacks of their customers. It is estimated the steel market is still taking five million tons per month, or one million tons less than it is using. Market research shows no apparent increase on dates of steel in inventory, but they are steady sales for the balance of the 1957 model year.

California investment banker points out investment value and opportunities of his state's municipal bonds in reviewing: problems facing the state, how crises have been met in the past, and how they will be met in the future.

Mr. Brown delineates various sources and kinds of bonds; expresses confidence in future; ability to most existing and successful state obligations; believes county bonds offer one of the most conservative and stable investments for the investor; and expects more revenue bond issues now that a legal interpretation matter has been cleared up. Regarding floods and other catastrophic natural phenomena, author sees careful policies pursued minim.

California financial man.

California was ceded to the United States by the Treaty of Guadalupe-Hidalgo, Feb. 2, 1848, following the Mexican War. Historically, there had been a new Spanish under the Viceroys of Mexico, was the first to claim the land andalus. liberating this 1849, but was subsequently admitted to the Union as the 31st State of the United States.

Thus, an area that had been part of the Spanish Empire, which has been known, populated at one time by American Indians, invaded by Spanish Conquistadors, followed by Jesuit and Franciscan missionaries visited by English and Russian traders and explorers, it is "the Forty Niners" and "the Forty Niners". The histories of California and how they have been interpreted.

The California state is a land rich in natural resources, but its history has also been marked by economic problems, such as the Great Depression and the 1990s recession. The state has a long history of political and social issues, including the Grange movement in the 1800s, the Populist movement in the late 1800s, and the struggle for women's suffrage in the early 1900s.

In the late 1900s, the state experienced rapid growth and development, with the discovery of oil in the 1930s and the growth of the technology industry in the 1970s. California is also known for its cultural influence, with Hollywood's film industry and its impact on music and fashion.

The state has a diverse population, with a large Hispanic community and significant Asian and African American populations. The state has also been a leader in civil rights movements, with the passage of anti-discrimination laws and the fight for equal rights.

California is also known for its political dynamics, with a strong tradition of progressive politics and a reputation for being a "blue" state in national elections. The state has been a leader in environmental policy, with a strong commitment to renewable energy and sustainability.

The state also has a unique legal system, with a strong tradition of public interest law and a reputation for innovative legal thinking.

In conclusion, California is a state with a rich history and diverse culture, with a long tradition of political and social change. It continues to be a leader in many areas, including technology, film, and the arts, and it remains a place of innovation and possibility.
The Construction Outlook

By D. D. COUCH

The Federal Reserve Bank of St. Louis

For the first time since December 1955, Mr. Couch states, a year to year comparison of construction activity has not shown a decline in current period. In analyzing the plus and minus signs in the industry's important statistics, he notes that the modest gains overall in construction picture is encouraging providing confidence factor is maintained. Explains why residential housing in 1956 should hold 3% over 1955, industrial increase in 1956 3%, but a 12% increase in hospital; and estimates continuing gains in education, public utility and highway building. Hence general economic and financial leaders to be untroubled, done by conflicting and confusing statements uttered by political leaders.

My first impression upon reviewing my assignment of fore- casters of the progress of our construction industry in 1956 was a feeling of satisfaction knowing that the industry was headed into a new direction and not down a path that was likely to be followed the rest of the year. This feeling of optimism perhaps felt fortunate enough to discuss the outlook for 1956 rather than labor, or consumer prices for 1953.

NOTE: Stock prices, however, had come to a close in the construction industry outlook, I had no definite idea what the percentage of unemployment attitude had changed by then. I knew I could not escape the task, but the period covered the general business outlook in full.

Why? Because the construction industry represents such a potent and powerful factor of our general economy that it cannot, single handedly, lead the country out of the current recession as rapidly as possible in government's ability. More about this later.

To the unblinking effects of recession, influenza, epidemics, election year, a disturbed foreign situation, cold snap, has now been added the depression of a spell of prolonged weather throughout most of the country, which has caused heavy agricultural losses, decreased industrial activity, slowed down construction, and accentuated unemployment. Many of the statistics now being reported for February are reflecting this influence on the weather.

No one expected the January or February business news to be good. This trend of affairs will make the job harder for the chairman of the board would otherwise be. These extraneous influences also add to the complexity of the pattern of the economic situation in the construction industry, indicating the part of retail sales cut by bad weather is only deferred, and that the value of the delays in construction. On the whole, housing starts must be included among the new construction orders, because they fortuitously have been time so as to disturb public sentiment caused by a continually cyclical movement.

First Trend Reversal

The most important fact about construction activity, however, continues to provide the economy with its customary lead indicator. The area of construction expenditures a substantial reduction in 1952 has been by no means an isolated instance. However, there is still a big job left to do. This industry must continue to deal with the new living environment, which is being considered all around the country. Some of the features that might be expected to have a significant effect on the rate of housing starts is the average size of families, the number of children in the household, and the new developments in construction materials and methods. The construction of new homes will reflect these changes, but the rate of housing starts is likely to remain at a relatively low level for some time to come.

The relatively good showing of housing starts in the first quarter of 1956, 1,100,000 units, is, of course, a significant improvement. It is not the result of the prolonged spell of bad weather. The real decline in housing starts is obviously reflected in the monthly figures. For example, month by month, starts were off 1.5% from February 1955.

Of course, starts were up compared to the FHA requirements. FHA starts were up 22% over 1955.

Spring Housing Increase

Spring housing increase is expected to be a big occurrence in the area of VA starts which were off 15% in March and April and experience a considerable increase in new housing starts as a result of the weather-depressed building. In February private commercial construction increased its mild downturn with officer building down more mercantile building and down a little more than a third of total. On the other hand, non-residential, non-business types of construction increased. We should continue to see healthy advance as old public utility activity as a whole.

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From Washington Ahead of the News

By CARLISLE BARGERON

The Administration is hopeful, and not without reason, that the Congress will be less panic-stricken and more amenable to reason when it returns from its Easter recess. Most of the members are scattered to their homes for the purpose of feeling the pulse of their constituents. The Administration believes they will find these constituents far less excited about conditions in the country than the Congressmen themselves have been.

The lack of discontented mail which the Administration has received causes the Administration to believe this. And it is a fact that before they left here the Senators were not receiving much complaining mail. It bewildered some of them. A high placed Senator expressed to me his concern. "Remarkable upon his lack of mail!" he wondered if the voters were passive, not as disturbed as they expected them to be if they had just lost interest in him. This latter is doubtful because this particular Senator was elected in 1900 by the highest majority he had ever received.

There is unquestionably unemployment in the country and prosperity but any now have become obviously weakens in times of economic setbacks. We should brace up off the harnessed which have formed on our business ships and slowed down our profitable growth.

We should solicit and cooperate with union leaders to attain intelligent solutions to such inefficient and costly methods as featherbedding, etc. Happily I have noted that certain construction industry and labor leaders agree with me that there is a meeting of the minds and, both realizing the necessity for a framework toward the elimination of restrictive practices. An intelligent policy on the part of union leaders is extremely important to both business and the laboring man.

Yes, if we all (business, labor and government) keep our wits—if we all realize our responsibilities in times of recession—then we will have secured that most important ingredient necessary to current and future prosperity, namely—CONFIDENCE.

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Lester Gannon With Sherry, Maloney Co.

Lester G. Gannon has become associated with Sherry, Maloney & Co., 100 Wall Street, New York City, as an organizer of the trading department. Mr. Gannon was formerly a managing partner for the Jersey City office of Western Securities Corporation and Anderson, Randolph & Co. Prior thereto he was with Peter Morgan & Co.

Reynolds to Be Officer Of 1st Southeastern

ATLANTA, Ga.—John Cleve-
land Reynolds has become as-
sistant Vice-President of First
Southeastern Company, Trust
Company & Co. At the same
time he has been made a member of the New York Stock Exchange, on April 17.

Bockskopf V. P. of

Semple, Jacobs Co.

CHICAGO, Ill.—Joseph W.
Bockskopf will become Vice-
President of Semple, Jacobs &
Co., Corporation of Stocks, on
April 17.

With Goodbody & Co.

BOSTON, Mass.—William J.
Hewitt, Jr., has become asso-
ciated with Goodbody & Co., 140 Federal Street. He will be formerly with
Harriman & Co. and Schirmer, Atkinson & Co.

Merrill Lynch, Pierce, Fenner & Smith

Kuhn, Loeb & Co.

The First Boston Corporation

Blyth & Co., Inc.

Eastman Dillon, Union Securities & Co.

Glore, Forgan & Co.

Goldman, Sachs & Co.

Harriman Ripley & Co.

Incorporated

Hornblower & Weeks

Kidder, Peabody & Co.

Lehman Brothers

Smith, Barney & Co.

Stone & Webster Securities Corporation

White, Weld & Co.

Dean Witter & Co.
Dealer-Broker Investment Recommendations & Literature

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

**Atomele Energy—Review—Harris, Upham & Co., 120 Broadway, New York 6, N. Y.**


**Business and Securities—Outlook—Shearson, Hammill & Co., 333 W. 57th Street, New York, B. C., Calif.**

**California Bond Finance—Booklet describing California's financial situation and economic conditions in the state—Treasurer's Office, Sacramento, Calif.**

**Coffee Economics—Analysis in current issue of "Latin-American Business Highlights"—Chase Manhattan Bank, 10 Pine Street, New York 15, N. Y.**

**Current Business Cycle & Industry Trends—Analysis in current "Securities Outlook" pamphlet—G. H. Walker & Co., 1 Wall Street, New York 6, N. Y.**

**Favorite Economics—Analysis in container of Over-the-Counter Index market, New York 5, N. Y.**

**Forex—Review—Harris, Upham & Co., 120 Broadway, New York 6, N. Y.**


**Over-the-Counter Index—Folder showing an up-and-down comparison between the listed industrial stocks used in the Dow-Jones Averages and the 50 over-the-counter industrial stocks used in the National Bureau Average, both as to yield and market performance over a 12-year period—Kerr & Amp; Stedman, Inc., 46 Front Street, New York 6, N. Y.**

**Perfities for income or growth—Bache & Co., 26 Wall Street, New York 5, N. Y. Available is a monthly bulletin on Consolidated Foods Corporation.**

**Public Utilities Stocks—Comparative figures—G. A. Saxon & Co., 52 Wall Street, New York 5, N. Y.**

**San Diego Business & Investment—Investment Ideas—Investment Ideas to Investors, address to Irvine W. Reynolds, Union-Trino Publishing Company, San Diego, Calif.**

**Telephone Service—Reference to Columbia Broadcasting System and Zenith Radio Corporation—H. T. Smith & Company.**

**Worldwide Television—Discussion in April issue of "The Exchange"—New York 5, N. Y.—Available is a memorandum on Missouri Kansas Texas Railroad.**

**Securities Salesman's Corner**

**Nasd Policies Need Revision**

By JOHN DUTTON

An objective study of present day costs of operating a small or medium firm to a point where they can show a healthy growth and have funds available for expansion. Today many investment firms throughout the country in company with others of similar size are mounting month by month and the problem is here.

The Exchange has Raised Commissions Many Times Over The Years

It is a different situation that exists in respect to the commission paid to brokers. As compared to those charged by some New York Stock Exchange member firms in 1928. Here is a factual record of the way the members of the Exchange have handled the matter of increased costs and expenses of doing business by realistically increased rates, etc. It may be news to many but here is the record:

Year Increase
1953 11% 1942 20
1952 10 1938 13
1951 9

These increases in commission rates have enabled member firms to continue their rapid growth and even increase their services to the invest

For financial institutions

*Currently Popular Cement Stocks*

**Allentown Portland Cement Company***

*American Cement***

**American Marietta***

**Giant Portland Cement***

**Lake Ontario Portland Cement***

**Permanente Cement***

**Bought Sold**

**Troster, Singer & Co.***

Members New York Security Dealers Association

47 Trinity Place, New York 6, N. Y.

**1420 Broker**

**Tel. 963-3738**
A British Plan to Fight Depression

By PAUL EINZIG

Dr. Einzig recommends British Prime Minister Macmillan make perfectly clear there’s no intent to obtain American financial aid in recent proposal designed to aid raw material producing countries of producing difficulties arising from fall in raw material prices. Writer defends stand Britain should not participate in such aid on the grounds that, one, it would be unjustified; two, it would encourage excessive labor-wage demands; and, three, it would not lessen Labor Party’s chances for a victory at the next general election.

LONDON, England—The recent Washington visit of two British senators, Sir Lawler Beresford and Sir Robert Hall, gave rise to reports that Britain was sounding official American application as circles about the possibility of a large-scale loan to re-increase the British gold reserve. It is now rumored that while the visit was said to have been made to study the situation with a view to a much broader international financial plan. This outline was indicated in a speech by Mr. Macmillan on March 31st, in which he said that his Government, in making its policy, must take the position that a monetary policy necessary to prevent a slump, and when such measures should become necessary, but there were limits to what Britain could do by itself, and regard must be paid to what Britain’s reserves would be. He added that collective security measures were called for in the economic as well as military field, because a slump would provide an opportunity for Communist pressure. He and influence.

"A steady growth and reasonable stability in the trade of the free world are absolute necessities if the free world were to stand," he continued. "We should not secure them unless we were to attempt to shift the available mechanism of international cooperation. Organizations like the G.O.E.C., the International Monetary Fund, and the International Bank for Reconstruction and Development must be used."

So far so good. Mr. Macmillan’s words were undoubtedly wise, and his advice sound. If the resources of the two Bretton Woods institutions were greatly increased and mobilized in order to assist raw material producing countries to overcome difficulties arising from the fall in raw material prices, there would be everything to commend such an action. But there could be no justification for an increase in the British gold and dollar resources in support of sterling under the disguise of a gigantic international transaction. Thirteen years after the end of the war in Europe Britain could and did maintain sterling without further American aid. Since the amount which the United States may be willing to contribute towards any international measure is so well limited, it is essential that all of it should be made available to countries which need much more than Britain.

Wants Clear Statement

Britain’s position in the negotiations in connection with Mr. Macmillan’s scheme would be incomparably stronger if the Government made it perfectly clear here and now that Britain would not want to use any part of the proposed dollar facilities for the purpose of strengthening her own gold reserve. Such a declaration could be made much more convincingly if at the same time Britain were to repay all dollar credits and cancel all dollar facilities arranged in 1936 and 1937. Since the balance of payments has a surplus such facilities are not really needed. Their original object was to meet speculative attacks against sterling. But if the domestic economic situation in Britain is as sound as is sought to be conveyed by recent official publications there is no cause for speculators to attack sterling. With the recent increase in the gold reserve, the cancellation of all credit facilities would be feasible. It would be regarded as a sign of strength.

There is no smoke without fire. Speculators attacked sterling last summer not for their private amusement but because, quite rightly, they took a very pessimistic view about the effect of the inflationary increases of wages. If it should be possible to stop that spiral, speculators would have no reason for worrying about sterling at any rate not until the next general election which is still far away.

The recent outbreak of official optimism in Ministerial statements and Treasury publications is not likely to make it easier to hold down excessive wage demands. Until quite recently, official spokesmen and publications stated that new taxes would threaten Britain if wage inflation were to continue. Now they stress price stability during the last few months, the increase of personal savings in Britain and British output, etc. The facts and figures remain the same, but their interpretation has subtly changed. If the latest official interpretation of the situation is correct, speculators have no reason for continued attack. In that case sterling would hold its own without any American support.

Would Encourage Higher Wages

Unfortunately it seems likely that the manifestation of official optimism will encourage the trade unions to hold out for higher wages. The change of official emphasis from urging resistance to inflation to foreshadowing measures against deflation is likely to produce precisely the opposite effect, in spite of lip-service paid to the need for holding out against inflation just a little longer.

Above all, if the ill-advised change of official policy in America is followed by the conclusion of arrangements for a powerful reinforcement of the resources, trade unions would derive the utmost encouragement for pressing forward with their excessive wage demands.

Moreover, there is yet another aspect to this matter. At present the odds are strongly in favor of the Labour Party winning the next general election. The majority of the British electorate would be their fear that a Socialist Government would mean a major financial crisis through a fall from the pound necessitating the re-instatement of wartime controls in time of peace. But if the Conservative Government were to arrange a large dollar loan for the proceeds of which would be used for inflation and nationalization under the protective shelter of the large gold reserve resulting from American financial aid.

Unreasonable Request

It would not be unreasonable to expect the American taxpayer to finance an increased American contribution to the resources of the International Monetary Fund for the purpose of assisting the material difficulties of countries, embarrassed by the fall in prices. But it would be most unreasonable to expect American dollars to finance for a devaluation of the British pound and for inflation in Britain, even it is asked to do so by an anti-Socialist Government which ought to know better.

Vincent Cioffi With

Wilson Johnson & Higgins

San Francisco, Calif.

Vincent Cioffi has become associated with Wilson, Johnson & Higgins, 300 Montgomery Street, Incorporated, members of the Pacific Coast Stock Exchange. Mr. Cioffi was formerly with Morgan & Co. in Los Angeles and prior thereto was Dollar Mona Manager for Evans, MacCormack & Co. In the past he was in the investment business in Florida and New York City.

Price 100% and Accrued Interest

Copies of the Prospectus may be obtained in any State from only such of the undersigned as may legally offer these Debentures in compliance with the securities laws of such State.

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KUHN, LOEB & CO.  THE FIRST BOSTON CORPORATION  BLYTH & CO., INC.
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STONE & WEBSTER SECURITIES CORPORATION  WHITE, WELD & CO.
DEAN WITTER & CO.

April 9, 1958.
Seattle Security Traders Association: Homer J. Bateman, Pacific Coast Exchange, Terminal Box 5080, Seattle 24, Wash.


Security Traders Association of Portland, Ore.: Dan V. Bailey, Foster & Marshall, Southwest Sixth Avenue at Oak Street, Portland 7, Ore.

Security Traders Club of St. Louis: W. Jack Weckmann, Stiefel, Nicolaus & Company, Incorporated, 314 North Broadway, St. Louis 2, Mo.

The Securities Dealers of the Carolinas: Logan V. Pratt, R. S. Dickson & Co., Wilder Building, Charlotte 2, N. C.


INVESTMENT TRADERS ASSOCIATION
The Investment Traders Association of Philadelphia will hold their annual outing on Friday, June 20, 1958, at the Overbrook Country Club, Radnor Twp., Pa.

BALTIMORE SECURITY TRADERS ASSOCIATION
The Baltimore Security Traders Association will hold their 23rd Annual Spring Outing on Friday, May 16, 1958, at the Country Club of Maryland.

NASHVILLE SECURITY TRADERS ASSOCIATION
The Nashville Security Traders Association will hold its annual outing and outing May 22nd and 23rd. A dinner at the Hillwood Club May 22nd will precede the outing which will be held 32nd at the Belle Meade Country Club.

STANY VS. ITA OF PHILADELPHIA
The annual bowling tournament between the Security Traders Association of New York and the Investment Traders Association of Philadelphia will be held April 24 at City Hall Bowling Center, 22 Park Row, New York City. There will be a dinner following the tournament at the Williams Club, 310 South 23rd Street, New York City, at 9 p.m. Tariff is $8.50 per person. Reservations should be made with Sidney Jacobs, Sidney Jacobs Co., New York City.

A "Terrible Error," But...

"With unemployment gone, we are seeking to prevent a repetition of our terrible error of 1930. Using the jobless as the pretext, we then raised tariffs to unprecedented heights. This increased unemployment here and abroad. It provoked universal retaliation against us. It retarded world recovery from the Great Depression. Some authorities hold that the ratification of the Smoot-Hawley Tariff Act was a turning point in world history. The League of Nations survey of 1932 pointed out the part it played in deepening the depression and bringing on that world crisis. Our relations with every nation now suffer from the "smoke of war." "Nor is this all. It fostered the fatal drive toward self-containment that brought on the catastrophic political changes in Italy, Germany and Japan, which precipitated the Second World War. "It is no easy matter to make trade policy. For now, more perhaps than in the 1930's, it is clear that trade policy is foreign policy." — Adlai E. Stevenson.

The Smoot-Hawley Tariff was a "terrible error." Of that there can be no doubt. It is also "no easy matter to make trade policy" — and certainly no easy matter to gain full support for good trade policy. The laws and decisions of which is now being demanded by Mr. Stevenson and others, often tries to let us eat our cake and have it, too. Tariff and tariff laws are as controversial as ever—more's the pity.

COMING EVENTS
April 11, 1958 (Toronto, Canada) Annual Bond Traders Association national dinner at the King Edward Hotel.
April 22-25, 1958 (Houston, Texas) Texas Group Investment Bankers Association, joint meeting at the Shamrock Hilton Hotel.
May 1 & 2, 1958 (St. Louis, Mo.) Pittsburgh Municipal Dealers Group annual Spring Party.
May 12-15, 1958 (Cleveland, Ohio) Association of Stock Exchange Firms Board of Governors meeting at Statler Hotel.
June 9-12, 1958 (Canada) Investment Dealers' Association of Canada annual convention at Manoir Richelieu, Murray Bay, Quebec.
June 17, 1958 (New York City) Municipal Bond Club of New York 25th annual dinner at the Westchester Country Club, Rye, N. Y.
June 19, 1958 (Minneapolis-St. Paul, Minn.) Twin City Bond Club annual summer outing at Overlook Country Club, White Bear Yacht Club, White Bear Lake, Minn.
June 27, 1958 (New York City) Investment Bankers Association of New York outing at Sleepy Hollow Country Club, Scarborough on the Hudson, N. Y.
Sept. 18-19, 1958 (Cincinnati, Ohio) Municipal Bond Dealers Group annual outing — cocktail and dinner party Thursday at Queen City Country Club; July, Friday at Maketawah Country Club.
Oct. 6-7, 1958 (Boston, Mass.) Associated Stock Exchange Firms Board of Governors meeting at Somerset Hotel.
Nov. 10-12, 1958 (Miami Beach, Fla.) National Security Traders Association annual convention at the Americana Hotel.
Nov. 5-7, 1959 (Boca Raton, Fla.) National Security Traders Association Annual Convention at the Boca Raton Club.

Birkemeyer Addys
(Special to THE COMMERCIAL AND FINANCIAL CHRONICLE)
By James H. Gordon
James H. Gordon has been added to the staff of Birkemeyer & Co., 73-75 South LaSalle Street, Chicago 3, Ill.

C. M. Hathaway Addys
DENVER, Colo.—Rhinehardt F. Retherford is now with C. M. Hathaway Company, 1575 Sherman.
Utility Common Stocks as An Aggressive Investment

By Frederick W. Page

Vice-President, First National Bank of New York

This article was published in the Commercial and Financial Chronicle, Volume 117, Number 5712, page 1067 (1937). The entire article can be found on JSTOR or in historical archives.

The article discusses the investment strategy for utility common stocks, emphasizing their defensive nature and potential for growth during inflationary periods. It highlights the importance of diversifying investments in these stocks, which are often overlooked by investors. The article also explores the relationship between utility stock prices and economic indicators, such as the Consumer Price Index (CPI).

Key points from the article:

1. Utility common stocks are often considered defensive investments, providing stability and income during economic downturns.
2. These stocks are less volatile than other equity sectors, making them a good choice for investors seeking to preserve capital.
3. Utility stocks can offer strong dividend yields and potential for capital gains, especially during periods of inflation.
4. The article suggests that utility stocks are undervalued compared to other asset classes, offering a good buying opportunity.
5. Diversification is key to managing risk and maximizing returns in a utility stock portfolio.

The article concludes with a call to action for investors to reconsider their utility stock holdings and to consider these assets as a vital part of a well-rounded investment strategy.
Overcoming Pricing Problems

Confronting Buyers and Sellers

By C. F. OGDEN
Vice-President, The Detroit Edison Co., Detroit, Mich.

Detroit utility offer terms "paradoxical" the fact that consumer price indices remain up while employment and personal incomes are down. Mr. Ogden reminds that though it is a seller at one end of the production line and a buyer at the other, we are all deeply interested in protecting the market. Advises buying realistically and competitively, and outlines basic schemes offering to buyers and sellers.

Risk is inherent in business. We do not always control that risk is eliminated. Without an element of risk there would be no challenge to our imagination, initiative, and ingenuity.

From the present to our buyer's pricing policies, by which we may unduly risk of cost changes during the production cycle can only be controlled through the time-at which time is paid-and item's time, there is a very formidable problem for both buyer and seller.

(1) We are in an inflationary cycle.
(2) Costs are not controlled within the limits of the original quotation.

The element that sellers fear most is the inflationary factor. During the last few years we have gone through 24 cycles of manufacturing and business layoffs. While the layoffs have been largely due to falling commodity prices, the over-all price movement has been upward.

Gainers and Losers

The question of whether or not inflation is contributing most to the dangerous affluence has been the subject of much debate. It is interesting to note, however, that according to those people who have benefited most from inflation are business executives, professional writers, the clergy, etc., and union labor. Those who have been the recipients of unprofitable campaigns, teachers, and farmers. It is easy to see how much profit is due to their suppliers. Likewise, no seller wants to price himself out of the market. When long-term commitments are made in a period of rising prices, most buyers agree that the seller is entitled to some form of reasonable protection. The problem becomes one of finding a pricing method that is fair to both buyer and seller and still maintains the maximum emphasis on incentive and quality. It is interesting to note, however, that according to those who have benefited most from inflation are business executives, professional writers, the clergy, etc., and union labor. Those who have been the recipients of unprofitable campaigns, teachers, and farmers.

Protection Against Cost Increases

Here are some of the tools that can be used to protect against cost increases:

1. Price in effect at time of shipment has been a popular choice.

In this system the seller quotes a price at the time the order is placed. The buyer knows that the actual billing price will be adjusted to the seller's published price changes up to the time the material is shipped. This method has been widely used on large electrical equipment manufactured and installed. It has dangers from the seller's point of view in that it generally minimizes the cost control incentive previously mentioned. It is a highly unsatisfactory position for any buyer in that he does not know what his final cost is until he is billed.

Further, the price at the time of shipment may completely eliminate the whole purpose of the transaction. This is especially true when published prices are raised just prior to the shipping time.

2. An escalated price tied to published market indices.

This is the second method of retaining the producer's cost incentive. However, there is a real problem in keeping the producer's cost index up to date with the published indices. In most instances, only the cost of raw material and labor shop cost figures are used. A true cost index should include all costs.

3. An escalated price tied to the manufacturer's actual costs.

To be effective, the buyer must be sure that the manufacturer does not have the power to adjust the price at his convenience. There is no way in which the buyer knows whether the material and labor shop cost figures without ponderous bookkeeping. Also, if the buyer is not allergic to the idea of actually buying his goods, this is a more attractive procedure.

4. Cost plus a percentage fee.

This does offer the seller complete protection. However, again the buyer does not know the amount of his commitment. Further, the less efficient the producer is, the more money he makes, in addition, the system may result in both the buyer and the seller.

5. Cost plus a fixed fee.

This is designed to eliminate the factor of profit on cost, the seller makes more money by increasing his costs than he does by increasing the buyer's price. This is the same disadvantages and advantages as No. 3.

At the point of decision, it is the uncertainty of the final price that makes him view with concern any pattern of price increases due to cost escalations. To case this apprehension, sellers must protect themselves against limits beyond which no escalation can be applied.

Further, the concern results from the possibility that inefficiencies in the buyer's production, production, and distribution activities add costs against which the fee was applied but which do not add to production cost for the seller.

Other Basic Schemes

There are, of course, many variations to these five basic schemes which have been briefly outlined, such as incentive fee and profit sharing.

In certain types of business, however, it is not unusual to have a combination of cost and incentive protection. The practice of hedging, however, is limited to buyers of commodities such as coffee, cotton, and fruits. The nature of the seller's role in the production process makes it necessary to assure the buyer that the price he buys will not change. While the seller is interested in protection against rising prices, the buyer is equally interested in protection not only against unanticipated increases but also against the prices that he pays for the component manufacturer is only interested in purchases of the five escalation methods mentioned, or some variation thereof.

There are times when a buyer cannot bear the pressure of the seller, the buyer may consider the price to be too high. The buyer has rights to the protection of the buyer, the buyer's price may decline. This is not only true of the five escalation methods mentioned, or some variation thereof.

Paradox of Today

Today, in discussing prices, we find ourselves in a peculiar situation. Price control is effective; personal income is about 5% above the level of the early 1940's. It is high and the luxury of the past is the luxuries of today. However, it is clear that the buyer is not willing to pay the price for the luxury of the past. He pays too much for the material he is interested in protecting against price declines.

E. J. Roberts Branches

SOCONY-M Standard Oil Co., Inc., has opened a branch office at 10 Welsley Square, Ridgefield Park, N. J. It is being operated by George W. Reisch, Jr., and with Mr. Menke under the management of Eric Robison.

With Illinois Mid Continent

(From The Financial Chronicle)

SACRAMENTO, Calif.,—James B. Powell, Manager, announced that the company has been incorporated in Illinois by E. E. Stein Investment Co., 1414 Broadway. He was previously with Schwabacher & Co. and Harris, Uphaun & Co.

Productive Maintenance Now to Meet Future Production Needs

By C. F. SUTTON, Jr.
Manager-Marketing, Service Shops Department
General Electric Company

G. E. marketing manager foresees booming economy with expectations of productive maintenance of machines creating a vastly increased demand for products for more people with more money. The achievement of this year, Mr. Sutton claims, presents many challenges to management since labor force will increase 10% while production will increase 20%, and the increased mechanization and electrification of production with larger and more complicated machines.

Productive Maintenance is a plan formulated and tailored to a particular plant and designed with only one goal in mind, to make an already successful maintenance program more efficient and productive. The consumer price of maintenance is an extremely important economic problem. The utilization of this plan will not only provide the maximum output from the maintenance facility, but it will be an asset to the company in the future. If it can be properly planned and executed, the anticipated unexpected failure in the imminent and end of the year, the risk will be minimized.

Although a maintenance program is available for those who wish to keep pace with our dynamic industrial age in the future, such as "newcomers", it is not necessary to have a maintenance program. However, many small companies feel that they should rush in just to have one. To get the full benefit of a maintenance program, one must first understand the overall picture of the equipment in their company.

Looking ahead, we must face the fact that the equipment will continue to improve. We should be aware of this so that we can afford to invest in maintenance equipment and services. The fact is that if we want to maintain our equipment, we must plan for the next two-to-three-year period.

More Than Home Pay

The first indicator which points out a trend line for industrial activity is the housing market. The Department of Commerce shows that the per capita income for the 10 years from 1948 to 1957 the per capita income rose by about 40% to $971. By 1968 the per capita income had increased to $1,092 by 1964 and approximately $2,200 by 1970. All of this increase has come from personal savings and terms of constant 1955 dollars so that the 36% increase from 1955 to 1965 to 1957 to 1970, the 36% increase in net income. More income means more consumption, which is the driving power which creates the demand for more products.

New Products and Markets

Everyone is familiar with the old saying, "The cat's out of the bag." This phenomenon may be applied to the industry. In the actual life blood of healthy industry is this country's industries. This five- or seven-year development, has been rapidly developed as a result of continuously dynamic, highly competitive economic system. In today's market, it is clear that without concern is equipped with a large pump of curiosity and its presence in the competition, its presence on the market. Up until World War research

*From a talk by Mr. Ogden before the National Association of Manufacturers, Chicago, Ill., March 17, 1958.

**From a talk by Mr. Sutton before the American Industrial Institute, Chicago, Ill., March 17, 1958.
Bank and Insurance Stocks

By Arthur R. Wallace

This Week—Insurance Stocks

The last discussion on insurance stocks went into the severe statutory losses of a large group of leading fire-casualty companies. This week's list will touch upon those companies, with emphasis on the portfolio results for 1957, compared with 1956.

Net all investors in insurance stocks, in examining an income account, go beyond the investment income line, or the line that gives such genuine results from underwriting and investment income. But they should go "beyond the line" that tells the investment results apart from income and realized results on assets sold or held to be found.

In the late bull market in equities the portfolio valuations of many large companies showed enormous gains. These, to be sure, were "paper" profits; but nevertheless they could not be changed, for all cases have been turned into cash, or shifted to bonds which carry a better yield. And it was probably something of a shock, when it is realized.

But insurance companies rarely do wholesale selling of equities as the practice is to regard them as growth media that, over the longer period give best results. In other words, they hope that each high will be higher than the preceding one; and that every low will be higher than the preceding low. And, with generally high quality of equities that the well-managed companies carry, this is much the pattern of what takes place.

It may be protected that this means the insurance company simply "ride the elevator up and down." But it is not as simple as this, for the holders of the higher grade equities derive a larger proportion of their income from these stocks than they do, over a longer time span, derive big accretions. Comparing present and past, it is clear that the results of 1957 are 20 years ago, who will question the truth of this observation?

It is fair to say that insurance company investment managers rank near the top in their particular calling. Here the long-term roll factor would not be so potent as it is in many cases, and therefore the investment results for 1956 and 1957 in the form of income from investments and also gains or losses, in thousands of dollars:

<table>
<thead>
<tr>
<th>Net Investment Income</th>
<th>Gains or Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acta Casualty</td>
<td>$10,691</td>
</tr>
<tr>
<td>Acta Insurance</td>
<td>$3,650</td>
</tr>
<tr>
<td>Continental Ins</td>
<td>$12,389</td>
</tr>
<tr>
<td>Fidelity Phoenix</td>
<td>$9,912</td>
</tr>
<tr>
<td>Great American</td>
<td>$7,530</td>
</tr>
<tr>
<td>Ins. Co. of No. Amer.</td>
<td>$8,889</td>
</tr>
<tr>
<td>Maryland Casualty</td>
<td>$6,957</td>
</tr>
<tr>
<td>North American Co.</td>
<td>$2,683</td>
</tr>
<tr>
<td>Phoenix Ins.</td>
<td>$4,756</td>
</tr>
<tr>
<td>Springfield</td>
<td>$2,342</td>
</tr>
<tr>
<td>U. S. F. &amp; G.</td>
<td>$3,403</td>
</tr>
<tr>
<td>U. S. Fire</td>
<td>$2,799</td>
</tr>
<tr>
<td>Westchester</td>
<td>$2,116</td>
</tr>
<tr>
<td>Amer. Re-Ins.</td>
<td>$2,033</td>
</tr>
<tr>
<td>Bankers &amp; Shippers</td>
<td>$567</td>
</tr>
<tr>
<td>Boston Ins.</td>
<td>$2,171</td>
</tr>
<tr>
<td>Firemen's</td>
<td>$4,276</td>
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<tr>
<td>Hartford</td>
<td>$9,177</td>
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<tr>
<td>Home Ins.</td>
<td>$12,593</td>
</tr>
<tr>
<td>National Fire &amp; Casualty</td>
<td>$1,521</td>
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<tr>
<td>National Union.</td>
<td>$1,811</td>
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<tr>
<td>Pacific Union.</td>
<td>$737</td>
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<tr>
<td>Seaboard Fire &amp; Mar.</td>
<td>$974</td>
</tr>
<tr>
<td>Mass. Bonding</td>
<td>$1,605</td>
</tr>
<tr>
<td>Northern Ins.</td>
<td>$1,322</td>
</tr>
<tr>
<td>Prov. Wash.</td>
<td>$1,148</td>
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<tr>
<td>St. Paul</td>
<td>$7,014</td>
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<tr>
<td>Standard Accident</td>
<td>$904</td>
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<tr>
<td>Agricultural</td>
<td>$304</td>
</tr>
<tr>
<td>American Insur.</td>
<td>$4,085</td>
</tr>
<tr>
<td>American Surety</td>
<td>$1,937</td>
</tr>
<tr>
<td>First American</td>
<td>$2,149</td>
</tr>
<tr>
<td>Fireman's Fund.</td>
<td>$6,547</td>
</tr>
<tr>
<td>Glenn Falls.</td>
<td>$3,210</td>
</tr>
<tr>
<td>Hanover Ins.</td>
<td>$1,717</td>
</tr>
<tr>
<td>Fidelity &amp; Deposit.</td>
<td>$1,947</td>
</tr>
<tr>
<td>Cont. Casualty.</td>
<td>$2,746</td>
</tr>
</tbody>
</table>

*Name has been changed to Reliance Insurance Co.

Considering the fact that about half of the year 1957 saw a bear market in securities generally, the above showings of the investment income were commendable. And as almost all companies derive from investment income the amount that goes out to stockholders, as cash dividends, the maintenance of a generally even performance in that income would appear to keep present dividend rates intact. Indeed, in many cases cash dividends which normally would have been increased have been unchanged in order that as much as possible could be added to surplus account during this period of pressure on surplus when underwriting has been so unsatisfactory.

Davis Named Sec. of Nat'l Inv. Cos. Assn.

Appointment of Leonard L. Davis Jr. as Secretary and Director of Public Information for the National Association of Investment companies, has been announced by Joseph F. Welch, President.

Immediately prior to joining the Association's staff as Administrative Assistant earlier this year, he was Vice-President of Garthly & Associates, Inc., a financial public relations firm in New York.

He has previously been Secretary and Director of Public Relations for the American Hearing Aid Association and Director of Public Relations for Vick Chemical Company, both of New York.

Before entering the public relations field in 1949, he spent more than ten years as a metropolitan daily newspaper reporter and assistant city editor.

In his new assignment, Mr. Davis will be responsible for the public activities and administrative functions of the Association.

With Kuhn, Loeb Co.

Kuhn, Loeb & Co. 30 Wall Street, New York City, member of the New York Stock Exchange, announced that Bracebridge H. Young has become associated with the firm in its Municipal Department.

Blair Adds to Staff

The Commercial Financial Chronicle

CHICAGO, Ill.—Brewer Conant is now with Blair & Co., incorporated, 106 South LaSalle Street. Mr. Conant was formerly with Chicago Title & Trust Co.

Secs. Management Branch

LITTLE ROCK, Ark.—Securities Management Corporation has opened a branch office at 203 South Crescent Drive under the management of Alvin W. Songey.

Two With Copley

Elsie M. Bryan and John H. Pierce are now connected with Copley and Company, Independence Building.

Johns Arnold Staff

BEVERLY HILLS, Calif.—Norman R. McKee is now affiliated with John R. Arnold & Company, 264 North Camden Drive. He was previously with Shelley, Roberts & Company.

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  • BOSTON STOCK EXCHANGE
  • NEW YORK STOCK EXCHANGE
  • MIDWEST STOCK EXCHANGE
  • NEW YORK STOCK EXCHANGE—BONDS
  • PACIFIC COAST STOCK EXCHANGE
  • PHILADELPHIA-BALTIMORE STOCK EXCHANGE
  • PITTSBURGH STOCK EXCHANGE

STOCK EXCHANGE QUOTATIONS

• AMERICAN STOCK EXCHANGE
• BOSTON STOCK EXCHANGE
• NEW YORK STOCK EXCHANGE—STOCKS
• PACIFIC COAST STOCK EXCHANGE
• PHILADELPHIA-BALTIMORE STOCK EXCHANGE
• PITTSBURGH STOCK EXCHANGE

GENERAL QUOTATIONS

• BANKS AND TRUST COMPANIES—DOMESTIC
• BANKS AND TRUST COMPANIES—CANADIAN
• BANKS AND TRUST COMPANIES—INTERNATIONAL

• MUNICIPAL BONDS—DOMESTIC
• MUNICIPAL BONDS—CANADIAN
• MUNICIPAL BONDS—INTERNATIONAL

• EQUIPMENT TRUSTS (R.R.)
• EXCHANGE SEATS
• FEDERAL LAND BANK BONDS
• FOREIGN GOVERNMENT BONDS
• FOREIGN GOVERNMENT SECURITIES
• FOREIGN INVESTMENT COMPANIES SECURITY

• INVESTMENT COMPANIES SECURITIES

OTHER STATISTICAL INFORMATION

• CALL LOAN RATES
• DOWN, JOWNS STOCK AVERAGES
• FOREIGN EXCHANGE
• MONEY MARKET

PRIME BANKERS' ACCEPTANCES
• SECURITIES CALLED FOR REDEMPTION
• TIME LOAN RATES

VOLUME OF TRADING

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Volume 197 Number 3722 . The Commercial and Financial Chronicle
Price of Air Superiority

Upon the Defense Industry

By LT. GENERAL WILLIAM F. MEEKI

Commander, U. S. A. F. Air Material Command

Air Force materials procurement officer tells defense industry steps taken to keep price of present air power within budgetary control; and the increasing role of 'merchant air' facilities in meeting defense requirements.

By ORVILLE J. HALL, Ph. D.

College of Business Administration

The rapidly increasing price of defense materials is a problem the Air Force is working on. The purpose of this article is to explain why this price increase is occurring and to indicate what can be done to keep these prices within budgetary limits.

Short-Lived and Long-Run Factors Affecting the Business Outlook

Professor Hall attributes to residential construction and automobile output preaggressive role regarding our economic health. After weighing this and various other economic indices, concludes present recession may be more long than short and that the full economy may not be reached until the spring of 1959.

The startling increase in unemploy-
ment since January of this year has excited considerable attention on the part of industrial production have decreased in August. According to the chart, a return to the 1951-1954 rate of production would be equivalent to a gross national product of $83.2 billion, or approximately $100 billion at 1940 prices. If productivity is maintained at the 1957 level, there will be a return to the boom period of the mid-1950's. The figure of 100 percent productivity, however, is expected to be reached after the end of the present recession.
ANNUAL REPORT FOR 1957
NORFOLK and WESTERN RAILWAY

General Offices • Roanoke, Virginia

Contrary to the general trend in the railroad industry, the Company set new records in 1957 for freight tonnage handled, total operating revenues, net income and earnings per share of common stock.

Total freight handled, measured by revenue ton miles, rose 3.8 per cent. Income from all sources was $265 million, compared with the previous record of $254 million in 1956. Earnings on common stock were $7.75 a share, 36 cents above the record figure for the preceding year. Dividends on common stock totaled $4 a share, compared with $3.75 a share in 1956.

Capital expenditures totaled $70.1 million, largely for the purchase of 120 diesel locomotive units and the acquisition of 4,135 freight cars, 4,082 of which were built in our Roanoke Shops.

N&W BRIEFS

CONDENSED INCOME STATEMENT
Stocks found a bit of at least temporary support this week. The leading index of declines was declining rather steadily for two weeks. It wasn't a very convincing showing but, on the other hand, the list of strings of declines didn't show any great urgency either. Only two of the nine declines elapsed, with an average of two or more points.

Technical Factors
Short covering was partially responsible for the respite with the support developing when the industrial average fell to 430. In the February slump it wasn't met until the average had dipped to 430 while the last sinking spell of late 1957 worked its way down before bargain hunting moved in. The pattern, consequently, isn't without its bright aspect since and indications are one of the more hopeful of the technical considerations.

Less than 14 points was lost by the Dow Jones Industrial Average, through the persistent selling which, again, was far from excessive for a four period of such length. The type of selling that showed up in the price points sold through the list were mostly cases where first quarter earnings expectations had been cut back, which turned audible. The market was not caused by anything approaching mass liquidation.

Lorillard was particularly hard hit. This price decline in the Lorr's when the annual meeting was held that earnings would be slightly under the $1.93 of the first quarter last year. Stock estimates had been well over that and some of the more optimistic ranged to almost a dollar higher. Thus, the new price of $105, a definitely unexpected. Lukens Steel was another case where hopes were high but the drop of nearly 60% was far below expectations.

Steels had little in the way of following although they were all brought with a mild rise, but a price that had a technical rebound. Coats & Clark, however, were fairly buoyant until the domestic price was shifted to the high that turned them irregular again. Autos showed little life, notably Chrysler, where some of the more optimistic analysts had a yawn. But a yawn were predicting a red ink first quarter.

Bright Spots
Popular, after a long period of disinterest, were the paper showing strength in a number of cases to show moderate strength on occasion. Then, too, the recent emphasis on the "soft goods" industries such as food, drug, soft drinks, chain stores, etc., continued to give the market a few other study spots.

Colgate Palmolive nudged into Colgate's new highs are making the new highs list to give the soap shares a bit of prominence. The company, despite its strong showing and its profit last year, is optimistic for this year mostly because several new products have been introduced to bolster sales. The company has been busily expanding in foreign markets with the company climate is not as sick as is the domestic one. Nearly two thirds of last year's earnings were derived from overseas operations. The stock's return, a better - 51%/4% a year, is a liberal yield for the Big Three of the industry.

Tobaccos, as has been the case for long, were the group favored for good results this year despite high taxes. They were as well as for above average yields. Even Lorillard, which suffered a bit from the too-high hopes, had a good statistical showing. For instance, it has indicated earnings of twice those of last year, and the shares sold around the same price. And its earnings are about equal to those of American Tobacco but that stock is some 30 points higher.

A Reinvigorated Laggard
Liggett & Myers has been one of the few that were the prices out laggards. Like the others Liggett suffered a sales dip between 1952 and 1953. Its cigarette pop leadership took hold and reversed the trend. Excellent results were turned in last year, including partial benefits from a price increase that only went into effect in midyear.

It boosted Liggett's net to $6.85 with a wider profit margin apparent and the improvement is fully expected to continue this year. But where the stock reached a peak of $82 in 1953 on a $5 dividend and soared scantily by $5.50 earnings, on the same dividend current which is well the best of the stock was able to do is around 10 points under $1953 high. It also moves narrowly. Liggett's swing last year was 32 points but it 32 points and so far this year has held in an arc only slightly wider. Its return of around 7% obviously makes it a leading candidate for high yield with defensive character-

Renewed Popularity for CBS
Something new has been a bit of popularity for the telecine company, including Columbia Broadcasting System which has been in a good earnings uptrend.

Columbia's earnings mounted from $1.79 in 1955 to $2.82 last year with a favorable comparison and a strong expectation for this year, even better results are sure if it acquires two more TV stations, including a third business upturn in the latter half of this year. On a longer term basis the results are expected to show a five fold increase in revenue in the last decade while profits tripled. This showing, and the fact that the stock dividend is well covered, automatically makes it a candidate for a dividend boost, although this is a reflection of the result of the present labor troubles.

The paper shares were the first victims of overproduction and it came early before this the same affliction showed up in steel and other lines. But the decline in paper use, particularly last year, was a loss of markets than it was a case of over production being used up. New applications for paper continue to emerge and consumer products are in good market and for items like paper cups, etc. Lily Tulip was the more obvious of the issues on new-found strength and by no coincidence is the leading maker of paper cups.

Juicy Yields on the Rails
Ralls, and especially the good grade Western ones, are also the handsome return items but nothing seems to approach this year. Union Pacific, which showed superior ability to hold up its earnings last year, including partial benefits from a price increase that only went into effect in midyear.

The return on Kansas City Southern runs around 7% on a dividend earned more than twice over last year and probably will stand year will stand still over it around twice. That offers little in the way of jeopardy to the rate.

The return on Kansas City Southern runs around 7% on a dividend earned more than twice over last year and probably will stand year a little movement little over its current 7%.

[The views expressed in this article do not necessarily reflect those of The Commercial and Financial Chronicle. They are as presented as those of the author.]
1957: THE MOST SUCCESSFUL YEAR IN THE HISTORY OF
PACIFIC FINANCE CORPORATION

ANNUAL REPORT SUMMARY

VOLUME OF BUSINESS

Loans and Discounts Acquired
Net Insurance Premiums Written
Loans and Discounts Outstanding

Borrowed and Equity Capital

Notes and debentures due within one year
Long-term debt (unsubordinated)
Subordinated debt
Preferred stock
Common stock and surplus
Total

Earnings

Total income
Operating income (before interest)
Interest and debt expense
U. S. and Canadian income taxes
Net income
Preferred dividend requirements
Net income for common stock
Average number of shares outstanding
Earned per share
Dividends declared per share

NUMBER OF HOLDERS OF COMMON STOCK

NUMBER OF OFFICES

As a special feature, our 1957 Annual Report condenses certain significant data included in the Federal Reserve Board’s recent six-volume study of consumer installment credit.
Copies of our Annual Report available upon request.

PACIFIC FINANCE CORPORATION
EXECUTIVE OFFICES: 621 South Hope Street, Los Angeles 17
NEW YORK FINANCIAL OFFICE: 15 Broad Street, New York 5

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Our Subsidiaries include:
Pacific Finance Loans
Pacific Industrial Loans
Merchants Bank of Detroit
Motor Acceptance Corporation
First Credit Corporation
Olympic Insurance Company
Marathon Insurance Company
Pacific Fidelity Life Insurance Company
Pacific Finance Corporation of Canada Ltd.
Pacific Finance Credit Limited (Canada)
Boynton Acceptance Company Limited (Canada)
American Industry and Labor—And Our Pricing Mechanism

By CARL E. ALLEN
President, Federal Reserve Bank of Chicago

Chicago central banker castigates some leaders of industry who adopt rigid, unwilling and even rising prices in the face of falling demand, and defend their action by insisting the opposite. He argues, primarily, that important changes in the business climate require economic flexibility which he feels is being interfered with by rigid, unwilling and rising prices, and concludes that the main task is to accelerate creeping inflation which can throttle economic growth.

I am convinced that the upward spiral of prices imperils the economic strength of the country and threatens the survival of the American way of life. Price stability is essential to the real welfare of the American people. Price stability is required if the wealth of the country is to be measured in terms of what labor can buy. Price stability is essential to the maintenance of price levels that are adequate to satisfy the constant demands of a growing population. Price stability is desirable if we wish to maintain the purchasing power of our currency.

Price stability is essential to the maintenance of the stability of the currency. Price stability is essential to the maintenance of the stability of the price of gold. Price stability is essential to the maintenance of the stability of the dollar. Price stability is essential to the maintenance of the dollar in the gold standard.

In short, price stability is essential to the maintenance of the economic security of the American people.

Price stability is essential to the maintenance of a high rate of living and a high standard of living.

Price stability is essential to the maintenance of a high rate of productivity.

Price stability is essential to the maintenance of a high rate of investment.

Price stability is essential to the maintenance of a high rate of employment.

Price stability is essential to the maintenance of a high rate of growth.

Price stability is essential to the maintenance of a high rate of progress.

Price stability is essential to the maintenance of a high rate of development.

Price stability is essential to the maintenance of a high rate of prosperity.

Price stability is essential to the maintenance of a high rate of national security.

Price stability is essential to the maintenance of a high rate of international security.

Price stability is essential to the maintenance of a high rate of national health.

Price stability is essential to the maintenance of a high rate of individual health.

Price stability is essential to the maintenance of a high rate of individual happiness.

Price stability is essential to the maintenance of a high rate of individual freedom.

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Price stability is essential to the maintenance of a high rate of individual prosperity.

Price stability is essential to the maintenance of a high rate of individual security.
poor. Unfortunately, we also risk the possibility of government failure.

It is human nature, when we overreach ourselves and have no one to blame for that except ourselves, to seek out a culprit. Among the culprits we identify as savors of the other. I believe that element of the Federal Reserve System.

The Federal Reserve System is vitally concerned with price stability because the Federal Reserve System shares responsibility for sustainable economic growth in our economy. And sustainable growth is impossible under conditions other than those of price stability. But the tools and instruments by which the Federal Reserve makes its influence felt are designed to operate in an economy in which prices are free to perform their traditional function of allocating resources, including manpower, materials and capital, in response to consumer demand. In such an economy, price and labor view falling demand as an indication that their prices are too high and they take steps to "meet the competition," to recapture their markets.

That can mean moves in one or more of several directions. It may mean that labor is seeking for a time. It may mean that labor does not accept the same salary lower. It probably means that research and redesign of products receive greater emphasis. It may ultimately mean that a business simply can make a go of it, and resources move to more profitable areas. An essential virtue of the market system is the alarm with which we view idle resources and our continuing desire to keep them employed to work. Price flexibility helps to keep them employed and to attract them to their most profitable and productive use. In such a system the maintenance of appropriate credit and monetary conditions is a relatively simple matter, however complex the timing may be.

When Monetary Policy Succeeds

Some ask why the contribution of the Federal Reserve System has not been more effective, especially in recent months. My response must be that in an atmosphere characterized by rigid, unyielding and even rising prices in the face of falling demand, in an economy which includes built-in inflationary devices, the effects of central banking action are necessarily limited. Monetary policy can supplement and help the corrective forces which should be at work, but they are not always available. Monetary policy does not and should not have the responsibility or the authority to see that these corrective forces are permitted to operate.

Under present circumstances we can only hope for a revival of faith in the pricing mechanism of the market place. We can hope that markets, and that in the months ahead will recognize that lasting prosperity is possible from constantly increasing prices, but rather that their mutual interests and the economic standing of both require price stability. And we can hope that this government will demonstrate a continued reticence to intervene, pending a reasonable opportunity for all of us to adjust to more normal conditions after having become accustomed to abnormal boom conditions for so long.

In the context of those hopes are realized, we will have the price stability which is so essential to the continued growth and prosperity of our great country. And I am confident that if we have the will to have the intelligence to solve our economic problems just as we have the scientific know-how to demonstrate superiority in military affairs.

One way of life is not just an ordinary routine affair in the development of the progress of mankind. It is in truth a model set before the world as an ideal toward which to strive. And it is so regarded, in the free and uncommitted worlds and by millions behind the Iron Curtain. Even if we must take the hard road let us be careful what we do, not only for our own and our children's sake, but also because of the high responsibility that is ours for carrying the torch of freedom and self-government for all the world to follow.

**Form Ideal Securities**

DENVER, Colo.—Ideal Securities Company has been formed with offices in the U. S. National Bank Building, Mile High Center, to engage in a securities business. Officers are Russell L. Knudson, President; Roy D. Knudson, Vice-President; M. L. Knudson, Secretary and V. J. Knudson, Treasurer. Russell L. Knudson has been with David A. Noyes & Co.

**Southern States Add**

(Upset by The Financial Chronicle)

ATLANTA, Ga.—Arthur Corry Jr., Stanley N. Palmer, and Bert Holden G. Stumberg, Jr., have become connected with Southern States Securities Corporation, 64 Ponce de Leon Avenue.

**To Be Partnership**

McLaughlin & Co., which will be formed as of April 14, will do business as a partnership instead of as a corporation as previously reported. Partners in the firm, which will be a member of the New York Stock Exchange, will be Henry Kaufman, John F. McLaughlin, Frank J. Brady and Cyril J. Andrews who will hold the Exchange membership.

**Jouls Woolrych Currier**

(Upset by The Financial Chronicle)

SAN DIEGO, Calif: Homer L. Chatin has joined the staff of Woolrych & Currier, 3911 Fifth Avenue.

**Form No. Central Secs.**

OTTAWA, Ill.—North Central Securities, Inc, is engaging in a securities business from offices at 119 West Washington Street. Officers are Russell L. Knudson, President; Ray D. Knudson, Vice-President; M. L. Knudson, Secretary and V. J. Knudson, Treasurer. Russell L. Knudson has been with David A. Noyes & Co.

**Mammot as it may appear to the eye, an iceberg is normally eight times the size of its visible mass. The ice that is submerged and unseen beneath the surface.**

Like the Gigantic Size of an Iceberg...

there's more to Cities Service than meets the eye!

Few spectacles of nature are so awesome as the iceberg. Hundreds of yards in length, it rises 100 feet or more above the sea, with crests or minarets spiraling higher to 300 and even 300 feet.

Yet, only about one-eighth of an iceberg's mass rides in view. The great bulk lies hidden in the ocean depths.

Similarly unseen by most of the public they serve are the far-flung facilities of petroleum enterprise—towering refineries—thousands of miles of pipeline—fleets of ocean-going tankers—wonderful modern laboratories.

Costly? Yes—the capital invested in the business of a major oil company such as Cities Service exceeds a billion dollars. Without these facilities and the skilled men and women who operate them, the American petroleum job could not be done... and petroleum; next to food, is America's most vital product today.

**CITIES SERVICE**

Like the Gigantic Size of an Iceberg...
To What Extent Should We Tinker With Our Present Economy?

by EDWARD T. MCMORRICK
President, American Stock Exchange

On Jan. 13, 1958, for the coming 1959 fiscal year, represents a period of truly impressive growth, and you know already that this budget is obsolete—inaugurate.

The excesses of its revisions have been and will be drafted for ever, but that the dollar spent in the budget will be allocated to the peace—and such expenditures, as anticipated, will be both wise and essential. Although the deficit is the expen-
ditures for the Fiscal Year 1959 have been observed for major National security programs, both domestic and abroad.

Large though they may be, and solvency, let us not gain the wisdom of these defense expenditures. It should not if we wish to buy our way out of this money well spent. Paradoxical though it may sound, every dollar spent for missiles and guns is a dollar spent for peace, for every dollar we are too powerful to be attacked. It is not our job, and I am certain that the sum provided was inadequate. Over the long haul, defense expenditures for major National se-

If a Choice Must Be Made

If we had to make a choice, I believe that, strictly on the basis of the present defense expenditure, without sacrificing relief from the recession we should follow a policy of tax reduction. I make this choice because of the feeling that at the same National security (the deficit) it would make money more available, more easily available and result in a more rapid increase in consumer spending. Of course, it would be an extremely promising.

The economy will straighten itself out—and faster—if it is left alone. The political economy, as far as I can see, is in good shape. Although over $500,000,000,000 is unemployed, the $500,000,000,000,000 the world is to spend, and all infinitely larger and providing the Government’s revenue.

Large Deficit Ahead

The enormous increases in huge and increasing defense expen-
ditures and the decline in anticipated revenue is attributable to the business recession. Various industries are within and out of the administra-

Fiscal Policy

No longer can Federal Reserve Bank of St. Louis

Three With Win, N. Pope

The atom bomb itself, whose industrial possibilities have yet to be measured, is only a small part of the story. We will see how much more super bomb have been boldly predicted by a scientist, Dr. Willard Libby, told the Senate Foreign Relations Committee that a tiny atom bomb made a Nevada test site a few inches of ground. In the process, it crushed and stored $6,000,000,000,000 and activity safely sealed for future use. A tiny atom could be exploded on your farm the way none existed before. Deliquent oil fields could be reactivated and some made substantially, coking plants, etc. Once opened, the world could be stored in subterranean storage and held back to the surface for irrigation.

This will not be a hundred years from now, but it may be the forefront future. How soon will it be for the atom bomb? Have we combined personal and individual business and government must, must add, not on those of the Government.

Randolph Browne

Randolph Browne, associated with Bieder and Company, St. Louis, Missouri, was hit by a heart attack while driving his car. The car was observed to slow down and gradually turn into a ditch as he leaned over against a culvert, without serious damage to the car. Mr. Browne had been a banker in Washington, D. C. and Cleveland in the past.

Texas IBA Group Convention Program


The three-day convention will feature several luncheon entertainment, election of officers, and vital business sessions, including Chairman Walter M. Sorenson of the investment firm of Sorenson & Co.

Among the top speakers, who will be heard following the convention, is Mayor of Houston’s Mayor Lewis Culver, and Governor Jesse White of Illinois; W. C. Tom Walker, chairman of the board of Transcontinental Gas Pipeline Company; Edward N. Gaddy, chairman of the firm of Gaddy and Exchange, Dallas.

The convention will begin with registration on April 23, to be followed at 6:30 p.m., that day by several luncheon meetings.

This reception will be sponsored by the Houston Financial Community, which will include bankers, brokers and lawyers.

A dinner dance on April 21 will include the continental breakfast at b, business session at 3:30 P.M., dinner and a champagne brunch on show for the ladies.

The day will be climaxed by a dinner meeting at one of the city’s famous catering homes.

Activities on Friday will feature reception at the associate banks, who will come on to the Blue Point on its new tennis court, golf, swimming, and horse events.

The day — and the convention with it — will be launched with a lighting by the President’s Ball, a formal event, preceded by a reception, luncheon meeting, and dinner at the home of America Association president, W. C. Jackson, First Southwest Com-

Join Amott, Baker

Amott & Co., Incorporated 150 Broadway, New York City, members of the New York Stock Exchange, that P. George Labé, Bernard H. Amott, and A. Botzum, Jr., have become associated with their New York Office as Broker. Mr. Labé, who has just concluded their 26th year. Organized in 1953, they now has 14 Registered representatives serving Central and Northern New York State.

Two With Schwabacher

(Top: Front Porch "SOMA"

SAN FRANCISCO, Calif. — John E. Hassen and Ralph T. Welsh have become affiliated with Schwabacher & Co., 190 Montgomery Street.

A. Botzum, Jr., and associates

LOS ANGELES, Cal. — John W. Leclywall has been added to the staff of A. Botzum, Inc., 2157 West Seventh Street. He was for- merly with Cashen & Co.

Randolph Browne

Randolph Browne, associated with Bieder and Company, St. Louis, Missouri, was hit by a heart attack while driving his car. The car was observed to slow down and gradually turn into a ditch as he leaned over against a culvert, without serious damage to the car. Mr. Browne had been a banker in Washington, D. C. and Cleveland in the past.
WILLIAM C. BUTCHER has been appointed a Vice-President of Chase Manhattan Bank, New York, it was announced April 4 by Harold H. Helin, Chairman, Mr. Helin appointed a Vice-President of the Investment Division at 30 Broad Street, New York. Mr. Butcher, W. Nelson and Miss M. Marie Muth as Assistant Managers were also appointed. Mr. W. Nelson, who heads the Bank's Municipal Bond Department, will move to the 30 Broad Street office and Miss Muth is at 55th Street and Park Avenue Office.

Richard D. Meite, James C. Faust and Robert J. Weigel have also been elected Assistant Manag ers of Chemical Corn Exchange Bank, New York, with the Bank's Metropolitan Division.

CHEMICAL CORN EXCHANGE BANK OF NEW YORK.

Total resources: 2,151,144,129, 3,392.000,000.

Deposits: 2,199,250,602, 2,913,273,719.


Loans & discounts: 1,411,212,464, 1,438,786,111.

Unsold, profit: 27,674,709.

The appointment of Albert R. R. de Crespigny as President of Manufacturers Trust Company was announced by Horace C. Flanagan, Chairman of the Board.

Mr. Roeder began his banking career in 1929 with Brooklyn Trust Company. He was appointed purchasing agent in 1922. He joined Manufacturers Trust Company when the two banks merged in 1930 and was appointed an Assistant Secretary in 1933.

At present, Mr. Roeder is assigned to the purchasing and maintenance division of the bank's general service department.

MANUFACTURERS TRUST CO., N. Y.

Total resources. 1,300,000,000.

Deposits. 1,290,526,000, 1,290,526,000.

U. S. Gov. securities. 15,678,912.

Loans & discounts. 1,257,386,000, 1,257,386,000.

Unsold. profit. 27,474,709.

J. H. F. McLees, Jr., elected Vice-President of the Bank of New York by its Board of Directors, Feb. 21. Mr. McLees, who is 32, succeeds Mr. James H. F. McLees, Jr., who was elected to the Board of Directors of the Bank of New York. Mr. McLees’ appointment follows the death of Mr. McLees, Jr., who was succeeded by Mr. McLees, Jr., who was elected to the Board of Directors of the Bank of New York. Mr. McLees’ appointment follows the death of Mr. McLees, Jr., who was succeeded by Mr. McLees, Jr., who was elected to the Board of Directors of the Bank of New York.

Merger certificate was issued, March 27, approving and making effective as of the close of business Wednesday, Oct. 28, 1953, the merger of Union National Bank in Mount Wolf, Mount Wolf, Pa., with Citizens Trust Company, Toledo, Ohio, to the trust department as a national depository and customer relations executive. The merger was announced by William J. Webb, Jr., President of Citizens Trust Company, Toledo, Ohio, to the trust department as a national depository and customer relations executive. The merger was announced by William J. Webb, Jr., President of Citizens Trust Company, Toledo, Ohio, to the trust department as a national depository and customer relations executive. The merger was announced by William J. Webb, Jr., President of Citizens Trust Company, Toledo, Ohio, to the trust department as a national depository and customer relations executive. The merger was announced by William J. Webb, Jr., President of Citizens Trust Company, Toledo, Ohio, to the trust department as a national depository and customer relations executive. The merger was announced by William J. Webb, Jr., President of Citizens Trust Company, Toledo, Ohio, to the trust department as a national depository and customer relations executive. The merger was announced by William J. Webb, Jr., President of Citizens Trust Company, Toledo, Ohio, to the trust department as a national depository and customer relations executive. The merger was announced by William J. Webb, Jr., President of Citizens Trust Company, Toledo, Ohio, to the trust department as a national depository and customer relations executive.

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This is a crucial time in labor-management history. In observing the industrial relations scene over the years, we have seen a steady increase in the power of organized labor. We recognize, however, that the power of management and the rights of individual workers are not necessarily in harmony. It is our contention that the cooperation and understanding between these two forces are essential for the country's well-being.

We have seen collective bargaining turn into a brutal force in many instances, with new demands for inflationary wage increases put forward on a "take-it-or-leave-it" basis. We have seen industry's employees called out on strike by their leaders. We have seen such strikes prolonged indefinitely, long after settlements have been reached, apparently for the sole purpose of demonstrating the strength of the union leadership. We have seen violence, coercion, and intimidation used against employees and employers alike. We have seen men murdered and property destroyed by hired thugs.

The ruthless union leaders sought to impose their will on free Americans—employers and workers alike. Employers—and many others—protested the tactics of these union leaders. But, until we have an understanding of the fundamental principles of sound labor-management dealings and the fundamental freedoms of our nation, this battle cannot be won.

We have recently discovered that the objective of such legislation is to strip out the "unions" or to hamstring them in the exercise of their legitimate rights to bargain collectively with management. This represents a substantial threat to the right of workers and management to determine their own wages and conditions of employment. The preservation of this right is essential to the economic and social well-being of the country. The objective must be to restore collective bargaining to its rightful place in the economic life of the country.

Right to Work

Let us examine the right here where the objective of such legislation is to strip out the "unions" or to hamstring them in the exercise of their legitimate rights to bargain collectively with management. This represents a substantial threat to the right of workers and management to determine their own wages and conditions of employment. The preservation of this right is essential to the economic and social well-being of the country. The objective must be to restore collective bargaining to its rightful place in the economic life of the country.

Unions are essential to a free society. They provide a means for individuals to band together to achieve their objectives. Unions are necessary to protect the rights of workers and management to determine their own wages and conditions of employment.

American Civil Liberties Union

The American Civil Liberties Union was organized to protect and preserve the fundamental liberties of all people. The Union was founded in 1920 by eight lawyers who believed that the United States Constitution guaranteed certain basic freedoms for all citizens.

The Union's work is guided by the Constitution and the Bill of Rights. The Union's mission is to defend and protect these freedoms.

The Union is a non-profit, non-partisan, legal defense and educational arm of the American people. It is supported by contributions from individuals, foundations, and other organizations.

The Union is committed to the principles of free speech, free association, free assembly, and free press. The Union is also committed to the principles of due process, equal protection, and the prohibition of cruel and unusual punishment.
The Soft Ice Cream Industry: A Giant in Kid's Clothing

By C.A. REED
President, Whirla-Whip, Inc., Omaha, Nebraska

Midwest manufacturer claims newly "soft ice cream industry has "hardly scratched the surface" of potential sales. Mr. Reed states principal problem is not saturation of the growing market but education. Predicted an industry that will lead hard ice cream industry two-to-one by 1960, at present rate with only 2% of the number of hard ice cream outlets and upwards of 100,000 hard ice cream dealers will enter the industry according to available, not counting foreign markets.

In these days of missiles, moon-shot and self-driving cars, it's somewhat difficult to realize that there are still some ripples, do you know a man who grows to giant in a few short years. That's why I would like to describe the unheralded, but fast growing soft ice cream industry.

How many industries can claim a fantastic 1300% growth in 12 years, or offer its retailers a dollar return for 30 cents worth of material? The frozen yogurt, ice cream industry, which, according to reports from the American Frozen Food Institute, has increased the sale of its product type over 2200% since 1945.

There are hundreds of these small operating soft ice cream establishments, such as Dairy Queen, with some 3,000 stores, Taste-Freeze with 1,500 stores and Carvel with about 500. These, the "big three," actually represent less than half of the soft ice cream stores now in operation.

Industry operates two types of soft ice cream - the "Store" soft ice cream and the "Mobile" soft ice cream. (It's not "frozen custard") is a low fat, all natural product, high in proteins, milk proteins, milk solids, which contains a near-perfect nutritional value with a protein content that is the same as whole milk) holds strong appeal to the American public.

It is a real breakfast food whose doctors demand reduction of fat and carbohydrates. The ice cream is served at a temperature of 32 degrees as compared with 10 degrees for hard ice cream. Its texture is mellow and different. The soft creamy, smooth confection is now being consumed with the rate of 150,000,000 gallons a year.

Actually, we'd have to go a long long way back up with the 50,000,000 gallon hard ice cream industry, but we're gaining fast. Industry figures show that conventional ice cream will only have a two-to-one sales lead by 1960; and at our present rate, we're doing only with of 2% of the number of hard ice cream outlets.

Describes Industry
In all, there are over 12,000 soft serve drive-ins throughout the country, with about 100,000 more of these "three" are operated with chain franchises, where the dealer actually buys the stocked from the chains on extended terms. Prices range anywhere from $10,000 to $25,000.

The retailer, in most cases, is a manufacturer, and he assists him in the setup and operation of his shop.

How to Operate Successfully
A soft ice cream machine offers an unlimited variety of flavors. A manufacturer has the right to choose a province from the freezer operation and they can choose the new process is simpler and more profitable.

Whirla-Whip process a choice of 50-100 or more fresh fruit or nut flavors without any extra equipment and the process costs are less than conventional equipment. The largest thing to the average soft ice cream manufacturer is to see an unlimited variety of flavors. A manufacturer has the right to choose how many times he has switched from the freezer operation and they can choose the new process is simpler and more profitable.

How to Operate Successfully

Competition grows, of course, from the giant hard ice cream industry, which also within our own. How do these 12,000 operators do? Well, for the average operator net from $12,000 as high as $25,000, they turn in sales of eight to nine months a year. But they have long hours during the season--usually seven 13-hour days.

Failures are few and far between. One of the "big three" companies has had a few failures, but it is a prime example of a business that has not in the past and probably will not start out.

Several companies have eliminated the location problem by putting the store on the street, Polar Cub Mobile Units, Inc., of Vincennes, New Jersey, and George S. Bollinger, Philadelphia, Pa., have developed mobile units on forward control truck chassis so that the operator can live in a regular and profitable neighborhood route. These units can handle a volume of business comparable to a small store, but the investment and overhead is considerably less. Polar Cub, incidentally, found the answer to strict codes regarding "manufacture" of ice cream in cities under 10,000, by switching from a conventional freezer to the Whirla-Whip process.

100,000 Will Shift From Hard to Soft Cream

Surveys and market analysis shows that upwards of 100,000 present "hard" ice cream dealers would immediately enter the soft serve field if satisfactory equipment was invented. Predicted an industry that will lead hard ice cream industry two-to-one by 1960, at present rate with only 2% of the number of hard ice cream outlets; and upwards of 100,000 hard ice cream dealers will enter the industry according to available, not counting foreign markets.

The question that's most commonly asked is: Has the soft ice cream industry reached the saturation point with over 12,000 outlets?

Naturally, I can't answer for the machine dealers in the industry, but I do have a good "feel" of the ice cream business after having been in it for over 25 years. I feel this industry has hardly scratched the surface.

Capitol Shortage Problem
Our problems are not in the saturation of this growing market, but in the growing need for capital for rapid expansion. With proper capitalization untold thousands of small outlets will be able to enter new outlets to sell soft serve for the first time.

There are, of course, isolated situations where the capital for competing chains, are located on the street from their competitors. But they both thrive. This is probably due to the growing popularity of soft ice cream and the tremendous flow of traffic in each direction, so we can naturally figure our automotive population would have grown so tremendously in the past decade, and that growth has contributed to the fantastic growth of the soft serve industry. In addition, improved mixes, equipment, variety in flavors and mobility all play and will continue to play a major role in the industry's growth.

Penn-Mazursky Opens
REGO PARK, N.Y.--Leon Mazursky opened the newest and possibly the largest soft serve business from offices at 97-40 Sixth Avenue Drive.

B. E. Thornton Opens PASADENA, Calif.--B. E. Thornton has opened offices at 70 South Sierra Bunts to operate a securities business. He was formerly with Daniel D. Weston & Co., Inc.
Legislating Proper Controls for Pension and Welfare Plans

By JAMES T. O'CONNELL

Under Secretary of Labor
U. S. Department of Labor

Administration's expert estimates present investments in public and private pension and welfare plans total about $80 billion before leveling off. Despite recently exposed abuses, Mr. O'Connell states problems of economic impact that could arise from investment of such a large sum are apt to be "more complex and serious than previously thought." He points out there should be such controls as registration, reporting, and public disclosure of operation of all welfare and pension plans.

States national economic impact of the billions of dollars of pension and welfare funds is considerable. We are exceedingly hopeful, however, that Congress will heed the President's recommendation to his recent Labor Message and pass such a bill to the Congress which would require registration and reporting by these plans in order to cast the healthy share of the public confidence and support of these funds.

Study

The ultimate problems which may emerge from these holdings will undoubtedly be a great deal more complex on the matter. The issues involved in these plans, we are sure, will not be foreclosed by the mere fact of registration. On the contrary, we are convinced that the true and public interest will require such a registration, and that an understanding and comprehension of the working of these funds merits all the care and attention we can be expected to give them.

Two years ago the Administration submitted a bill to the Congress which would require registration and reporting by these plans in order to avoid the health of the public confidence and support of these funds. The President's Message of 1954, and the Senate Labor Committee in its report, has yet been reported out in either House.

The importance of employee pension and welfare plans is a fact with which the members of the American Management Association must be quite familiar. The total amount of money invested in pension trust funds this year is of the order of $80 billion. Yet, only one-half of the non-union members in our country have any such plan provision. In the growth of these plans, however, we believe the far more complex and serious problem of how to administer trust funds is involved. It is our purpose to urge that Congress pass a bill to the Congress which would require such registration and reporting by these plans in order to cast the healthy share of the public confidence and support of these funds.

The Administration's bill would authorize the Secretary of Labor to register and to compel the reporting of pension and welfare plans. The Secretary of Labor would have the duty of examining the reports and, upon his approval, the Federal Government would have the power to register the plan with the Secretary of Labor. The report, which is described in the bill, would be a substitute for the publication of information relating to the operation of these plans. It would provide a source of information for the administration of the Federal Government and would stand behind or enforce individual plans in the event of any violation of the terms of the plans.

The Administration's proposal is not new. In the case of the Federal Government, the District of Columbia has a law in force which requires that every plan be registered with the Department of Labor, and that every plan be subject to the provisions of the District of Columbia Labor Regulations. The Administration's proposal is not new. In the case of the District of Columbia, the District of Columbia has a law in force which requires that every plan be registered with the Department of Labor, and that every plan be subject to the provisions of the District of Columbia Labor Regulations. The Administration's proposal is not new. In the case of the District of Columbia, the District of Columbia has a law in force which requires that every plan be registered with the Department of Labor, and that every plan be subject to the provisions of the District of Columbia Labor Regulations.
question whether the private spending would be as immediate or as extensive in effect as Federal spending in the depression. But the advocates of tax reduction have put forward the notion of a corresponding reduction in private spending. On the contrary, you have a tendency to increase your spending program, but even greater advocates of tax reduction are urging deficit spending. If any one of them is right, I must say so, I have missed it.

This is an example of deficit spending, as it is known, and its potential effect, as it is known, in the current economic cycle. It is a reaction to the severe economic difficulties of the last decade, when the economy was in a deep recession and there was a great deal of unemployment. The advocates of deficit spending argue that it can stimulate the economy by increasing government spending, which in turn can lead to increased private spending through the multiplier effect.

Questions Other Cures

What about deficit spending as a cure for depression? In 1933, Franklin Roosevelt was elected to the Presidency on a platform that promised to "end the depression." He did just that by taking office repudiated the gold standard and embarked upon a program of deficit spending on a gigantic scale, which was characterized by the creation of the Federal Reserve System and the establishment of the federal government as the lender of last resort to banks and businesses.

The result was an unprecedented expansion of the money supply, which led to a rapid increase in prices and wages. The program also included measures to provide unemployment insurance, public works, and other forms of social welfare. As a result, the unemployment rate fell rapidly, and the economy showed signs of recovery.

However, the program also had some negative effects. The rapid increase in prices and wages led to inflation, which, in turn, caused a reduction in the value of savings and a decline in the purchasing power of money. In addition, the program created a debt burden for future generations.

The lesson of the New Deal is that deficit spending can be a useful tool in the fight against depression, but it must be done carefully and with an eye to the long-term economic implications. The economic situation today is different from that of the 1930s, and the tools available to the government are also different. However, the principles underlying the New Deal remain relevant today, and the government continues to use deficit spending as a tool of economic policy.
Utility Stocks as An Aggressive Investment

Have you been told or been quoted stock relatively in a market value of 

The foregoing presupposes that you have growth in per share earnings that the common stock have been required to be punished. For this reason, the bull of your stockholders than is done by giving them occasional 

The stockholder is either is his interest in the investment in the company. He may not be his exercise of control over the company. If he cannot 

To try to specify a capital structure that will fit all companies, is an investment or movements of the market, or from 

Cost of Prior Capital

The cost of prior capital has a bearing on per share earnings, but this effect is not as great as is generally recognized in most financial circles. However, since utilities have limited means of increasing per share earnings, it is worth while, before we continue our study, to control over the general level of interest rates. As a general rule, we can do to improve the cost of prior capital. Keep security consultants in the background, if you will. A well informed buyer is a 

And then for those who have the answering of the questions of the investor, or delaying offers at other times. They will not always be available to answer questions from financial people where you might not have a superior; he would be better off. Do not adopt rigid financing patterns, such as the investor is more inclined to buy preferred, and then bonds in repetitious offering. The question of the capital structure as a goal, don't be afraid to do your homework, in order to avoid a market that is poor for that type of stock. It is often heard financial people remark that utilities do not make profits and that the bond money is unimportant and should be shrugged off. This is quite a different story from the industrial company which may be earning handsome profits, but which may be paying 4% for its prior capital. However, for a utility which is making earnings much above the minimum, and paying 4% or more on prior securitization. Companies which not only work for the benefit of the common stockholder is now quite narrow in this respect, and there is no prior capital can be more important.

The final below-the-line factor influencing per share earnings is the effect of utility dividends. These earnings have been large because of the dividend payout. In my opinion, there is no in the same percentage that fits all companies, and we are dealing with. What the payout for any given operating conditions and what the company can do with the retained earnings. If a company has many opportunities for reinvestment, it may not be as important that the ratio at which the stock sells. In this instance, the beneficial effects of a premium also make a difference at the highest possible price, and because of the relatively low selling ratios, strongly recommend against offering stock through rights.

Other factors which have a strong bearing are: other things being equal, the higher the selling ratio sustain, the lower the rate of earnings on the stock, per share earnings will benefit in line with the ratio at the stock sells. This also is the total selling price, and the ratio at which the stock sells. The benefits of a higher dividend ratio is a ratio as long as the stock is selling at a premium as possible. The most effective way to accomplish this is to expand the price, the ratio at which the stock sells. In this instance, the beneficial effects of a premium also make a difference at the highest possible price, and because of the relatively low selling ratios, strongly recommend against offering stock through rights.

One of my associates saw these 

The answer was that we did and, in 

As stockholders for a utility stock to be just as 

Not only does the stock become relatively more important as market 

One of my associates saw these figures and said, "What a wonder-

Making Your Stocks Aggressive Investments

What do you need to do to make stock relatively in a market value of 

The same effect is the writing down of other share issues by items charges against surplus. With surplus thus reduced, the common stock have been required to be punished. For this reason, the bull of your stockholders than is done by giving them occasional 

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Cost of Prior Capital

The cost of prior capital has a bearing on per share earnings, but this effect is not as great as is generally recognized in most financial circles. However, since utilities have limited means of increasing per share earnings, it is worth while, before we continue our study, to control over the general level of interest rates. As a general rule, we can do to improve the cost of prior capital. Keep security consultants in the background, if you will. A well informed buyer is a 

And then for those who have the answering of the questions of the investor, or delaying offers at other times. They will not always be available to answer questions from financial people where you might not have a superior; he would be better off. Do not adopt rigid financing patterns, such as the investor is more inclined to buy preferred, and then bonds in repetitious offering. The question of the capital structure as a goal, don't be afraid to do your homework, in order to avoid a market that is poor for that type of stock. It is often heard financial people remark that utilities do not make profits and that the bond money is unimportant and should be shrugged off. This is quite a different story from the industrial company which may be earning handsome profits, but which may be paying 4% for its prior capital. However, for a utility which is making earnings much above the minimum, and paying 4% or more on prior securitization. Companies which not only work for the benefit of the common stockholder is now quite narrow in this respect, and there is no prior capital can be more important.

The final below-the-line factor influencing per share earnings is the effect of utility dividends. These earnings have been large because of the dividend payout. In my opinion, there is no in the same percentage that fits all companies, and we are dealing with. What the payout for any given operating conditions and what the company can do with the retained earnings. If a company has many opportunities for reinvestment, it may not be as important that the ratio at which the stock sells. In this instance, the beneficial effects of a premium also make a difference at the highest possible price, and because of the relatively low selling ratios, strongly recommend against offering stock through rights.

Other factors which have a strong bearing are: other things being equal, the higher the selling ratio sustain, the lower the rate of earnings on the stock, per share earnings will benefit in line with the ratio at which the stock sells. This also is the total selling price, and the ratio at which the stock sells. The benefits of a higher dividend ratio is a ratio as long as the stock is selling at a premium as possible. The most effective way to accomplish this is to expand the price, the ratio at which the stock sells. In this instance, the beneficial effects of a premium also make a difference at the highest possible price, and because of the relatively low selling ratios, strongly recommend against offering stock through rights.

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The answer was that we did and, in 

As stockholders for a utility stock to be just as 

Not only does the stock become relatively more important as market 

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Making Your Stocks Aggressive Investments

What do you need to do to make stock relatively in a market value of 

The same effect is the writing down of other share issues by items charges against surplus. With surplus thus reduced, the common stock have been required to be punished. For this reason, the bull of your stockholders than is done by giving them occasional 

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Price-Earnings Ratio
Price-earnings ratios are an important and possibly more important factor in determining the market value of a stock. Correctly used, they can be a guide to greater change and variation. Many factors affect price-earnings ratios, and they are a useful yardstick for determining an investor's confidence in future earnings. In recent years, cyclical stocks will sell at relatively low price-earnings ratios, whereas growth stocks may be bidding up their price-earnings ratio. Investors have confidence that the company will earn the higher earnings in the future, and they are willing to pay a higher price for the stock. This is as it should be.

The second point to note is that I have emphasized price-earnings ratios so strongly. This is essential to a better appreciation of a stock's worth. If you can't evaluate the price-earnings ratio, you're vulnerable to outside adverse developments especially in the form of price movements resulting from subsidized government competition.

The most important factors bearing on investors' confidence concern management. If the stockholders have confidence that the company is doing a good job, they are willing to buy the stock at a high price and vice versa. If the company is doing a poor job, investors are unwilling to pay the high price for the stock. The same holds true for management of some unexpected adverse developments. In recent years, the steel industry has not had the earnings vulnerability except when steel prices dropped below cost. This is one reason why adequate fuel clauses are included in the contract. When you are vulnerable to outside adverse developments especially in the form of price movements resulting from subsidized government competition.

Unrealized Original Cost
Regulatory action: which we cover. The investor includes strict adherence to the rules of the game rather than to rate base principles which is impossible in banking. The main reason is that there is no compensating balance. The investor's decision to demand an additional rate base is an inordinately expensive and high-priced activity. Customers who are more comfortable with the low-priced service of their competitors will make a different decision. The investor is essentially looking for a way to escape the competitive threat.

But there are other factors which affect the investor's confidence. One is competitive scrutiny. The potential for a shift in market share is an important factor in the denominator of the price-earnings ratio. If there is a potential for a shift in market share, the company is less likely to be able to maintain its earnings and therefore will have a lower price-earnings ratio. Investors are not interested in companies that are not earning high prices. They are interested in companies that are earning high prices.

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The third reason for the investor's confidence is that the company has a good record. A company with a good record is more likely to be able to maintain its earnings and therefore will have a lower price-earnings ratio. Investors are not interested in companies that are not earning high prices. They are interested in companies that are earning high prices.

Fourth, the investor's confidence is based on the company's earning power. If the company has a strong earning power, investors are more likely to be willing to pay a high price for the stock. If the company has a weak earning power, investors are less likely to be willing to pay a high price for the stock.

Summary
To summarize, the general investor regards profits as a security with a high price-earnings ratio, and he is interested in companies that are earning high prices. He is not interested in companies that are not earning high prices. He is interested in companies that are earning high prices.

Walter E. Heller & Co.
Common Stock Offered
A public offering of 125,000 shares of Common Stock of Walter E. Heller & Co. was made to the public by the underwriting group headed by E. F. Hutton & Co., and D. Witter & Co. and the price was $20 per share.

We will add the general investor's confidence in the company's current earnings and potential earnings. The company's earnings are high and the potential for growth is strong.

Walter E. Heller & Co. is a diversified holding company with interests in a wide range of industries, including construction, manufacturing, and finance. The company's earnings are high and the potential for growth is strong.

Frank C. Bahn
Frank C. Bahn passed away on April 3, 1960, at the age of 85. Mr. Bahn was a long-time partner in Merrill Lynch, Pierce, Fenner & Smith.

Niagara Mohawk Power Corp.
Niagara Mohawk Power Corp. is among the largest utility companies in the United States. The company has a market capitalization of $255 million, about 30% of the total capitalization of the company. The company operates in New York State, and its primary business is the generation and distribution of electricity.

In 1960, the company had a total of 22,000 square miles of service area, which included 50 municipalities, 50,000 farms, and a large number of industrial plants. The company's customers are located in 96 communities in the New York-New Jersey area of the United States. The company has a large number of customer relationships, including large industrial and commercial customers, as well as residential customers.

The company has a long history of operating successfully in the energy sector. The company has a strong track record of maintaining a strong earnings stream and a stable dividend. The company has a strong balance sheet, with a low debt-to-equity ratio and a high cash flow to coverage ratio. The company has a strong management team, with a deep understanding of the energy sector and a strong track record of operating successfully.

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State of California and Its Finances

1920 and 1927, $3,100,000 par value in bonds were issued.

California was in default in four of its bonds and the supreme court of the state declared all debt in excess of $2,000,000 null and void. In 1927 the legislature was called to investigate various illegal issues and authorized virtually all the bonds that the court had discarded.

The Assistance Program cannot afford to have a turnover of a bond issue by the electorate, nor is it practical for a fund to finance which will raise interest rates.

The next sizable item in California's debt picture is through the issuance of state bonds. Prior to 1947 local school districts provided their own new school construction through the issuance of district bonds. In one case, state subventions to local school districts, equal to educational opportunity throughout all areas has been a bill (Feb. 18). INX, Sec. 6 and Article XIII, Sec. 25. In 1947, a bond issue was placed in a state school bond at $180 (now $193.30) per $100 of face value. In the public school districts of the state, the amount of the entire fund for each fiscal year is apportioned to the school districts for the support of the public school system. To the extent that the state considered present represents approximately $1,000,000,000 of general funds of school districts, local district taxation of real and personal property and the state's accounts for slightly more than $1,000,000,000.

State aid for school building construction purposes involved an annual expenditure of approximately $5,000,000 from current income in 1947. In 1948 the first of several state school bond issues was approved, in the amount of $2,000,000,000. A total of $55,000,000 have been authorized for school building programs in the state, $10,000,000 remain unissued as of the date of the last bond sale.

As in the case of Veterans Aid, the state is not authorized to submit to the electorate in the November general election an additional issue of $200,000,000. The salient features of the State School Building Aid Program are:

(1) Districts must have demonstrated need and have submitted a plan for constructive aid. (2) The statutory limit is 5% of the assessed value of the district. (3) The state aid must be to improve such estate in the same manner as if the property was the district's own (proving vote) and must pay a rate not exceeding 50% of the pre-adoption cost of the state's borrowing costs.

(3) Districts' obligation to repay the state in the form of state aid is paid by the state at 3% per annum.

The principal sources of funds for state highways are:

1. The state's general obligation debt
2. The state's general obligation debt
3. The state's general obligation debt
4. The state's general obligation debt
5. The state's general obligation debt

The people of the State of California take the education of the population as another of their primary purposes. The school system of the state is large and includes such institutions as public schools, universities, and normal schools.

The state agencies administer the various public school systems in the state. The funds are provided in part from state income taxes and in part from local school districts. The state has encouraged the expenditure of funds for the construction of new school buildings.

While there has been some decrease in the State's school building needs, the pressure of growing school populations next five years will exert itself.

I would expect a continuing State Aid Program using the current existing aid program is being rapidly reduced. This is to be done at the local level, through consolidation and unification, in order to achieve the greatest possible economy in design of buildings, lower costs for construction and planning of needs, and use of the state plant for 12 months of the year. This matter should be one of the interests of all school districts and towns, which will be much enthusiasm for this legislature. The state aid program is designed to aid school buildings or rental of buildings from authorities, which will have a large effect on the borrowing costs to local districts.

San Francisco Harbor Bonds

The state debt is San Francisco harbor improvement bond issue, $700,000 authorized but unissued, $200,000 of the bond issue will be held in the mortgage on the school buildings or rental of buildings from authorities, which will have a large effect on the borrowing costs to local districts.

San Francisco Harbor Bonds are issued to finance improvements in the harbor area. The specific purpose of the bond issue is to improve the harbor area and to provide for the economic development of the city. The bond issue is authorized by the state legislature and is considered by the state as a means of promoting the economic growth of the city.

The state is a principal borrower in the bond issue, and the state is a guarantor of the bond issue. The bond issue is secured by a mortgage on the harbor property, which is the property that will benefit from the improvements.

The state has the right to control the harbor property in the event of default on the bond issue. The state is also responsible for the repayment of the bond issue in the event of default. The state has guaranteed the bond issue, which means that the state is responsible for paying the interest and principal on the bond issue in the event of default.

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The smallest County is Santa Cruz, containing 439 square miles and an estimated population of 70,700. The largest County is San Bernadino, containing 2,767 square miles—and incidentally, the only County in the United States—with a population of 1,457,700. The most populous County is Los Angeles—containing 3,486,300 residents in an area of 776 square miles. The City and County of Los Angeles, of course, within our discussion of cities), totaling 4,660,000, principally issued for the maintenance of public transportation and highways.

County debt is limited to 5% of the assessed valuation of the county. With very few exceptions requiring a majority vote of the electorate, county debt will always be of minor significance. A chief reason that we feel county bonds are one of the most conservative forms of municipal debt in California.

While the most liberal record of county bond defaults prior to 1900, the only serious delays in payment occurred in the Counties of Imperial, Los Angeles, and San Diego Counties, primarily due to failure of the City of Los Angeles to meet its obligations in the area of the City of Los Angeles and the other areas of the City of Los Angeles. These obligations were chiefly represented by the sale of real estate and the construction of public works in the City of Los Angeles. The City of Los Angeles was able to meet its obligations by the sale of real estate and the construction of public works in the City of Los Angeles.

School Districts

In the state of California, the most frequent bond defaults are school districts. These districts are generally divided into two classes: elementary school districts and junior high school districts. The elementary school districts usually have a higher percentage of bond defaults than the junior high school districts. The elementary school districts are generally operated under the control of a board of trustees, whereas the junior high school districts are operated by the state government. The elementary school districts are generally operated by local school boards, whereas the junior high school districts are operated by the state government.

Banking

Some of the more successful school districts in California are those that have a well-developed system of local school boards. The school boards of these districts are generally well-financed, and the districts have a reputation for financial responsibility. The districts that have a well-developed system of local school boards are generally those that have a well-developed system of local government. The local school boards are generally composed of local residents, and the districts have a reputation for financial responsibility. The districts that have a well-developed system of local government are generally those that have a well-developed system of local government. The local government is generally composed of local residents, and the districts have a reputation for financial responsibility.

Grunenberg Joins Howard, Weil Firm

NEW ORLEANS, La.—Howard, Weil, Franklin & Company, Howard, Weil Franklin & Company, 224 Carondelet Street, New Orleans, has elected Mr. Grunenberg as a partner in the firm. Mr. Grunenberg is a member of the firm's commercial department, which represents the company in a number of cases, and is associated with the firm in its commercial department.

Joining Coburn & Middlebrook

(Special to The Financial Visitor)

PORTLAND, Ore. — Thomas J. Callahan has joined the staff of Coburn & Middlebrook, Incorporated, 1201 Southeast 10th Avenue.

With Clifford J. Murphy

(Special to The Financial Visitor)

WATERBURY, Conn. — Robert H. Calvert, 3167 Park Avenue, Waterbury, and Eleanor J. Paschak have been added to the staff of Coburn & Middlebrook, Incorporated, 1201 Southeast 10th Avenue.

Keenan & Clary add two associates

MINNEAPOLIS, Minn. — Sylvester F. Kehler has been added to the staff of Keenan & Clary, Inc., Pillsbury Building.
Reader Wants to Know Why We Are Playing Russia’s Game

Philadelphia correspondent looks askance at our international foreign policy and suggests calling Soviet’s “bluff of bombastic threats” by providing UN with “adequate police-force teeth” and by exposing malpractices and atrocities. Mr. Sonneborn and the State Department have hastily concurred in the proposed aid to the test of whether it is “distributed by the right people, to the right people, [and] in a way calculated to achieve expected results.”

Editor, Commercial and Financial Chronicle

The Russians are probably laughing up their sleeves at how easily they have been tricked into sending foreign aid as being more consonant with practical reading of the oil crisis. The U.S. and the U.S.S.R., in this manner of argument, are pretty much like two boys arguing over who got to have guns “cause Bully has guns.” Bully says: “I got to have guns cause I have guns.” The British people are surprised and amused by American fury over the supposed scientific suicide of the Mini and they say: “Uncle Sam, come off it! Be your age! We didn’t invent the bomb! We don’t throw fits of terrorizing our own people out of jealousy. But the other side of the road has found a bigger rock to put in its catapult.”

Walter Sonneborn

Amer, Can Go 3%\(^2\) Debentures Offered

The first public offering of $40,000,000 of 3\% debentures, to date, the largest, since 1929 was made yesterday by a group of 175 members headed by Morgan Stanley & Co. The offering consists of $80,000,000 30-year 3\% debentures, at 99-7/8 priced at 100 and accrued interest.

The debentures will have the benefit of an annual sinking fund to retire 5\% of principal each year. The sinking fund is designed to retire approximately 50\% of the issue prior to maturity. In addition, the debentures will be redeemable at 101\% of principal and accrued interest. They are optionally redeemable at any time at prices commencing at 102\% and declining to 100\% at redemption prior to April 1, 1963, with the exception of five\% of the issue.

P. B. U. S. S.

Port of Los Angeles

The 159 SPLAC, 308-foot sister of the Salt Lake City, was berthed at the Port of Los Angeles yesterday and the Port Commission authorized the vessel to remain here.

The $250,000 vessel, the first of its kind in the country, is scheduled to enter service next summer.

With Liberty Inv. Co.

Soviet grain imports

According to the department, the Soviet Union has completed its negotiations for the purchase of 180,000,000 bushels of wheat and 1,000,000,000 bushels of corn. The shipments were made in June and July, and the purchases were financed by the U.S. government.

Columbia Sacs. Add.

DENVER, Colo. — Rubin C. Douglas, president of the Columbia Sacs. Co., announced today that the company has entered into an agreement with the Columbia Sacs. Co., of New York, to include the company's new line of sack for the food industry.

The agreement provides that the Columbia Sacs. Co. will be the exclusive distributor of the new sack in the Pacific Northwest, and that the company will be responsible for the sales and distribution of the sack in that area.

The sack is designed to meet the needs of the food industry, and is expected to be an important addition to the company's line of products.
leve it is fairly safe to say that we have reached the bottom of the 1958 recession. Let me list a few of the things that will characterize that conclusion:

(1) Retail sales reached a low point in February, and have shown a reassuring pick-up in March. Although data on sales of durable goods are still lacking, the general impression is that March sales have been strong.

(2) Seasonally adjusted production rates in steel, paper, paper board, and automobile assembly, have all risen to a level above February's low point, and these show some signs of slowing by now.

(3) Many indicators which economists watch particularly closely, are now at or below the bottoms they registered in 1957. Retail sales, for example, have recently turned very strong.

(4) The Federal Reserve Bank of St. Louis has already published some evidence that the volume of free reserves available to the member banks, may now be as low as they were when the early stages of the 1957-58 recession were being maintained at their present level throughout the year.

The policy of the Federal Reserve, measured in terms of the size of the volume of free reserves available to the member banks, may now be as low as they were when the early stages of the 1957-58 recession were being maintained at their present level throughout the year.
As We See It

independence of thought, and is to be regarded as
definitely in the interest of all the people.

On the day following the dispatch of this message, the
President signed the housing bill S. 4118. In so doing, he
voiced the belief that the

"The legislation ignores the responsibility and ability
of private enterprise to function without imposing a direct
burden on the Federal purse. It has been the fixed
goal of the Administration, and should be the consistent
pur-
pose of the Federal Government, to seek in every way to
encourage private capital and private investors to finance
in competitive markets the myriad activities that are
needed to preserve the economic strength and stability of
the country. This legislation contains provisions that are
wholly inconsistent with that policy and with the philosophy of the free enterprise
system that has made this nation strong. By a mere
provision
that new mortgages may be fully adjusted to actual market conditions, and by
requiring purchases of these mortgages at par by the Fed-
eral National Mortgage Association, the Administration
and the Congress are time and again reminding the Federal
financing
by private investors.

"The American people expect their government to act
in every way to serve the interest of the economy.
But they also expect their government to preserve the
integrity of principles and programs that have served us
well. In acting for today we should not forget

More Consistency Needed

It is deeply to be regretted that the President has not
consistently followed the basic principles and fundamental
philosophy he seems to have in mind in his
speeches to Congress. The fact is, though, that
he has done nothing of the kind. Even in the housing
measure in which he finds objectionable features, he finds
other provisions to which he cannot sign the measure
—and that despite the fact that they are quite definitely
consistent with his views.

New Deal in nature—and in fact plainly violates the
principles which he finds essential in the passages quoted.

The mere fact that these other provisions, such as the
occupation of the World War II veterans' loan program, and the liberalization of F.H.A. insured mortgages, do not make
immediate demands upon the Treasury in no way sanitize
or render them more in keeping with the tradi-
tional American economic and social philosophy. The
truth is that these "guarantee" or "insurance" programs are the more dangerous for the simple reason that their
costs will not be passed on to anyone. It is not the worst
offender of them all in this respect is the social
security program, the cost of which to future generations will inevitably be massive which is not now given a
thought by the proponents of the bill. The sum total of
the consolidation objectives of the 1920 law was fulfilled, corporate mergers would have
lost their meaning. The railroads are so
lost their meaning. The railroads are so
property far beyond the coordina-
tion of the industry. An adequate use of rail-
road equipment and facility mix between
while they have not returned to fundamental thinking.

The thought of a generation ago
is that of the commonrailroad
of the problem of efficient opera-
onsion of a Class II railroad at the
of the railroad is very different from what they
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Railroads Must Consolidate
In Order to Survive

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ments.
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The crises which the railroad industry has faced since the mid-1920s have been
nearly continuous. The industry has been
strugging through periods of depressed
activity, and periods of rapid expansion, and has
been undergoing a process of consolidation that is now nearing its conclusion.

The consolidation of the railroad industry has been a two-edged sword. On the one
hand, it has provided the industry with the economies of scale necessary to compete
in a highly competitive market. On the other hand, it has also led to a concentration of
power in a relatively few hands, which has resulted in a loss of the freedom of choice
for consumers.

The future of the railroad industry is not bright. The industry is facing a number of
challenges, including declining freight traffic, rising operating costs, and increasing
competition from other modes of transportation. The industry must find a way to
cope with these challenges and remain competitive. This may require further
consolidation, as well as the development of new business strategies. It will also
require a commitment to innovation and efficiency, to ensure the continued viability
of the railroad industry.
earning power and that of business in general is the result of the regulatory restrictions under which the railroads are operating. These obstacles are in their way and we must try to give effect to our mass production characteristics and the difficulties we face to offset declining traffic. They are encountered in employing rails and the railroads in some parts of the country do not refute this view. Their fiscal and competitive situation is due to the external circumstances of their operations and their growth. These have been sufficient to offset the internal drive to competitive transportation and still leave a margin. The basic disease is a faulty capital structure.

The problem of achieving plant and equipment, hence investment and operating, equalization of requirements and potential, or the railroad industry, is like that of the war effort. It is a factor to the successful operation of all American industries. That is, it is motivated the policies and actions of early railroad builders and managers. I am not suggesting that it is done today; in fact, probably more so, because they had freedom to operate in accordance with economic principles. A primary manifestation of these policies and actions is the present service conditions of the railroad system. It is common use of the separate equipment of the constituent companies and the giving of preferential service. These conditions were the objectives to be achieved.

The importance of railroad consolidation hardly needs explanation or justification. The railroad companies, it is now well to be moved, have undergone a remolding, though familiarity with the corporate arrangements that contribute to this remolding of our present system may cause us to be indifferent to the importance of its consolidation. However, continuing balance between pressures to take the railroad system down and pressures to consolidate is again at consolidation as a means of reducing the size and number of the railroad companies in the particularly difficult circumstances n we confront them.

Making for Pardernization

Most of the accomplishments of the rail-
dustry through dieselization, This type of evolution with many of its accomplishments completely replaced the steam locomotive system. We have strug-
glished through an investment of approximately $3 billion. This investment would be approximately $1 billion annually in current dollars. The dieselization of the railroad equipment, however, would have been incurred with steam operation. This savings represented 20 to 25 per cent of the earnings power of the railroads over the period of dieselization of the American rail-
roads, and on the reports of related improvements to physical properties of the railroads that were necessary to obtain the benefits of dieselization. This saving in earnings power required the expenditure of $1 billion annually in current dollars. These are the sources of the railroad industry, including those generated by the railroad industry itself.

Savings of another billion dollars by the railroad industry are not in the interests of the railroad industry itself. We need to preserve not only the physical and financial integrity of the rail-
roads but also their ability to provide a means of transportation.

The railroad industry has a greater potential of being more useful than most other groups of railroad officers. The opportunities are enormous, savings that could be generated by the railroad industry, but it also knows equally well that such improvements require large initial capital outlays, ones that few railroads either possess or have, or may be purchased on a less advantageous basis.
Price of Air Superiority: Upon the Defense Industry

At the outset of World War II, when it became apparent that air power would play a decisive role in the outcome of the conflict, the United States government undertook a massive expansion of its military aviation capabilities. This was part of a broader strategy to ensure the nation's security and maintain a competitive edge in the global arena.

The war effort required a significant increase in the production of aircraft, missiles, and related equipment. This expansion was not only due to the needs of the military but also to the recognition of the economic benefits of investing in defense-related industries. As the war progressed, a robust defense industrial base was established, which would play a crucial role in the Cold War and beyond.

The development of new technologies and production methods was essential for maintaining air superiority. This included advancements in aerospace materials, engine design, and avionics systems. The aircraft industry also had to adapt to the demands of mass production, which required efficient supply chains, standardized parts, and economies of scale.

The defense industry was not only crucial for national security but also had a significant impact on the economy. Military contracts provided employment opportunities for millions of Americans and stimulated innovation in other sectors. However, the costs were immense, with estimates suggesting that the United States spent over $3 trillion on defense-related activities during the Cold War.

In conclusion, the high price of air superiority was not just a matter of national security but also had profound economic implications. The defense industry contributed to the nation's technological advancement and economic growth, albeit at a considerable financial cost.

Continued from page 14

Productive Maintenance Now to Meet Future Production Needs

The end result, which is increasingly obvious to all of you, is that the company must make a definite move toward effective maintenance programs. This is not only a matter of technical "know-how" already available to automobile manufacturers, but more importantly, it is the sense of urgency mentioned earlier. Have the wheels of program control been turned back because of management's lack of consideration of planning or thinking on maintenance?

Some statistical experts recently calculated that these 4 passengers in the years ahead will require...

The Census Bureau estimates that the population will increase approximately 172 million as of 1965, for a total of 202 million. It is not possible to predict that the population will stabilize at this point or that it will rise at a steady rate. In any case, the population will continue to grow and will have an increasing need for transportation services.

In light of the anticipated growth in the population, it is essential to consider the implications for the transportation industry. As the number of passengers increases, so too will the demand for transportation services, including planes, buses, and trains. This presents an opportunity for the industry to expand its operations and serve the needs of a growing population.

However, it is important to note that the transportation industry is not alone in facing challenges related to population growth. Many other industries, including manufacturing and retail, will also need to adapt to the changing demographics. This requires a comprehensive approach that considers the needs of various stakeholders, including consumers, businesses, and government agencies.

As we move forward, it is crucial to recognize the importance of long-term planning and strategic thinking. By considering the needs of the population and investing in infrastructure and technology, we can ensure that the transportation industry and other sectors are prepared to meet the demands of a growing population.
too much—or is it enough? Let’s suppose the maintenance engineer wants to put the budget by 10% or another $10,000—should management approve the request?

Let’s look at this way—the present step routine maintenance is being done per ton produced. What will this request do to our cost per ton? If the answer is that the extra money will give a 5% improvement in maintenance, knowing the equipment you’ll find quickly that $.50 per ton goes up from $.05 to $.50. But look what happens to the net tax after taxes—$30,000,000 to $2,100,000. So we see that a 1% increase in maintenance costs will increase the plant’s cost by 5%. The answer to the question then becomes whether or not the maintenance budget is going to be financially sound yes—and $1,100,000 is not too many. In pits.

I hope that this simple example helps to show that the real yardsticks and its spent on maintenance must be the evaluation of the maintenance cost per unit product.

Road Block #2—Maintenance

Organization

The day has gone forever when a good all round knowledge of the maintenance boss. In the highly technical field of maintenance in the future the chances are that the maintenance engineer will manage the largest division of a company. The plant, the purchase and delivery of raw materials, the plant inventory, shipments out, and the whole production process revolve around and must be keyed to the ability of the maintenance group to keep the plant operating. In a highly automated production systems a breakdown, an unauthorized shut down due to equipment failure could be disastrous.

The maintenance engineer then, must be a true leader in management. For the high degree of maintenance procedures can be put into the systems with the help of full cooperation from other departments. The company has to have to some manner that the best interests of the Company are served.

Our second challenge, therefore, to be convinced management, be sure the man responsible for maintenance is on the key position on the management team along with the other companies developing manufacturing, and marketing.

How

Assuming that we have broken through, another problem in this maintenance gives you the green light on maintenance which do we go—where to start?

Much information is available on the various steps of Maintenance. Although the 5 Steps of Productive Maintenance may be well known, here—you are again in brief form.

2 steps—#1, Gather complete maintenance data. You must have facts on what is and what it does. This is not the arrangement of routine maintenance. In other words, a complete route program for inspections, in other words, a minor parts replacement for the equipment, etc.

Step 3—Establish a routine operating control system. This covers the recording and control of the purchasing and stocking of supplies. A routine system for scheduling the routine maintenance, record of work done, etc.

Step 4—Evaluate for critical maintenance. This is an area in this area that top engineering should have been required to insure maximum continuity of the plant. This is a real pay-off from Productive Maintenance. This step a list is made of each piece of equipment in order of its importance to production. The critical items must then be carefully in-"
Richard Fox Opens
HOUSTON, Tex.—Richard F. Fox, just back from a business trip to offices at 2405 San Jacinto, has been associated with the Chicago Tribune Co., formerly with Kranner & Co.

Daniel Reeves Adds
(Briefed by The Financial Chronicle)
BEVERLY HILLS, Cal.—Myron J. Reynolds, 27, has joined the staff of Daniel Reeves & Co., 385 South Beverly Drive, Beverly Hills, Calif., to handle the New York and Pacific Coast Stock Exchanges. Mr. Menold was formerly with Murchie, Duffie & Co.

Joins F. L. du Pont
(Briefed by The Financial Chronicle)
FRESNO, Cal.—Richard J. Martin has joined the staff of Francis L. du Pont & Co., 2117 Merced Street. He will be assisted by E. F. Sutton & Company.

Two With Reynolds Co.
(Briefed by The Financial Chronicle)
STOCKTON, Cal.—Douglas W. Siemers and John S. Wong have become affiliated with Reynolds & Co., 303 Central Avenue, and will be working with the firm's construction division.

With Smith La Hue
(Briefed by The Financial Chronicle)
ST. LOUIS, Mo.—William F. Leibert has become affiliated with Smith, La Hue & Co., Pioneer Business Park.

With State Bond & Mfg.
(Briefed by The Financial Chronicle)
NEW ULM, Minn.—Oscar C. Aker is now affiliated with State Bond & Mfg. Co., 29 North Minnesota Street.

Now Atlas Securities
CHERRYVILLE, Wyo.—The firm of Fallo & Co., 1337 Capitol Avenue, has been changed to Atlas Securities Company.

J. L. Fallon Co. Formed
(Briefed by The Financial Chronicle)
LOS ANGELES, Calif.—James L. Fallon is engaging in a securities business from offices at 7895 Sunset Boulevard under the firm name of The James L. Fallon Co.

The State of Trade and Industry

The State of Trade and Industry would mean that consumption for highway construction should reach 2,600,000 tons as against 2,500,000 in 1937.

Manufacturers' durable goods inventories, even after a four-month trimming, were higher in relation to sales at the end of February than at the beginning of January. In January, with the recession, the United States Department of Commerce reported.

They were also higher, in relation to sales, than they were before the recession. As a result, it is apparent that manufacturers' inventories have not fallen as rapidly as sales.

The authors explained that for a manufacturer, the spot light was on durable goods, focal point of today's inventory indication—and unemployment upset.

Reeves reported that at the end of February, with seasonal adjustment, manufacturer durable inventories compared with $929,000,000,000 a month earlier and $1,121,000,000,000 at February's peak of 1957. The 29.3% decrease was down from $12,000,000,000 a month earlier and $14,000,000,000 in February of 1957.

In the automotive industry, one-third of the nation's assembly plants were closed entirely last week, dropping passenger car output 29.3% under the previous week to the lowest point in six months.

"Ward's Automotive Reports" noted the closing of 18 United States assembly plants of General Motors, Ford and Chrysler in the past week in 10 states dropped auto output to 62,322 units from 83,344 in the preceding week. It attributed the closings to output of the entire industry is expected to show a marked pattern of weekly production scheduling.

Ward reported that the average workweek of last week fared better, dipping only 4.1% under the prior week, but still ran 29.5% below the same week of last year.

"Ward's" said Michigan absorbed the bulk of last week's factory closings, losing 11,795 jobs during the week. Each week's figures were computed for New Jersey, Georgia, California and Texas and one each in Minnesota, Kansas, Delaware and Virginia. The regions centered around Duquesne, Ohio, Studebaker, Ford, Mercury, Dodge and DeSoto.

The production service counted United States March output at 370,049 cars and 71,385 trucks; giving first quarter (January-March) totals of 1,230,710 and 272,105 respectively. It commented this was 12.3% below the same period thus the year before and under the 365,000 completions scheduled for this month.

Chevrolet and American Motors continue to report the steady rate of production. "Steel Production Expected to Drop Fractionally to 48.4% of Ingot Capacity" reported the Standard reported on Monday last.

Cutbacks suggest that steel production has not hit bottom yet, but a survey of buyers of industrial components shows there is little optimism for a big drop, according to a survey of aluminum producers, Zinc-lead manufacturers and other important steel users.

Reeves reported that steel buyers have big inventories of finished goods and mills have plenty of semi-finished steel.

Other favorable indicators show that construction is picking up, with orders for a big group of work on the St. Lawrence Seaway and in need for state highway building programs. Tin plate operations are running at 90% of capacity; topping all other production. Both are almost at full production bids for $12,000,000 worth of equipment.

The newspaper is the news that two large manufacturers of household appliance production cut back.

Another discouraging development reveals that the sales squeeze continues on the automotive industry and may wash out the Edsel sales and dealer organization.

Ford management people report that Edsel has 90 days to make it. The line will be replaced by either Edsel or Ford as a mark of that level of current usage. They are not likely to build inventories during the second quarter, but, they will buy for replacement.

The five months will bring no price changes with Steel prices cut. Edsel will continue to have a 29.3% above the previous week.

Business Failures Rose Last Week and Sharply
Exceeded Year Ago Level

Commercial and industrial failures more than doubled in the week ending April 3, 1958 from 207 last year. Failure to file with the United States Chamber of Commerce was considerably the only one of all last year. Forty of the failure was below $10,000 in excess of 1957, 10 of the failure was considered.

Although neither manufacturers nor wholesalers suffered as much as last year, the retailing total climbed to 176 from 158, construction to 31 from 42 and commercial service to 37 from 29. Wholesale failures increased as heavy as in the comparable week last year when 217 occurred and they exceeded noticeably the 217 in 1956. Continuing above the pre-war level of 62 failures in 1956 for the 23 week period ending April 9, 1958.

Concerning involvements of $5,000 or more rose to 306 from 257 in the previous week and 204 in the corresponding week a year ago. An increase also appeared among small failures, under $5,000. The number of failures in excess of $100,000 in the preceding week.

The United States Chamber of Commerce is listed by the New York Stock Exchange, the Federal Reserve Board, and the Federal Reserve Bank of St. Louis.

For the like week a month ago the rate was 9.1%, and production was slight. A year ago the actual weekly production was placed at 2,310,000 tons, or 145.3%.

"Index of production is based on average weekly production for 1947-1949."
Wholesale Commerce Price Index Set New 1958 High in Latest Week

Price increases on livestock, some grains and land helped boost the wholesale commerce price level during the week to the highest point on record. The Federal Reserve Bank of St. Louis daily wholesale commerce price index hit 282.53 the 1958 record during the week. The index was 282.10. It stood at 279.73 on March 31, compared with 281.96 during the week ending March 2, 1957.

Although large receipts at the beginning of the week held corn prices down, buying picked up the end of the period and prices rose sharply. The index ended for the week at 278.87, compared with 280.10 during the week ending March 23, 1957.

Wholesalers reported a moderate drop in flour trading last week, but prices were close to those of a week earlier. Commercial cotton bale prices held steady for the week and were close to official parity. Gains reported for the period Jan. 1, 1958 to March 25, 1958, was a decrease of 2% with volume steady.

Retail trade volume in New York City the past week advanced from 3% above the same period last year, at which time Easter was still two weeks ago away, according to the Federal Reserve Board's index, department store sales in New York City for the week period ended March 29, 1958, was recorded.

Dallas District businessmen reported consumer buying, with volume steady. According to the Federal Reserve Board's index, department store sales in New York City for the week period ended March 29, 1958, was recorded.

In the residential construction field, data through 1957, provide a degree of encouragement that is not shown in residential construction activity, at the present time. The dollar value of nonresidential construction has increased by 138% of the amount of the period from the first 11 months of 1957, to a high of 1957-

American Bankers Association (ABA) President William W. Tucker reported that the period of interest rates, during the previous 12 months, March 1957 to March 1958, was high.

For the week period ending March 29, 1958 the dollar value of nonresidential construction showed a decrease in the dollar value of the same period last year, of 138% of the amount of the period from the first 11 months of 1957, to a high of 1957-

Consumer Credit

In November, 1957, the amount of outstanding consumer credit in the United States was 43.5 billion dollars, a record high to that date. In the first 11 months of 1957, it was 17.3 billion and in 1956 it was 8.8 billion dollars. The 3% to 4 years to the present time outstanding consumer credit has increased by approximately 35%.

This accumulation of debt will lead to reduced consumer purchases during the coming months, while consumers reduce their credit obligations.

Consumer credit is an outstanding business of 6.4 billion dollars from start to finish. This increase was 1.2 billion dollars.

In 1958, from 1957 to 1958, the mortgage rate was 4.4 billion dollars. By 1956 consumers apparently had a basis for adjusting their outstanding debt as they deemed wise. This put aside consumers more nearly on a cash basis; that is, additional installment commitments and increases in open-account credit became subject to a lack of repayment on outstanding loans.

Residential Construction

The building of houses and other construction had a stabilizing effect on the late fall of the 1955 War II recessions. In 1954, the value of residential construction was reported as the same high to that date, with an index number 100. In 1955, the index was 101; in 1956, the index was 102, which was 9% above that of 1957.

In 1957, the residential construction, after a slight rise in the early fall, started dropping. This time high for this country, it is now showing a downward trend. The index, which had stood at 101 in 1956, it did in 1955. In 1956, the rate was 102. In 1957, it was 101. When available, possibly will show a drop of 25% or less. This constitutes the basic element of weakness in the present business situation.

This decline in residential construction immediately suggests a point for stimulating business through easier home-mortgage financing and more ample-almond projects. The influence of this "bear" trend, as well as the population increase of 3 million per year, utilizing the demand for homes, but the increase may not be substantial for a few years.

Auto Production

Automobile production in 1955 registered an increase of 9% above the 1949-1945 level of 1950. By 1957, automobile production reached 10 million units, or 1 million units above the 1947-1949 average but it has dropped considerably since that time. Continued weakness in this field will tend to prolong the present recession.

In the nonresidential construction field, data through 1957 provide a degree of encouragement that is not shown in residential construction activity, at the present time. The dollar value of nonresidential construction has increased by 138% of the amount of the period from the first 11 months of 1957, to a high of 1957-

The fact that nonresidential construction was exceedingly high in 1955, building activity more vulnerable to contraction; if the rate of contrac-

tion perishes beyond the summer of 1958. This index of nonresidential construction not only shows the rate at which new factories are being built, it also reflects the demand for machinery and equipment needed for the businesses located in these factories.

Leaving Off by Last Quarter

It appears that the present recession, which began in the early fall of 1957, has been going on for some time and may not be over until the late fall or early fall of 1958, if the pattern follows that of early recession in 1952.

However, reference to the accompanying chart, "The Trend in Wholesale Price Index below the postwar trend than that of 1949, 1952, or 1954. Still, it would appear that the recession of 1952-1953 could have been another 1921-1922.

Regardless of the low point in the Sequence of Business Cycle, the movement toward the end of the trend is a fact. The market direction of rate of output would be necessary, and at a rate of 0.5% to 1% a month, it is a fact that the postwar growth trend. If the trend continues, recovery will be under way.

Sideways Trend Until Spring of 1959

Assuming that the late summer or fall of 1958 shows stabilization or the trend of industrial production, it is possible that a "sideways" movement may persist all the spring of 1959. When residential construction starts expanding, automobile output increases, conditions should show recovery in relation to the past years. In 1958, in particular, may be watched as an indication of what will happen in the future. This time, many other series will probably stabilize and the recovery will be in sight or taking place.

It must not be forgotten that government programs designed to stimulate consumer spending are expected to have a significant impact on any projection of business conditions. The fact that the present acceleration in buying is a reflection of the consumers' desire to purchase goods is clear. The present acceleration in buying is a reflection of the consumers' desire to purchase goods is clear.

The multiplier of all political and economic programs is brought to bear on our economy's "dip in consumer spending." The fact that the present acceleration in buying is a reflection of the consumers' desire to purchase goods is clear. The present acceleration in buying is a reflection of the consumers' desire to purchase goods is clear.

Two With C. M. Hathaway

DENVER, Colo.—Richard Perry and Henry Stark, Jr. are now with the Hathaway Company, 175 Sherman.

With Inv. Service Co. (Special to The Financial Chronicle)

DENVER, Colo.—Theodore R. Llewellyn has joined the Investment Service Co., First National Bank Building.

Joints Merrill Lynch

DENVER, Colo.—Irwin Pepper has joined the staff of Merrill Lynch & Co., First National Bank Building.

With Mountain States

DENVER, Colo.—William H. Greer, Jr., chairman of Mountain States Trust Co., has joined the Denver Chronicle).

Joints Bache & Co.

KANSAS CITY, Mo.—Otto P. Schram has joined the staff of Bache & Co., 1000 Baltimore Ave.
Securities Now in Registration

Adams Engineering Co., Inc. (4/21-25)
April 1 filed $25,000,000 of 6 1/2 per cent convertible sinking fund debentures, ratifying and confirming the provisions of the class A common stock (par $10). Price—To be supplied by amendment. Proceeds—For expansion and construction purposes. Underwriter—Curtis, Peck, Stagg, Co., New York, N. Y.

Aerocraft Manufacturing Corp. (3/27)

Air plexics Corp. of America (4/14-18)
March 14 (letter of notification) 90,125 shares of common stock of Air plexics Corp., New York, N. Y. Offered for sale in units of 500 shares at $100 per share. Proceeds—To be supplied by amendment. Underwriter—Milton D. Blauzer, New York, N. Y.

Bankers Fidelity Life Insurance Co. (2/16)
Feb. 18 filed 25,000,000 shares of common stock (par $10) of which 125,000 shares are to be offered publicly and 133,750 shares to employees pursuant to stock purchase plan. Proceeds—For general corporate purposes. Underwriter—Blyth & Co., New York, N. Y.

Belgian Congo (2/16)

Boston Gas & Electric Co. (2/16)
Feb. 18 filed 1,112,000 shares of common stock (par $1) to be offered for subscription by common stockholders on the basis of one share for 10 shares held. Proceeds—To retire remaining loan bonds. Underwriter—Blyth & Co., New York, N. Y.

Boston & Maine Corp. (5/6)
March 1 filed 100,000 shares of common stock (par $1) to be offered for subscription by common stockholders on the basis of one share for two shares held. Proceeds—To retire remaining loan bonds. Underwriter—400 Grand Central Terminal, New York, N. Y.

Boston & Maine Corp. (5/6)
March 3 filed 50,000 shares of common stock (par $1) to be offered for subscription by common stockholders on the basis of one share for two shares held. Proceeds—To retire remaining loan bonds. Underwriter—W. L. D. Smith, 100 Grant St., Boston, Mass.

Boston & Maine Corp. (5/6)
March 2 filed 10,000 shares of common stock (par $1) to be offered for subscription by common stockholders on the basis of one share for two shares held. Proceeds—To retire remaining loan bonds. Underwriter—W. L. D. Smith, 100 Grant St., Boston, Mass.

Cobre (Australia) Ltd. (5/6)
March 1 filed 3,000,000 shares of $1 par value common stock (5 1/2% convertible for 5 years). Proceeds—To be supplied by amendment. Underwriter—Shearson, Hammill & Co., 25 Broad St., New York, N. Y.

Cross Country Oil Co. (5/6)
March 16 filed 120,000 shares of common stock (par $1) to be offered for subscription by common stockholders on the basis of one share for 10 shares held. Proceeds—To be supplied by amendment. Underwriter—Cross Country Oil Co., 125 Broadway, New York, N. Y.

Daybreak Uranium, Inc., Opportunity, Wash. (2/16)
Jan. 29 filed 1,100,774 shares of common stock (par $1) of which 100,000 shares are to be sold by stockholders. Proceeds—For exploration and drilling costs. Underwriter—Blyth & Co., New York, N. Y.

Diapulse Manufacturing Corp. of America (5/6)
March 17 (letter of notification) 5,000,000 shares of common stock (par $1) to be offered for subscription by common stockholders on the basis of one share for two shares held. Proceeds—For general corporate purposes. Underwriter—112A Bond St., New York, N. Y.

DigiTelemetry Corp. (2/16)
Feb. 12 (letter of notification) 149,000 shares of common stock (par $1) to be offered for subscription by common stockholders on the basis of one share for five shares held. Proceeds—For general corporate purposes. Underwriter—Curtis, Peck, Stagg, Co., New York, N. Y.

Dresser Industries, Inc. (3/17-21)
March 17 (letter of notification) 200,000 shares of common stock (par $1). Price—$2.50 per share. Proceeds—For working capital and for expansion and construction purposes. Underwriter—Blyth & Co., Inc., 21 Wall St., New York, N. Y.

Electro-Brake & Co. Ltd. (3/21)

Emerald Stock Corp. (3/21)
March 18 filed 1,000,000 shares of common stock (par $1). Price—$1 per share. Proceeds—To be supplied by amendment. Proceeds—For working capital. Underwriter—Curtis, Peck, Stagg, Co., New York, N. Y.

Emerson Electric Co. (2/16)
March 16 filed 10,000 shares of cumulative preferred stock with participating rights at the rate of one new share for each four shares held. Proceeds—To be used for working capital, expansion and general corporate purposes. Underwriter—Gillett, T. J. Underwriter Co., 135 New York, N. Y.; and Mac Bol¬bins & Co., Inc., Jersey City, N. J.

Equity Management & Investment Corp. (3/21)

Erie R.R. Co. (5/6)
March 16 filed 100,000 shares of common stock (par $1). Price—$1 per share. Proceeds—For working capital. Underwriter—Curtis, Peck, Stagg, Co., 25 Wall St., New York, N. Y.

Future Value Corp. (5/6)
March 16 filed 100,000 shares of common stock (par $1). Price—$1 per share. Proceeds—For working capital. Underwriter—Curtis, Peck, Stagg, Co., 25 Wall St., New York, N. Y.

General Electric Co. (2/16)

Gold Mining (5/6)
March 14 filed 2,500,000 shares of common stock (par $1). Price—$1 per share. Proceeds—To be supplied by amendment. Underwriter—Lehman Brothers, New York, N. Y.

Government Indications (4/21)
April 3 filed 25,000,000 of 15 per cent bonds due May 1, 1960, New York. Proceeds—To be supplied by amendment. Proceeds—To be used for national defense projects. Underwriter—Morgan Stanley & Co., New York.
NEW ISSUE CALENDAR

April 11 (Friday)
- Aluminum Co. of America
  Debentures (The First Boston Corp., Inc. & Co., Inst.) $12,000,000
- Builders Loan Inc.
  Preferred (Stuart & Co., Inst.) $1,000,000
- Central Bank & Trust Co.
  Common
- Chapman & Co.
  Preferred (Chief Underwriters Corp., White Weld & Co., Inc., and
  Potomac Power Co., Inc.) $2,000,000
- New England Telephone & Telegraph Co.
  Debentures
  (Bids to be invited) $3,000,000

April 14 (Monday)
- Avco Corp.
  Preferred
  (Milton D. Rains & Co. & Stoddard, Milliken, Sullivan & Co. & Cottrell-Brundrett & Co.) $1,500,000
- M. W. Kellogg Co.
  Common
- Pennsylvania Railroad
  Preferred
  (Bids to be invited) $7,000,000

April 16 (Wednesday)
- Atlantic City Electric Co.
  Preferred (E. A. Loomis & Co.) $300,000
- Diamond
  Corp. of New York
  Debentures
  (Smith, Barney & Co., Inc.) $30,000,000
- Tennessee Gas Transmission Co.
  Debentures
  (Bids to be invited) $15,000,000
- Tract Co.
  Debentures
  (C. L. A. Loomis & Co.) $300,000
- Belgian Copper
  Stocks
  (Dillon, Read & Co., Inc.) $15,000,000
- Smith, Kline & French Laboratories
  Debentures
  (Smith, Barney & Co., Inc.) $30,000

April 17 (Thursday)
- Bankers
  Corporation
  Common
  (McDonald, Holman & Co., Inc.) $400,000
- Directors
  Corp.
  Common
  (James Anthony Securities Corp., Norton & Co.; Bovler, Stotz & Co., and
  Smith, Barney & Co., Inc.) $300,000
- White Wolf & Co.
  Debentures
  (Bids to be invited) $1,100,000

April 20 (Monday)
- Adams Engineering Co.
  Debentures
  (Dresner, Podell & Co.) $2,500,000
- Adams Engineering Co.
  Common
  (Cullen, [('., Co.) $500,000
- Four Corners Oil & Gas Co.
  Common
  (Bids to be invited) $180,000
- Commercial Credit
  Corp.
  Preferred
  (Bids to be invited) $15,000,000

April 21 (Tuesday)
- Atlantic Electric Co.
  Common
  (Bids to be invited) $10,000,000
- Commonwealth of Australia
  Bonds
  (Bids to be invited) $20,000,000
- Polymon Electric Power Co.
  Debentures
  (Offering to stockholders—to be underwritten by
  Securities Co., Inc., & Co., & Bridgeport Electric Co.) $2,000,000
- Sierra
  "•
  Power Co.
  Bonds
  (Bids to be invited) $15,000,000
- Southern Pacific Co.
  Equip., Trust Cfs.
  (Bids to be invited) $20,000,000

April 24 (Thursday)
- Pittsburgh & Lake Erie RR.
  Equip. Trust Cfs.
  (Bids to be invited) $5,000,000
- Florida Power & Light Co.
  Debentures
  (Bids to be invited) $20,000,000

continued from page 29

New England Electric System (4/15)
March 14 filed $800,000 of stock subscription (par $5) to be offered for subscription by stockholders at the rate of one new share for each 12 shares held as on April 16, 1958. Subscription warrants will be mailed on April 16. Minimum subscription price: $50 per share. For information, as of the date scheduled, 1958 employees will subscribe 20,000 shares of stock.

New Jersey Bell Telephone Co.
Feb. 28 filed $50,000,000 of 5-year debentures due April 1, 1963, at an interest rate of 4%. Issue possibly to be enlarged by $10,000,000. For information, as of the date scheduled, 1958 employees will subscribe 20,000 shares of stock.

Northern Natural Gas Co., Omaha, Neb.
Feb. 17 filed $2,000,000 of participating interests in 1938 all shares of stock subscription (par $5) to be offered for sale in $10,000 units. Proceeds—For exploration and development of gas and oil properties.

Nordex Associates Inc., Dallas, Texas
Feb. 17 filed $2,000,000 of participating interests in 1938 all shares of stock subscription (par $5) to be offered for sale in $10,000 units. Proceeds—For exploration and development of gas and oil properties.

Municipal Investment Trust Fund, Inc. (N.Y.)
May 9 filed 5,000,000 of undivided interests in 1958 all shares of stock subscription (par $1) to be offered for sale in $100 units. Proceeds—For sale to public, as of the date scheduled, 1958 employees will subscribe 20,000 shares of stock.

National Geographic Society, Washington, D.C.
March 11 filed $1,200,000 of stock subscription (par $1) to be offered for subscription by stockholders at the rate of one new share for each 8 shares held as of the date scheduled, 1958 employees will subscribe 150,000 shares of stock.

National Public Service Co.
Apr. 11 filed $3,000,000 of stock subscription (par $1) to be offered for sale in 1958 employees will subscribe 20,000 shares of stock.

Mar. 29 filed $10,000,000 of stock subscription (par $1) to be offered for sale in 1958 employees will subscribe 20,000 shares of stock.

New England Electric System (4/15)
March 14 filed $800,000 of stock subscription (par $5) to be offered for subscription by stockholders at the rate of one new share for each 12 shares held as of the date scheduled, 1958 employees will subscribe 20,000 shares of stock.

New England Electric System (4/15)
March 29 filed $1,200,000 of stock subscription (par $1) to be offered for subscription by stockholders at the rate of one new share for each 8 shares held as of the date scheduled, 1958 employees will subscribe 150,000 shares of stock.
March 23 (letter of notification) 33,950 shares of common stock, at price—To be offered for subscription by bank stockholders of record at the rate of one new share for each share held, to be distributed among the stockholders on file as of April 19, 1958.

★ Scovill Mining Co. (4/18)
March 23 (letter of notification) 33,950 shares of common stock, at price—To be offered for subscription by bank stockholders of record at the rate of one new share for each share held, to be distributed among the stockholders on file as of April 19, 1958.

★ Potomac Electric Power Co. (4/23)

Pueg Sound Power & Light Co. (4/28)
March 21 filed $30,000,000 of first mortgage bonds due May 1, 1958, to be sold in book-entry form by Underwriters—Kidder, Peabody & Co., New York.

Regiscope Co. of Colorado, Inc. (4/21)
March 22 filed $15,000,000 of 6% convertible preferred stock, series A (par $400) to be sold (by private placement) to preferred stockholders of record as of May 1, 1958, at $400 per share.

Richfield Oil Co. (4/21)
March 6 filed $50,000,000 of 4% convertible subordinated debentures due April 6, 1960, to be offered for subscription by common stockholders of record as of May 1, 1958, at the rate of $100 principal amount per debenture to be held.

Syntex Corp. (Republic of Panama) (4/21)
March 23 filed $2,000,000 of common stock, at price—To be offered for subscription by common stockholders of record as of April 19, 1958, at the rate of one new share for each share held, to be distributed among the stockholders on file as of April 19, 1958.

— Temporary postponement because of market conditions.
to certain employees and officers. The record date for the subscription offering will be the 7th day following the effective date of the registration statement, which will be approximately 20 days. Price—At par ($25 per share). Proceeds—To pay outstanding obligations of the Underwriter. Offerings—Expected in near future.

**Tax Exempt Bond Fund, Inc., Washington, D. C.**


**Tennessee Gas Transmission Co. (4.16)**


**Timeplan Finance Corp.**

March 25 (letter of notification) 27,727 shares of 7.5% cumulative preferred stock (par $100) and 1,000,000 shares of common stock (par $10) to be offered in units of one preferred share and ten common shares. Price—$2 per share. Proceeds—For working capital. Underwriters—111 E. Main St., Marketville, Tenn.

**Traid Corp. (4.16)**

March 28 (letter of notification) 120,000 shares of common stock (par $1). Price—$2.50 per share. Proceeds—For working capital. Office—1136 Venture Blvd., En¬cino, Calif. Underwriters—109 Broadway, New York, N. Y.

**Tribune Mining Corp.**

Nov. 6 filed 3,000,000 shares of common stock (par one mill). Price—25 cents per share. Proceeds—For land acquisition, exploration, development, and other corporate purposes. Underwriter—None. Al¬lowance—5%.

**Trans-Cuba Oil Co., Havana, Cuba**

March 28 filed 6,000,000 shares of common stock (par 10 cents) to be offered for subscription by holders of outstanding shares of common stock and holders of bearer shares. Price—50 cents per share. Proceeds—For general corporate purposes, including capital expenditures. Underwriter—None.

**Trask Manufacturing Co.**

Feb. 27 (letter of notification) 7,000 shares of common stock (par $1) to be offered pro-rata to stockholders on the basis of one share for each share held. Price—$4 per share. Proceeds—For drilling for oil and gas. Officers—422 Main St., Connersville, Ind. Underwriter—None.

**United Artists Associated Inc., New York**

March 21 filed 15,000 shares of common stock (par $5). Price—$4.50 per share. Proceeds—For the payment of current liabilities. Address—Wright-Clark section, 3 miles north and one share of common stock (par $2) to be offered in units of one share of each class A, B, and C preferred and one share of common stock. Price—$100 per unit. Proceeds—To repay

**United States Ship Corp.**

Feb. 6 filed 1,500,000 shares of common stock (par one cent) to be offered by holders of debentures, preferred stock, and other related security. Proceeds—To retire corporate debt, for general corporate purposes, and to retire outstanding stock. Officers—Salt Lake City, Utah. Underwriters—Amont & Co., New York, N. Y.

**Uranium Corp. of America, Portland, Ore.**

April 1 filed 250,000 shares of common stock (par 1 cent). Price—To be $1 per share. Proceeds—For exploration and development work. Underwriter—The First Boston Corp., New York, N. Y.

**Valley Farms Inc., Denver, Colo.**

Feb. 27 filed 10,000 shares of class A B and C preferred stock (par $25), and 52,000 shares of common stock (no par) to be offered in units of one share of each class A, B, and C preferred of one share of common stock. Price—$100 per unit. Proceeds—To repay

**Washington National Development Corp.**

Oct. 2 (letter of notification) 50,000 shares of common stock (par $10) and $1,000,000 of debentures due November 1978. Price—To be determined. Proceeds—To be offered for subscription by common stockholders of record on the date of record of one share of common stock and one 10th share of debentures at $10 per share and the remaining $2,023 shares are to be publicly offered at $9 each. Proceeds—For development and construction programs. Underwriter—None.

**Western Copperhead Mining Co. (Canada)**

March 3 (letter of notification) 25,000 shares of common stock (par $5) to be offered for subscription by common stockholders of record March 17 on basis of one new share for each 10 old shares. Price—$7.15 per share. Proceeds—For general corporate purposes. Underwriters—None.

**Willow & Gibbs Sewing Machine Co.**

March 3 (letter of notification) 25,000 shares of common stock (par $1). Price—$1.25 per share. Proceeds—For general corporate purposes. Underwriter—None.

**Wiley Color Television System, Inc.**


**Winfield Coal & Coke Co.**

March 5 filed 4,000,000 shares of common stock (par $1) to be offered by holders of preferred stock. Price—$12.50 per share. Proceeds—For investment. Underwriter—Wethey & Co., New York.

**Worth Fund, Inc., New York**

Feb. 21 filed 400,000 shares of common stock. Price—$3.50 per share. Proceeds—To increase capital and surplus. Underwriter—None.

**Columbia & Southern Ohio Electric Co.**

Dec. 21 filed 45,000 shares of common stock and sell about 250,000 additional shares of common stock. Underwriters—Dillon, Reed & Co. and Company, New York and The Ohio (jointly). Proceeds—For the construction programs and for general corporate purposes. Underwriter—None.

**Citizens & Southern National Bank of**

March 11 it was announced stockholders of record April 8, 1959 are to be given the right to subscribe for 100,000 additional shares of common stock and other securities at new price; for each 10 shares held. Price—$30 per share. Proceeds—To increase capital and surplus. Underwriter—None.

**Consolidated Natural Gas Co.**

March 10 it was reported that this company plans to issue and sell $5,500,000 of mortgage bonds sometime after the second quarter of this year. Underwriters—None.

**Colorado Public Service Co. (6/17)**

Mar. 10 it was reported that this company plans to issue mortgage bonds. Proceeds—For the construction programs and for general corporate purposes. Underwriters—None.

**Delaware Power & Light Co.**

Jan. 21 it was reported that this company plans to sell $25,000,000 of first mortgage bonds due 1986 through First Boston Corp., New York, N. Y.

**Florida Power Corp. (7/1)**

James F. 1. it was reported that this company plans to issue and sell $25,000,000 of first mortgage bonds due 1986. Under¬
writer.—To be determined by competitive bidding; Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith; Co., Inc.; Lehman Brothers, Halsey, Stuart & Co., Inc.; Blyth, Smith, & Co., Inc.; and Goldman Sachs & Co., Inc. (jointly);

The First Boston Corp. Bids—Expected to be submitted by May 19.

**Kentucky Utilities Co.**

Jan. 27 it was announced by the company that a plan to issue and sell $10,000,000 of first mortgage bonds, Proceeds—To repay bank loans and for new construction. Underwriter—To be determined by competitive bidding; Probable bidders: Halsey, Stuart & Co., Inc.; Blyth, Smith, & Co., Inc.; Lee Higgin- son & Co., Inc.; Continental Securities Co., Union Securities Co., and Merrill Lynch, Pierce, Fenner & Smith (jointly); Kidder, Peabody & Co., Inc.; and Merrill Lynch, Pierce, Fenner & Smith & Co., Inc.; Offering—Expected in September or October.

**Kentucky Utilities Co.**

Jan. 29 it was announced by the company that it may offer approximately 185,000 additional shares of its common stock. Underwriter—To be determined by competitive bidding; Probable bidders: Halsey, Stuart & Co., Inc.; and Morgan Stanley & Co. Bids—Expected on May 26.

**Master Fund, Inc., Fairfield, Calif.**

Jan. 27 it was announced by the company that it has offered for sale $100,000,000 of preferred stock, par $100 (the latter to American Telephone & Telegraph Co.). Proceeds—To retire short-term obligations and for general corporate purposes. Underwriter—By competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith & Co., Inc.; Glore, Forgan & Co., Inc.; Blyth, Smith & Co.; & Blyth, Smith & Co., Inc.; Equitable Securities Co., Inc.; Registra- tion—Expected early May.

**New Southern Pacific Co.**

Feb. 11 it was reported by this company that it may issue and sell $3,000,000 of preferred stock, par $100, for general corporate purposes. Underwriter—By competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith & Co., Inc.; Glore, Forgan & Co., Inc.; Blyth, Smith & Co., Inc.; Equitable Securities Co., Inc.; Registration—Expected late May.

**New York Telephone Co.**

Mar. 20 it was announced by the company that it has filed with the New York Public Service Commission to issue and sell $50,000,000 of preferred stock, par $100, of which $10,000,000 of shares of common stock, par $100 (the latter to American Telephone & Telegraph Co.), Proceeds—To retire short-term obligations and for general corporate purposes. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Morgan Stanley & Co. Bids—Expected on May 26.

**Niagara Mohawk Power Corp.**

Mar. 1 it was reported by this company on April 15 for the purchase from it of about $7,000,000 of equitv trust certificats. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith & Co., Inc.; Lehman Brothers, Halsey, Stuart & Co., Inc.; Morgan Stanley & Co. Bids—Expected to be submitted by May 26.

**Northern Indiana Public Service Co.**

Mar. 13 it was reported that the company may be considering the possibility of issuing $75,000,000 of additional mortgage bonds, par $100, Subject to favorable market conditions. Proceeds—To be used to retire short-term obligations and for the construction of additional securities, the nature of which will be determined on conditions at time financing is under- taken.

**Northern Pacific Ry. (4/15)**

Mar. 14 it was announced by this company on April 15 for the purchase from it of about $7,000,000 of equipment trust certificats. Probable bidders: Halsey, Stuart & Co., Inc.; Mortgage Brokers, Inc.; Lehman Brothers, Halsey, Stuart & Co., Inc.; Morgan Stanley & Co. Bids—Expected to be submitted by May 26.

**Northern States Power Co. (Minn.)**

Jan. 13 it was reported that the company may be considering the possibility of issuing $10,000,000 of additional bonds, par $100, for general corporate purposes. Proceeds—To be used to retire short-term obligations. Underwriter—To be determined by competitive bidding. Probable bidders: (1) Halsey, Stuart & Co., Inc.; Equitable Securities Corp.; (2.) The First Boston Corp.; & Blyth, Smith, & Co., Inc. (jointly); (3.) Merrill Lynch, Pierce, Fenner & Smith & Co., Inc. (jointly); (4.) Lehman Brothers and Riter & Co. (jointly); (5.) Kidder, Peabody & Co., Inc.; (jointly); (6.) Hutzler & Co. (jointly); (7.) Harriman Ripley & Co. & Eastman Dillon, Union Securities Co. (jointly).

**Ohio Gas & Electric Co. (6/17)**

May 20 it was reported by this company on May 20 for the purchase of about $7,000,000 of additional mortgage bonds, par $100, for general corporate purposes. Proceeds—To be used to retire short-term obligations and for the construction of additional securities, the nature of which will be determined on conditions at time financing is undertaken.

**Pacific Gas & Electric Co.**

Mar. 14 it was reported that the company plans to sell approximately $2,000,000 of additional mortgage bonds in the middle of the year, first to present stockholders and then to public. Underwriter—By competitive bidding. Probable bidders: Blyth, Smith, & Co.; Glore, Forgan & Co.; Harriman Ripley & Co.; White, Weld & Co.; & Blyth, Smith & Co., Inc.; Equitable Securities Co., Inc.; Registration—Expected late May.

**Pennsylvania Railroad Co.**

Mar. 20 it was announced by the company that it has filed with the New York Public Service Commission to issue and sell $30,000,000 of additional mortgage bonds, par $100, of which $10,000,000 of shares of common stock, par $100 (the latter to American Telephone & Telegraph Co.). Proceeds—To repay existing bank credit and to sell equity capital in this year or in early 1959, depending upon prevailing market conditions. Underwriter—To be determined for any common stock: The First Boston Corp., New York.

**New York Telephone Co. (5/20)**

Mar. 16 it was announced by the company that it has filed with the New York Public Service Commission to issue and sell $50,000,000 of preferred stock, par $100, of which $10,000,000 of shares of common stock, par $100 (the latter to American Telephone & Telegraph Co.), Proceeds—To retire short-term obligations and for general corporate purposes. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith & Co., Inc.; Glore, Forgan & Co., Inc.; Blyth, Smith & Co., Inc.; Equitable Securities Co., Inc.; Registration—Expected early May.
Our Reporter's Report

Experience investment observers see things shagging up a bit regarding the mining equipment company, burly on the securities, chiefly from a monetary and industrial point of view. The market is not inclined to move little higher in the next few sales and that, conversely, yields will be tapping off a notch.

But there is no disposition to look for any sharp lull in the yield level. The coal mining equipment company has demonstrated that potential buyers are quite strong resistance to such a trend.

Those who anticipate a firming up of prices in the weeks ahead to the low level of yields in the short-term government market have been encouraged by the strength of the funds building up in banks and among insurance companies and other institutional investors or governments.

Meanwhile, business generally still on the slow side and there is no indication of the present slide in a big rush. It is suggested that pressure of funds building up for banks and commercial offices is due to a temporary slowdown in demand for the current substantial emebdual ending plans for this year.

But the fact remains, as the current substantial emebdual ending of new capital issues testifies, that the demand for such funds still is at a large scale proportions.

Large industrial offerings expected by the Wall Street press have been especially noteworthy, having brought considerable public utility favorites into the background at least temporarily.

Reported Doing Well

A recent report on the coal mining equipment company was due to make headlines for those handling the stock. It was favorable to the offerings. For a spell these blew hot and cold but as offering time approached, they warmed up again.

The several underwritings of $55 million of which the largest was the Aluminum Co. of America, $30 million of debentures, due in 1957; Metropolitan Am. $28 million of debentures, due in 1957; American Can Co. $55 million of debentures, due in 1957; and Crown Zellerbach, Inc. $30 million of debentures, due in 1957.

That investors are still insisting on protection against sudden loss of income by early refunding of these issues was evident by the $75 million of preferred stock, priced to yield 7.5%, was next in the new issue list. The issue is $500,000 million of debentures and Joseph P. Kennedy, Inc., $500,000 million of debentures.

That investors are still insisting on protection against sudden loss of income by early refunding of these issues was evident by the $10 million of preferred stock, priced to yield 7.5%, was next in the new issue list. The issue is $500,000 million of debentures and Joseph P. Kennedy, Inc., $500,000 million of debentures.

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The Security I Like Best

Intellectrically produces some of the most challenging machinery which makes coal mining equipment more efficient, no more important, less hazardous. It is so.

If Joy was just a producer of coal mining machinery, it would be enough, but since the world has diversified considerably and is already a leader in the manufacture of machinery for all types of coal mining activity, it is highly regarded.

It is particularly well suited for use in coal mining activity, and its high efficiency is due to the fact that the equipment is designed for use in the most severe conditions. The company's engineers are constantly in the forefront of improving its machines to improve both efficiency and safety in mining.

As an outgrowth of its continuing interest in the safety of miners working underground, Joy's research and development work is expanding to all industries. It is looking into the problems of dust, ventilation, and other safety measures to improve the lives of miners.

Joy's innovations have earned it a reputation for being on the cutting edge of technology. The company's engineers are constantly improving its equipment to meet the ever-changing needs of the mining industry. Joy's commitment to safety and innovation make it a leader in the coal mining equipment industry.
### Indications of Current Business Activity

#### AMERICAN IRON AND STEEL INSTITUTE
- Production of steel (tons) (annual average) | April 19, 1965:
  - Total: 4,225,000
  - Blast furnaces: 3,972,000
  - Open hearth: 253,000
  - Basic oxygen: 220,000
  - Electric furnaces: 20,000

#### CIVIL ENGINEERING CONSTRUCTION — ENGINEERING
- Total U. S. construction | April 1965:
  - Total construction: 5,500,000
  - Residential: 1,500,000
  - Commercial: 4,000,000
  - Industrial: 1,000,000

#### IRON AND STEEL ECONOMICS
- Steel output (tons) of U. S. steel plants | April 1965:
  - Total: 1,200,000
  - Bethlehem: 200,000
  - U. S. Steel: 400,000
  - Republic: 100,000

#### NATIONAL PAPERBOARD ASSOCIATION
- Production of paper and paperboard | April 1965:
  - Total: 10,000,000
  - Newsprint: 5,000,000
  - Coated: 2,000,000
  - Uncoated: 3,000,000

### Allocation of Current Business Activity

#### AMERICAN ZINC INSTITUTE, INC.
- Zinc output (tons) | April 1965:
  - Total: 2,000,000
  - Domestic: 1,500,000
  - Exported: 500,000

#### FABRICATED STRUCTURAL STEEL (AMERICAN HISTORICAL SOCIETY)
- Shipments of fabricated steel (tons) | April 1965:
  - Total: 1,000,000
  - Structural steel: 500,000
  - Rebar: 300,000

#### NATURAL GAS (BUREAU OF MINES)
- Natural gas output (bbls.) | April 1965:
  - Total: 2,000,000
  - Domestic: 1,500,000
  - Exported: 500,000

### Financial News

#### ALUMINUM (BUREAU OF MINES)
- Aluminum production (short tons) | April 1965:
  - Total: 1,000,000
  - Domestic: 800,000
  - Imported: 200,000

### Securities

#### WAREHOUSE PRICES, NEW YORK — U. S. DEPT. OF LABOR
- Wheat (per bushel) | April 19, 1965:
  - Red: 20.00
  - White: 19.50

### Additional Information

#### ZINC (BUREAU OF MINES)
- Zinc production (short tons) | April 1965:
  - Total: 1,000,000
  - Domestic: 800,000
  - Imported: 200,000

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The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date.
Walton & Co. Opens New Milwaukee Branch

The One William Street Fund, Inc., a mutual fund organized under the Uniform Trust Act of New York State, has been opened by the Eastern Trust Company, New York, with offices at First National Bank Building, Milwaukee. The fund is managed by Walston & Co., a well-known investment banking concern.

The fund will be managed by an experienced staff of investment counselors. The fund's objective is to provide a balanced portfolio of stocks and bonds. The fund will be available for investment through the Eastern Trust Company, New York, and its branches.

The fund will have an initial public offering of $100,000,000 shares. The shares will be sold at $10 per share. The fund will be offered to the public on a continuous basis.

The fund will be managed by a team of experienced investment counselors. They will include:

- Charles A. Draper
- Edward B. Burr
- Richard D. Gibson
- John P. Chase
- Francis C. Gray
- William M. Rand

The fund will be available for investment through the Eastern Trust Company, New York, and its branches.

Mutual Funds

By Robert E. Eich

Two New Funds to Join Open-End Industry

Further evidence of the wide acceptance of the mutual fund concept as a vital force in the nation's investment structure is seen in the announcement of two additional new funds to the ranks of the open-end industry. They are The One William Street Fund, Inc., to be sponsored and managed by Lehman Brothers, New York City, and The Chase Fund, a Massachusetts Trust to be managed by John P. Chase & Co., Inc., Boston.

In the case of The One William Street Fund, Inc., the procedures for registration with the Securities and Exchange Commission have already been accomplished. The appropriate statement, filed on April 7, provides for the public offering of 3,000,000 shares at $12.50 per share via a nationwide syndicate headed by Lehman Brothers. Further details appear later on.

The Chase Fund

The fund, which is to be managed by John P. Chase & Co., Inc., Boston, which presently acts as investment advisor to Shareholders' Trust of Boston, has been authorized by the Securities and Exchange Commission. The fund's board of directors includes:

- Charles A. Draper
- Edward B. Burr
- Richard D. Gibson
- John P. Chase
- Francis C. Gray
- William M. Rand

The fund will be available for investment through the Eastern Trust Company, New York, and its branches.

Open-End Funds' Portfolios Have 80% in Equities

Common stocks account for almost 96% of the net assets of open-end investment companies (mutual funds), reports the National Association of Investment Companies.

Ten years ago, at year-end 1947, 70% of member open-end companies were managed by funds invested in common stocks.

The fund's relative investment in common stocks is the result of a continuing program of diversification of the investment portfolios of open-end companies.

In the past decade, the fund has expanded its portfolio to include a greater proportion of common stocks and a smaller proportion of fixed income securities.

Delaware Funds' Report Assets Gain

Net assets of Delaware Fund and Delaware New York Fund rose substantially in the first quarter of 1958, W. Lisbon Nielsen of Delaware Investment Company, the Funds' investment adviser, reports in the latest Delaware Fund's monthly Directors' Letter.

Delaware Fund's assets on March 31, last, amounted to $9,175,085, over the Dec. 31, 1957, figure of $8,021,410. Delaware New York Fund's resources increased to $12,815,600, from the year-end figure of $12,172,911. Delaware Fund's assets on March 31 were $12,563,549, at the close of 1958's first quarter, compared with $12,406,300, three months earlier.

Mr. Nielsen, who is also President of both investment companies, points out that the Funds' assets reflect market appreciation of portfolio securities, net of sales of shares.

The mutual fund held in New York and Delaware funds there can no longer be any doubt that Government will do everything in its power to stabilize the economy, irrespective of inflationary tendencies. The only question, he observed, is will these efforts be sufficient to save the nation, or how soon. "We think they will be," he added, "and accordingly. We don't think the results will be seen quickly," he continued, "but we are certain, believing that, as a stock market will hold for actual
Wellington Fund Reports Gains in Sales, Asset Value

For the month of March 1958 the Wellington Fund reported sales of $436,907,000, or about 8,000 shares, and assets of $8,350,000, or about 3,500 shares, on March 31, 1958 as compared to $115,650,000 on January 31, 1958.

Mr. Wilkins also reported increased sales for the first quarter of 1958 over the same period for 1957.

Mr. Wilkins and the directors of the Wellington Fund are pleased with the results achieved in the first quarter of 1958. Nevertheless, it is important to note that the recent market optimism must be balanced against a number of adverse factors which could cause further market declines. Among these factors are the Federal Reserve action to tighten credit and the possibility of a recession in the economy. The Wellington Fund management will continue to closely monitor these factors and take appropriate action to protect the interests of its shareholders.

Lower Reserves for Bankers' Banks

Sought by Federal Reserve Board

Central banking authorities request Congress to amend Federal Reserve Act to liberalize reserve requirements and narrow differentials as between classes of banks.

Federal Reserve Board submitted to Congress on April 19 to amend member bank reserve requirements against deposits which provides an answer, though not a complete one, to American Bankers Association's concern for banks' approaches for a loan position, growing economy's need to increased geographical classification of required reserves. Last year the A.B.A.'s Economic Policy Commission made a study of the A.B.A.'s concerns and the report is believed by the Commission to be a long-term, comprehensive study of the reserve problem.

According to the Federal Reserve, in explaining the proposed amendments, the Bill would facilitate "the monetary and credit needs of a growing economy" and would permit moving gradually toward a more equitable and rational structure of reserve requirements. As A.B.A. President Joseph C. Welman stated April 4, "the Commission's recommendations go considerably further, of course, than the Federal Reserve's proposal and we continue to believe that our plan for reserve for reserve should be adopted." The Reserve authorities represent a constructive move in the right direction and definitely deserves support.

FINANCIAL WRITER AVAILABLE

Current examples of work on "big board" firms, industry groups, economic trends, invite your inspection. Age 38. Salary: $9,000 per year.

Box C 43

The Commercial and Financial Chronicle

25 Park St., New York 7, N. Y.

Volume 187 Number 5792... The Commercial and Financial Chronicle

results." In fact, he noted, the market—"seemingly singularly oblivious to business disappointing first quarter; and he indicated that unless the market is preparing itself for its historical role of forecasting the future, an economic depression could happen on the upside if the investing public starts to believe a millennium has arrived—that a depression is the best rational argument to permit. Believing the idea, he said, his group reasoned, they could protect themselves in the market, but not against the market itself. "The best strategy here appears to be a combination of a market that gets you out of the system and yet protects you against it," he said.

Group's Com. S.Tk. Fund Registers

10% per Share Gain

Total assets of The Common Stock Fund of Group Securities, Inc., of the Federal Reserve Bank of St. Louis, has risen from $2,374,023, during the first three months of 1957, to $4,366,294, at the end of March, 1958. The Board of Directors of Group, Inc., April 8, Sales of the Fund's first section, Series A, are now at the $2,366,294 level. The Fund was originally constituted, in a 1957 issue over $150,000 for 1958 for each year. Reflecting management's selection of a 10% per share gain for the year, the first quarter against a general market index of 10%.

As of March 31, The Common Stock Fund was 79% invested in banking and insurance, including merchanting, tobacco and utility stocks, the balance to 22% in 1954, Mr. Anderson said.

The fund's bank and finance company holdings were increased 2.5% in the past three months to 9.0% of total assets. Purchases included $3,500 shares of Bankers Trust, 5,000 Chase Manhattan, 1,500 PNC, 4,900 Continental Illinois, 5,000 C.I.T., 6,000 Commercial Credit, 4,000 General Electric Co., 8,000 Hanover, 4,500 Manufacturers Trust, and 1,400 New York Trust.

A new fact sheet containing the results of The Common Stock Fund of Group Securities, Inc., may be obtained from Distributors Group, Inc., 63 Wall Street, New York, N. Y.

Lexington Venture Fund Report

The six months report of Lexington Venture Fund, Inc., shows that total net assets rose from $1,179,242 on Aug. 31, 1957, to $1,433,289 on Feb. 28, 1959. The unrealized profits declined in this period by 1.3% to a net of $95,189 on Feb. 28. Gross income for the six month period equaled $14,506, while net income amounted to $14,500, or $0.59 per share. During this period only 1,535 shares were redeemed while 22,961 new shares were sold.

Weston Adds Three

(Equity to The Provincial Commercial)


GOOD-GOOD

COMMON DIVIDEND

The Board of Directors of the Company declared the following meeting of stockholders for the purpose of electing dividends of $0.10 per share on common stock, payable June 1, 1958, to stockholders of record June 15, 1958.

At the close of business May 15, 1958.

The Comptroller of the United States of America, Secretary

April 7, 1958

THE GREATEST NAME IN NUMBERS

(1647) 47
WASHINGTON...And You

WASHINGTON, D.C.—Members of Congress are home doing some political fence mending in the cities, in the towns, and over the Postal Circuits in the "fork of the creeks." This is election year.

A number of members rushed home, hooked up loud speakers and hit the road to give the people a report on what is going on in Washington. The Democrats are striking blows at what they call the "Republican record," and the Republicans are apparently hoping that there will not be too much of it left to talk about when the bell rings again in November general election.

"Lying Dickies"—such as Democratic leader Mike Mansfield of Montana— are declaiming that the Eisenhower Republican Administration has forced the Democratic leadership to go ahead with their own anti-recession program. Senator Mansfield and the Democrats are hoping that when Congress reconvenes that the President will\n
"Medicine Show"—However, the Republicans are not taking the Democratic criticism lying down. Their thunder is being made by labeling the Democrats as the "Republicans of the past" and the "mediocre Dickies." It is now generally agreed that the Democrats have been staging a big legislative campaign, and that any kind of a campaign has offended the Democrats are more effective than the Republicans, who are still to be called the "Dicks." They are among those who are being praised President Eisenhower's legislative program.

Chances are—There will be no more highway construction underway for some time in years. If not in history, Congress approved and sent to the White House bill for the Easter holidays, a bill to provide $370,000,000 for Federal and state funds into highway construction.

Bills for the overall total of the March calendar year will involve a total outlay of from $8,100,000,000 to $7,600,000,000. Of this amount, $6,000,000,000 will be devoted to education.

Program not Needed—Both Democrats and Republicans dismissed requests to the White House that the President drop the Democratic-sponsored measure. The new highway program, pump-priming bill, which got a big assist through the various segments of the highway industry, such as the American Road Builders Association, actually, is not needed. The program should be kept on a pay-as-you-go basis as originally passed Congress.

Senator Albert Gore, Democrat of Tennessee, said that the White House close on the heels of the signing Tuesday, President Eisenhower of the $1,500,000,000 housing bill.

The American Road Builders Association, a trade organization of most of the 6,000 highway contractors in the country, says that the members of congress and their present equipment can support $7,000,000,- 000 of net construction. However, the contractors can expand to support a $10,000,- 000,000 program in one year.

Under terms of the bill sent to the President's desk, the Bureau of Public Roads is authorized to distribute $1,500,- 000,000, which otherwise would not have been available until July. At the same time the bill authorizes the moving up to July the apportionment of an additional $1,000,000,000 which would not have been available until December. The various states would supply $350,000,000 of matching funds for the Interstate, primary and secondary roads.

Cheaper Now—The American Road Builders Association, chairman right or wrong, that highways can be built a little cheaper now than they can be constructed between 1945 and 1948 when the association contends that Federal aid construction has increased 43% or about 4% a year to the end of World War II.

The proposed accelerated highway program comes at a time when gasoline tax has increased from 2定向$. 6 to 4定向$. 00, in effect for several months, and in other states, 8 cents a gallon in the consumption of gasoline and oil has now shown its normal growth, causing the association to predict that a decline in a number of states.

Seek Early Adjournment—With Congress at the halfway mark the debate is now generally regarded as the mid-term election law, both the Senate and House worked long and hard in the past month. The committees have been busy since Congress convened on Jan. 7. With the prospect of campaigning facing them, Congress is shooting for adjournment on or about July 31. This will still give those facing opposition in the two-chamber states a little more than three months before they face the electorate.

A number of important measures are pending. Some will reach the President's desk while others will die on the legislative vine. In addition to the Housing and Highway bills, Congress passed a miscellaneous appropriation act and raised the debt limit, it seems fairly certain that it will pass a reciprocal trade extension bill with bipartisan support.

Doubtful of Passage—At this time it appears fairly certain that neither the Alaska nor the Hawaii statehood bills will pass. The Alaska statehood bill is pending before the House Judiciary Committee, and the Hawaii statehood proposal is pending before the Senate Interior and Insular Affairs committee. The overriding defense reorganization bill which the President sent to Congress is certainly in the doubtful category. Although there is continued support for reorganization, the House and Senate-ap- proval of the last-minute rising postal rates are awaiting a decision. The Senate has also re-elected Norman, Smith, and Smith, 18 Mill Street.


BUSINESS BUZZ

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Businessman's Bookshelf


Italian Affairs—January 1956 issue is an interesting study on Italian Political Parties (University of Rome, Rome, Italy, 1956). $1 per year.

Japanese Tea—Economy—Jerome R. Cohen—Indiana University Press, Bloomington, Ind. (cloth), $4.50. $1 per year.


National Foreign Trade Council Announces "Foreign Trade Council, 111 W. 40th St., New York 18, N. Y."


 Savings & Loan Annual Survey—United States Savings and Loan League, 500 West Madison St., Chicago 1, Ill. (cloth), $5.

Spotlight on Women in the United States, 1940—U. S. Department of Labor, 341 Ninth Avenue, New York 1, N. Y., 30c.


Supervisor's Training on Current Issues and Trends in Labor Relations—Association, 321 West First Street, Dayton 2, Ohio (paper), 50c.

Supply and Demand—Hubert Henderson—Blackwell Scientific Publications, Inc., 2750 Ellis Avenue, Chicago 37, Ill. (cloth), $2.25.

Trends in Domestic and World Markets—Edited by Philip W. Thayer—The John Hopkins Press, Homewood, Baltimore 18, Md. (cloth), $5.80.

Trade Policy in Crisis—Raymond Vernon—International Finance Section, Department of Economics, University of Wisconsin, Princeton, N. J. (paper), on request.

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