EDITORIAL

As We See It

Nikita Khrushchev has borrowed a leaf from the political notebook of Franklin Roosevelt and sent the world into a dither with a brightly tinted picture of the Soviet Union's future. He has done more than that. He has laid out a program in charts and figures which in the form of a "seven year plan" sets forth what is to be done to beat out the rest of the world in economic and social progress "in our generation." So "bold" are the forecasts of the Kremlin's boss that they led Harry Schwarz, the New York "Times" authority on Russia, to say in last Sunday's issue of that newspaper that "if the targets outlined by him for 1965 and 1970 are actually attained on schedule, then in the next decade or so the Communist world will clearly have won the economic competition with the West and, quite possibly, the political and propaganda contest for the allegiance of the uncommitted under-developed nations of Asia, Africa, and Latin America as well.

Of course, the figures cited by the Soviet leader are nothing more than figures at the present time, and Mr. Schwarz takes pains to point out that they may never be more than a collection of grandiose dreams—at least within the time periods laid down by their author. They offer a very untrustworthy guide to the future, but even a fairly near approach to such Herculean achievements might well have world-wide repercussions. Worse this nothing more than a really friendly rivalry in the field of economics, we could and would wish the people of Russia the best of luck with their plans—and really rejoice in the good fortune that would have come to them. The trouble—if there really is any—is the world wide.

Continued on page 26

A Program to Strengthen Private Mortgage Market

By DR. RAYMOND J. SAULNIER*

Chairman, Council of Economic Advisers

President Eisenhower's chief economist favors ending FHA-VA interest rate ceiling, removing Fannie Mae mandatory purchases of government insured mortgages at par, and revising government's direct lending program to veterans in areas where mortgages are difficult to get through private sources. These recommendations are part of Dr. Saulnier's analysis of policies to help stabilize the home building industry and strengthen the private mortgage market. Stress is placed on eliminating those provisions that tend to impede the private flow of funds into home financing, and to cause public funds to be substituted for private credit.

I want to discuss very briefly what I regard as the two major current problems affecting the housing and home financing industries, and to make a few suggestions as to ways of finding solutions to them. And it is enormously important that we find solutions to them. To the extent that this program will benefit home owners, builders, mortgage investors and our economy generally. And we will render a very great service to our nation's taxpayers. What public-minded citizen could fail to feel an excitement of interest in such a prospect?

Dr. R. J. Saulnier

Depletes Two Problems

The two problems that I have in mind are, first, the relative instability of the level of housing activity and the changeable nature of the existing private mortgage markets and, second, the temptation that

Continued on page 28

*An address by Dr. Saulnier before the 46th Annual Convention of the Mortgage Bankers Association, Chicago, Ill., Nov. 3, 1958.

The American Economy—Problems and Prospects

By DR. SUMNER H. SLICHTER

Lamont University Professor, Harvard University

The perversity of inflation to attract more opponents to inflation than sufferers, to contribute less suffering and injustice than would result from forced attempts to force a stable price level, and to produce important technological progress and investment—growth opportunities which, in turn, induce price inflation, are discussed by Dr. Slichter. The economist envisions a boom completely dependent upon durable goods beginning in 1959; names groups, and their practices, fostering inflation; and explains past and possible future causes of inflation. Terms it paradoxical that almost nothing is done about inflation despite almost universal opposition to it.

I—Introduction and Summary

The following comments on the business outlook in the United States have been prepared for publication in Japanese by the Nihon Keizai Shimbun of Tokyo. American readers may find parts of the comments of interest. Up to now, the recovery of business, though considerable, has not reached important parts of the economy. The facts seem to justify a fairly optimistic view that the recovery can be financed, at least through 1958, without an undue expansion of bank credit—in spite of the large government deficit. But as corporations find increasing external uses for their funds, the problem of financing the Federal deficit will become more acute.

I have endeavored to provide a realistic discussion of the problem of inflation. The forces making for inflation are more formidable than seems generally to be appreciated. Of

Continued on page 30
For Banks, Brokers, Dealers only

Try “HANSEATIC”

When it's important to you to reach a broad range of active markets in a hurry, you'll find our large and experienced TREASURY DEPARTMENT can be a big help.

Our nationwide private wire system, combined with complete OVER-THE-COUNTER facilities, enables you to get the best possible coverage of the markets you want.

For more information please call 1-800-555-1234.

New York Hanseatic Corporation

Established 1924

Associate Member

American Stock Exchange

100 New York Stock Exchange Building

New York, N.Y.

For Bank's use only.

ATTENTION BROKERS

FOR SALE: One-half working interest in excellent gas producer. 3,000 acre lease. Will drill well to test. Mississippi formation in Monroe County, Mississippi.

Price: $65,000

Deal fitted for tax money or marketable securities. Excellent opportunity for company willing to diversify.

Geology On Request

ALVIN WILLARD & ASSOCIATES

501 FIFTH AVE.

NEW YORK, N. Y.

YU 4-8156-6

The Security I Like Best

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

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

HUBERT F. ATWATER

Wood, Wood & Co., New York City

Members New York Stock Exchange

Chicago & Erie RR. First Mgt. 5s 1932 A sale of these bonds took place on the New York Stock Exchange on Armistice Day at 86, indicating a yield of 3.50%. At this price, the bonds represent a sacrifice of 6.50% from the price of the previous sale on September 1, 1943. Since that time, the case has been reported below.

Naturally, a fixed income non-calling issue will see the influence of changes in interest rates and it is worth noting that in 1954, these bonds were quoted at 77 7/8, or at a price to yield 4.35%.

For the protection of his investment, the investor should keep a closed first mortgage lien upon 200 miles of the Erie Railroad line, plus the pledge of 20% of the stock of Chicago & West Indiana Railroad and 80% of the stock of the Hoosier Railroad of Chicago.

Chicago & Erie Railroad extended its line from Marion, Ohio to Hammond, Ind., and is in line as an integral part of the system. These bonds, assumed by the Erie Railroad, constitute an issue of $500,000, and are not callable to the small issue of $12 million which has been outstanding since 1800.

For the investor who is not crushed to earth by income taxes, he may be able to find a safe and secure for the investment of gains without the sale of stocks which may have exceeded conservatively expected.

MEYER ZLOTNIK

Siegler Corporation, New York City

Members of the N. Y. Stock Exchange

Siegler Corp.

With the market currently ranging the multipliers of electronics stocks, it is a welcome relief to find an electronics company that should be interesting to the holder of small savings.

The company is also in the mailing and special machinery field, with 46% of its sales in 1954. In the year ending 12/30/54, Siegler Corp. showed a net profit of $48,000, a major gain in profitability at an electronics company.

The present management, which has been with the company for a number of years, is a company manufacturing space heaters with annual sales of $1,700,000. The company has through mergers and internal growth increased its sales 53% during the past three years. This growth is largely in military and commercial electronics.

The breakdown for the year ending 12/30/54 was: Electronics, 68%; Controls, 20%; and other, 12%. Aircraft, 26%, and machinery and miscellaneous 6%; one-third of total sales was military.

Siegler's activities are conducted through 11 separate divisions. Below are described the activities of the main divisions:

-- Olympic Radio & Television Co.: Sales, wire and cable television, stereoaphonic and high fidelity, radio-phonograph, tape

The Security I Like Best

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

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

HUBERT F. ATWATER

Wood, Wood & Co., New York City

Members New York Stock Exchange

Chicago & Erie RR. First Mgt. 5s 1932 A sale of these bonds took place on the New York Stock Exchange on Armistice Day at 86, indicating a yield of 3.50%. At this price, the bonds represent a sacrifice of 6.50% from the price of the previous sale on September 1, 1943. Since that time, the case has been reported below.

Naturally, a fixed income non-calling issue will see the influence of changes in interest rates and it is worth noting that in 1954, these bonds were quoted at 77 7/8, or at a price to yield 4.35%.

For the protection of his investment, the investor should keep a closed first mortgage lien upon 200 miles of the Erie Railroad line, plus the pledge of 20% of the stock of Chicago & West Indiana Railroad and 80% of the stock of the Hoosier Railroad of Chicago.

Chicago & Erie Railroad extended its line from Marion, Ohio to Hammond, Ind., and is in line as an integral part of the system. These bonds, assumed by the Erie Railroad, constitute an issue of $500,000, and are not callable to the small issue of $12 million which has been outstanding since 1800.

For the investor who is not crushed to earth by income taxes, he may be able to find a safe and secure for the investment of gains without the sale of stocks which may have exceeded conservatively expected.

MEYER ZLOTNIK

Siegler Corporation, New York City

Members of the N. Y. Stock Exchange

Siegler Corp.

With the market currently ranging the multipliers of electronics stocks, it is a welcome relief to find an electronics company that should be interesting to the holder of small savings.

The company is also in the mailing and special machinery field, with 46% of its sales in 1954. In the year ending 12/30/54, Siegler Corp. showed a net profit of $48,000, a major gain in profitability at an electronics company.

The present management, which has been with the company for a number of years, is a company manufacturing space heaters with annual sales of $1,700,000. The company has through mergers and internal growth increased its sales 53% during the past three years. This growth is largely in military and commercial electronics.

The breakdown for the year ending 12/30/54 was: Electronics, 68%; Controls, 20%; and other, 12%. Aircraft, 26%, and machinery and miscellaneous 6%; one-third of total sales was military.

Siegler's activities are conducted through 11 separate divisions. Below are described the activities of the main divisions:

-- Olympic Radio & Television Co.: Sales, wire and cable television, stereoaphonic and high fidelity, radio-phonograph, tape

--- The Security I Like Best

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

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

HUBERT F. ATWATER

Wood, Wood & Co., New York City

Members New York Stock Exchange

Chicago & Erie RR. First Mgt. 5s 1932 A sale of these bonds took place on the New York Stock Exchange on Armistice Day at 86, indicating a yield of 3.50%. At this price, the bonds represent a sacrifice of 6.50% from the price of the previous sale on September 1, 1943. Since that time, the case has been reported below.

Naturally, a fixed income non-calling issue will see the influence of changes in interest rates and it is worth noting that in 1954, these bonds were quoted at 77 7/8, or at a price to yield 4.35%.

For the protection of his investment, the investor should keep a closed first mortgage lien upon 200 miles of the Erie Railroad line, plus the pledge of 20% of the stock of Chicago & West Indiana Railroad and 80% of the stock of the Hoosier Railroad of Chicago.

Chicago & Erie Railroad extended its line from Marion, Ohio to Hammond, Ind., and is in line as an integral part of the system. These bonds, assumed by the Erie Railroad, constitute an issue of $500,000, and are not callable to the small issue of $12 million which has been outstanding since 1800.

For the investor who is not crushed to earth by income taxes, he may be able to find a safe and secure for the investment of gains without the sale of stocks which may have exceeded conservatively expected.

MEYER ZLOTNIK

Siegler Corporation, New York City

Members of the N. Y. Stock Exchange

Siegler Corp.

With the market currently ranging the multipliers of electronics stocks, it is a welcome relief to find an electronics company that should be interesting to the holder of small savings.

The company is also in the mailing and special machinery field, with 46% of its sales in 1954. In the year ending 12/30/54, Siegler Corp. showed a net profit of $48,000, a major gain in profitability at an electronics company.

The present management, which has been with the company for a number of years, is a company manufacturing space heaters with annual sales of $1,700,000. The company has through mergers and internal growth increased its sales 53% during the past three years.

The breakdown for the year ending 12/30/54 was: Electronics, 68%; Controls, 20%; and other, 12%. Aircraft, 26%, and machinery and miscellaneous 6%; one-third of total sales was military.

Siegler's activities are conducted through 11 separate divisions. Below are described the activities of the main divisions:

-- Olympic Radio & Television Co.: Sales, wire and cable television, stereoaphonic and high fidelity, radio-phonograph, tape
The Economic Outlook

By RAYMOND RODGERS
Professor of Banking, Graduate School of Business Administration, New York University, New York City

If anticipatory improvement materializes we should, Mr. Rodgers opines, equal previous record GNP high of 1957 next year and may exceed it by $30 billion in 1959 dollars. However, the recovery has, so far, not had the sustained upward trend associated with the 1955-57 upswing. The boom in 1955 came primarily from a record-breaking automotive output of 7.9 million. And the boom of 1956-57 came basically through a record-breaking expansion in plant and equipment spending. In sharp contrast, the expansion of capital goods spending or automobile spending. But now the government tells us that a modest boom is at hand. Capital goods spending is expected relatively normal, although the government is not so-called capital goods spending or automobile spending. Capital goods spending is expected relatively normal, although the government is not a commodity. The Federal Reserve is releasing data on capital goods spending. If so, the recovery would be seen as much better.

Faced with a diet of business activity as it was last winter, the Federal Government has three basic approaches to the problem, of course, is to increase the spendable income of individuals or corporations. This can be done in various ways, but by far the best way is by tax reduction, either individual or corporate — any place in the lower income brackets. For this article, the federal government received a lump sum retroactive payment of $2 billion in July. And private industry payroll went up about $1 billion on an annual basis in July, after an increase of nearly $2 billion in June. This was, as a result of the above and earlier private pay increases, personal consumption was increased without including the retroactive Federal payment, reached a record level in July. Higher income tax, the recession peak of August 1957 and August and September 1958 added another $3.3 billion on an annual basis to total personal income. The second basic method available to the government in its efforts to facilitate a business recovery is a direct increase in government spending for defense and public welfare. This, too, was done. More specifically, on a seasonally adjusted annual basis, there was an increase in government spending for defense and public welfare of $3.3 billion from the third quarter of 1957 to the third quarter of 1958. And, during the same period, state and local spending increased $3.9 billion on an annual basis.

The third method available to the Federal Government in a recovery effort is the indirect one of encouraging, facilitating, and, even, directly aiding food and local. The third method available to the Federal Government in a recovery effort is the indirect one of encouraging, facilitating, and, even, directly aiding food and local. The third method available to the Federal Government in a recovery effort is the indirect one of encouraging, facilitating, and, even, directly aiding food and local. The third method available to the Federal Government in a recovery effort is the indirect one of encouraging, facilitating, and, even, directly aiding food and local. The third method available to the Federal Government in a recovery effort is the indirect one of encouraging, facilitating, and, even, directly aiding food and local. The third method available to the Federal Government in a recovery effort is the indirect one of encouraging, facilitating, and, even, directly aiding food and local.

Published Twice Weekly

The COMMERCIAL and FINANCIAL CHRONICLE

By D. R. Dun & Co., Inc.

WILLIAM R. DANA COMPANY, Publishers

25 Broad St., New York 4, N. Y.

BERNARD J. WEINTRAUB, Editor & Publisher

WILLIAM R. DANA, President

Thursday, November 20, 1958

Every Thursday (general news and advertising inserts) and every Monday (complete statistical issue—market quotation records, corporation news, bank clearings, etc.)

First Class Postage Paid at New York, N. Y.

Copyright 1958 by William B. Dana Company

One-Year Subscription: $12.00 in the U.S., $15.00 elsewhere.

Other Payments: $3.00 per year. (Foreign Postage extra.)

Two-Year Subscription: $21.00 in the U.S., $26.00 elsewhere.

For many years we have specialized in PREFERRED STOCKS

Spencer Trask & Co.

Members New York Stock Exchange

25 BROAD ST., NEW YORK 4, N. Y.

TELEPHONE Hanover 2-4300

For information write

Spencer Trask & Co.

For information write

Volume 118 Number 5796 . . . The Commercial and Financial Chronicle

INDEX

Articles and News

The American Economy: Problems and Prospects — Cover

A Program to Strengthen the Private Mortgage Market — Raymond J. Saulnier — Cover

The Economic Outlook—Raymond Rodgers

Canadian Credit Enterprises—Irvin C. Calhoun

Dynamic Impact of Communist Trade Aggression — A. Wilfred May

American Business in an Expanding World Economy — David Rockefeller

Outlook for the Rubber Industry—J. E. Thomas

Growth Stocks for 1958—Arthur J. O'Hara

Commercial Finance Industry and an Expanding Economy—Herbert R. Silverman

The Business Outlook for 1959—Edmond A. Menzies

Price Paid to Avoid Inflation Costs Less Than Inflation — James F. Oates

Banks Must Face Competition by Marketing Bank Services — Bradford A. Warner

Our Unsound Monetary System and Measures for Reform — Robert de Fernevre

Food and Agricultural Outlook—William D. Arnett

A Suggested New Way of Financing the Public Debt—Robert E. Burns

Restoring Confidence in U. S. Government Bonds—Oscar Gurns

Opportunities in Washington, D. C., and Local Securities — Ralph S. Richardson

Meeting the Problems as They Arise Between Canada and the U. S. — Mr. John U. Birdenharder

Coming Developments in Metals and Plastic Chemical Industry—Roger W. Babson

Growth and Attractiveness of Municipal Bonds Cited by Chester W. Laing

U. S. Council of Ind. Chamber of Commerce Favors Steps to Strengthen GATT

Current International Economic Events Reviewed by ABA Committee

Private Enterprise is the Salvation! (Boxed)

Regular Features

As We See It (Editorial) — Cover

Bank and Insurance Stocks

Business Man’s Bookshelf

Coming Events in the Investment Field

Dealer-Broker Investment Recommendations

Elinson: “European Stocks and Downs on Free Trade and Common Market”

From Washington Ahead of the News—Carlage Bargeron

Indications of Current Business Activity

Mutual Funds

NSFA Notes

News About Banks and Bankers

Our Reporter on Governments...

Our Reporter’s Report

Public Utility Securities

Railroad Securities

Securities Now in Registration

Prospective Security Offerings

Securities Salesmen’s Corner

The Market and You—By Wallace Street

The Security I Like Best

The State of Trade and Industry...

Washington and You

The Last Hurrah

Constitution never step crossing our brand of politics: cash for obsolescence!

PERMACHEM CORP.
WESTWAY CORP.
STANDARD URAMIUM
RADOROCK RESOURCES

Elco Corp.
W. L. Maxson
Pacific Uranium
Permachem Corp.
Copeland Refrigerator
Midwestern Instruments

SINGER, BEAN & MACKIE, INC.

Permachem Corp.
Westwater Corp.
Atamal Corp.
Alco, Inc.

Electronic Specialty
Pacific Uranium

Copyright 1958 by William B. Dana Company

DIRECT WIRE TO PHILADELPHIA
Canadian Credit Companies

By Dr. Ira U. Codeigh

Canadian is Industrial underlying tradition frowned on, understandable. Stock purchase in 1926 in Canada, and of the St. Lawrence have been making impressive strides, briefly upon four of them today.

Industrial Acceptance Corp. The largest and perhaps best known of the Canadian Acceptance Corp., Ltd., founded in 1925 and growing both internally, and by a series of mergers, is the dominant Canadian finance company in Canada. In 1950, the company had a total of $35,846,400, which was $89,000 more than its total assets in 1949.

Trader's Finance Corp. Trader's Finance Corp., which was incorporated in 1926, and it, too, has been expanding. It started by purchasing the assets of the Canadian Acceptance Corp., Ltd., in 1925. By 1930, the company had a total of $100 million, which was $30 million more than its total assets in 1929.

Imperial Investment Corp. Imperial Investment Corp., founded in 1927, is the third largest Canadian finance company. It started by purchasing the assets of the Canadian Investment Corp., Ltd., in 1927. By 1930, the company had a total of $100 million, which was $30 million more than its total assets in 1929.

The Dynamic Impact of Communist Trade Aggression

BY A. WILFRED MAY

The data for this article were gathered on-the-spot by Mr. May during recent trip through the Far East.

Irrespective of the motives, behind Red China's trade maneuvering, the extent of her penetration and its economic impact on Southeast Asia is vitally significant. The overall picture shows that China is engaged in a far more ambitious project than meets the eye.

The Growing Inroads on Japan

These great sales increases by China have exacted a heavy toll on Japan's exports. Even so, a rise in the value of the dollar against the yen has not been sufficient to combat the increasing trend of Japanese imports. In 1956, Japan's total imports amounted to $2,490 million, an increase of $770 million over the 1955 figure; causing substantial drop in its procurement power in 1956.

The decrease in Japan's total trade, however, was not due to a decline in its exports to the five countries of the Far East. On the contrary, Japan's exports to the five countries of the Far East were done in 1956, particularly in Burma and Indonesia, due largely to a decline in its imports from China.

The volume of certain Chinese products sold by Japan has already exceeded that of Japan's imports from China. In 1955, imports from China were $170 million, while imports from Japan were $180 million. In 1956, imports from China were $160 million, while imports from Japan were $170 million.

Impact on Domestic Economies

The growing inroads on Japan have already affected the domestic economies of certain countries, particularly Indonesia. In 1953 Indonesia was a specie of free trade area for Chinese goods. In 1954, the value of Chinese goods imported into Indonesia was $30 million. In 1955, the value of Chinese goods imported into Indonesia was $40 million.

The growing inroads on Japan have already affected the domestic economies of certain countries, particularly Indonesia. In 1953 Indonesia was a specie of free trade area for Chinese goods. In 1954, the value of Chinese goods imported into Indonesia was $30 million. In 1955, the value of Chinese goods imported into Indonesia was $40 million.
American Business in an Expanding World Economy

By DAVID ROCKEFELLER* 

**Vice-Chairman, Board of Directors**

The Chase Manhattan Bank, New York City

Businessmen's responsibility in maintaining the dynamism of our economy and its large stake in the success of our foreign economic policies; the irrevocable forces of international economic change; and our foreign economic experiences and newly emerged objectives for the future, as touched upon by Mr. Rockefeller. The banker is not unaware of our cost structure vis-a-vis the world markets and holds that this is one of the basic reasons why we must contain inflation if we are to maintain the dynamism in the world economy as buying machines we need from abroad and begin to alert our trade and increase our investment. He sees governmental foreign economic spending rising and believe we have economic problems.

I have chosen to discuss "U. S. Business in An Expanding World Economy" for two reasons: first, I believe there is a need for a broader and deeper understanding of the importance of world-wide develop in American industries, and secondly, given that understanding, I am convinced that business can make a unique contribution toward the attainment of the objectives which are, and other nations seek.

In its most fundamental terms, the purpose of expanding the Free World is to create a new world structure that will enable free societies to prosper and advance the cause of free trade and, which afflicts the world reflects the disintegration of a once successful world structure which was based on such elements as colonial empires, the gold standard, relatively free trade and relatively little government participation in economic and social endeavors. Nonetheless, the world's concerns are affected by the extent of their participation, in the new economic order which will provide both political and economic cohesion among nations. Our problem is to devise a new structure which will provide comparable cohesion for our time, and enable associations of free nations to work together in their common interest.

Four Underlying Forces

As one views the world situation in perspective, four powerful perversions have emerged to underlie recent trends.

One has been termed the "revolution of expectations," a worldwide-desire for a better life. This has found expression in the efforts of more than a billion people to explore the undeveloped areas, which wish to industrialize and achieve rising living standards.

**Continued on page 35**

---

*An address by Mr. Rockefeller before the Omaha Chamber of Commerce, Nov. 18, 1957.

The State of Trade and Industry

Work stoppages at Chrysler Corp., by white collar workers and a strike at the Budd Co., plant, supplier of some of the parts for Rambler, cut auto output the past week by 3.5% below the preceding week and at the same time adversely affected steel production. However, among the other major factors, the production pace was strong and was expected to continue as through November and December.

Detroit is striving to produce 530,000 cars this month and close to 600,000 during December. Output, however, may fall short of this month's peak, but December may reach 600,000 units or even better.

Retail trade the past week held close to the level of the preceding week and like period a year ago. Retail sales estimates for the remainder of 1958 would be substantial if auto volume could be assured. Christmas shopping this year is expected to exceed the previous season from the standpoint of over-all dollar volume.

Continued work stoppages in the auto industry held the October gain in industrial production to one percentage point, the Federal Reserve Board currently reports. The Board held the prospects of a bigger improvement for November as auto companies slated a double-digit October's low output.

With respect to employment, a drop of 300,000 unemployed workers raised to 1,500,000 the total of workers who have returned to their jobs since the summer unemployment peak. It would take a drop of 100,000 a month in the unemployment for the unemployment compensation to reach the 16th straight week, the United States Department of Labor currently reports.

Workers drawing unemployment insurance declined by 1,400 to 1,700,300 during the week ended Nov. 1, the agency noted. During the like week in 1957, insured unemployment totaled 1,512,400. Workers receiving unemployment compensation for the latest reporting period accounted for 4% of the nation's labor force, compared with 4.1% a week earlier and 3.3% during the like week of 1957.

The department declared new layoffs in the food processing, apparel, textile, construction and lumbering industries — most of them caused by seasonal factors — increased new claims for unemployment compensation. New claims, which the agency customarily reports weekly, were 12,000 for the week ended Dec. 5, 1,000 more than the previous week. New claims, which the agency customarily reports weekly, were 12,200 for the week ended Nov. 5.

The Federal Reserve Board's industrial production index for October was 138% of the 1947-48 average, seasonally adjusted, compared with 137% for September and 144% for October, 1957. The October figure represents a recovery of better than half the recession low of 126% in April, 1958.

As a result of the curtailment in auto production, and a strike...
Outlook for the Rubber Industry

By E. J. THOMAS*  
President, Goodyear Tire and Rubber Co., Akron, Ohio

Mr. Thomas lays the grounds supporting his view of reasonable optimism for the rubber industry. Mindful of the diversification strides taking place in the rubber industry, the industrialist's preview of 1959 offers the belief that the part of the industry hit the hardest this year will show considerable improvement — deliveries of tires and rubber goods to auto, truck and tractor manufacturers in line with the upward developing in 1958. Opines product diversification and increased use of synthetic provide greater stability and stature for the industry.

The term "rubber industry" today means something much more than the industry's rubber products of the earlier years. The rubber industry has become quite diversified — as many of the companies in the industry, in addition to tires and other rubber products, are now important in the fields of aircraft, missiles, electronics, metals, chemicals and plastics.

The industry continues to be noted for great and continuous improvements in its products. It has seen the shift to smaller wheel diameters, larger tire cross-sections, tubeless construction, the use of synthetic fiber cords and steel cords in the tire carcasses, improved treadwear, greater comfort, and better safety than ever before. The industry spends a great deal of money on research and development which has made these developments possible.

The rubber industry is composed of 1,465 companies, with 1,834 factories making 40,000 products in 722 United States of America cities.

The prices for our products have advanced at a much slower rate than for the economy as a whole. Therefore, it is true that we are giving greater value today than ever in our history.

Cites Some Important Data

1. Today I can simplify the business outlook for the rubber industry by giving just a few, but important, figures.

2. It now looks that the rubber industry in the United States for the year 1958 versus 1957 will compare as follows:

<table>
<thead>
<tr>
<th></th>
<th>1957</th>
<th>1958</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,010,000</td>
<td>1,125,000</td>
<td>13%</td>
</tr>
<tr>
<td>Tires</td>
<td>115,000</td>
<td>116,000</td>
<td>10%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Products</td>
<td>1,325,000</td>
<td>1,465,000</td>
<td>10%</td>
</tr>
</tbody>
</table>

Considerable Improvement

As far back as 1930 there is every reason to believe that the part of our industry which was hit the hardest was the rubber goods industry. Today we now show considerable improvement — that is, in the deliveries of tires and rubber goods to automotive, truck, and tractor manufacturers. We believe they are going to net 25% to 30% more of our products this year with the distinctly better sales outlook for cars, trucks and tractors.

All other areas of our industry's activities, including the production of industrial goods, molded goods, films, foams, flooring and shoe products also look better. Retail tire sales in 1959 will reach another new peak, rising another 2,000,000 to 3,000,000.

Summing up, the industry's estimate now for 1959 is for a pneumatic rubber exhibition (including industrial pneumatics) of at least 111,000,000 units versus 1958's 101,000,000.

The rubber industry's 1959 dollar volume could well set a new all-time record.

No big rise is in prices anticipated. For the prices for some of the industry's products did not rise too much in the recession period through which we have passed.

One important factor in the rubber industry which I think should be mentioned is that of the total rubber now being consumed, close to 60% of this rubber is synthetic rubber products.

With the increased diversification and increased use of synthetic materials which tend to minimize the old-time industrialists' fear that synthetic materials, increase stability and stature are a mark of the renewals to come.

In short, the clouds are disappearing; there is more sunshine and, hence, reasonable optimism.

From Washington Ahead of the News

By CARLILE BARGERON

All persons who think well of their country will be cheered by the news that "ye child" Harold Stassen is willing to help reorganize it. He has always been such an able and abiding friend of the party that he is sure to be of help.

It is well that people are encouraged to talk to the 5,000 city politicians who now give the bottom of the ocean. Of course, there is a price for "ye childle" willingness to help. Nixon, who has done so much for the party thus far will have to be sacrificed. "Ye childle" doesn't think he can win. Two names four persons are visible, who can make the grade, three of whose names he just threw in. Nelson Rockefeller is his man. Strangely enough, Mr. Rockefeller, who has always been so tall, is called "ye childle" because he is a great youth leader. We youngsters have got to be recognized. He was in 1948 when he said that and now ten years later, he still thinks he is the future of youth.

Two years ago he said Nixon would help Eisenhower back and he used his replacement on the ticket. When he saw he was ticked off he used and was given permission to second Nixon's nomination. It is difficult to see just where Nelson Nixon will come back that year. He won by more than the 2,000,000 deficit he had a year ago.

What Stassen has done by his seek out in front as a Rockefeller man in 1960 and made himself available as a double-talker and made himself available and was given permission to second Nixon's nomination. It is difficult to see just where Nelson Nixon will come back that year. He won by more than the 2,000,000 deficit he had a year ago. He is a double-talker and made himself available and was given permission to second Nixon's nomination. It is difficult to see just where Nelson Nixon will come back that year. He won by more than the 2,000,000 deficit he had a year ago. He is a double-talker and made himself available and was given permission to second Nixon's nomination. It is difficult to see just where Nelson Nixon will come back that year. He won by more than the 2,000,000 deficit he had a year ago. He is a double-talker and made himself available and was given permission to second Nixon's nomination. It is difficult to see just where Nelson Nixon will come back that year. He won by more than the 2,000,000 deficit he had a year ago.

Nothing could be so horrible for them as to have Nixon take over the White House and they would be right with a Rockefeller candidat.

Stassen would undoubtedly be able to put an offer of money to carry on his activities. How he has been able to do on the part of money with the President is one of those things that defies understanding. He has been able to supply funds in any endeavor he has ever undertaken.

He was able to do no more than in raising enough money to try to head off Nixon and nominate Rockefeller. It will afford a sounder livelihood for Stassen, and a forum. We can expect to see him very shortly appearing before imitators and on the Meet the Press.
$28,000,000 Los Angeles City

High School District • School District • Junior College District
Los Angeles County, California

3½% Bonds, Election 1958, Series B

Bank of America M. T. & K. Bankers Trust Company
Continental Illinois National Bank Chemical Cor Z Bank Corporation
and Trust Company of Chicago The Northern Trust Company Lazard Freres & Co. Drexel & Co.
Fahy, Clark & Co. Federal Bank and Trust Co. The First Cleveland Corporation The First National Bank of Akron
Frantz Hitchenson & Co. Lynes & Shaffer The National City Bank of Cleveland Newhard, Cook & Co. Wachovia Bank and Trust Company
Stahls, Watkins and Lombardo, Inc. Tieley and Company R. D. White & Company

New Issues

Bank of America
M. T. & K. Bankers Trust Company
The First National City Bank
The Chase Manhattan Bank
Blyth & Co., Inc.
Continental Illinois National Bank
and Trust Company of Chicago
C. J. Devine & Co.
EQUITABLE SECURITIES CORPORATION
Ladenburg, Thalmann & Co.
Ira Haupt & Co.
Shearson, Hamill & Co.
Collins & Burr
Laurence M. Marks & Co.
Stone & Youngberg
City National Bank and Trust Company
Kalman & Company, Inc.
Blunt Ellis & Simmons
The First Worth National Bank
McDonald & Company
Third National Bank
Fahy, Clark & Co.
Frantz Hitchenson & Co.
Stahls, Watkins and Lombardo, Inc.

The above bonds are offered when, as and if issued and received by the underwriters listed below at or upon the underwriters' own orders, and not at any time to be used as securities of their own. They may be held for their own account, and may be sold by them from time to time at any price determined by them, subject to any restrictions imposed by law or the rules of the Stock Exchange. The underwriters listed below have made no agreement with respect to the sale of any of these bonds, and no further offer to sell shall have been made, and no agreement to sell shall have been made directly or indirectly, with respect to any of these bonds, except as described herein. The underwriters listed below have not agreed to place these bonds with any member of the New York Stock Exchange, and any offer to purchase these bonds shall be made on its own account.

The underwriters listed below may accept and resell these bonds from time to time at any price determined by them. They may also offer these bonds for sale to the public from time to time at any price determined by them, subject to any restrictions imposed by law or the rules of the Stock Exchange. The underwriters listed below have made no agreement with respect to the sale of any of these bonds, and no further offer to sell shall have been made, and no agreement to sell shall have been made directly or indirectly, with respect to any of these bonds, except as described herein. The underwriters listed below have not agreed to place these bonds with any member of the New York Stock Exchange, and any offer to purchase these bonds shall be made on its own account.

The underwriters listed below may accept and resell these bonds from time to time at any price determined by them. They may also offer these bonds for sale to the public from time to time at any price determined by them, subject to any restrictions imposed by law or the rules of the Stock Exchange. The underwriters listed below have made no agreement with respect to the sale of any of these bonds, and no further offer to sell shall have been made, and no agreement to sell shall have been made directly or indirectly, with respect to any of these bonds, except as described herein. The underwriters listed below have not agreed to place these bonds with any member of the New York Stock Exchange, and any offer to purchase these bonds shall be made on its own account.

The underwriters listed below may accept and resell these bonds from time to time at any price determined by them. They may also offer these bonds for sale to the public from time to time at any price determined by them, subject to any restrictions imposed by law or the rules of the Stock Exchange. The underwriters listed below have made no agreement with respect to the sale of any of these bonds, and no further offer to sell shall have been made, and no agreement to sell shall have been made directly or indirectly, with respect to any of these bonds, except as described herein. The underwriters listed below have not agreed to place these bonds with any member of the New York Stock Exchange, and any offer to purchase these bonds shall be made on its own account.

The underwriters listed below may accept and resell these bonds from time to time at any price determined by them. They may also offer these bonds for sale to the public from time to time at any price determined by them, subject to any restrictions imposed by law or the rules of the Stock Exchange. The underwriters listed below have made no agreement with respect to the sale of any of these bonds, and no further offer to sell shall have been made, and no agreement to sell shall have been made directly or indirectly, with respect to any of these bonds, except as described herein. The underwriters listed below have not agreed to place these bonds with any member of the New York Stock Exchange, and any offer to purchase these bonds shall be made on its own account.

The underwriters listed below may accept and resell these bonds from time to time at any price determined by them. They may also offer these bonds for sale to the public from time to time at any price determined by them, subject to any restrictions imposed by law or the rules of the Stock Exchange. The underwriters listed below have made no agreement with respect to the sale of any of these bonds, and no further offer to sell shall have been made, and no agreement to sell shall have been made directly or indirectly, with respect to any of these bonds, except as described herein. The underwriters listed below have not agreed to place these bonds with any member of the New York Stock Exchange, and any offer to purchase these bonds shall be made on its own account.

The underwriters listed below may accept and resell these bonds from time to time at any price determined by them. They may also offer these bonds for sale to the public from time to time at any price determined by them, subject to any restrictions imposed by law or the rules of the Stock Exchange. The underwriters listed below have made no agreement with respect to the sale of any of these bonds, and no further offer to sell shall have been made, and no agreement to sell shall have been made directly or indirectly, with respect to any of these bonds, except as described herein. The underwriters listed below have not agreed to place these bonds with any member of the New York Stock Exchange, and any offer to purchase these bonds shall be made on its own account.

The underwriters listed below may accept and resell these bonds from time to time at any price determined by them. They may also offer these bonds for sale to the public from time to time at any price determined by them, subject to any restrictions imposed by law or the rules of the Stock Exchange. The underwriters listed below have made no agreement with respect to the sale of any of these bonds, and no further offer to sell shall have been made, and no agreement to sell shall have been made directly or indirectly, with respect to any of these bonds, except as described herein. The underwriters listed below have not agreed to place these bonds with any member of the New York Stock Exchange, and any offer to purchase these bonds shall be made on its own account.
TWIN CITY SECURITY TRADERS ASSOCIATION

The Twin City Security Trader's Association held their annual election meeting on Nov. 18, at the Culhoun Beach Hotel, Minneapolis.

Donald N. Anderson, First National Bank of St. Paul, was elected President, and Raymond R. Garcia, M. Dain & Co., was elected Vice-President. Lloyd H. Siverson, Kalman & Co., was elected Secretary, and George Z. Kegan, Northwestern National Bank of Minneapolis, Treasurer.

Donald N. Anderson

Raymond R. Garcia

Boston Corporation, 15 Broad Street, New York 5, N. Y. Also available is a study of the County Trust Co.

Kerr-Magee Oil Industries, Inc.—Memorandum—Green, Ellis & Co., 9 Broad Street, New York 5, N. Y.

Knob Glass, Inc.—Analysis—Hayden, Stone & Co., 25 Broad Street, New York 5, N. Y.

La Font Candy—Memorandum—Midtown Securities Corp., 30 East 66th Street, New York 22, N. Y.

Lone Star Brewing Company—Analysis—Muir Investment Corp., 101 North St. Marys Street, San Antonio 5, Tex.

Magno Corporation—Analysis—Thomson & McKinnon, 11 Wall Street, New York 5, N. Y.

Magnuson—Review—Ira Haupt & Co., 111 Broadway, New York 5, N. Y.

Magnetic Amplifiers, Inc.—Memorandum—Myron A. Lomonsey & Co., 30 Broadway, New York 6, N. Y.

J. P. Morgan & Co., Inc.—Bulletin—Laird, Bisell & Meece, 120 Broadway, New York 8, N. Y.

National Stock Exchange—Memorandum—Witt Conklin Organization, 120 Broadway, New York 5, N. Y.

Nippon Gas Chemical Company—Analysis in current issue of "Monthly Stock Digest"—Nemura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also in the same Digest is an analysis of the current Japanese economic situation.


Pacific Security Co.—Memorandum—Blair & Co., Incorporated, 20 Broad Street, New York 5, N. Y.

Pueblo Petroleum Corp.—Data—Taylor, Rogers & Tracy, Inc., 103 South La Salle Street, Chicago 3, Ill.

Pure Oil Co.—Review—Francis J. du Pont Co., 1 Wall Street, New York 5, N. Y. Also in the same circular are selected lists of convertible bonds and convertible preferred stocks.

Sedgwick County, Kansas, General Obligation Bonds—Circular—Anvison, 61 Broadway, New York 6, Buffalo, N. Y.


A. E. Staley Manufacturing Co.—Memorandum—Mitchell, Hurst & Co., 221 South La Salle Street, Chicago 4, Ill.


Timken Roller Bearing—Analysis—Hale & Stiegelzitt, 52 Wall Street, New York 5, N. Y.


Western Union—Analysis—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a review of the textile industry, with analyses of Briggs & Stratton and Mansfield Tire & Rubber.

Invitation to N.A.S.D. Members

Selling group being formed. Long form SEC registration on the part of 492,222 shares of a 3%/4% real estate company with history of earnings and liberal dividend record. Excellent underwrit¬ing discount for this high-type deal. Call, write or wire for Prospectus and information.

Louis L. Rogers Company

15 William Street, New York 5, N. Y.

BOWLING Green $850

COMING EVENTS

In Investment Field

Nov. 28-Dec. 5, 1958 (Miami Beach, Fl.) Investment Bankers Association of America and Convention at the Americana Hotel.


April 1-3, 1959 (San Antonio, Tex.) Texas Group of Investment Bankers Association of American Meeting at the Hilton Hotel.

Nov. 2-5, 1958 (Boca Raton, Fla.) National Security Traders Association Annual Convention at the Boca Raton Club.

K. E. Kennedy Opens

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Kenfield E. Kennedy is conducting a securities business from offices at 6835 Wilshire Boulevard. He has recently been with McCormick & Co.

Former Private Investors

BROOKLYN, N. Y.—Morris Weinstein has formed Prime Investors Programs, Inc., with offices of the same name at 1770 Broadway. Mr. Weinstein was formerly with Capper, Felch & Deren-Dixon & Hirsch.

Julius Shaffer Opens

Julius Shaffer is conducting a securities business from offices at 965 E. 54th St., New York City, under the firm name of J. Shaffer & Co. He was previously with Emery & Co.

With Laird & Co.

Daniel W. McVey has become associated with Laird & Company, 61 Broadway, New York City, as registered representative in the institutional sales department.

Max Planer

Max Planer, for 30 years associated with Cohen, Simmons & Co., New York City, has passed away Nov. 12 at the age of 64.

Capital Reserve Branch

ALEXANDRIA, Va.—Capital Reserve Corporation has opened a branch office at 121 North Fairfax Street under the management of Elbert M. Goodman.

STATISTICIAN-ANALYST

C:\Users\tct\Downloads\anonymized_text.txt
Commercial Finance Industry And an Expanding Economy

By HERBERT R. SILVERMAN*

President, James Talcott, Inc., and Retiring Chairman, National Commercial Finance Conference

Now is the time to choose between a creeping, partial economic comeback in 1959 or a surge ahead to an unending, balanced economy. In depicting this choice before us and the imperative need to seize the initiative rather than "sit on our hands and let the blind forces of commerce" drive our economy, Mr. Silverman recounts with satisfaction the commercial finance industry's helpful role in the past recession, urges the industry to expand, and charts new financing opportunities in "development" communities, near areas such as Canada and Puerto Rico, export-import trade, and underdeveloped countries. The retiring speaker for the industry predicts a $500 billion economy and a trillion dollar economy of the future—providing we set it in for 1959.

This is an hour of decision for American business. Two courses of overall policy are open. Business can—must—choose one or the other. One offers a creeping comeback and a partial recovery in 1959. The other offers more—and a demand and a growth ahead to years of balanced growth. If we work for it, if we build it.

If we choose the harder road, each sector of American business must surely and willingly do its share. This is a policy for commercial finance companies as well as for any of the manufacturing or distribution or service industries that help finance.

Business must choose. In fact, all Americans must choose, for the policies of labor organizations, legislatures and all the other interests and agencies alongside business in American life will support one course or the other.

shall we sit on our hands and let the blind forces of commerce carry us along? Then some time in 1960 or maybe 1961 we'll get back to where we were before the downturn in the summer of 1957.

Or shall we decide to do the things that will realize the tremendous potential for balanced growth in the American economy?

Commercial Financing's One-Billion-Dollar Recession Program

Our industry's sales in making capital available that was ob¬
tained only in 1957 and 1958 had progressed at the rate of growth in the 1957-58 recession, make up one of the major contributions in the saga of American finance.

In spite of business contraction, tight money, restricted credit, ris¬
ing money costs, our industry in¬creased its loans outstanding dur¬ing the past year by some 7%. Most of our companies were close to 100% of capacity at the end of the year.

Our industry's record is worth reviewing. Not to crow about it; we don't have to do that. Our reputation as a ready source of needed funds and finance-profitable services, in the amounts and kinds required, has been growing year by year.

But the job we did in providing new working capital and freeing equity capital during recession is one we can repeat on a larger scale during economic expansion.

In the face of this, what did our industry do?

Our industry anticipated that there would be a greater need for

$2,160,000 Illinois Central Equipment Trust, Series 46 4½% Equipment Trust Certificates (Philadelphia Plan)

To mature $3,800 semi-annually June 1, 1959 to December 1, 1973, thereafter.

To be purchased unconditionally at face, and paid at par value and dividends by insurance

Illinois Central Railroad Company

Maturities and Yields

<table>
<thead>
<tr>
<th>Date</th>
<th>Maturity</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 1959</td>
<td>3.25%</td>
<td>6.00%</td>
</tr>
<tr>
<td>Dec. 1960</td>
<td>3.50%</td>
<td>6.00%</td>
</tr>
<tr>
<td>June 1960</td>
<td>3.50%</td>
<td>6.00%</td>
</tr>
<tr>
<td>Dec. 1961</td>
<td>4.10%</td>
<td>6.00%</td>
</tr>
<tr>
<td>June 1963</td>
<td>4.15%</td>
<td></td>
</tr>
</tbody>
</table>

Incorporated and of sale of these Certificates are subject to authorization by the Illinois Central Railroad Company.

The Offering Circular of the Company is available for inspection at the principal place of business of the Company in St. Louis, Missouri.

HALSEY, STUART & CO. INC.
R. W. PRESSPRICH & CO.
FREEMAN & COMPANY
MCMASTER HUTCHINSON & CO.

November 13, 1953

*

This is the responsibility of the company's market promotion. It also calls for the advance of funds.

Similarly the use of our funds in financing the requirements of everyday operations can free capital for research in adapting the product line to the requirements of new markets and to the development of new products to expand the line. Our funds can also serve as substi¬
tutes for equity capital, making it possible for many companies to expand by making their operations more capital efficient and less requiring of the introduction of new products.

During the next year, barring a war or a major outside catas¬
trophe, sales volumes will rise for the first time in several years. Rising sales will require rising inventories, even though in the more modernized, more well controlled industries.

Indeed, in some instances, the rise in inventories will outpace the rise in sales and boost prices above the early stage of recovery. Then they peak as the first stages of recovery are followed by one of the inevitable dark periods which we sometimes call a recession.

At that point inventories rise as sales at a market maximum expand to take account of the coming business expansion.

Our funds would be increased at a time when the industry can help to supply them.

But it isn't only the expanding industry which has ahead opportunities. The company that lagged in adapting its program to the rising fluctua¬
tions, that had to mark time while its products were not able in the face of business climate, can now turn around and use our funds to penetrate the market and sales policies that helped other companies get out of a slump can be used to turn around the company as well.

Our funds and our services can do this.

This, briefly, is the picture—part of it. It's what our present and past clients have done and will do and what our future new clients from existing companies can do. We've tried to bring out our first responsibility and we've tried to bring out the recognition of opportunities to serve them. On all sides we have received acknowledgment of our efforts and they are, in spite of all obstacles.

But I submit that the commer¬
cial finance industry has a larger responsibility, a responsibility to this country, more than half the companies in our conference go to the public for part of the funds that are on stock in trade. We are a quasi-public industry with public stockholders who have financed our own growth.

How to Get Ready for the Next Stage of Growth

Uncertainty is still serious and it is almost certain to persist substantialy until we are well past the $500 billion in gross output. We are in a period of adjustment, which a substantial amount of employment is being shifted from the manufac¬
turing line to the manufac¬
turing line to the manufac¬
turing line to the manufac¬
turing line to the manufac¬
turing line to the manufac-
The Business Outlook for 1959

By EDMUND A. MENNIS
Director of Research, The Wellington Company
Investment Counsel, Wellington Fund

Stock market economist explains why he believes common stocks upward trend probably will continue not necessarily at the rate of the past five months. Based on a survey made before the season-end, he expects corporate earnings to be adequate, but a few companies may have to work to regain previous peaks. In all, the Wellington Company analyst is looking to keep his forecast current.

By this I mean a positive view is not enough. Each six months or one year, an unbiased and impartial analyst must look into what changes the outlook. A forecast, therefore, is vital and ever-changing. Having this thought in mind, I can now discuss our current view of the probable course of business in 1959.

In broad strokes, we think that the recovery in business since last April is real and that it will continue through next year. However, we do feel that this recovery during the spring and summer of this year probably will not continue. Indeed, we may be perceptible slower in 1959, although the recovery may broaden out. Specifically, we anticipate a Gross National Product of slightly over $460 billion in the fourth quarter of 1958, about $470 billion for the second quarter of 1959, and about $480 billion by year-end. The Federal Reserve Board index of business expectations is expected to average 142 in the fourth quarter, 143 in the third, and about 146 in the second quarter of 1958. However, we do not believe that it will ever be at a few points higher by the last quarter of next year, which may be the bottom in finished goods prices, which are those principally reflected in Gross National Product and will continue to advance but at less than the previous pace.

Any business forecast that assumes increased to new levels must make some assumptions about monetary policy. It is popular to believe that present actions of the Federal Reserve Board and to explain how they will either cut the business recovery short or will be inadequate to cope with inflation. Although these events are possible, we believe a probable forecast must assume that the Federal Reserve will steer a course between two extremes. Although interest rates have fluctuated sharply in the past two years, such fluctuations are unusual only in the perspective of the two decades of the Federal Reserve. By the early 1930s, the free action of market forces in the interest rate changes and levels that are not unlike those we see today. Basically, despite increasing in the immediate future still seem upward.

What are the critical areas to watch in the next year?

*Criteria to Watch

The first is unemployment, which, in spite of the recovery. In business, has remained near postwar peaks. Some observers have commented that the recovery will not be complete until we once again have full employment, until we reverse the previous trends in production and output. This certainly seems true, but I think we must allow for a time lag before unemployment will show significant improvement. These areas most seriously affected during the recent contraction cut employment, overbuilding, quite sharply. There is a certain delay as volume peaks out before employment will regain previous levels.

A second critical area is business plant and equipment. In 1959, it is expected that capital spending plans made in previous budgets will see some of the decline will end and that there will be some previously. In our field trips to many large industrial areas, we have found that capital spending plans are very definite. They are tied to profit margins and corporate earnings. As the business recovery continues, profit margins should improve because of the firmness in prices and the rapid improvement in productivity in the early stages of the cyclical upturn. Although we do not expect capital spending in 1959 to return to the 1957 peaks, we expect some improvement from the present levels.

A third critical area is the automobile industry. I think it is unfair to guess too much about the reception 1959 models until the current thinking in Detroit appears to suggest that the $5 million car year, but it is still too early to make any preliminary appraisal. A figure similar to that of 1958 would certainly slow the rate of business recovery, and a figure substantially higher could speed the recovery rate to a level in other areas of consumer spending as well as business spending. Because of delays in building up stocks of new cars, we believe that Christmas at least, before we have a reliable feel of the automobile market.

A fourth critical area is the steel industry, not because of its rapid recovery from depressed levels. In fact, we have been skeptical about the current negotiations that will take place this summer. The automobile industry itself has a strong record of being a leader in market and investment. It is in the automobile industry that the steel industry is likely to have the most effect. The year of 1959 will likely be another year, another test of the steel industry. If we do not get the steel industry out of the way, we will have a problem. It will be a problem.

What About the Stock Market?

I know that anyone in the investment field addressing a group must be asked to tackle the most difficult question of all: What about the stocks to buy? The stock market bottomed out in December and has been moving up to near the levels of its high in 1956. In technical studies as I have seen indicate that the profit margins of this time, the market, which historically has been a satisfactory indicator of cyclic change, has anticipated the realities of the improvement in corporate earnings that we now see.

This announcement is not an offer to sell or a solicitation of an offer to buy these securities. The offering is made only by the Prospectus.

$80,000,000

The Pacific Telephone and Telegraph Company
Thirty-Two Year 4 1/2% Debentures

Dated November 1, 1958
Due November 1, 1990

Price 102% and accrued interest

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

HALSEY, STUART & CO., INC.
A. C. ALLYN AND COMPANY
A. G. BECKER & CO.
DICK & MERLE-SMITH
HAYDEN, STONE & CO.

EQUITABLE SECURITIES CORPORATION

LADENBURG, THALMANN & CO.
SALOMON BROS. & HUTZLER
WERTHEIM & CO.

BACHE & CO.
R. S. DICKSON & COMPANY
L. F. ROTHCHILD & CO.
COFFIN & BURR

BAKER, WEEKS & CO.
BLAIR & CO., INC.
WILLIAM BLAIR & COMPANY

BURNS BROS. & DENTON, INC.
SHELBY CULLOM DAVIS & CO.
GREGORY & SONS

IRA HAUPT & CO.
HIRSCH & CO.
E. F. HUTTON & COMPANY

NEW YORK HANSEATIC CORPORATION
WM. E. POLLOCK & CO., INC.
REYNOLDS & CO.

November 10, 1958.
Price Paid to Avoid Inflation Costs Less Than Further Inflation

By JAMES F. OATES
President, The Equitable Life Assurance Society of the U. S.
New York City

Insurance head averts it is high time banking, insurance and business leaders considered the implications of capital and concentrate on their attention—do political leaders—on the political scene where the malignancy of inflation originates. Mr. Oates asserts that the fear of severe inflation—harrying war-procurement and non-inflationary economic policies and near historic lows has led to an unprecedented financial newsletter to our depositors, to our policyholders and the public in general to present and analyze these facts for the general public and we therefore challenge to assume the leadership of an excess of 50% of the outstanding share the function of reducing inflation. As a result of recent pur¬ing the American Hardware Corporation in the Knex Glass, Inc. new issue. The move will enable the firm to further enterprise system and general welfare of our econom¬y. It is suggested that the price rise in the immediate postwar period, 1945-1948, is, of course, is attributed to the fact that the huge reserve of buying power built up during the war was, therefore, spending power. The price rise has been quite significant.

The price rise in the immediate postwar period, 1945-1948, is, of course, is attributed to the fact that the huge reserve of buying power built up during the war was, therefore, spending power. The price rise has been quite significant.

The price rise in the immediate postwar period, 1945-1948, is, of course, is attributed to the fact that the huge reserve of buying power built up during the war was, therefore, spending power. The price rise has been quite significant.
Banks Must Face Competition By Marketing Bank Services

By BRADFORD A. WARNER

Vice-President, Manufacturers Trust Company, N.Y.C.

Banks no longer can indispensably sit back and ignore increasingly important business of marketing services related to money and credit. In making this point, Mr. Warner contends that bankers still confined to the traditional area of accepting deposits and making loans would be pursuing the analogy between railroads and steamboats. The result is loss of business. To overcome commercial banks' falling behind in the race for the public's financial business, the banker offers suggestion on marketing business and individual business, and directs attention to the importance of advertising.

Within the last year or so a new word has come into the vocabulary of many bankers. That word is "marketing." And it may well be that the new concept expressed by this word will displace the traditional concepts which have been long known as "new business," "business management," "business executive," or "business promoter." In any event, the new approach now is to consider banks, and the people who run them, have the power to grant credit and services to individuals. We created a feeling—one might even say a myth—that one of the by-products of this "power of the purse" has been, traditionally, at least, an attitude of independence on the part of bankers, a feeling that "the bank is here to serve the public to if they need which ever thing they need." We have been thinking good sense when the banks were the only important financial institutions to serve, but time has marched on and has created new economic situations which we must serve if we are to "market" our services if we would maintain a position in the field of the expanding economy.

SOUNDS A WARNING

Although analogies are often helpful, comparisons are ever quite the same. As a matter of fact, it is difficult to draw a parallel between the situation of commercial banking and any other business not so many years ago. Most of us can remember that the banks had a monopoly in the transportation of money. You could not travel or ship goods from here to there and have those articles sufficient enough to handle along a navigable waterway and use a steamboat. But look at the situation now. Trucks and pipelines are making transportation of the heavy freight, and airplanes, which 20 years ago had reduced railroad passenger traffic to a shadow of its former self, may prove a bit frightening, let me hasten to add, to some of the traditional banking institutions in the commercial banks yet. But this trend is running, and that direction, and it could happen in the future unless something is done to reverse it.

In the work of the marketing sub-committee of the Public Relations Committee of the Association of Reserve City Banks, of which I have the honor to be chairman, research has disclosed that the share of total assets of all banks in our entire financial system declined from 54% in 1918 to 50% in 1929, and 31% in 1956. A part of this decline, of course, was due to the growth of finance companies, corporation and insurance companies, and to an established banking system. And they served, as I've already mentioned, that by-products of those institutions were also banking institutions. And it could happen in the future unless something is done to reverse it.

In the work of the marketing sub-committee of the Public Relations Committee of the Association of Reserve City Banks, of which I have the honor to be chairman, research has disclosed that the share of total assets of all banks in our entire financial system declined from 54% in 1918 to 50% in 1929, and 31% in 1956. A part of this decline, of course, was due to the growth of finance companies, corporation and insurance companies, and to an established banking system. And they served, as I've already mentioned, that by-products of those institutions were also banking institutions.

What Banks Can Market

Broadly and generally, what we have to sell is service to business and personal needs, and we might conceive of a bank as a department store, and in a department store located in an office building. On the ground floor, where convenience of access is greatest, we serve individual customers, some of whom come to us with personal needs of all kinds. As we go up the floors we render service to business enterprises of all kinds. In the attic of a commercial American bank as a whole, our demand deposit accounts break up about like this: Business customers account for 10% of our number of accounts, but these accounts comprise 60% of our total demand balances; individuals carry 78% of the accounts, but only 20% of the total balances. (The remaining to 12% is made up of such miscellaneous accounts as utility operators, nonprofit organizations, fraternal organizations, etc.) These accounts vary considerably with the size and location of banks, the general result being that the larger banks have bigger percentages of business accounts and smaller than the smaller ones. So one might draw the corollary, the smaller the bank, the more important its business with individuals is likely to be.

It is a safe statement that every business organization needs a bank, so one might say that all business enterprises comprise a "market." The fact that getting into heavy competition with the extension of credit business is often entangled up with the extension of credit business will not dwell upon it here, but there are other ways, such as setting up additional special services, to create business. Large city banks are always creating many new services to commercial business as recouping, and our accounts, and individuals are indicated to the banks need them as customers.

It could be (and it has been) argued that there is no profit to a bank in handling accounts, and therefore, the money would be better. But my myth has long since been exploded. Small depositors, who usually have the most money, and they will pay adequate service charges it is the very law of the bank, and not the market.

Another example of how banks can serve the individual of small the bank and at very little cost to itself — has been the so-called "one dollar in ten" order. It is evident that the fee charged by post offices on money orders were much less than the banks' cost of issuing them, thus creating a "market" for this service.

The demand has far exceeded our expectations, and this year our bank will sell approximately 5,000,000 of them, or 8,000,000 more than the number, which means $500,000 in additional gross income. As it takes only 13 seconds of clerical time to fill a Register Check, the direct "man-hour" cost is less than one cent. This is an example of how a bank discovered a new market and developed it at a satisfactory profit to itself.

Consumer Loans

It is now well known that it took the banks many years to discover that the field of personal and automobile installment loans was one of their best "markets." The traditional practice was to lend money to finance companies on "wholesale" rates, and these companies turned around and lent it to installment borrowers at "retail" rates, which were sometimes as much as seven or eight times as high as the so-called "prime rate" received by the banks. A few banks still do this, but even the conservative British banks finally decided last month to go into direct installment lending business, which does the work, does the lending, and makes the loans on an average business day.

Twenty years ago many banks were reluctant to make installment loans to individuals because of fear of loan. That was before banks had added their "market." Actual experience over the years has shown that the average loss ratio on these loans is less than one-quarter of one percent. And the market for installment loans, as measured by that ratio, is now at least 60% of the entire population.

At this point some may say, "This talk about markets, per¬ cents of the population and the like is too theoretical. The customers is all right for big city banks, but it doesn't apply to a...

Continued on page 25

Bowling Corporation of America

450,000 Units

of

450,000 Shares Common Stock

(Price Per Value)

and

900,000 Common Stock Purchase Warrants

Each Unit, consists of One Share of Common Stock and Two Common Stock Purchase Warrants. One Warrant expires eighteen months from the date hereof, exercisable at $3.25 per share and One Warrant expires thirty months from the date hereof, exercisable at $3.50 per share.

Price $3.00 Per Unit

Copies of the Prospectus may be obtained from the undersigned in any State in which the undersigned may lawfully offer these Securities in compliance with the securities laws of such State.

Charles Ploh and Co.

New York Stock Exchange American Stock Exchange

25 BROAD STREET, NEW YORK, N. Y.
Our Unsound Monetary System And Measures for Reform

BY ROBERT de FRENERY
Vice-President, Commercial Credit Company, spoke before the 40th International Consumer Credit Conference in San Francisco, Calif., on July 19, 1954, and on July 19, 1955, and in the following statement he stated:

"Most of the recent developments in American economic history have been conditioned by monetary panics.

A very similar statement was made by the leading bankers in England during the latter half of the 18th Century: "It has been remarked that panics recur at regular intervals of about ten years each; one can be wondered at, seeing that the years 1820, 1830, 1847, 1857 and 1866, have, from various causes, been marked by the catalyzing or climaxing of panic. Judging by this recurrence of disasters at an interval of approximately ten years, one is not surprised that in the popular mind there seems to be a belief that a cycle exists, fitted to bring its train ruin to the monetary world and to millions of people. The origin of the cause of the panics of the years specified, and their distinguishing characteristics, differ so widely as to cause the Cautions given to controversy among economists. One group claims that our present banking system is basically sound, and that panics are, therefore, caused by conditions existing outside the system or to abuses of that system. The other group claims that our present banking system is not sound and is the cause of the panics. The latter group of economists has grown out of the fact that many people believe that the money of the country is not available for business purposes. This feeling has been heightened by the fact that most of our large banks, when confronted with the foregoing explanation of the panic, do not have confidence in the ability of each bank to meet its obligations. The theory would be that if each bank had confidence in the ability of each bank to meet its obligations, there would be no panic. It has been pointed out that the fear of a collapse of the banking system is a primary concern, therefore, was to liquidate their inventories before any real collapse, he reasoned, the first thing things were so bad as to panic, they would take their deposits when men engage in a "run on a bank" is not a very obvious reason. They are afraid that if they do not guard the money they have a right to withdraw it, they will lose it together. And their fear is perfectly justifiable when their deposits are fractional reserve banking. Their money is not lost—nor is it any wrong. They may lose their money; but they have an actual physical possession of it. They put it into a depository institution of their choice. It is nothing but book entries against which the depositories can draw cheques."

"How do the book entries come about?"

Our banks have the privilege of creating such book entries and lending them to the public so long as they maintain a certain minimum cash reserve. Hence, the name "fractional reserve banking." In proportion as banks are able to contain their deposits and leadings, and as checks are drawn against these deposits and paid, we have the money of the society. Money is derived, in other words, from the total amount of imaginary deposits, that is, deposits created by the banks. This means our bankers have drawn upon the facts and figures of statistical compilation only to pay their deposits, to the extent of $1,000 billion, on a large scale. The more liquid our banking system is, the more confidence our bankers have in the fact that a loss of confidence will not cause a panic. If, therefore, the banks of the country chose the form of a financial pyramid, with the panic resulting from the fear that a panic or "credit crisis" may be in progress, the money is decreased, as in the period from 1929-33.

The fact that the National Bank system, which has been reformed, is at least so far as the financial crisis of 1929-33 was caused by the stock market crisis of 1929, the financial advisers of some of the banks do seem to be getting very much less confidence in the probability of our banking system. They believe that the banks, in case of panics, are not able to pay their deposits, and that depositors will demand their money, which is obtained largely for the purpose of creating imaginary deposits, at which point it is transferred into the bank, such as in the period from 1929-33, the nation has been reduced to bankruptcy. The fact is, however, that the financial crisis of 1929-33 was caused by the fact that the banks, in case of panic, are not able to pay their deposits, and that depositors will demand their money, which is obtained largely for the purpose of creating imaginary deposits, at which point it is transferred into the bank, such as in the period from 1929-33, the nation has been reduced to bankruptcy.

4th Annual Convention Issue of the Investment Bankers Association of America

On Dec. 18, the CHRONICLE will publish its all-important Investment Bankers Association of America Convention Issue, which will comprehensively cover the Address, the reports, reports and related news developments of the Convention's proceedings. It will also include a multitude of cartoons taken during the course of the Convention.

Please rush your advertising space reservation for a preferred position in this outstanding issue of the CHRONICLE. Closing date for copy is Dec. 14.

Regular Advertising Rates Will Prevail For Space in This Number.

The Commercial & Financial Chronicle 25 Park Place, New York 7, N. Y.
issuing notes that were not backed by gold. But they had the right to extend credit by creating deposits against them that could be drawn. Naturally the credit crises continued—1947, 1929—many economists throughout our country in 1947. He suggested converting our private banking system into a national one, with fractional reserve banking into a system of 10% reserve requirement. This can be done by contracting our billions of dollars of imaginary deposits into actual cash reserves. And to keep our banking system on this sound basis we would have to take away the bankers' privilege of creating any further imaginary deposits.

Only the Government to Issue Money

If more money is needed in our country, and we'll need more as our population expands, it should be the function of government—and government alone—to provide the new money—not the function of a private banking system to provide us with imaginary deposits. Bankers should confine their lending activities to the lending of actual savings placed with them for that purpose and not subject to withdrawal during the period of the loan. They should no longer be allowed to lend their credit.

Having effected this reform, we need only provide—an Constitutional amendment—that the supply of money per capita existing immediately after this reform has been made shall henceforth be maintained. When a definite increase in our population necessitates a proportional increase in our supply of money, then Congress can authorize that increase as provided for in the amendment to our Constitution. In the words of Alexander D. MacLaren—one of the most scholarly and astute monetary historians that ever lived: "The more exact the limits of the volume of money are defined in the law of each State, the more equitable will it become in its operation upon prices and the dealings between man and man." (The Science of Money, P. 129.)

Favors Going Off Gold

The question is often raised: "What about gold? Would our new money be coined in gold at the request of our citizens and/or foreign bankers?"

Certainly not. The idea that our money has to be convertible into gold in order to maintain liquidity is a superstition foisted upon us by the vested interests in gold. And those who don't think such a vested interest exists should heed the following statement made by the National City Bank Bulletin for June, 1940: "A second important reason why gold is unlikely to lose its value is that not only the United States, but other countries as well, have large vested interests in gold. The British Empire alone accounts for nearly half the gold output of the world, and in many other countries gold production is an important national asset. These countries would not look with favor upon the displacement of gold as a monetary metal; and even in the event of political changes resulting from the war these vested interests will remain though possibly shifted to other national jurisdictions." (p. 70.)

Another superstition foisted upon the public is that an expanding foreign trade among freedom-loving nations necessitates having currencies convertible into gold. One of the best books on this subject is International Monetary Questions by C. R. Whitley. The periodic breakdown of trade—both national and international—that has had such disastrous consequences on the political and economic development of all countries is a direct result of unstable currencies which, in turn, were an inevitable result of having currencies supposedly convertible into gold on demand when, in fact, that much gold didn't exist.

The greatest boon to the development of world trade would be to divorce all currencies from gold and allow all exchange rates to fluctuate freely so as to correctly reflect changes in the amount of imports and exports of each country.

Overhaul Our Reserve Banking System

Before closing, I would like to point out that banking reform alone will not save our free enterprise system. We also need a complete overhaul of our system of raising public revenue. Both of these reforms must eventually be made if freedom is to survive. Neither of these reforms is a panacea—nor are both of these together a panacea. Our present monetary system is freedom. And a free economy cannot be expected to function properly without a sound monetary system and a sound method of raising public revenue.

With Ball, Burge, Kraus

CLIVELAND, Ohio—Joseph K. Crabbe is now connected with Ball, Burge & Kraus, Union Commerce Building, members of the New York and Midwest Stock Exchanges.

Prescott Adds to Staff

CLIVELAND, Ohio—Donald E. Wagner has been added to the staff of Prescott & Co., National City Bank Building, members of the New York and Midwest Stock Exchanges.

Latin America is making rapid strides in many fields which seldom gain the headlines. Consumer markets are growing, and with them is emerging a stable and prosperous middle class. With the population growing at the fastest rate in the world, production in Latin America increased even faster in 1957—with a per capita growth of 4.8%. Several Latin American countries have taken great strides in developing both heavy and light manufacturing industry. And there is a growing understanding by both North and South Americans of the common interest which they have in the prosperity and security of the Western Hemisphere.

The problem of obtaining the vast amounts of domestic and foreign capital required to meet the growing needs of the area presents a constant challenge and opportunity to the people of Latin America and to private business in the United States. The 11 Latin-American nations served by the electric companies associated with American & Foreign Power Company represent an area as diverse in its geographic characteristics, resources, and opportunities for industry and commerce as any in the world. Already one of the largest investors of private capital in Latin America, the American & Foreign Power System is demonstrating its confidence in Latin America's future by currently investing nearly $100 million annually in expansion and improvement of its facilities.
Profit-taking picked up in the market this week as the industrial average continued to forge to new, record high levels with the rally in utilities indices in step but moving more modestly and well short of any all-time peaks.

There were also some frustrations in the flow of business news, notably a letdown in steel operations, plus some high hopes for stock splits and higher dividends that were dashed to help spur some of the buying.

Split Disappointments

Eastman Kodak where the talk had ranged from 2-to-1 to 3-to-1 divisions of the shares was an obvious casualty even in advance of the directors' dividend meeting when they did nothing more than vote the same year-end dividend of 10 cents per share. The stock reacted abruptly from posting a new peak and went in for some multi-point losses to trim more than a dozen points from the best price in short order.

On the other hand, some issues that did come through with stock splits failed to show much life, the action apparently well discounted in advance.

The other big hopeful was American Telephone where all sorts of expectations had centered and had been mostly responsible for lifting the issue to its best prices in 22 years. Wednesday only the regular dividend was declared, but with unduly depressing results.

Dividend Casualty

United Fruit was a rather conspicuous casualty after shaving its dividend since even up to the time of the meeting some of the services were fairly confident that a trim might be avoided. Similarly, the $2 year-end paid by ITT Federal was pared to $1.50, despite a good sprinkling of advice that the dividend might be spurted, but the Du Pont traders had apparently been skeptical and the stock was able to hold well in the face of the action.

From a technical stand point a reaction not only was more or less inevitable but expected the moment when it came, it failed to bring out as much volume as advancing sessions had which, again, is considered a favorable technical implication.

Some new popularity also showed up despite the heavy speculators in the hitherto popular sections. Rails were able to offer a candidate for the spotlight in the persistent gain being Norfolk & Western, and airplanes were able to stand out in demand after a rather lull. However, a large dividend is involved in this situation.

In the plane group, Boeing led by the straining line, in face of all the fanfare attendant on the start of the Jet Age in commercial transportation. In fact, it spent some time recently as a persistent laggard even though projections indicate that this year's earnings should be rather favorably with those of last year and the full benefits of its success with the 707 jet plane won't be apparent until the current year when the heavy writof its development start to decrease.

Persistent Selectivity

Although the various indexes would seem to indicate that the entire market is at unrecorded highs, its only level and many commentators were commenting, is that less than a third of the Big Board stocks are trading above their peaks since 1955. An exception that is still slow-moving and not at any excessive level measured by the traditional barometers is the long-neglected American Tobacco.

Although this issue has worked to its best standing in some time, it is still well under its record peak. Its dividend is quite comfortable better than 5% return and is still covered by anticipated earnings. In fact, with some of its brands starting to make a stir and the prospect of higher earnings next year, it is a candidate for a dividend improvement and is one of the quality issues, consequently, that hasn't yet reached overly optimistic levels.

Westinghouse is another quality issue that is still well below its 1953 level, never having recovered fully from a rather exhaustive strike. Its earnings only recently started improving and Wall street companies with previous periods and there is still the intangible of how the heavy equipment business is going to affect 1957's profits. In all, it has kept this stock restrained although it is a dominant factor in atomic energy the so-called romance field, and is believed to be the only important atomic energy stock, solidly in the black on this line of work. The atomic work in another combination might have induced far wider market action than it has for Westinghouse.

Movers Slow

The motor shares were generally quiet and slow-moving. There is still not enough solid evidence of new model reception to support any assertion that the motor companies are back in boom stride, and the slowdown in the recovery was sharply indicated to indicate that the motor firms are still buying cautiously. American Motors, of course, has been doing an excellent year helped along by tax loss credits which will be used up this year, a sugar too well for American, particularly if the Big Three get back in stride with their highly competitive ways. Suggestion wasn't overly favorably toward American, because it was uncertain how much more 1956's benefits were contributed by the large short interest, how the company will fare with the auto union strikes. But, there is little or no competition in the overall market in the future.

Both Ford below 50 and Chrysler with a tag at 60, are slightly higher, but have now changed to a new high, even now stands lower than the total index in relative to the base 1947-49.

An Interesting Aircraft

In the low-priced aircraft market Tomco was able to show a bit of action, including nudging to a new high. This issue is highly regarded by some market leaders and has the ability to show a modest increase in net for the first three-quarters of the year, its earnings are expected to be higher than last year. It's the nature of the estimate that in the next three years it plans to do as much business as it did in the last dozen years with important help from its growing participation in electronics and missile work. It is not a large plane firm, but produces assemblies for other manufacturers, including Bell, Raytheon, Aerojet-General and Fairchild which gives it a broader and more diversified list.

Westinghouse is another aerospace company that has been able to recover fully from a rather exhaustive strike. Its earnings only recently started improving and there is still the intangible of how the heavy equipment business is going to affect 1957's profits. In all, it has kept this stock restrained although it is a dominant factor in atomic energy the so-called romance field, and is believed to be the only important atomic energy stock, solidly in the black on this line of work. The atomic work in another combination might have induced far wider market action than it has for Westinghouse.

Another and more complete electronic situation is General Electric, which, with sales of over $5.5 billion, is one of the Westinghouse's of the competitive price levels, including a profit-time-earnings of 6%, yield around 14%, etc. Part of the lack of favor currently tween higher prices and greater quantities marketed.

Food and agriculture have been one of the few bright segments of the market and has been reflected in several ways:

1. Many communities in farming have seen increased spending, to the point that it’s often been referred to as “farmers’ inflation.”
2. Food prices have been relatively low, which has helped to continue the trend in the recent past.

For this reason, the outlook for food and agriculture is generally positive. However, some concerns remain about the potential for inflation and the impact on farmers.

Food and Agricultural Outlook

BY WILLARD D. ARANT,
Economist, Swift & Company, Chicago, Ill.

Food economist anticipates somewhat lower farm prices in all major categories with the price index probably will be quite moderate because of rising cost of food processing and distribution. Turning to the general economic outlook, Mr. Arant estimates that the GNP will average about $465 billion and the unemployment is likely to remain at a high level.

Food and agriculture have been one of the few bright segments of the market and has been reflected in several ways:

1. Many communities in farming have seen increased spending, to the point that it’s often been referred to as “farmers’ inflation.”
2. Food prices have been relatively low, which has helped to continue the trend in the recent past.

For this reason, the outlook for food and agriculture is generally positive. However, some concerns remain about the potential for inflation and the impact on farmers.

Food and Agricultural Outlook

BY WILLARD D. ARANT,
Economist, Swift & Company, Chicago, Ill.

Food economist anticipates somewhat lower farm prices in all major categories with the price index probably will be quite moderate because of rising cost of food processing and distribution. Turning to the general economic outlook, Mr. Arant estimates that the GNP will average about $465 billion and the unemployment is likely to remain at a high level.

Food and agriculture have been one of the few bright segments of the market and has been reflected in several ways:

1. Many communities in farming have seen increased spending, to the point that it’s often been referred to as “farmers’ inflation.”
2. Food prices have been relatively low, which has helped to continue the trend in the recent past.

For this reason, the outlook for food and agriculture is generally positive. However, some concerns remain about the potential for inflation and the impact on farmers.
European Ups and Downs on Free Trade and Common Market by Paul Einzig

Well-known British economist explains motivating factors underlying France's recent reversion to Free Trade Area; envisages the governments of the proposed Free Trade Area, and reports one view that believes separate—though smaller—group trading areas would be more effective than the Free Trade Area which is a large all-encompassing Free Trade Area. Dr. Einzig notes General de Gaulle can no longer differ with the French industrialists despite pressures on France from other governments concerned.

LONDON, Eng.—Ever since the discussions over the Free Trade Area were initiated some two years ago the prospects of a great agreement have been subject to ups and downs. At the moment they look pretty hopeless. In July last it appeared as though General de Gaulle had made up his mind to overrule the opposition of French industrialists, and the matter was expected to proceed smoothly during the autumn. It did not appear unreasonable to assume that by then the European Common Market would have been launched by the end of the year. The Free Trade Area Agreement would be concluded.

It now seems, however, that the optimism of four months ago was entirely unwarranted. The French Government has returned to the attitude it adopted prior to the advent of General de Gaulle, and it looks most unlikely that anything will be reached. The difficulty is not a disagreement over terms. French industrialists are opposed to the very idea of supplementing the common market with a Free Trade Area. They have thrown their entire influence into the balance and have succeeded in overruling the French Foreign Ministry which was very anxious to avoid a split in Western Europe and a deterioration of France's relation with Britain.

French-German Accommodations

German competition is much more dangerous for France than British competition, and yet French industry is prepared to accept the Common Market which includes Germany and is opposed to the Free Trade Area which excludes Britain. The explanation is that, having accepted the Common Market, France is strongly opposed to exposing its products to British competition in addition to German competition.

Moreover, they expect to be able to come to some arrangement with their German opposite numbers. A large number of cartel arrangements operate in both French and German industries and this provides an opportunity for them to avoid the problem of terms about dividing up the Common Market. On the other hand, it is inconceivable that such an arrangement would be practiced with 17 countries that would be involved.

The change in the attitude of France since July may be explained partly in terms of ground gained and partly on political grounds. In the immediate future fears have increased considerably, and with it grew the desire to protect the domestic market. General de Gaulle is naturally anxious to avoid losing his prestige through contributing towards accentuating the recession in France as a result of increased competition. He is also interested in economic questions but is unable to appreciate their political implications.

Gen. de Gaulle and the Industrialists

What is much more important, General de Gaulle can no longer afford politically to defy the industrialists. In July he was able to do so with impunity because his new regime was based on the unconditional support of the French Army in Algeria. In any case the change of regime took place only a few weeks earlier and the industrialists had no opportunity to establish connections with the men of the new regime. Their political influence was at a low ebb. In the meantime relations between General de Gaulle and the Army leaders in Algiers have become less cordial. General de Gaulle chose to act independently on more than one occasion and presumably he intends to do so again should occasion arise. This means that he can no longer depend unconditionally on the support of the Army. It is expedient for him to strengthen his position by securing the support of the all-powerful industrialists. Otherwise he would be at the mercy of the utterly unpredictable political parties.

De Gaulle could no longer afford to antagonize the industrialists by disregarding their opposition to the Free Trade Area. It seems, therefore, most unlikely that between now and the end of the year he will throw into the balance the economic benefits that would result from an conclusion of an agreement. It is necessary therefore to envisage the possibility of a breakdown of negotiations in spite of pressure brought to bear on his partners in the Common Market as well as by the Governments of the proposed Free Trade Area.

Possibility of Retaliation

There is much talk about retaliation on the part of the latter Governments, especially those of Britain, the Scandinavian countries and Switzerland. There is a strong feeling in these countries that if it is January next the Common Market countries should begin to discriminate against their goods. It seems, however, that so long as discrimination is continued to higher tariffs there will be no retaliation. Only if there is a breakdown of negotiations in spite of pressure brought to bear on his partners in the Common Market as well as by the Governments of the proposed Free Trade Area will there be any possibility of retaliation.

John Kennedy, Mgr. for Garvin, Bantel & Co.

Garvin, Bantel & Co., 120 Broadway, New York City, members of the New York Stock Exchange, announce that John J. Kennedy has joined their firm as General Manager.

Phila.-Balt. Exch. Member

MIAMI, Fla.—Joseph A. Rayvis, President of Plymouth Bond and Share Corporation, Alnasy Building, has been elected a member of the Philadelphia-Baltimore Stock Exchange. Mr. Rayvis is President of Plymouth Fund, an open-end investment company, and a director of the Bank of Dade County, Miami.

"Daddy, How Do I Look?"

Yesterday it was dolls and pigtails and small scuffed shoes. Suddenly it's her first grown-up "party dress"—and a little girl is a young lady.

The things a family needs don't always come easily. There are times when any father may be pressed to provide them.

Those are the times when a Beneficial loan proves its value . . . meeting unexpected needs with a small loan service that is friendly, dignified and dependable . . . and geared to family requirements both in amount and repayment schedule.

. . . a Beneficial loan is for a beneficial purpose.
A Suggested New Way of Financing the Public Debt

By JOHN E. ROVENSKY
Former Vice-President of the First Nat. City Bank of New York
Former Chairman of ACF Industries

Treasury issuance of 2½% tax free income consols with periodic and redemption adjustments for cost of living changes is proposed by Mr. Rovensky to meet government's debt financing problems; (2) remove distorting factor of “free money” from the stock market; (3) compel recognition of the folly of wage-price spiral.

In response to the Treasury Department's today the terrifying problem of inflation, it is radically different course of action. Authorities have announced that the solution to the problem is to create a new currency. This new currency would be backed by the gold held by the central bank. The government would print as much of this new currency as is needed to finance the public debt. The currency would be redeemable in gold at any time by the holder. The stock market would be stabilized and the cost of living would be controlled.

Present Situation
We are on the verge of a financial crisis. The prices of goods and services are rising at an alarming rate. The stock market is volatile and the government is faced with a major debt financing problem.

(A) Offer to the public an unlimited issue of bonds—on which there is no interest rate—so as to avoid any tax complications.

(B) The bonds sold later in the year will be callable at par any time prior to their maturity.

(C) The bonds must be redeemable in gold at any time by the holder.

(D) The bonds would offer a haven of refuge for the man who doesn't want to speculate—he could just hold on to the gold. The bonds would be highly liquid and could be sold at a profit if the value of the bond decreased.

(E) The bonds would be redeemable in gold at any time by the holder. The value of the bond would be determined by the price of gold at the time of redemption.

(F) The bonds would have a maturity of less than five years and would be callable at par any time prior to their maturity.

However, in the end ten years, if the bonds remained unredeemed, a new set of bonds would be issued to the holder upon application to the Treasury. The bonds would be similar to the original bonds and would be treated as bonds issued to the holder at the time of the original issue, except for the interest paid at the time of the original issue.

John E. Rovensky

Restoring Confidence in U.S. Government Bonds

By OSCAR GRUSS
Partner, Oscar Gruss & Son, New York City

Wall Street broker-dealer submits proposal to restore confidence and stability in the government bond market.

Gruss would propose the following measures:

(1) Granting tax exemption to the interest in the amount of the increase in the rediscout rate; and

(3) Providing a sinking fund. He believes this would help diversify government bond market and end the long-term problems of governments when rediscout rate goes up.

Today's world is divided into two systems, the capitalist and the socialist. The United States, along with the capitalist countries in the capitalist sector, outside the socialistic bloc, is a capitalistic society with very little or no public capital.

The United States, due to its great wealth, enjoys the best housing, labor and education in the world, the highest standard of living, the most scientific telephone, public utility, railroad and airline systems, etc. Despite the loss of its market share, we are still more capable of raising capital at reasonable rates than the money markets of other countries.

The United States Government's tax exemption could probably even be used to create billions of dollars to finance the needs of the Banks for Co-ops, FHL, FHA, Federal Land Banks, Fannie Mae, the S&Ls and other banks.

The government's problem as to financing the public debt is to get the confidence of the public. If the confidence of the public is restored, then the government can raise the necessary funds.

The proposed bond plan would be as follows:

(1) A $500 million sinking fund for all medium and long-term issues and the operation of the plan could be insured by the government.

Dubois Edge Sward in High Interest Rate

The high interest rate of government bonds is a double edged sword.

The difference between 2% in average which the government is used to pay and 4% which is now expected is a very high interest rate. The government bonds are yielding now, on a $200 million national project, only $10 million, or about 6% of the national budget, which is a very high proportion.

The purposes of the proposal are:

(1) To stabilize the bond market and prevent defaults.

(2) To restore confidence and stability in the bond market.

(3) To provide a sinking fund for all medium and long-term issues.

(4) To provide an incentive for other banks to invest in government bonds.

(5) To provide a hedge against inflation.

The confidence in U.S. Government bonds must be restored, otherwise there will be a rush towards the dollar which will be hard to sell and distribute new issues to the public.

Today's world is divided into two systems, the capitalist and the socialist. The United States, along with the capitalist countries in the capitalist sector, outside the socialistic bloc, is a capitalistic society with very little or no public capital.

The United States, due to its great wealth, enjoys the best housing, labor and education in the world, the highest standard of living, the most scientific telephone, public utility, railroad and airline systems, etc. Despite the loss of its market share, we are still more capable of raising capital at reasonable rates than the money markets of other countries.

The United States Government's tax exemption could probably even be used to create billions of dollars to finance the needs of the Banks for Co-ops, FHL, FHA, Federal Land Banks, Fannie Mae, the S&Ls and other banks.

The government's problem as to financing the public debt is to get the confidence of the public. If the confidence of the public is restored, then the government can raise the necessary funds.

The proposed bond plan would be as follows:

(1) A $500 million sinking fund for all medium and long-term issues and the operation of the plan could be insured by the government.

Dubois Edge Sward in High Interest Rate

The high interest rate of government bonds is a double edged sword.

The difference between 2% in average which the government is used to pay and 4% which is now expected is a very high interest rate. The government bonds are yielding now, on a $200 million national project, only $10 million, or about 6% of the national budget, which is a very high proportion.

The purposes of the proposal are:

(1) To stabilize the bond market and prevent defaults.

(2) To restore confidence and stability in the bond market.

(3) To provide a sinking fund for all medium and long-term issues.

(4) To provide an incentive for other banks to invest in government bonds.

(5) To provide a hedge against inflation.

The confidence in U.S. Government bonds must be restored, otherwise there will be a rush towards the dollar which will be hard to sell and distribute new issues to the public.
Oppunities in Washington, D.C. And Local Securities
By RALPH S. RICHARD, M.B.A.

Washington, D. C. partner singles out worthwhile security offerings of firms in the local area all of whose activities are not, however, necessarily or exclusively confined to the District itself. Mr. Richard, in passing, believes investors have achieved superior performance from their investments in the local market than they invest in the Wall Street market and other markets other than Washington, D. C.

A century ago, wise counsel advised young men to go West to make money. Today, wise counsel claims there are unlimited possibilities. In fact, what lies ahead is not just to be the more realistic and practical. The predictions were merely ignored as being unrealistic and unattainable. We have pretty much populated the new horizons.

Our business and industry has grown. The investor has learned much from the many mistakes of the laissez-faire period. Today, investor responses to the built-in stabilizing features which have augmented during the last three decades and I believe the most recent recession is evidence of the more favorable period we are moving into. I believe, therefore, that the results of these built-in stabilizers will be a special dividend to the investor of the industrial age, all business organizations, has had a tendency to trend to grow larger and more complex. These larger business organizations, both manufacturing and services, have increasingly tremendously greater amounts of capital. Only the corporate form of organization drawing on the capital of many thousands of individuals could provide the needed funds for operations and expansion.

Throughout this land in every city of the nation, we find a host of smaller enterprises which provide operating and export opportunities for the investor to employ his savings.

The Washington, D.C. and surrounding areas are composed principally of smaller enterprises and very small manufacturing companies. Being the seat of our national and more nearly a world capital, has offered many opportunities associated with a steady high per capita income. In this environment we develop some very successful local companies.

Compares Performance With New York

May I diverge for a moment to inject this thought. Over the years, most investment opportunities have focused upon New York. Consumer products, oil, and the like are substantially more a matter of national finance, involving billions of dollars. In the local market we are talking of millions.

Wall Street security has enjoyed more successful performance from the intelligent investing in our local market and the competitive advantages offered to the more speculative New York, national and foreign markets.

At least in part of this could be attributed to the greater ease of communication, the absence of board room gambling associated with the New York markets. In many instances, our market is left holding the overtnotes.

Although a number of our companies are listed on the exchanges, our principal markets are the over-the-counter market, a market where fewer and smaller companies are traded.

(8) Under Special Finance: International Bank operates a wide world finance service. Also, control; and is affiliated with many insurance and banking institutions in the United States and the Liberian Trust Company in Liberia. A Liberian subsidiary is the trust of merchant shipping in the world. This may develop into a very significant business. In the future it is very significant that we should own some of the shares.

(9) A Chemical in Southern Oxygen: A conservative study of the oil industry is expanding at both ends of the Middle Atlantic area. As efficient in every respect as an established oil company. Union Carbide.

(10) Real Estate Line: National Press Building; National Mortgage & Investment; and a recent newcomer in Giant Food Properties, a shopping center chain.

(11) Mutual Investment Companies: Washington Mutual Investors Fund was the first company organized in the public in which all investments were on the District of Columbia legal list. These shares for the first time offered to be in public an illustrated guide to buying a high grade security for funds in one package and in any amount they desire to invest. This company specializes in securities directly or in connection with the use of the company's capital.

More recently each of these funds may be purchased through a monthly contractual plan, similar to an annuity payment plan. Proceeds may provide guaranteed variable-type payments. These payments may also provide an additional interest in an assured estate building plan at a very nominal cost. There are some 12-14 such plans in the country.

But, again, in our plan we are offering something new and better in which the commission charges are very much below and one very short duration.

And there are, many other opportunities here. Some with limited formation of shares. We would not be far out of line to include the municipal issues of Montgomery, Maryland and Prince Georges, Arlington and Fairfax counties.

Engineering and Scientific Finance: There have been both successful engineering and scientific organizations in the Washington area. Our commercial banks have performed an indispensable service in the form of financing in services for many of these companies. Some, such as Mepur, Inc., have been successful in forming mutual organizations. There are still other very original thinking groups here. For example, I have had occasion to examine an organization in nearby Virginia known as Intelligent Machines Research. Which claims to have a basic patent on a so-called scanning device which can read print matter to almost perfect accuracy, much faster than is humanly possible. In many instances all of this work, in this area, is being supported by the French government. It is one important work.

The merged syndicate paid a $38,000 premium for $11 million to Los Angeles City High School District Bond, a $35,000 premium for $11 million to Los Angeles City Junior College Bond, and a $31,000 premium for $3 million to Los Angeles City Junior College Bond, and a $28,000 premium for $28,000. These differences are caused entirely by the premiums paid for the syndication services.

The bond was recouped to investors to yield from 1.96 to 1.98 percent to maturity Dec. 1, 1969-1969, inclusive. Proceeds would also be used for additions and improvements to the Los Angeles City Educational Plant.

In the past 12 months Bank of America, N. T. & S. A. underwriting accounts have supplied more than $200 million to various development projects required by California's rapidly expanding economy. The Bank and its underwriting groups, through successful completion of numerous development projects, has assured source of funds for all public facilities, such as schools, parks, and sewage systems and hospitals.

Grant, Fontaine Branch

WALNUT CREEK, Cal.—Grant, Fontaine & Co. has opened a business office in the Grand Hotel, 521 Avenue under the management of Lester M. Grant.
Meeting the Problems as They Arise Between Canada and U.S.

By R.T. HON., JOHN G. DIETENBAKER†
Prime Minister of the United States

Despite a finding of improved relations occurring between Canada and the United States, Prime Minister reports problems in the area of trade and economics still persist. Mr. Dietenbaker declares a continuing discussion of trade and economic problems is needed to assure unity, respect and confidence that have been established since his Dartmouth College talk of over a year ago, and advises us to try not to place differing local demands of groups within either country above the general good for the purpose of realizing the economic strength and well-being of each country as essential to the security of the other. Turning to the Soviet economic offensive, he stresses keeping each nation economically sound, and suggests that we cooperate economically, as in defense, against the U.S.S.R.

It is one of the ironies of our common history that on the Platform of 1776, a decision was made that North America was not to be divided as a question of right, rather than by influence, and that a few years later the English-speaking family of nations or North America was to be British; the American Colonies settled that question in 1783. This newly created nation was to be a federation, thought, tradition and political experience. To it, we added a New World of farmers, small farmers, government with the “right of man” and “equality of men” — and as a result, the separation of 1776 has come added strength to the unity of men everywhere in the world. The ever-increasing measure Angle- American friendship has become a major foundation for the preservation of free and democratic society in the Western World and the world as a whole.

In that friendship, Canada shares, Canada and the United States have taken different yet parallel courses towards the realization of political sovereignty which they both have found necessary to people. Independence and self-government are two different ways—in the United States by revolution, and in Canada by evolution. In going through these various experiences each has been inspired by a common will, the will of the people, and by the heritage of institutions, by the eternal values of right and equal justice for all, and by a common interest in the world— the maintenance of peace.

Unity of the Two Countries

Both our countries have been able to bring about a unity among diverse elements, to live together on equal terms and in freedom, English and French, Catholic and Protestant, of the races of mankind.

Canada, founded by two races — British and French — has

†An address by Mr. Dietenbaker before the American Society, New York City, Oct. 26, 1958.
World Bank Bonds Sold $200 Million Investment Now Paying Dividends

A new issue of $100,000,000 International Bank for Reconstruction and Development (World Bank) bonds, maturing July 1, 1968, and paying interest at the rate of 2 1/2% per annum, was placed on Nov. 18 by an underwriting group of 23 merchant banks and headed jointly by The First Boston Corporation and Morgan Stanley & Co. It was quickly oversubscribed and closed. The bonds, due Dec. 1, 1973, were priced at 100% and accrued interest.

The bonds are nonredeemable. A delay to Dec. 1, 1968 enters through the operation of a sinking fund. Under the sinking fund, the bonds will be retired in seven equal installments of ten per cent per annum from Dec. 1 of each year, after including 1972. The sinking fund is calculated to retire 50% of the issue prior to maturity. From Dec. 1, 1968, the bonds are subject to annual redemption at prices ranging from 102.5% to 100%.

As in the case of other World Bank bonds recently sold in this country, the bank offered certain institutional investors the privilege of taking delayed delivery of the bonds on one or more quarterly dates from March 15, 1959 through Dec. 1, 1961. A minimum purchase of $50,000 is required.

The bonds are marketed in the United States on an underwritten basis by underwriters led by First Boston Corporation, New York. The underwriters are: W. Blakiston & Co., New York, and Morgan Stanley & Co., New York. The bonds are listed on the New York Stock Exchange, and the underwriters are offering the bonds for sale to the public at par ($1,000). The bonds were priced at par when they were offered for sale on Dec. 1, 1959, and the underwriters expect to sell the bonds at par. The underwriters expect to sell the bonds at par when they are offered for sale on Dec. 1, 1959.

At the end of the first quarter of 1959, the underwriters expect to sell the bonds at par. The underwriters expect to sell the bonds at par when they are offered for sale on Dec. 1, 1959. The underwriters expect to sell the bonds at par when they are offered for sale on Dec. 1, 1959.

The Seven huge uranium mills of the Rio Tinto Mining Company of Canada have a combined capacity of over 19,000 tons of ore per day, which represents 60% of the entire production of the Algoma area. The dollar value of the daily uranium oxide production for Rio Tinto is $180,000. This uranium oxide is shipped to Port Hope, Ontario, to the Eldorado Mining & Refining Limited (Government-owned) where it is further converted into its finished form.

N. Y. Bond Club to Hear Fred'k Kappel

Frederick R. Kappel, President of American Telephone & Telegraph Company, will address The Bond Club of New York on "Private Enterprise and Financial Fairs" at a luncheon meeting on Thursday, Nov. 29, in the Board Club, Harold H. Cook, Bond Club President, announced.

Fin. Advertisers to Hear Carl Sprott, advertising columnist of the New York "Times," will address a luncheon meeting of the Financial Advertisers at the New York University Club on Nov. 29. Kermit W. Schwebel, Assistant Vice-President, Chase Manhattan Bank, will provide the meeting.

Chicago Exch. Members

Chicago, III.—The Executive Committee of the Midwest Stock Exchange has announced the election as of Feb. 10 as members of the Exchange:

Chicago Board of Trade:


John Muir & Co. admits Richard D. Feor

Richard D. Feor, member of the New York Stock Exchange, was admitted to partnership in the New York Stock Exchange firm of John Muir & Co., 39 Broadway, New York City, on Nov. 8.

Los Angeles Bond Club Sports Luncheon

LOS ANGELES.—The Bond Club of Los Angeles will hold its 19th Annual Sports Luncheon on Thursday, Nov. 29, at the Biltmore Hotel, Los Angeles. A nationally known personalities from the world of sports invited to attend include Casey Stengel, Del Crandall, Red Patterson, and football coaches Don Clark and Biggins. Among those speaking to the members and guests of the Bond Club will be William H. "Bill" Nicholas, General Manager, Los Angeles Memorial Coliseum Commission; and Mike Pecarovic, formerly of Notre Dame and now football coach at Loyola. Doodles Weaver will provide further entertainment.

Stern Admits Loewy

Harvey E. Stern, Stern & Co., 82 Wall Street, New York City, members of the New York Stock Exchange, have announced that David D. Loewy has been admitted to general partnership in the firm. Mr. Loewy, who has spent his entire business career in the financial field, was previously associated with Lehman Brothers for the past 17 years.

Issues that every investor should give himself and his friends

Every issue of the Exchange Magazine brings fresh, helpful information about business, finance, and investing. A monthly, digest-type magazine, it's abundant with enjoyable and informative reading. Amazingly, a full year's subscription only $1.50. And right now is a perfect time to give this lively magazine as an extra Christmas gift to your friends, associates, and particularly yourself.

Good reading for every investor

For example, in the current issue you'll find a fascinating article about how a major mineral producing company's unique and highly successful incentive plan helped boost net profits from $144,000 to $23,3 million in ten years. There's a fresh report on cash dividends for the first nine months of 1958. It shows sharp dividend increases by five groups made possible the 18 consecutive new peak in dividend payments. Also included in a review of the top 50 stocks favored by Monthly Investor is an abbreviation. It's interesting to note that only seven stocks out of fifty held the same popularity ranking as they did a year ago. There are articles on convertible bonds, preferred distributions, shareowner growth and many other topics close to the investor's pocketbook.

The Exchange Magazine is available at many newsstands.

Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.
Exchange Magazine, Dec. 2
11 Wall Street, New York 5, N. Y.


**News about Banks and Bankers**

Consolidations

Banking

New Officers, Etc.

Capitalizations

Negotiations for a merger by the Manufacturers Trust Company and the Manufacturers Trust Company of New York, would absorb Clinton Trotter, the former City Bank, and would strengthen the small New York banks. The merger would create the country’s second largest.

New Officers appointed at the Manufacturers Trust Company’s annual meeting, held in New York, Nov. 17, was announced by Howard Moore, chairman of the board.

The appointment of Thomas J. Foley as an Assistant Secretary of Manufacturers Trust Company, New York, is announced by Horace C. Flanagan, chairman of the board.

Mr. Foley joined the bank in 1952, and is Bank’s treasurer and in charge of all the bank’s facilities. He is also a member of the board of directors.

Mr. Foley originated the idea of the personal gift check, which became a nationwide bank service since it was first introduced by Manufacturers Trust Company in 1943.

Manufacturers Trust Company, New York, announces the opening of a new branch in the Commercial National Bank and Trust Company, New York, on Nov. 13, as an appointed officer in charge.

Joseph C. Bickford, in charge of Investment Information Group, of H. Carleton White, head of the department, said the merger of Manufacturers Trust Company and Manufacturers Trust Company of New York, is announced by Howard Moore, chairman of the board.

Coincident with the announcement, Mr. Moore also made known the election of Edgar P. Jensen as Assistant Vice-President of the Investment Information Group, and of Theodore Sedwick as Assistant Vice-President in the foreign division. Named to the staff of the company as associate trustees are Robert J. P. Wells, of the Foreign Division, and Louis G. Kreuter, of the Metropolitan Division.

Mr. Bickford, whose group is in charge of providing information and advice for correspondents, is a veteran of the industry and joined the company in 1927. He was a member of the board of directors in 1945 and elected Assistant Vice-President in 1951.

Mr. White began his banking career with the Marine Trust Company in 1910. He joined Bankers Trust Company in 1911 and was named an Assistant Treasurer of the bank in 1915 and an Assistant Vice-President in 1915.

John K. Jenkinson, named with Bankers Trust Company in 1921 as a director, has served as chairman for more than 23 years, with the Irving Trust Company, New York, and was one of the early founders of Bankers Trust Company in 1898.

Albert C. Simmons, Jr., Chairman of the Board, The Bank of New York, gave a luncheon in honor of Albert C. Simmons, Jr., bank’s affiliate, City Bank Farmers Trust Company, New York, in 1943.

Mr. Burr began his banking career with the Fifth Avenue Bank, New York, since the merger of that Bank with The Bank of New York, he has been a member of the Trust Department at the main office at 48 Wall Street.

George O. Noyce, President of the East River Savings Bank, New York, on Nov. 17 announced the election of Robert E. H. Smith, as President of the Bank, succeeding the late Edward F. Barrett.

The trustees and officers of East River Savings Bank, New York, have increased its common capital stock from $200,000 to $500,000 in accordance with effective Nov. 7. (Number of shares outstanding—100,000 shares, par value $50.)

By the sale of a new stock of 75 shares, the Bank's capital stock of $750,000 to $775,000, effective Nov. 7. (Number of shares outstanding—1,250 shares, par value $62.)

William I. Tucker, President of the New York and Savings Bank, Brattleboro, Vt., announced major building expansion plans. This renovation has been made necessary due to the expansion of the Bank’s business.

Merger certificate was issued approving and making effective, as of the close of business Oct. 31, the merger of The Torrington National Bank, Torrington, Conn., with the Bank of Hartford National Bank, Hartford, Conn., with common stock of $500,000, into Hartford National Bank, Hartford, Conn., with common stock of $2,000,000, effective as of the close of business Oct. 31. The consolidation was effected under the charter of the Bank of Hartford National Bank.

The First National Bank of Carrelltown, Carrelltown, Pa., has increased its common stock capital from $250,000 to $500,000 by a 5 per cent stock dividend, effective Nov. 30. (Number of shares outstanding—90,000 shares, par value $5.)

By a stock dividend, The First National Bank of Great Neck, Great Neck, N.Y., increased its common capital stock from $300,000 to $400,000, effective Nov. 2. (Number of shares outstanding—16,000 shares, par value $25.)

The directors and stockholders of The Wilmington Savings and Trust Company and Watauga Bank and Trust Company have approved the merger of two banks and plans are now being made to complete the merger. The same officers will continue to serve.

The common capital stock of $1,000,000, 10 per cent, Preferred Stock, of Standard Land Company, Nov. 21, was increased to $7,000,000, by a stock dividend, effective Nov. 2, of 5,000 shares of common stock, par value $2,000,000 by the sale of new stock, (Number of shares outstanding—100,000 shares, par value $20.)

Shareholders of the Republic Bank of Dallas, Texas, on Nov. 14 voted approval of plans for issuing additional capital and surplus, totaling $2,500,000, it was announced jointly by Karl Hoblitte, chairman of the board, Fred F. Florence, chairman, Executive Committee, and W. A. Atman, president of the bank.

Simultaneously with the effectiveness of the recapitalization, Mr. Florence, chairman of the board, and Mr. Atman, president of the bank, will be appointed as agents or committee: C. H. H. Hurst, president of the bank, and Mr. Atman, president, respectively.

Ratified at a special meeting of shareholders at the bank's headquar-
Commercial Finance Industry and An Expanding Economy

making of staple products to the manufacture of new and specialized appeal. The shift must be achieved only by an absolute expansion of the economy. We have always had an expanding economy. The industry along our highways, with investments in many forms of dollars creating many new jobs, is a vivid example. The ag-
claimed more powerful entity, the housing industry, the railroad, the goingeminent forest products industry are among many such examples. These leading economic history tell us that such absolute expansions in wages were achieved not by new companies alone, but by new enterprises which are, and must be, typically small.

Absolute Expansion by Promoting Small Enterprises

In the later stages of recovery the times will be more favorable for the catalysis of new enterprises. Then, I believe, they must be encouraged as a matter of national policy. But even in good times small business and enterprises are an important aid to small companies. Several of our members have cooperated with it in specific situations and the teamwork has produced useful results. However, our companies would have made themselves in this field. The Small Business Administration is expanding its activities in this area, and we believe this is an area of great importance. And there are many factors and the teamwork has produced useful results. However, our companies would have made themselves in this field. The Small Business Administration is expanding its activities in this area, and we believe this is an area of great importance. And there are many factors with which we could carry on after the more active rate since we have the necessary self-helping machinery to enable us to.

The development of these areas is, I think, a whole new story. Some companies have been involved in the development of these areas. American cooperation with Canadians in the development of staple products is small. This is now a very important step in this direction. It is the development of staple products in Canada. We have the opportunity to work with the Canadian government, and we are able to develop the potential of staple products in Canada.

Commercial Financing and the New American Frontiers

A balanced, expanded economy cannot limit its interests to business operations in its own territories. American cooperation with Canadians in the development of staple products is small. This is now a very important step in this direction. It is the development of staple products in Canada. We have the opportunity to work with the Canadian government, and we are able to develop the potential of staple products in Canada.

Import financing is not without its drawbacks. It can make our financing contacts with many of these countries somewhat troublesome. New firms are still a big problem. But they are made possible through self-helping machinery that can be produced by companies which are growing not by the use of available products, but by putting together the factory and the machinery and the factory together to use the machinery they use as we use it.

New solutions will have to be found in this area. We are working on any other area. It is a matter of the economic changes in the European continent and the opportunities in Europe, the effort to convert the country into a more effective system for our purpose, to make it the basis of a free trade area by linking Britain and other Western European nations to the community.

This will create problems for exporting companies and opportunities for non-exporting companies. It is inevitable. If advantageous to manufacture in reapers or reapers, we will do this. It can be set aside and devoted considerable attention.

Another area in which we might see the development of under-developed countries in the future is the development of staple products. There, all too frequently, the work of development, highways and railroads, is lacking because they are not the main tasks of the construction or the technical equipment needed. Yet in our own country we encounter the same and meet it by the activities of some of our members in li-
nancing commercial installment receivables.

The contrast between the free states and the slave states of the world is not going to be solved by the atomic submarines that show their backs in the boulders that move mountains. International politics may require that investment banking organization in the United States be used to build the economies of nations and, if the central banks are to be the right ones, at times by how successfully we exploit the resources of the planet which they own.

We have set up atmospheric laboratories in the future. It has been a bashed
touch to raise the free persons and our freedom for all and higher and higher living standards for all our people without a national or economic union.
Banking and Insurance Stocks

By Arthur B. Wallace

This Week—Insurance Stocks

Using the same group of fire-casualty insurance stocks that we have followed in recent weeks, we now exhibit the price-earnings ratios for the year ending Dec. 31, 1957, and, secondly, the amount of earnings that may be derived from the annuity contracts on the basis of 1957 earnings and those for the decade of 1947 to 1957, included in both tabulations.

The Year 1957, the most recent one we can use, is, of course, one of the best years for insurance companies. However, utilization of the ten-year term is entirely fair and includes several years in which underwriting results were excellent and others in which they were not.

Indeed, this decade contained enough quite favorable underwriting years to make it possible to build at rate increases. Normally, these authorities operate on a long period of five years, and the companies have had no such period of red ink.

The following are the industry’s stock company profit (or loss) margins for the years 1947 through 1957. While they have not five years of losses, those long losses that they have had registered bad losses, and may be said to tip in favor of better in the future. We have seen, particularly in New York State.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1947</td>
<td>9.13</td>
<td>10.18</td>
<td>11.00</td>
<td>12.30</td>
<td>13.70</td>
<td>15.50</td>
<td>17.30</td>
<td>19.30</td>
<td>21.50</td>
<td>23.10</td>
<td>25.90</td>
<td>23.80</td>
</tr>
<tr>
<td>1948</td>
<td>9.90</td>
<td>11.00</td>
<td>12.30</td>
<td>13.70</td>
<td>15.50</td>
<td>17.30</td>
<td>19.30</td>
<td>21.50</td>
<td>23.10</td>
<td>25.90</td>
<td>23.80</td>
<td>23.80</td>
</tr>
<tr>
<td>1949</td>
<td>9.90</td>
<td>11.00</td>
<td>12.30</td>
<td>13.70</td>
<td>15.50</td>
<td>17.30</td>
<td>19.30</td>
<td>21.50</td>
<td>23.10</td>
<td>25.90</td>
<td>23.80</td>
<td>23.80</td>
</tr>
<tr>
<td>1950</td>
<td>9.90</td>
<td>11.00</td>
<td>12.30</td>
<td>13.70</td>
<td>15.50</td>
<td>17.30</td>
<td>19.30</td>
<td>21.50</td>
<td>23.10</td>
<td>25.90</td>
<td>23.80</td>
<td>23.80</td>
</tr>
<tr>
<td>1951</td>
<td>9.90</td>
<td>11.00</td>
<td>12.30</td>
<td>13.70</td>
<td>15.50</td>
<td>17.30</td>
<td>19.30</td>
<td>21.50</td>
<td>23.10</td>
<td>25.90</td>
<td>23.80</td>
<td>23.80</td>
</tr>
<tr>
<td>1952</td>
<td>9.90</td>
<td>11.00</td>
<td>12.30</td>
<td>13.70</td>
<td>15.50</td>
<td>17.30</td>
<td>19.30</td>
<td>21.50</td>
<td>23.10</td>
<td>25.90</td>
<td>23.80</td>
<td>23.80</td>
</tr>
<tr>
<td>1953</td>
<td>9.90</td>
<td>11.00</td>
<td>12.30</td>
<td>13.70</td>
<td>15.50</td>
<td>17.30</td>
<td>19.30</td>
<td>21.50</td>
<td>23.10</td>
<td>25.90</td>
<td>23.80</td>
<td>23.80</td>
</tr>
<tr>
<td>1954</td>
<td>9.90</td>
<td>11.00</td>
<td>12.30</td>
<td>13.70</td>
<td>15.50</td>
<td>17.30</td>
<td>19.30</td>
<td>21.50</td>
<td>23.10</td>
<td>25.90</td>
<td>23.80</td>
<td>23.80</td>
</tr>
<tr>
<td>1955</td>
<td>9.90</td>
<td>11.00</td>
<td>12.30</td>
<td>13.70</td>
<td>15.50</td>
<td>17.30</td>
<td>19.30</td>
<td>21.50</td>
<td>23.10</td>
<td>25.90</td>
<td>23.80</td>
<td>23.80</td>
</tr>
<tr>
<td>1956</td>
<td>9.90</td>
<td>11.00</td>
<td>12.30</td>
<td>13.70</td>
<td>15.50</td>
<td>17.30</td>
<td>19.30</td>
<td>21.50</td>
<td>23.10</td>
<td>25.90</td>
<td>23.80</td>
<td>23.80</td>
</tr>
<tr>
<td>1957</td>
<td>9.90</td>
<td>11.00</td>
<td>12.30</td>
<td>13.70</td>
<td>15.50</td>
<td>17.30</td>
<td>19.30</td>
<td>21.50</td>
<td>23.10</td>
<td>25.90</td>
<td>23.80</td>
<td>23.80</td>
</tr>
</tbody>
</table>

Now to the price-earnings and the 100% Investment Ratio

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Aetna</td>
<td>15.8</td>
<td>9.2</td>
<td>5.70</td>
<td>10.23</td>
<td>11.30</td>
<td>12.70</td>
<td>15.90</td>
<td>18.30</td>
<td>20.70</td>
<td>23.10</td>
<td>25.90</td>
<td>23.80</td>
</tr>
<tr>
<td>American Re</td>
<td>10.5</td>
<td>21.8</td>
<td>9.59</td>
<td>5.45</td>
<td>3.70</td>
<td>4.30</td>
<td>5.00</td>
<td>5.60</td>
<td>6.20</td>
<td>6.80</td>
<td>7.40</td>
<td>8.00</td>
</tr>
<tr>
<td>American Surety</td>
<td>27.0</td>
<td>27.0</td>
<td>3.70</td>
<td>3.70</td>
<td>3.70</td>
<td>3.70</td>
<td>3.70</td>
<td>3.70</td>
<td>3.70</td>
<td>3.70</td>
<td>3.70</td>
<td>3.70</td>
</tr>
<tr>
<td>Continental</td>
<td>13.6</td>
<td>12.0</td>
<td>2.50</td>
<td>4.50</td>
<td>8.00</td>
<td>8.00</td>
<td>8.00</td>
<td>8.00</td>
<td>8.00</td>
<td>8.00</td>
<td>8.00</td>
<td>8.00</td>
</tr>
<tr>
<td>Fireman’s Fund</td>
<td>15.9</td>
<td>11.3</td>
<td>8.55</td>
<td>3.10</td>
<td>3.10</td>
<td>3.10</td>
<td>3.10</td>
<td>3.10</td>
<td>3.10</td>
<td>3.10</td>
<td>3.10</td>
<td>3.10</td>
</tr>
<tr>
<td>Federal Insurance</td>
<td>8.8</td>
<td>7.30</td>
<td>6.77</td>
<td>7.30</td>
<td>7.30</td>
<td>7.30</td>
<td>7.30</td>
<td>7.30</td>
<td>7.30</td>
<td>7.30</td>
<td>7.30</td>
<td>7.30</td>
</tr>
</tbody>
</table>

A distortion such as Aetna Insurance selling (on Sept. 30) at 45 times 1957 earnings is the result of its earnings figure of a mere 14 cents a share. But on the basis of a 10-year earnings showing the price ratio is down to 13:1, a reasonably low figure for an insurance stock. Of course the blank spaces opposite the company names are the result of having operated at a loss in 1957. And, to, where losses occur there must necessarily be blanks in the ratios that result.

The readers of this column are familiar with the continued advice to use insurance company statistics only on a long range basis, preferably 10 or more years; but probably the wisdom of this suggestion is nowhere better brought out than in this connection. Reasons are: first, too long a period is needed to produce an all company result, resulting in price-earnings ratios that were entirely out of line with what could be rated as a norm.

But when we present the long term ratios get reasonable figures—no one at this time has not brought out, smooths out the hills and valleys and gives the investor a useful statistic on which to base his calculations.

J. P. Morgan & Company, Inc.
Price Paid to Avoid Inflation
Costs Less Than Future Inflation

In the past 12 months, a period of sharply declining business activity and, later, the recent parameters have been that prices are bound to rise. One of the principal reasons for this rise is that the expected price level increases granted under new labor contracts or automatically under existing ones. The impact of such long-term price rises is already being felt through the Dr. Yale Brozen, University of Chicago, estimates that 4.5 million workers will receive such wage increases in 1958; there are 25 million of these workers. The increase in the regular annual production of farm products far in excess of what the market and so the support of those who produce these unwanted goods by taxing the rest of the country, in short, by force.

There is, however, much other waste of this same variety. It would be interesting, and probably quite appalling, to know how many manhours are devoted each year to the pursuit of false, or at least to the wrong, kinds of social objects — regardless of what Russia does — and if we are to do certain facts must be recognized as truth and faced as such. First of all, if we are to make the effort, we must put an end to wasting so much of our time and our energies in producing things we don’t want. The classic — we had almost saved the lives of all the people for whom we, ourselves, did an end to wasting so much of our time and our energies in producing things we don’t want.

Another essential change if we are to realize our full productive potential is the removal of programs which kill incentive in so many cases. One of the greatest of these is, of course, the tax structure under which we operate, a system which taxes practically all the income of those who are productive in the way and on the scale that was common 50 years ago. An income tax schedule as steeply graduated as that now under way can be considered rational only if our purpose is to condemn those with large income to the eternal task of paying for the extravagance of almost all types of governmental units from Washington to the smallest hamlet in the land.

Still another need is a full about-face in our attitude toward trade — or at least in the attitude of all too large a proportion of the people of the country. There is too great a disposition to see in trade nothing, or at least the very least get more and more for less and less. This is particularly true of women organized into large unions and led by labor leaders. There is entitled to the same amount of remuneration as the has beencerpted by the volume of output produced by July 31, 1958. Even the wage earner ought to be much concerned with efficiency of production and the volume of production, just as management. Such, however, is far from the fact.

There is also the question of choosing between more goods and more leisure, which we have reached a stage when it is more efficient to produce more leisure and provide shorter and shorter working-hours — to more goods. That is to say, they can and do regard leisure as a good and find it worth more than what might be produced in the time devoted to it. All too often, however, it appears to be supposed that both more leisure and more goods can be had by concentrating more effort on the production enough to force such a program upon management.

Of course, Mr. Kruschchev will probably presently face some of these problems in a degree for which there is no place to where one must grow long hours and do what he tells if he is to have enough to get along on. The Russian boss is already talking about shorter hours of work — probably more shrewd than he is trying to make it sound. In a situation which they do, the situation may well change. But, however that may be, let’s get our house in order.

Price Paid to Avoid Inflation
Costs Less Than Future Inflation

In the past 12 months, a period of sharply declining business activity and, later, the recent parameters have been that prices are bound to rise. One of the principal reasons for this rise is that the expected price level increases granted under new labor contracts or automatically under existing ones. The impact of such long-term price rises is already being felt through the Dr. Yale Brozen, University of Chicago, estimates that 4.5 million workers will receive such wage increases in 1958; there are 25 million of these workers. The increase in the regular annual production of farm products far in excess of what the market and so the support of those who produce these unwanted goods by taxing the rest of the country, in short, by force.

There is, however, much other waste of this same variety. It would be interesting, and probably quite appalling, to know how many manhours are devoted each year to the pursuit of false, or at least to the wrong, kinds of social objects — regardless of what Russia does — and if we are to do certain facts must be recognized as truth and faced as such. First of all, if we are to make the effort, we must put an end to wasting so much of our time and our energies in producing things we don’t want. The classic — we had almost saved the lives of all the people for whom we, ourselves, did an end to wasting so much of our time and our energies in producing things we don’t want.

Another essential change if we are to realize our full productive potential is the removal of programs which kill incentive in so many cases. One of the greatest of these is, of course, the tax structure under which we operate, a system which taxes practically all the income of those who are productive in the way and on the scale that was common 50 years ago. An income tax schedule as steeply graduated as that now under way can be considered rational only if our purpose is to condemn those with large income to the eternal task of paying for the extravagance of almost all types of governmental units from Washington to the smallest hamlet in the land.

Still another need is a full about-face in our attitude toward trade — or at least in the attitude of all too large a proportion of the people of the country. There is too great a disposition to see in trade nothing, or at least the very least get more and more for less and less. This is particularly true of women organized into large unions and led by labor leaders. There is entitled to the same amount of remuneration as the has beencerpted by the volume of output produced by July 31, 1958. Even the wage earner ought to be much concerned with efficiency of production and the volume of production, just as management. Such, however, is far from the fact.

There is also the question of choosing between more goods and more leisure, which we have reached a stage when it is more efficient to produce more leisure and provide shorter and shorter working-hours — to more goods. That is to say, they can and do regard leisure as a good and find it worth more than what might be produced in the time devoted to it. All too often, however, it appears to be supposed that both more leisure and more goods can be had by concentrating more effort on the production enough to force such a program upon management.

Of course, Mr. Kruschchev will probably presently face some of these problems in a degree for which there is no place to where one must grow long hours and do what he tells if he is to have enough to get along on. The Russian boss is already talking about shorter hours of work — probably more shrewd than he is trying to make it sound. In a situation which they do, the situation may well change. But, however that may be, let’s get our house in order.
Growth and Attractiveness of Municipal Bonds

The expected greater flow of tax-free securities is depicted by John B. Laing, Jr., of the John B. Laing, Inc., the New York firm of real estate appraisers and investment counselors. Mr. Laing has written a series of articles on real estate and taxes, and this is the latest in a series of new issues by 1968 compared to current annual underwriting of $5 billion and $3 billion only 10 years ago. Mr. Laing calls attention to attractive yield differentials between municipals and taxable obligations, especially the mortgage bond, which has a yield of 3.3% compared to 3.4% for Jan. 2, 1958, inclusive.

Laing has been chairman of the board of the John B. Laing, Inc., and a leading authority on municipal bonds. He is known for his strong advocacy of the use of municipal bonds for real estate development.

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (Millions)</th>
<th>Share</th>
<th>Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>10.2</td>
<td>1.37</td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>11.3</td>
<td>1.18</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>12.4</td>
<td>1.37</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>13.7</td>
<td>1.49</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>14.8</td>
<td>1.57</td>
<td></td>
</tr>
</tbody>
</table>

Savannah Electric's revenues are approximately 44% residential, 29% commercial, 21% industrial and 4% miscellaneous. The average rate of revenue in 1967 was only 2.4% compared with the U.S. average of 2.6%. Residential customers account for 66% of the total revenue.

Form Progressive Investors

Progressive Investors has been formed with offices at 100 West End Avenue, New York City, to engage in securities business. The partners are Paul Ebeling, President; Sheldon Evans, Secretary of Treasury; and C. Ebeling, Vice-President.

A. G. Becker Adds

Special to The Commercial and Financial Chronicle

The Economic Outlook

The full effects of which are only now likely to become apparent. And, the Congress again turned to housing, which is one of the lesser avenues to stimulate the economy. The Housing Act of 1958, involving some $15 billion in new spending, is providing the financing and lowering of interest rates to make possible the building of thousands of new homes. As a result, housing starts are running at an annual rate of about 2,200,000, compared to a seasonally adjusted annual basis in September were only 1,000,000. In September 1957, they were at levels not reached since the 1940's in the country, except in the great housing boom of 1954 and 1955.

The Federal Reserve and its indirect effects of government, the contribution to recovery made by the easy-money, lower-interest-rate policies of the Federal Reserve authorities which we prevailed until the middle of August are still in mind.

The Fear of Inflation

Despite the importance of government and monetary assistance, probably the most critical of all the forces underlying the recovery is the almost universal anxiety that inflation may occur. This fear of inflation was revived in virulent form in recent months as an estimate of a precursory budget surplus of over one-half billion dollars for fiscal 1958 was announced, with estimates of deficits, until the latest estimate of the federal budgetary deficit of $12.2 billion and cash balance of $26.8 billion. Furthermore, the man in the street can see that, despite grave dangers inflation is an increased expenditures are largely in the field of defense spending, which is scheduled to rise, $5.3 billion, or 21%. Moreover, he can see that there is plenty of money available for spending on national security and international obligations, over $10 billion, or nearly 10%, below the level of $12.2 billion. Thus the spending of $39.9 billion is 42% above the 1953 level of $21.7 billion.

He also knows that the financing of the defense spending must be largely through our commercial banks and that this will surely cause a substantial increase in our money supply.

The Unemployment Problem

The spending of the 85th Congress and the certainty of larger expenditures in the money supply, is it any wonder that the man in the street voices his fears?

There Are Basic Weaknesses

Public confidence and booming stock market notwithstanding, there are ominous weaknesses in the recovery. Most important of all, too much of the anticipated recovery has come from government spending and the anticipation of inflation is likely to result in new restrictions.

The labor situation too, with wages rising, the payment of higher and higher wages demand by the leaders of organized labor, presents a serious problem for the future. In this connection, the best indicator of the fact that factories increased production 8% on a seasonally adjusted basis between April and August this year, yet the number of hours worked increased only 4.5% for the year, is it any wonder that the man in the street voices his fears?

Many are of the opinion that the new establishments have not been produced by increased activity in existing establishments, but by the launching of new factories by the federal government.

The unemployment problem is compounded by the fact that great efforts have been made to entice production of defense industry to substitute capital for labor of highest qualification for human hands. Moreover, these all-out efforts to economize and reduce la-

influence of advertising and promotion, which may not be expected to continue as long as the profit squeeze continues. It follows that advertising and promotion expenditures in the employment and unemployment lines of the statement of economic conditions are expected to be curtailed in the near future.

Exports, another basic factor, are proving to be even more important. This is easy to understand as re-exports of finished goods have been completed in the important industrial countries where those goods were manufactured, and new equipment in many of the new plants has been acquired at lower costs than we can provide.

Increased foreign competition is contributing to the restraint on high production costs in this country. Foreign currency policies long since priced us out of the world market for many products. And, foreign wage policies are doing the same thing in the industrial front, as can be seen in automobiles and other fields.

A category indication of how important this is the steel industry, for example. An April 17 speech in Cleveland by Mr. Roger Blough, Chairman of the American Steel Corporation, entitled "A Case for the American Steel Industry," he contrasts the costs of Cleveland and Dusseldorf as steel producing centers in Europe. In such terms Mr. Blough points out that Lawrence Seaway, which will make Cleveland a veritable steel industry. Dusseldorf is able to produce barbed wire, ship it to the factory a short distance away, to New York, freight it to Cleveland by rail, back it to the freight yards to the warehouse by truck and sell it to the jobber at virtually the same price as the wire. U. S. Steel sells in Cleveland!

The shortages of World War II and the need to compete internationally, despite our enormous natural advantages. But now that the differential is greater and competition is keener, the home market is indeed a serious one.

The Immediate Outlook

As for the business outlook for the days immediately ahead, it is not too encouraging. Inflation pro-

price rises to the extent that they will continue to improve during the coming year. Inflation has not only had its influence on the price levels, but it has also increased the cost of production, thus increasing the cost of living and necessarily raising wages, which in turn is one of the basic factors in production cost.
Disruptive Ceiling Rate

As is true in every case of price stabilization, the ceiling rate bears no relation to the actual costs of production or mortgage servicing. Moreover, the ceiling rate is often increased or decreased to meet competitive conditions in the market. The ceiling rate is fixed by law and is not subject to negotiation or to the decision of market forces. It is the rate that is fixed by law, and when this ceiling rate is exceeded, the mortgage cannot be refinanced or the loan cannot be repaid.

Substituting Public for Private Credit

The second of the two problems of fixed rates involves the substitution of public for private credit. The public mortgage market, namely the temptation to substitute public funds for private funds in the construction of homes, is related to these two problems. When the public mortgage market is at a high level, the banks are more likely to offer loans to home buyers, and thus increase the demand for home building.

Recalls Law Credit of 1954-55

The down-payment loan in late 54 and early '55 of such recent memory has had no effect on the growth rate of the residential market. It has been shown that the law of supply and demand in the housing market is determined by the cost of funds available to mortgage banks. A reduction in the cost of funds will cause an increase in the number of homes built, and vice versa. The law of supply and demand is the basic principle in housing economics.

With Paine, Webber

William M. Craven is now with Paine, Webber, Jackson & Curtis, 24 Federal Street.

Now With Stowers Co.

KANSAS CITY, Mo.—Middleton & Co. is now affiliated with Stowers & Company, 4725 Wyan- dotte Street.

John H. Walker Co.

ST. LOUIS, Mo.—George H. H. Walker & Co. is now affiliated with Stowers & Company, 4725 Wyan- dotte Street.

With John Douglas Co.

OMAHA, Neb.—Richard A. Nelson has joined John Douglas & Company Inc., Insurance Building. He was formerly with Kiggins on Pettis & Halsey, Stuart & Co., Inc.

Volume 188 – Number 5786 – The Commercial and Financial Chronicle

(2118) 29

Securities Salesman’s Corner

By John Dutton

Your Former Clients May Be Waiting To Hear From You

It may be surprising to some of you that I have not written for such a long time. Let me explain the reason for this fact.

And, finally, we can stop up or down the amount of Federal guarantees at will in the new bill. By doing this, we can stop the flow of funds into home building.

First, the housing and home financing laws of our country should be revised, to some extent, in the light of the changes that have occurred. These changes have brought about non-payment of loans, and thus a decrease in the demand for home building. The flow of funds into home building and home financing were less er-

Some Clients Should Be Recertified

Several years ago I had an account which illustrated more common aspects of the emotional reactions of many amateur speculators. The owner, a successful businessman, had a very strong opinion about his investment in several of the speculative accounts which he had sold at my suggestion were poor. I decided right then and there that probably my account was dictated by this sort of client, but funds should be sold and, against my strongest efforts, this man proceeded to sell out at the very bottom of an upward trend, and then at a rather hefty loss in the account. I was not available to serve as an investment counselor, where I would still discuss the other stocks which I had held, and I could well have sold them. I have posted on these two remaining accounts my own plans, and if they had not beenameliorated, I am certain that he has been making a profit by his own speculative stocks (which he would have, if I considered himself an investor).

Meanwhile the current "bull-market" was reborn again and, with the business recovery and a more favorable market, either of the two speculative accounts which I had held would have been profitable. Both stocks had slowly been creeping upward during the weeks and months. Several times I called him on the fact that the stock, or any "I-told-you-so's," I suggested the replacement of the original stock. Of course this was out of the question. Said elsewhere, stocker was going to sell, no good, he had been a chump to buy them in the first place. plastered enough on them. Thanks Mr. Dutton and Good-Bye!

A business recovery, a booming market, and a changed public psychology can do a lot to make conventionally constructed and less risky investments look healthy again. Meanwhile, the speculative accounts which I had held managed to have an excellent performance. Of course this was out of the question. Said elsewhere, stocker was going to sell, no good, he had been a chump to buy them in the first place. plastered enough on them. Thanks Mr. Dutton and Good-Bye!

Some Sheep Stray, Some Come Home Again

Although this common occurrence between securities salesmen and their accounts do not to a great extent, but to a great extent, can be productive accounts if you have patience and perseverance. The accounts are not ready for the following

do you know

THE FACTS OF LIFE about cancer?

It's time you did! Last year cancer claimed the lives of 250,000 Americans; 75,000 of them lost their lives needlessly. But there is hope. If you know the facts about life-saving information on this subject, you can help save lives. The facts are simple to understand and

American Cancer Society
Continued from first page

The American Economy—Problems and Expenditures

considerable importance in weak-
ness the economy. The maximum fact that creeping inflation pre-
exists in the American economy is

creeping inflation. It is a constant threat to the health of the economy.

A striking aspect of the discus-
sion of business conditions is the
spoke of predicting a recession in
flation. Yet, there is an under-
talk about business executives, eminent econo-
mists, members of Congress, and
Government of the Federal Re-
serve System, the President of the United States, and well-
held individuals, none of whom, in
short, anything about the significant of victims of inflation. Cocnious by its
absence, the problem of the risk of
recession is not appreciated. The
pen of who are not exposed to suffer from
creeping inflation do not indulge in any of those symptoms cited—
do they march on Washing-
ton. They do not ride in the White
House or the halls of Congress or
in the American Business Associa-
tion. Their most conspicuous action is to vote for candidates whom
President Eisenhower choose to
"spenders." Hence, one must con-
clude that the populace does not mean anything to persuade the
country that creeping inflation is a
critical problem. The simplest, the
simplest, the simple fact that these
people are not harmed by inflation
and that inflation is not causing the
critical distress which they attribute
to the depression.

The economy expanded rapidly in
three-fourths of the intervals of
(a) at a rate of $11 billion a year in
1956. The element in the expansion was the rise in the drop of the rate of inventory li-
ent. The rise in inventories is not show-
nt by a substantial rise in the rate of growth.

The rate of production is still
about 25 billion to 30 billion a year,
but this is the rate at which the econ-
omy. Though the expansion of production has been rapid, the recovery of the economy is still
limited. The reason for this is that
was going on throughout the third
quarter, and possibly even in Oc-
tober, at a rate of $11 billion a year,
le by a substantial rise in the rate of production.

The price level is showing little movement. Though the big rise in
the prices of capital goods in the autumn
have shown little change during the last month. Thus, for the fourth quarter, the cost of
the economy has been able to finance its cur-
currence at a rate of 22.5 billion a year,
ored resort to bank borrowing.

The most troublesome factor in
creeping inflation in the American
economy are so numerous and popular that the expected risk of
creeping inflation is real. Creeping inflation is more serious than the
risk. The present abnormal low level of
unemployment, the expanding activity of
consumer goods indicates that a
recession is not likely to occur ahead, though most of the boom
may not arrive before 1960.

The Course of Recovery

The annual rate of production, according to the latest govern-
mant estimates, was well below the level at the end of the second and third
quarters of 1958—a considerably
smaller rate of increase. While the first
rate of production of $44 billion a year,
rate of $3 billion to $5 billion a year.

The first quarter of 1958 to 1960,
rate of production of $44 billion a year,
rate of $3 billion to $5 billion a year.

The first quarter of 1958 to 1960,
rate of production of $44 billion a year,
rate of $3 billion to $5 billion a year.

The first quarter of 1958 to 1960,
rate of production of $44 billion a year,
rate of $3 billion to $5 billion a year.

The first quarter of 1958 to 1960,
rate of production of $44 billion a year,
rate of $3 billion to $5 billion a year.

The first quarter of 1958 to 1960,
rate of production of $44 billion a year,
The Money and Capital Markets

The money and capital markets have been quiet during the last month. The average daily turnover of the Treasury 32.290 on Sept. 23, rose to 2.297 on Oct. 10, but was 2.347 on Oct. 27.

The Federal Reserve Banks have raised their new large-scale loan rate to 5 1/2% for all Federal Reserve Banks, which is 21%, but these changes do not indicate a change in policy. The Federal Reserve Banks have reduced the discount rate, as indicated by the volume of new re-

The commercial banks have been in the red for the first time since 1935. The reserve ratio, which in the same period, increased from 20.3 to 21.3.

The Money and Capital Markets

The money and capital markets have been quiet during the last month. The average daily turnover of the Treasury 32.290 on Sept. 23, rose to 2.297 on Oct. 10, but was 2.347 on Oct. 27.

The Federal Reserve Banks have raised their new large-scale loan rate to 5 1/2% for all Federal Reserve Banks, which is 21%, but these changes do not indicate a change in policy. The Federal Reserve Banks have reduced the discount rate, as indicated by the volume of new re-

The commercial banks have been in the red for the first time since 1935. The reserve ratio, which in the same period, increased from 20.3 to 21.3.

The Money and Capital Markets

The money and capital markets have been quiet during the last month. The average daily turnover of the Treasury 32.290 on Sept. 23, rose to 2.297 on Oct. 10, but was 2.347 on Oct. 27.

The Federal Reserve Banks have raised their new large-scale loan rate to 5 1/2% for all Federal Reserve Banks, which is 21%, but these changes do not indicate a change in policy. The Federal Reserve Banks have reduced the discount rate, as indicated by the volume of new re-

The commercial banks have been in the red for the first time since 1935. The reserve ratio, which in the same period, increased from 20.3 to 21.3.

The Money and Capital Markets

The money and capital markets have been quiet during the last month. The average daily turnover of the Treasury 32.290 on Sept. 23, rose to 2.297 on Oct. 10, but was 2.347 on Oct. 27.

The Federal Reserve Banks have raised their new large-scale loan rate to 5 1/2% for all Federal Reserve Banks, which is 21%, but these changes do not indicate a change in policy. The Federal Reserve Banks have reduced the discount rate, as indicated by the volume of new re-

The commercial banks have been in the red for the first time since 1935. The reserve ratio, which in the same period, increased from 20.3 to 21.3.
Continued from page 2

The American Economy—Problems and Prospects

The Security I Like Best

Continued from page 31

American Economic Problems and Prospects

southwest, which is going on in spite of the farm program, would be accelerated, moving the southeast to the west, would soon become a rich cattle raising section.

XII Why Is Inflation So Gradual? When so many and such powerful influences all make for inflation, how is it that inflation has not been so gradual? In the last three and a half years the consumer price index has risen only 7.5%, or approximately 2.3% per annum, and this was little more than 7% why is inflation so gradual? There are four powerful checks on inflation. In the first place, the cost of spending all kinds is checked by the fact that people do not like to buy "junk". Though people do associate government spending closely with inflation, they do so in general more than they realize. This knowledge does not prevent the public from buying war deb¬

XIII What Is the Prospect of Halt¬ing Inflation? The many powerful influences that combine to produce creeping inflation make the expectation of halting inflation remote. There are two arguments for \"no hope\". The first is that the cost of reducing the inflationary influences is too great for the benefits produced by them. It is better to do nothing than to sacrifice the benefits of strong trade unions and of large scale production.

The other difficulty in attempting to halt inflation is that these influences are so powerful that they can defy attack.

Continued from page 2

tionalists appear to realize their weakness because they shy away from proposals for reform such as redefining the farm price support system and other public payments being made to veterans.

The first quarter of the current fiscal year (the summer vacation, the produce harvest, and the low in sales and profits, showed a 14% increase in sales and a 45% increase in profits to $35 per ha. The increase was due to the opening of new markets, but the overall result was not as good as expected. In 1957, an increase of 19%. Between the first and third quarters would therefore indicate a sales increase for the entire fiscal year from the $35 to $40 million level. Based on the above sales and a carry through to net of less than 4%, which should be possible without cost cutting, the outlook for profits for the year is for a profit of about $100 million.

In addition, many of the strongest stores, a comparison of Siegler Corp. with the nation as a whole shows that Siegler has a substantial competitive advantage because of its retail size, the retail real estate power, the strategic position in larger cities, and the retail service to a substantial capital gain to the investor.

U.S. International Business Group Favors Steps to Strengthen GATT

U. S. Council of the International Chamber of Commerce calls for our firm adherence to GATT and finds such a step involves no material additional legal obligation. Offers other views on international economic policy.

The United States Council of the International Chamber of Commerce urged the Department of Commerce, the Council of the General Agreement on Tariffs and Traded Goods and the American Chamber of Commerce to work for the reform of the GATT convention.

The American Chamber of Commerce, in its report on the GATT convention, said it was "in favor of a more effective world economic organization, and in the opinion of the Council the two main steps toward such a goal would be the establishment of a permanent Secretariat, and the permanent establishment of the Council for Trade Cooperation, the pro¬

The permanent chairman proposed by the Council would have the double assignment of chairing all GATT meetings and of fostering greater public understanding of the need for international cooperation in the Agreement. The Council said its chairman 'should be a person of high reputation and might well have ambassadorial rank and re¬

European Economic Integration

The Council recommended that the United States should con¬

The United States Council of the Im¬

European Economic Integration

The Council recommended that the United States should con¬

with EEC and other institutions should be approved by the United States Congress and should be both thorough and

Continued Use of Quantitative Restrictions

Noting the International Mone¬

Continued Use of Quantitative Restrictions

New Changes in Antidumping Laws

In the meantime, the trade of the world was not sitting idle. While no one would deny that the U. S. delegation, "should make it clear that failure to abolish such restrictions would mean a dis¬

New Changes in Antidumping Laws

The Canadian law was said to be \"in¬

Marine Insurance

The Council recommended sup¬

Charles Pihn Selfs

Bowling Corp. Stock

An offer of 450,000 shares of common stock of Charles Pihn & Co., a partnership incorporated in Chicago with 900,000 common stock purchase warrants and sold at $10 per share.

Charles Pihn & Co. stock, the underwriter.

The company, incorporated in 1907 to own and operate ten-pin bowling centers, is not yet in busi¬

The company has 500,000 shares of stock outstanding. The warrants priced per unit at $8.35.

Richard H. Monaghan

Richard H. Monaghan passed away Nov. 10 at the age of 67 following a long illness. He was survived by his wife, Miss A. M. Kidder & Co. Inc., in Newark.
Current International Economic Events
Reviewed by Bankers’ Group

An up-to-date analysis of world economic events and our foreign economic policy are covered in a report by ABA to its members. Items covered include U.S.S.R. trade offensive, that of Cuba, and current European economic recovery and our balance of trade.

Most of the new proposals for United States foreign economic policy are now being made by New York banks. United States taxpayers and consumers will have to pay the costs of all these changes according to a report by the Advisory Committee on Special Activities of the American Bankers Association. “Yet,” the report observes, “the alternatives are grim.”

The report, emphasizing that “International Financial Developments,” is being made available to all member banks on request. William A. Mitchell, president of the Central Trust Company of New York, is Chairman of the Committee.

European Economic Developments

Commenting on economic developments in Western Europe, the ABA Commission notes that “there has been a turn around in early 1966. The overproduction of 1959 is being left behind, with adverse sentiment against the British balance of payments perhaps as strong as in 1958. Sterling is strong as is the dollar because of the prospects for high profits from the U.S.-European Community. The holdings of the British Exchange Equalization Account in the United States hit an all-time high of $3.7 billion on the last day of July, 1957, an increase of about $1.2 billion over the $2.5 billion borrowed from the Federal Reserve Bank in October.

However, despite these positive overall terms of trade, export prices have severely exceeded, but import prices have failed to rise as much as expected. This resulted in a balance-of-payments surplus exceeding the existing postwar record of $3 billion achieved in 1956. Over the past three years, the government appears to have succeeded in holding prices down without reducing production appreciably, and now has shifted its emphasis toward the rehabilitation of the balance of payments by keeping up production by offsetting a small decline in domestic spending.

“France’s economic problems are more pressing. At mid-1958, when the European Payments Union was launched, it accounted for a French deficit of $450 million as compared to a surplus of $950 million. Economic problems are resurgent in Italy as well as in General De Gaulle, but they may yet be brought under control. France once again faced with an impending foreign exchange crisis and the threat of a large price increase. Prices are now 10% higher than in 1958. Devolution, a ceiling on budgetary expenditures, and the imposition of stringent controls have reduced the drain on foreign exchange reserves.

Most of the new proposals for United States foreign economic policy are now being made by New York banks. United States taxpayers and consumers will have to pay the costs of all these changes according to a report by the Advisory Committee on Special Activities of the American Bankers Association. “Yet,” the report observes, “the alternatives are grim.”

The report, emphasizing that “International Financial Developments,” is being made available to all member banks on request. William A. Mitchell, president of the Central Trust Company of New York, is Chairman of the Committee.

European Economic Developments

Commenting on economic developments in Western Europe, the ABA Commission notes that “there has been a turn around in early 1966. The overproduction of 1959 is being left behind, with adverse sentiment against the British balance of payments perhaps as strong as in 1958. Sterling is strong as is the dollar because of the prospects for high profits from the U.S.-European Community. The holdings of the British Exchange Equalization Account in the United States hit an all-time high of $3.7 billion on the last day of July, 1957, an increase of about $1.2 billion over the $2.5 billion borrowed from the Federal Reserve Bank in October.

However, despite these positive overall terms of trade, export prices have severely exceeded, but import prices have failed to rise as much as expected. This resulted in a balance-of-payments surplus exceeding the existing postwar record of $3 billion achieved in 1956. Over the past three years, the government appears to have succeeded in holding prices down without reducing production appreciably, and now has shifted its emphasis toward the rehabilitation of the balance of payments by keeping up production by offsetting a small decline in domestic spending.

“France’s economic problems are more pressing. At mid-1958, when the European Payments Union was launched, it accounted for a French deficit of $450 million as compared to a surplus of $950 million. Economic problems are resurgent in Italy as well as in General De Gaulle, but they may yet be brought under control. France once again faced with an impending foreign exchange crisis and the threat of a large price increase. Prices are now 10% higher than in 1958. Devolution, a ceiling on budgetary expenditures, and the imposition of stringent controls have reduced the drain on foreign exchange reserves.
American Business in an Expanding World Economy

Growing Economic Opportunities

This growing economic interdependence of free nations poses vast economic opportunities, if the problems are met and handled with skillful handling, it could be the basis of a new marriage between the United States and the Soviet Union, the world's two largest nations, whose economies are far more self-contained. Middle East oil provides one such opportunity: the whole Free World needs oil from the Middle East, because it is the only fair price for it, whereas the Soviets are self-sufficient in oil, and cannot sell it, or buy it for an economic warfare measure. However, many Middle East countries, such as the Arab nations, can be developed. Thus the Middle East oil provides an economic weapon in the Cold War. We must increase our economic and military efforts in the Middle East and from going much farther in aligning itself with the Communist bloc.

Trade is, of course, being used increasingly by the Communist bloc to impose economic interdependence on the rest of the world. We must seize the initiative by adopting a forward-looking program to deal with the problems resulting from the Free World economy.

We have here that mutual political and economic interdependence that is being engendered by the rapidly increasing economic development in the world. The economic changes in the world are the result of the rapid growth of the world economy. The spread of the Fordist and mass production techniques is manifesting itself in the economic and political structures of all nations.

In our own country, we have the impression that our economic interdependence is of a different nature. It is the result of the rapid growth of the world economy. The spread of the Fordist and mass production techniques is manifesting itself in the economic and political structures of all nations.

Another feature of our economic interdependence is the fact that the economic growth of the Free World is based on the growth of the world economy. The spread of the Fordist and mass production techniques is manifesting itself in the economic and political structures of all nations.

The broadening of our economic interdependence is the result of the rapid growth of the world economy. The spread of the Fordist and mass production techniques is manifesting itself in the economic and political structures of all nations.

The broadening of our economic interdependence is the result of the rapid growth of the world economy. The spread of the Fordist and mass production techniques is manifesting itself in the economic and political structures of all nations.

Businessmen's Stake in Our Expanding World Economy

Businessmen have a great part of the responsibility for maintaining the dynamism of our economy. The report by the Special Projects Project of the Rockefeller Foundation is timely. It is a report that can be of great value to businessmen, and can provide the full answer. Yet it is surprising that in the face of so many new and growing opportunities, that progress in this area has not been more rapid. The report was prepared by a panel of citizens of national stature who were instructed to study and discuss the issues that confront the nation and the world. They have made a major contribution to the development of a new economic policy.

The report is important in that it provides a new sense of direction for national policy. It is based on the fact that the report was prepared by a panel of citizens of national stature who were instructed to study and discuss the issues that confront the nation and the world. They have made a major contribution to the development of a new economic policy.

The report is important in that it provides a new sense of direction for national policy. It is based on the fact that the report was prepared by a panel of citizens of national stature who were instructed to study and discuss the issues that confront the nation and the world. They have made a major contribution to the development of a new economic policy.

The report is important in that it provides a new sense of direction for national policy. It is based on the fact that the report was prepared by a panel of citizens of national stature who were instructed to study and discuss the issues that confront the nation and the world. They have made a major contribution to the development of a new economic policy.

The report is important in that it provides a new sense of direction for national policy. It is based on the fact that the report was prepared by a panel of citizens of national stature who were instructed to study and discuss the issues that confront the nation and the world. They have made a major contribution to the development of a new economic policy.

The report is important in that it provides a new sense of direction for national policy. It is based on the fact that the report was prepared by a panel of citizens of national stature who were instructed to study and discuss the issues that confront the nation and the world. They have made a major contribution to the development of a new economic policy.

The report is important in that it provides a new sense of direction for national policy. It is based on the fact that the report was prepared by a panel of citizens of national stature who were instructed to study and discuss the issues that confront the nation and the world. They have made a major contribution to the development of a new economic policy.

The report is important in that it provides a new sense of direction for national policy. It is based on the fact that the report was prepared by a panel of citizens of national stature who were instructed to study and discuss the issues that confront the nation and the world. They have made a major contribution to the development of a new economic policy.

The report is important in that it provides a new sense of direction for national policy. It is based on the fact that the report was prepared by a panel of citizens of national stature who were instructed to study and discuss the issues that confront the nation and the world. They have made a major contribution to the development of a new economic policy.

The report is important in that it provides a new sense of direction for national policy. It is based on the fact that the report was prepared by a panel of citizens of national stature who were instructed to study and discuss the issues that confront the nation and the world. They have made a major contribution to the development of a new economic policy.
The State of the Trade and Industry

In the glass industry which cut output, production of durable goods was cut with September. Nondurable goods output, however, continued to rise. The total value of shipments in October, was $337,500,000,000, down from the revised December figure of $337,300,000,000, the United States Department of Commerce reported. The annual rate is within the margin for error and thus it seemed little changed from the previous month.

The October annual rate was still well above the $350,600,000,000 level for the month of last year.

Strikes cropped up again last week to set United automotive output back a peg, "Ward's Automotive Reports" observed on the cutting.

After soaring to a 1938 high of 123,279 car completions the week before, production chopped 3.5% to an estimated 120,920 units that week, according to the report of I. B. B. Motors and the Wire, which compiled the data. The car-making front, generally strong production pace held throughout the last week. With Ford Motor Co. looking for a 6% rise over last month's level, both of its company had the majority of their plants on Monday through Saturday programs.

At the Packard-manufacturing site at South Bend, Ind., following the Plant's 10% cut a week ago, the weekly output for the last week was 4,600 compared with 5,100 the week before. The cut was made to prevent strikers, which could continue to hamper activity this week.

Steel Output Scheduled This Week to Drop

J4.3% of Ingot Capacity

The production trend line compiled by "Steel" magazine crossed the 8,000,000,000 tons mark for the first time ever. The key automotive industry is responsible for the gain in production, the key to this important factor is to be found in the weekly reports. The output for the year was 7,647,000,000 tons, or 2.5% over last year.

 albeit for the past week, the output dropped from 8,000,000,000 tons to 7,740,000,000 tons, a decrease of 2.5% in the manufacturing of steel.

Although the production trend line of the past week exceeded that of the comparable week in 1947 for the first time this year. This week it rose to 8,000,000,000 tons, or 2.5% over last year.

New cars are selling so well that automakers are increasing production by 15% to 20% over last year. The new cars are selling so well that automakers are increasing production by 15% to 20% over last year. The weekly output of the production has increased by 15% to 20% over last year.

In the last few weeks, the weekly output of the production has increased by 15% to 20% over last year. The weekly output of the production has increased by 15% to 20% over last year. The weekly output of the production has increased by 15% to 20% over last year. The weekly output of the production has increased by 15% to 20% over last year. The weekly output of the production has increased by 15% to 20% over last year. The weekly output of the production has increased by 15% to 20% over last year. The weekly output of the production has increased by 15% to 20% over last year. The weekly output of the production has increased by 15% to 20% over last year.
The State of the Trade and Industry

business population remained relatively moderate—57 per 10,000
listed enterprises as against 73 in previous years. For each 10,000
of failures, their dollar liabilities continued down to $47,000,000, the lowest volume this
year. In the accounting period ending on June 30, 1959, manufacturing declined
from a postwar high, this ample sums over $100,000 dropped to
85.

Dun & Bradstreet, Inc., rose from 2120.1 to 2322.2 a week earlier and was moderately higher than the 270.89 of the comparable period last year.

Most grain prices climbed steadily upward during the week. Wheat prices rose appreciably, reflecting light offerings and an increased demand in the domestic market. Grade No. 2 wheat futures rose to 7.68 on Nov. 18 from 7.22 a week earlier and was moderately higher than the 7.68 of the comparable period last year. An increase in orders at day trade and finishing plants rose noticeably.

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ending Nov. 8, 1958 advanced 2% above the like period last year. In the preceding week an increase of 1% was reported. For the four weeks ended Nov. 8, 1958, a gain of 4% was registered. For the four weeks ended Nov. 8, 1958, no change was reported from that of the corresponding period last year.

Wholesale trade sales volume in New York City the past week advanced 2% above the comparable period a year ago, according to the trade observers report.

Armistice Day sales showed gains of about 10% above those of the 1957 holiday and played an important role in the week's over-all showing.

According to the Federal Reserve Board's index, department store sales in New York City for the week ending Nov. 8, 1958 showed an increase of 2% from that of the like period last year. In the preceding week an increase of 1% was reported. For the four weeks ended Nov. 8, 1958, an increase of 5% was noted. For the period Jan. 1, 1958 to Nov. 8, 1958 a cumulative increase was registered above that of the corresponding period in 1957.

Private Enterprise Is The Salvation!

"The committee noted that member countries in the area have increasingly recognized the importance of private investment and have encouraged the growth of the private sector."

"Important also in this growth is the role of foreign private investment which can provide capital together with the technical assistance necessary to develop the economies of the region. There is an increasing awareness of the need to attract foreign investment."

"The committee noted that by far the greater part of the economic resources devoted to the development of South and Southeast Asia has come from the countries of the area and would continue to do so."—Consultative Committee of the Columbo Plan for cooperative development in South and Southeast Asia.

"We hope that the optimism of the committee is well warranted by the facts. We may also express the hope that there is a better understanding than sometimes exists of what it is that attracts private capital."

Food and Agricultural Outlook

the production or income of dairy farmers. Poultry and egg producers were increasing supplies to market and the outlook was generally good. There was a general reduction in the amount of income from these sources. Larger supplies and lower prices are also expected for soybeans, corn, wheat and potatoes. For the food groups the trends will be toward lower prices for a variety of reasons. There is no need here for stand-by price controls. They may be needed if the floor is lowered.

The effect on C. P. I.

It would be hazardous to predict how much these lower farm prices will affect the Consumer Price Index. It seems that it will be moderate in view of the rating cost of food products and distribution.

Looking ahead to 1959 crops, the Agricultural Act of 1958 must be taken into account. This law provides that the payment of the minimum support level for corn be curtailed for the next few years and permits individual corn growers to increase their acreage for lower support prices. In the case of several crops, there is an option to retain the present support system with production control or to adopt a new program to control price support prices set at 90% of the average of the five previous years. Corn farmers are expected to favor the latter option, 29.

Other feed gains are to be supported at a lower, but reasonable level in relation to corn. The 1958 legislation makes no change in the support of peanuts and dairy products. While the new legislation will affect in a favorably way the total free markets for agriculture, the immediate effect on the C. P. I. is uncertain. It could cost more to support larger crops.

General Economic Outlook

On the general economic outlook, I expect a moderate advance in the volume and average level of expenditures to continue to increase. While the Federal Reserve Board stated in September now looks too high, it will probably continue to advance. It will probably be financed directly or indirectly by the commercial banks. Consumer-seller-government spending will stay at a moderate level. The federal government has more spending on the task of increasing the competitive force of the government's money, can now turn for support to some academic recommendations on the subject of government spending.

I expect to see inventory dations come to an end in the next few months. Inventory-sales ratios have been improving very rapidly in recent months, but it is difficult to know what the long-run trend is in inventory levels. On the one hand, we have the vegetable continuity through improved accounting and operations research which will result in greater in-process inventories through automation, and higher money cost discourages inventory carries. On the other hand, we are getting further and further away from the simple days of black Ford and white bathrooms. Now, with the increased variety of color and design in cars and colored bathroom fixtures, towels, paper, soap, and even striped toothpaste. Color choice also means lack of one. Increased variety necessitates higher inventories. I would guess that the Gross National Product in 1959 would average about $465 billion.
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 end of that date, or in cases of quotations, are as of that date.

### ALUMINUM (BUREAU OF MINES)

<table>
<thead>
<tr>
<th>Month</th>
<th>7.50</th>
<th>7.50</th>
<th>7.50</th>
</tr>
</thead>
<tbody>
<tr>
<td>November</td>
<td>7.50</td>
<td>7.50</td>
<td>7.50</td>
</tr>
</tbody>
</table>

### COAL OUTPUT (BUREAU OF MINES)

<table>
<thead>
<tr>
<th>Month</th>
<th>35,000</th>
<th>35,000</th>
<th>35,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>November</td>
<td>35,000</td>
<td>35,000</td>
<td>35,000</td>
</tr>
</tbody>
</table>

### CROP PRODUCTION (BUREAU OF AGRICULTURAL ECONOMICS)

<table>
<thead>
<tr>
<th>Crop</th>
<th>3,000,000</th>
<th>3,000,000</th>
<th>3,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>November</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td>3,000,000</td>
</tr>
</tbody>
</table>

### DEPARTMENT STORES SALES INDEX (BUREAU OF AGRICULTURAL ECONOMICS)

<table>
<thead>
<tr>
<th>Month</th>
<th>3,000,000</th>
<th>3,000,000</th>
<th>3,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>November</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td>3,000,000</td>
</tr>
</tbody>
</table>

### ENGINEERING

<table>
<thead>
<tr>
<th>Month</th>
<th>1,000,000</th>
<th>1,000,000</th>
<th>1,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>November</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>

### GOVERNMENT

<table>
<thead>
<tr>
<th>Month</th>
<th>1,000,000</th>
<th>1,000,000</th>
<th>1,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>November</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>

### TREASURY

<table>
<thead>
<tr>
<th>Month</th>
<th>1,000,000</th>
<th>1,000,000</th>
<th>1,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>November</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>

### WHOLESALE PRICES, NEW SERIES—U. S. DEP. OF LABOR

<table>
<thead>
<tr>
<th>Month</th>
<th>1,000,000</th>
<th>1,000,000</th>
<th>1,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>November</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>
Mutual Funds

**Fund Share Sales at New High in October**

Purchases by investors of shares of the 145 open-end (mutual) funds, Investment company membership of the National Association of Securities and Research Corporation established 1929.

**Cites Increased Activity in the Electronics Field**

The third quarter of 1958 was one of increased activity throughout the electronics industry and the vast number of new products, according to a study made by the National Association of Securities and Research Corporation. The Association's study, which was conducted in the first three months of 1958, showed that the number of securities issued by the electronics industry increased sharply in the quarter, rising to 961,372,000 in October compared with 299,197,000 in July.

**Texa Fund Report: Record Highs**

It was announced by W. T. Cullinan, III, president of the Texas Union of Stockholders, that the net assets of the company's five mutual funds had passed the $100 million mark.

**Delaware Bullish On Florida Utility**

Delaware Fund has taken a position in the power & light field, and sold the last of its Bayouier, Louisiana, electric & gas company, the company's investment advisor, reported in its latest semi-annual Directors' Letter. Mr. Barringer, also Chairman of the company's Board of Directors, said that the big utility's commanding record of expansion of gross, net and net per share growth, and its high price-earnings ratio, Florida Power & Light, has prompted the move. It is in the mainstream of the company's broadened toward recreation and Southern development, and is also experiencing some convincing evidence of the utility's excellent management, he commented, in support of its new policy to turn these natural advantages into steady growing profits.

Mr. Barringer also called his board's attention to extra dividends declared by Spiegel, Inc., and to the now-large utility's per share dividend.

Delaware Fund and Delaware Income Fund, the mutual funds noted, remain fully invested.

**MIT Records New Highs as of Sept. 30**

Massachusetts Investors Trust, the nation's oldest open-end mutual company, reported on Oct. 1, 1958, that its net assets as of Sept. 30, 1958 totalled $1,041,762,243, an increase of $1,775,514,000 from the previous month.

**Sovereign Reports 14.7% Gain in Assets**

Sovereign Investors Trust, Inc., announced on Oct. 1, 1958, that its net assets had increased by $1,041,762,243, or 14.7%, from the previous month.

**Incorporated's Per Share Value Up 29%**

Total net assets of Incorporated investors have risen by $653,000,000 since the first of the year, and on Sept. 30, 1958, were valued at $2,900,000,000.

**Get the facts on FRANKLIN CUSTODIAN FUNDS**

Find out now about this series of Mutual Funds seeking possible growth and income through investment in American industry.

FRANKLIN CUSTODIAN FUNDS, INC.
64 Wall Street, New York 5, N. Y.

Please send me, without obligation, the Prospectus and other information about the Franklin Custodian Funds.

NAME
ADDRESS
CITY
STATE
ZIP

The Commercial and Financial Chronicle... Thursday, November 20, 1958

**Affiliated Fund**

A Common Stock Investment Fund Investment objectives of this Fund are capital appreciation and income growth for its shareholders.

Prospective upon request

LORD, ABBETT & CO.

New York, Chicago, Atlanta, Los Angeles

Equivalent in English: 

Mutual Funds

Fund Share Sales at New High in October

Purchases by investors of shares of the 145 open-end (mutual) fund investment company membership of the National Association of Securities and Research Corporation established 1929.

Cites Increased Activity in the Electronics Field

The third quarter of 1958 was one of increased activity throughout the electronics industry and the vast number of new products, according to a study made by the National Association of Securities and Research Corporation. The Association's study, which was conducted in the first three months of 1958, showed that the number of securities issued by the electronics industry increased sharply in the quarter, rising to 961,372,000 in October compared with 299,197,000 in July.

Texa Fund Report: Record Highs

It was announced by W. T. Cullinan, III, president of the Texas Union of Stockholders, that the net assets of the company's five mutual funds had passed the $100 million mark.

Delaware Bullish On Florida Utility

Delaware Fund has taken a position in the power & light field, and sold the last of its Bayouier, Louisiana, electric & gas company, the company's investment advisor, reported in its latest semi-annual Directors' Letter. Mr. Barringer, also Chairman of the company's Board of Directors, said that the big utility's commanding record of expansion of gross, net and net per share growth, and its high price-earnings ratio, Florida Power & Light, has prompted the move. It is in the mainstream of the company's broadened toward recreation and Southern development, and is also experiencing some convincing evidence of the utility's excellent management, he commented, in support of its new policy to turn these natural advantages into steady growing profits.

Mr. Barringer also called his board's attention to extra dividends declared by Spiegel, Inc., and to the now-large utility's per share dividend.

Delaware Fund and Delaware Income Fund, the mutual funds noted, remain fully invested.

MIT Records New Highs as of Sept. 30

Massachusetts Investors Trust, the nation's oldest open-end mutual company, reported on Oct. 1, 1958, that its net assets as of Sept. 30, 1958 totalled $1,041,762,243, an increase of $1,775,514,000 from the previous month.

Sovereign Reports 14.7% Gain in Assets

Sovereign Investors Trust, Inc., announced on Oct. 1, 1958, that its net assets had increased by $1,041,762,243, or 14.7%, from the previous month.

Incorporated's Per Share Value Up 29%

Total net assets of Incorporated investors have risen by $653,000,000 since the first of the year, and on Sept. 30, 1958, were valued at $2,900,000,000.

Get the facts on FRANKLIN CUSTODIAN FUNDS

Find out now about this series of Mutual Funds seeking possible growth and income through investment in American industry.

FRANKLIN CUSTODIAN FUNDS, INC.
64 Wall Street, New York 5, N. Y.

Please send me, without obligation, the Prospectus and other information about the Franklin Custodian Funds.

NAME
ADDRESS
CITY

The Commercial and Financial Chronicle... Thursday, November 20, 1958

Affiliated Fund

A Common Stock Investment Fund Investment objectives of this Fund are capital appreciation and income growth for its shareholders.

Prospective upon request

LORD, ABBETT & CO.

New York, Chicago, Atlanta, Los Angeles
Chemical Fund’s Assets Reach New All-Time High

Chemical Fund, Inc. reported new record highs in total assets and net asset value per share. It also announced that sales for the quarter exceeded the September 1958 quarter-end, a record high. The magazine has been publishing the record highs for the past several months.

The Fund’s assets reached $105.1 million on Nov. 6, 1958—the high for the year to date—and $104.5 million on Oct. 31, 1958, an increase of about 14.5% over the year-end level of $91,351,000 on June 30, 1958. Both numbers of shares outstanding and number of shareholders also increased.

For the six months ended Sept. 30, 1958, Fund net income was $11,558,000, an increase of 10.5% over a year ago. The year-to-date income of $17,500,000 was $1,212,000 higher than the same period of 1957, and compared with $11,708,000 in 1956.

Mr. Simonson, President, said that the Fund had a net income of $11,558,000, $1,212,000 higher than in the same period of 1957, and compared with $11,708,000 in 1956.

Mr. Simonson, President, said that the Fund had a net income of $11,558,000, $1,212,000 higher than in the same period of 1957, and compared with $11,708,000 in 1956.

The net income was $11,558,000, $1,212,000 higher than in the same period of 1957, and compared with $11,708,000 in 1956.

Franklin Custodian Reaches New Peak

Franklin Custodian Funds, Inc. reported that its net assets of more than $32 million on Sept. 30, 1958, increased 10% from $29 million in March 1958, according to the annual report to shareholders which was released in October 1958. The net asset value per share was $10.20 on Sept. 30, 1958, compared with $9.06 on March 31, 1958. The net income was $1,500,000, $1,500,000 higher than in the same period of 1957, and compared with $1,500,000 in 1956.

In April, 1958, Franklin established Reinvestment and Monthly Investment Plans which have been received favorably by investors and as a result sales have been strong. The Reinvestment Plan is underwritten to stockholders stated.

The Fund’s sales anticipated record growth in sales and shareholders. Gross sales in the first nine months of 1958 were $23,255,000, an increase of 14% over the same nine-month period of 1957.

Net income, excluding capital gains, increased 4% on a like basis with a gain of $1,708,000 in the same period of 1957.

The net income was $11,558,000, $1,212,000 higher than in the same period of 1957, and compared with $11,708,000 in 1956.

Mr. Simonson, President, said that the Fund had a net income of $11,558,000, $1,212,000 higher than in the same period of 1957, and compared with $11,708,000 in 1956.
Securities Now in Registration

**Austria (Republic of) (12/3)**

**Automation Instruments, Inc.**
Oct. 7 (letter of notification) $250,000 of 6% 20-year bonds, to be offered for subscription by stockholders of record Oct. 1, 1958. Underwriters—None.

**Bancroft Corp.**

**Bancroft Mining Corp.**

**Banksy Southern, Inc.**
April 14 filed 9,043 shares of common stock. Price—At par. Proceeds—To construct and equip a new hotel and restaurant for the operation of which a new corporation will be formed. Underwriters—Citi Group, Inc., New York.

**Bell Stockholders Corp.**

**Bemidji & Saco Water Co.**
Nov. 10 filed 1,000 shares of common stock. Price—At par ($100 per share). Proceeds—For improvements and addition to property. Underwriter—Morgan & Co.

**Bowel America Corp., Arlington, Va.**
Nov. 10 filed 300,000 shares of common stock (par $1). Proceeds—For immediate cash and working capital for development of land, building improvements and working capital. Underwriters—Austin, Berg, Rashed & Upjohn, Dallas, Tex.

**Bridgehampton Race Course Corp.**
Oct. 25 (letter of notification) 15,000 shares of common stock (par $1) to be offered for subscription by stockholders of record Nov. 1, 1958 on the basis of one new share for each four shares held; unsubscribed shares will be offered to current creditors in payment of all claims as of Oct. 31, 1958, at par; and the remainder to be offered at par for cash. Underwriters—Morgan & Co.

**Cedar Electronics, Inc., Erie, Pa.**
Oct. 16 (letter of notification) 90,000 shares of common stock to be offered for subscription by stockholders of record Sept. 29, 1958. Underwriters—Morgan & Co.

**Checker Motors Corp., Kamloops, Mich. (11/26)**
Nov. 7 filed 1,123,112 shares of common stock (par $1.25) to be offered for subscription by stockholders of record Nov. 25, 1958. Proceeds—For general corporate purposes. Underwriter—Henderson, New York, N. Y. Statement withdrawn in November.

**Charles Town Racing Association, Inc.**

**Checker Motors Corp., Calumet, Mich. (12/9)**
Nov. 9 filed 1,930,000 shares of common stock (par $10). Proceeds—To construct and equip a new assembly plant and facilities in which 2,500,000 shares are to be offered to the public and the remaining 500,000 shares are to be offered to persons, who may sell such shares at the market. Price—60% of par. Proceeds—For general corporate purposes. Underwriters—None.

**Chemirad Corp., East Brunswick, N. J.**
Sept. 27 filed 1,000,000 shares of common stock (par $10) being offered for subscription by holders of common stock of Caryl Chemicals, Inc. of record Oct. 31, 1958. Proceeds—To retire outstanding indebtedness of the company and for general corporate purposes. Underwriters—None.

**Chemical Car Co., Inc.**
Oct. 18 filed 61,489 shares of common stock held by 3 stockholders. Proceeds—To retire outstanding indebtedness of the company (in addition to $15,000 in cash previously retired), to retire one new share for each four shares held (with an oversubscription privilege); rights to expire on Dec. 18. Price—To be supplied by amendment. Proceeds—For the purchase of the business of the company or its permitted purchasers. Underwriters—Chesterfield Securities, Inc., New York.

**Cinematik II Productions, Inc.**

**Clute Corp.**

**Coca-Cola Bottling Co., Los Angeles, Calif.**
Dec. 3 filed 33,000 shares of common stock (par $1). Proceeds—To provide working capital for the company. Underwriters—None.

**Coke-Atlantic Corp., Panama City, Panama**

**Columbia Aircraft Corp., Sandford, Me.**

**Consolidated Foods Corp.**
Oct. 17 filed 11,480 shares of common stock (par $1). Proceeds—To construct refineries. Underwriter—Lehman Brothers, New York, N. Y.

**Consumers Cooperative Association, Kansas City, Mo.**
Oct. 17 filed 4,000,000 shares of common stock. Proceeds—To purchase and operate real estate for construction of new central office, and to acquire new facilities and equipment. Underwriters—None. Statement of intention to file. The certificate of indebtedness is not to exceed 5½% 25-year guaranteed certificates of indebtedness, and 60,000 shares of 5½% preferred stock (cumulative to extent earned but unpaid as of Dec. 31, 1958 on 15,000 shares issued). The preferred stock to be offered at $25 per share. Proceeds—To fund improvements and equipment. Underwriters—None.

**Consolidated Foods Corp.**
Oct. 17 filed 55,277 shares of common capital stock (par $1) to be offered for subscription to stockholders of record Dec. 4, 1958, in the ratio of one new share for each five shares then held. Price—$125 per share. Proceeds—To reduce short-term bank loans. Underwriter—None.
**NEW ISSUE CALENDAR**

**November 21 (Friday)**
- American International Bowling Corp., 15,000 @ $100,000.
- Consolidated Foods Corp., 75,000 @ $210,000.
- Household Util. Corp., 50,000 @ $1,050,000.
- Imperial Oil Refining Co. of Tex., Ltd., 50,000 @ $1,000,000.
- Northern Natural Gas Co., 5,000 @ $150,000.

**November 22 (Wednesday)**
- Checkerboard Co., 500 @ $100,000.
- Lorillard (P.L.), 15,000 @ $250,000.
- Polaroid Corp., 10,000 @ $250,000.
- Tucson Gas, Electric Light & Power Co., 15,000 @ $225,000.
- Willer Color Television System, Inc., 500 @ $12,500.

**December 1 (Monday)**
- Arvida Corp., 50,000 @ $1,000,000.
- Atlantic Refining Co., 15,000 @ $225,000.
- N. Amer. Leasing Corp., 1,000 @ $40,000.
- Pacific Telephone & Publ. Co., 75,000 @ $1,050,000.

**December 2 (Tuesday)**
- Desilu Productions, Inc., 10,000 @ $200,000.
- Central National Bank in Dallas, Texas, 12,000 @ $1,500,000.
- Pacific Gas & Electric Co., 7,500,000 @ $187,500,000.
- Potomac Electric Power Co., 1,000 @ $100,000.
- Southern Colorado Power Co., 50,000 @ $1,000,000.

**December 3 (Wednesday)**
- Austria (Republic of), 100,000 @ $2,500,000.
- Dutch West Indies (Curacao), 10,000 @ $250,000.

**December 4 (Thursday)**
- Ambassador Oil Corp., 3,000 @ $180,000.
- M. A. Rygel & Co., 1,000 @ $200,000.
- Miles Laboratories, Inc., 10,000 @ $250,000.
- National Loan Insurance Co., 1,000 @ $250,000.
- Northern Natural Gas Co., 10,000 @ $250,000.
- United States Public Service Co., 5,000 @ $1,000,000.
- West Ohio Gas Co., 1,000 @ $250,000.

**December 5 (Friday)**
- American Art Metals Co., 50,000 @ $2,500,000.
- National City Bank of New York, 10,000 @ $250,000.
- Northwestern Airlines, Inc., 10,000 @ $250,000.
- Southern Bell Telephone & Telegraph Co., 10,000 @ $250,000.
- Allied Publishers, Inc., 10,000 @ $250,000.
- Bache & Co., 10,000 @ $250,000.

**December 6 (Saturday)**
- Philadelphia Electric Co., 25,000 @ $1,250,000.
- Bank of America, 10,000 @ $250,000.
- Beneficial Corp., 5,000 @ $125,000.
- Independent Life Ins. Co., 2,500 @ $250,000.
- General Telephone & Publ. Co., 5,000 @ $125,000.

**December 8 (Monday)**
- National Trust & Savings Bank of Dallas, 2,500 @ $500,000.
- N. Amer. Leasing Corp., 5,000 @ $100,000.
- Russell & Co., 1,000 @ $250,000.
- Texas Power & Publ. Co., 10,000 @ $250,000.

**December 10 (Wednesday)**
- Michigan Power & Publ. Co., 50,000 @ $1,250,000.
- Montana Power Co., 10,000 @ $250,000.
- Missouri Power Co., 1,000 @ $250,000.
- Pennsylvania Power Co., 10,000 @ $250,000.
- Southwestern Bell Telephone Co., 10,000 @ $250,000.

**January 10 (Tuesday)**
- Government National Mortgage Corp., 10,000 @ $250,000.
- Life Insurance Co. of Texas, 25,000 @ $1,250,000.
- Montgomery Ward & Co., 5,000 @ $125,000.
- National New Home Corp., 50,000 @ $1,250,000.
- Western Union Co., 25,000 @ $1,250,000.

**February 22 (Thursday)**
- Pennsylvania Power Co., 10,000 @ $250,000.
- United States Leasing Corp., 10,000 @ $250,000.
- Western Union Co., 10,000 @ $250,000.
Continued from page 41

Fremont Valley Inn

August 31 (letter, notice of subscription) 200,000 shares of common stock. Price—at $1 per share. Proceeds—To erect and equip a modern 1st class hotel and restaurant. To purchase and install furniture, etc.; to erect a modern 1st class hotel and restaurant. Proceeds—For expansion and working capital. Underwriters—J. G. Leavenworth & Co., Inc., and The First Boston Corp. (jointly); Kuhn, Loeb & Co., Lehman Brothers, and Glore, Forgan & Co. (jointly). 

Grand Union Co.

Oct. 29 filed 197,534 shares of common stock (par $5) to be offered in exchange for outstanding common stock of the Grand Union Co., and is a part of the plan of reorganization carried on by the company. Proceeds—To pay off the mortgage debt of the company. Underwriter—None.

Grady & Leland Co., Inc.

Oct. 29 filed 35,000 shares of common stock (par $5) to be offered for subscription by the company. Proceeds—For general corporate purposes. Underwriter—None.

Gray Manufacturing Co., Hartford, Conn. (11/25) Oct. 9 filed 1,200,000 shares of common stock (par $5) to be offered for subscription by the company. Proceeds—For general corporate purposes. Underwriter—None.

Guaranty Life Insurance Co. of America

Nov. 14 filed 87,740 shares of common stock (par $5) to be offered for subscription by the company. Proceeds—To increase capital and surplus. Office—815 13th Street, N.W., Washington, D. C. Underwriters—Underwriter—None.

Hale & Halsey, Stuart & Co., Inc.

Aug. 16, 1957, filed 300,000 shares of common stock. Proceeds—To be used for the purpose of refinancing mortgages on property held of record Nov. 25, 1958 at the rate of one new share for each 12 shares held; rights to expire on Dec. 15. Proceeds—For working capital and to enlarge research and market. Underwriter—None.

Fuller & Co., New York. Offering—Being held in accordance with the Securities Act, 1933.

Investment Corp. of Florida


Lake Ontario Portland Cement Co., Ltd.

Oct. 29 filed 671,376 shares of common stock and warrants (par $1) to be offered to common shareholders at the rate of one share for each two shares held. Proceeds—To supply needs of the company. Underwriter—None.

Laughlin Steel Co., Inc.

Aug. 31 filed 950,000 of 6% subordinated callable debentures due June 30, 1968, and 150,000 shares of common stock of the company. Proceeds—For the purpose of refinancing mortgages on property held of record Dec. 15, 12 shares of common stock and 20 common shares. Proceeds—$100 per unit. Proceeds—For working capital and other corporate purposes. Underwriter—None. Underwriter—None.

Lexington Funds, Inc., New York

Nov. 7 filed 239,000 shares of common stock of which 18,000 shares will be sold for the company, and 1,000,000 shares for the company's business. Business—Manufactures and sells formula feeds for live¬ stock, poultry, pet animals, and human beings, and related equipment and supplies. Proceeds—For working capital and general corporate purposes, including the filing of registration statement with the SEC. Underwriter—Tabor & Co., Deslaurier, St., Fuss-Schmelze & Co., St. Louis, Mo., and Ellis, Holyoke & Co., Lincoln, Neb.

Indiana & Michigan Electric Co.


Industro Transistor Corp. (N. Y.) Feb. 28 filed 150,000 shares of common stock (par $10) to be offered for subscription by the company. Proceeds—For working capital and to enlarge research and market. Underwriter—None.

Investment Corp. of Florida

Oct. 5 filed 555 shares of common stock (par $25) to be offered for subscription by the company. Proceeds—To pay short-term bank debt. Proceeds—For investment. Underwriter—None.

John Hancock Life Insurance Co.

Nov. 17 (letter of notification) 938 shares of common stock (par $1). Price—at the market. Proceeds—to pay short-term bank debt. Proceeds—to supply needs of the company. Underwriter—None.


Oct. 6 filed 247,794 shares of common stock being offered for subscription by the company. Proceeds—to pay short-term bank debt. Proceeds—to supply needs of the company. Underwriter—None. (The registration includes an ad¬ justed account of preferred stock, consisting of 1,178,000 options rights previously offered (Oct. 19, 1957), which rights entitle the original purchaser of preferred stock and the beneficial owners of the preferred stock to purchase additional preferred stock at $17,000,000 of the company's outstanding shares of preferred stock, at a price of $11 per share per share at the expiration of 13 months from common stock. Proceeds—Offering and $1 per share. Proceeds—For investment. Underwriter—None.

Kansas Hanna Mining Co., Cleveland, Ohio Oct. 7 filed 116,744 shares of common stock being offered for subscription by the company's shareholders (other than the M. A. Hanna Co., the parent), and by the stock¬ holders of the Hanna Coal Corp. Proceeds—To be offered to shareholders of the parent at the rate of one share for each 16 shares of the parent's stock held. The remaining 131,424 shares are to be offered to the minority shareholders of the subsidiary company at the rate of one share for each 96 shares of common stock. Proceeds—To reduce bank indebtedness. Underwriter—None. 

Hanna Coal Co., Ohio

Nov. 10 (letter of notification) 240,000 shares of common stock (par $25). Price—$15.25 per share. Proceeds—To refund long¬ term debt. Proceeds—For additional working capital. Office—1105 N. Ezell Ave., Kansas City, Mo.

Government Employes Variable Annuity Life Insurance Co. (11/20) Nov. 8 filed 10,000 shares of common stock (par $1) to be offered by company on or about Jan. 20, 1959 viz: (1) to holders of common stock (par $4) of Government Employes Life Insurance Co., on a one-for-one basis; (2) to holders of one warrant for each share of stock held on Jan. 6, 1959 (1,334,570 shares are now outstanding) and (3) to holders of common stock (par $1) on a one-for-one basis of Government Employes Life Insurance Co., on a one-for-one basis of 193 warrants per share of stock held on Jan. 6, 1959 (216,429 shares are now outstanding). Proceeds—To refund long¬ term debt. Proceeds—For additional working capital. Office—107 8th Street, N.W., Washington, D. C. Underwriter—None.

Haverhill Gas Co., Haverhill, Mass. (12/3) Oct. 22 filed 1,000 shares of common stock (par $10) to be offered for subscription by stockholders on the basis of one share for each 10 shares held of record Nov. 17, 1958; rights to expire on Dec. 1. Proceeds—For working capital and to enlarge research and market. Underwriter—None.

Heartland Development Corp.

Oct. 29 filed 150,000 shares of common stock of which 10,000 shares of common stock held on or about Nov. 1, 1957, and for which the company will have 45 days in which to exercise the rights. Price—at par. Proceeds—To repay debts, acquisition of investments, and for general pur¬ poses. Office—Hastings, Minn. Underwriter—None.


Heligien Products, Inc.

Oct. 7 filed 28,000 shares of common stock (par $1). Price—$5 per share. Proceeds—For working capital and general corporate purposes. Underwriter—None.

Homesgers' & Co., Inc., Fairbury, Ill.

Nov. 7 filed 19,000 shares of common stock, of which 18,000 shares will be sold for the company, and 1,000,000 shares will be sold for the company's business. Business—Manufactures and sells formula feeds for live¬ stock, poultry, pet animals, and human beings, and related equipment and supplies. Proceeds—For working capital and general corporate purposes, including the filing of registration statement with the SEC. Underwriter—Tabor & Co., Deslaurier, St., Fuss-Schmelze & Co., St. Louis, Mo., and Ellis, Holyoke & Co., Lincoln, Neb.


Home-State Production Co., Tulsa, Okla.


Hodgson & Dodge Drilling Corp.

July 16 filed 27,000 shares of capital stock. Price—$10 per share. Proceeds—For working capital and other corporate purposes. Underwriter—None.

Hoffmanson Co., Sachse, Tex.

Nov. 3 filed 150,000 shares of common stock (par $1). Price—$5 per share. Proceeds—to supply needs of the company. Office—Hoffmanson Co., Sachse, Tex. Underwriter—None.
Dillon, writer—To be
July 1 filed 200,000 shares of common stock (par $1) Price—At par (50 cents per share). Proceeds—To settle account with shareholders.

The stock will be offered to bona fide residents of Montana.

Price—To be related to the current market price at the time of Exchange. Proceeds—To be used for the purchase of property, labor, and equipment, and for general corporate purposes.

Newmont Mining Corp.

Nov. 17 filed 125,000 shares of common stock (par $1). Price, To be determined by competitive bidding. Proceeds—To be used for the purchase of property, labor, and equipment, and for general corporate purposes.

Motion Picture Investors Inc.

July 11 filed 200,000 shares of common stock (par $1). Price—At par (50 cents per share). Proceeds—To settle account with shareholders.

The stock will be offered to bona fide residents of Montana.

Lowe (M. & S.) Sons, Inc.

July 1 filed 50,000 shares of common stock (par $1) To be offered on a basis of 1 share in exchange for each 100 shares of common stock of Wannata Mills on the basis of 1 share per $100. Office—1430 Broadway, New York, N.Y.

Underwriter—Quincy Cass Associates, New York, N.Y.

National Old Line Life Insurance Co. (12/18)

Nov. 4 filed 60,000 shares of common stock (par $10). Price—To be determined by amendment. Proceeds—To sell stockholders.

Offering—Templeton, N.H. Proceeds—To be used for the purchase of property, labor, and equipment, and for general corporate purposes.

Naylor Engineering & Research Corp.

Sept. 29 (letter of notification) 300,000 shares of cumulatively preferred stock (par $100). Proceeds—To be used to acquire and for general corporate purposes.


New York Gas & Electric Co.

Oct. 11 filed $10,000,000 of first mortgage bonds due Dec. 1, 1933. Proceeds—To repay short-term bank loans and for general corporate purposes.


Northeast Telecommunications, Inc. (11/21)

Oct. 20 (letter of notification) 300,000 shares of common stock (par $10). Price—$1 per share. Proceeds—To complete a two-way telecommunication system.


Northern Natural Gas Co., Omaha, Neb. (11/25)

Nov. 5 filed 300,000 shares of sinking fund debentures due Dec. 1, 1965. Proceeds—To be used to acquire and for general corporate purposes.


Northwest Airlines, Inc. (12/8)

Nov. 13 filed 449,040 shares of cumulative preferred stock at par. Proceeds—To be used for the purchase of property, labor, and equipment, and for general corporate purposes.


Northwest Gas & Oil Exploration Co.

Aug. 22 (letter of notification) 300,000 shares of common stock (par $1). Price—$1 per share. Proceeds—To be used to acquire and for general corporate purposes.


Oil, Gas & Minerals, Inc.

Nov. 17 filed 150,000 shares of common stock (par $1). Price—$1 per share. Offering—National Bank of Commerce of New Orleans, La. Proceeds—To buy and carry oil and gas properties.

Pacific Gas & Electric Co. (12/2)

Nov. 1 filed 200,000 shares of 5% voting cumulative mortgage bonds, series DD, due June 1, 1990. Proceeds—For the purchase of property, labor, and equipment, and for general corporate purposes.


Palo Alto, Calif. Underwriter—None.

Pennsylvania Power Co.

Aug. 1 filed $8,000,000 of first mortgage bonds due 1938. Proceeds—To redeem a like amount of first mortgage bonds due 1928. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; White & Co.; and Davis & Shields & Co. (joint); Merrill Lynch, Pierce, Fenner & Smith and Dean Witter & Co. (joint); Reade & Co. (joint); and Morgan Stanley & Co. (joint).


Pioneer Trading Corp., Bayonne, N. J.

Nov. 10 filed 10,000 shares of $8 cumulative preferred stock, par $100. Proceeds—To be used to acquire real property, intangible assets, and equipment, and for general corporate purposes.


Polaroid Corp. (11/26)

Nov. 12 filed 250,000 shares of common stock (par $1). Proceeds—To be used to acquire real property, intangible assets, and equipment, and for general corporate purposes.


Ponce de Leon Trolling Association, Inc.

Apr. 18 filed 20,000 shares of $1 par common stock (par $1). Price—$1.50 per share. Proceeds—To pay current liabilities and for general corporate purposes.


Underwriter—None.
• **Potomac Electric Power Co.** (12/2)

• **Richwell Petroleum Corp.;** Deerfield Beach, Florida. Jan. 26 filed 6,100,000 of 6% convertible debentures due Sept. 15, 1962, to be offered for subscription by stockholders of the company. Proceeds—For capitalization purposes. Proceeds—For general corporate purposes, including the financing of the cost of any acquisitions the company may make. Proceeds—For general corporate purposes, including the financing of the cost of any acquisitions the company may make. Proceeds—For general corporate purposes, including the financing of the cost of any acquisitions the company may make.

• **Sheridan-Belmont Hotel Co.** Aug. 10 filed $200,000 of 6% convertible debentures due Sept. 15, 1962, to be offered for subscription by stockholders of the company. Proceeds—For capital expansion purposes. Proceeds—For general corporate purposes, including the financing of the cost of any acquisitions the company may make.

• **Super Public Service Electric & Gas Co.** (12/3)
  Nov. 13 filed 700,000 shares of common stock (no par). Proceeds—For general corporate purposes. Proceeds—For general corporate purposes.

• **Rasco Financial Corp.** June 29 filed $1,000,000 of 5-year 6% series A sinking fund convertible debentures due Nov. 15, 1959, to be offered for subscription by stockholders of the company. Underwriter—None. Proceeds—To be used for general corporate purposes.

• **Southern California Telephone & Telegraph Co.** (12/2)
  Nov. 10 filed 50,000 shares of preferred stock (par $1) to be offered for subscription by stockholders of the company. Proceeds—For working capital purposes. Underwriter—None. Proceeds—To be used for general corporate purposes.

• **Sports Arenas (Delaware) Inc.** Nov. 18 filed $1,000,000 of 5% convertible debentures due Nov. 18, 1960, to be offered for subscription by stockholders of the company. Proceeds—To be used for general corporate purposes. Proceeds—To be used for general corporate purposes.

• **Stavney Oil Corp.** Oct. 20 (letter of notification) 30,000 shares of common stock (par $1). Proceeds—To be used for general corporate purposes. Underwriter—None. Proceeds—To be used for general corporate purposes.

• **State Life, Health & Accident Insurance Co.** July 9 (letter of notification) 20,000 shares of common stock (par $1). Proceeds—To be used for general corporate purposes. Underwriter—None. Proceeds—To be used for general corporate purposes.

• **Unocal Corp.;** Inglewood, California. Oct. 28 filed $7,500,000 of 5% convertible debentures due Dec. 1, 1960, to be offered for subscription by stockholders of the company. Proceeds—For capitalization purposes. Proceeds—For general corporate purposes, including the financing of the cost of any acquisitions the company may make.

• **United Minerals Corp. of America, Dallas, Texas.** March 31 filed $200,000 of first lien mortgage 6% bonds (par $100). Proceeds—To be used for general corporate purposes. Underwriter—None. Proceeds—To be used for general corporate purposes.

• **United Service Life of Colorado, Denver, Colorado.** Sept. 20 (letter of notification) 2,567 shares of common stock (par $1). Price—$18.75 per share. Proceeds—To be used for general corporate purposes. Underwriter—None. Proceeds—To be used for general corporate purposes.

• **Super Food Services, Inc.** Oct. 31 filed 7,000,000 of 6% convertible debentures due Dec. 1, 1962, to be offered for subscription by stockholders of the company. Proceeds—To be used for general corporate purposes. Proceeds—To be used for general corporate purposes.

• **Sutro Life Insurance Co.** Aug. 22 filed 120,000 shares of class A common stock. Price—$3 per share. Proceeds—To be used for general corporate purposes. Underwriter—None. Proceeds—To be used for general corporate purposes.

• **United States Freight Co.** (12/2)
  Nov. 3 filed 30,000,000 of common stock (par $1). Price—$1 per share. Proceeds—To be used for general corporate purposes. Proceeds—To be used for general corporate purposes.

• **United Telephone Co. of New York, Inc.** May 26 (letter of notification) 1,250 shares of common stock (par $100) to be offered for subscription by stockholders of the company. Proceeds—To be used for general corporate purposes. Proceeds—To be used for general corporate purposes.

• **United Wire Corp.** Sept. 26 filed 2,000,000 shares of common stock (par $1) to be offered for subscription by stockholders of the company. Proceeds—To be used for general corporate purposes. Proceeds—To be used for general corporate purposes.

• **Vogt & London Co.** April 15 filed $200,000 of common stock, of which 100,000 shares are to be publicly offered. Price—$5 per share. Proceeds—To be used for general corporate purposes. Underwriter—None. Proceeds—To be used for general corporate purposes.

• **Webster Securities Co., Hollywood, Fla.** Sept. 26 filed 1,150,000,000 of common stock (par $1). Proceeds—To be used for general corporate purposes. Proceeds—To be used for general corporate purposes.
Prospective Offerings

Acme Steel Co.

Katherine announced that the company plans additional financing this year, in the form of common stock preferred stock, or a combination of the two, including underwriting services.

Chicago & North Western Ry.

Bills will be received up to noon (CST) on Nov. 25 by the syndicate and the American National Bank of Chicago for the non-participating equipment trust certificates to mature in equal installments over the next 30 years.

Equitable Gas Co.

Just announced that the company expects later in the year to issue and sell additional securities, probably preferred stock, to increase the number of common stock.

Lumber Exchange, Inc.

Bills for 7,500,000 unsecured notes and $25,000,000 in additional funds. Proceeds—To increase capital and surplus. Underwriters—Equitable Securities Corp., Dallas, Texas, and Merrill Lynch, Pierce, Fenner & Smith.

First National Bank

Bills are payable in 30 days from the date of issue.

Equitable Gas Co.

On Oct. 27 it was announced that stockholders will vote on Dec. 2 to approve a plan to offer 250,000 shares of common stock (par $5) to the stockholders of record Dec. 3, 1958, on a one-for-eight basis, rights to subscribe to the additional shares at $53 per share.

Federal Reserve Bank of St. Louis

The company has decided to issue a new series of preferred stock, with a par value of $50 per share.

H. H. Heublein

Announced that the company plans to register 50,000 shares of common stock, with a par value of $50 per share, for sale on the New York Stock Exchange.

Kansas Gas & Electric Co.

March 31, 1959, announced that company plans to sell some bonds originally scheduled for May 1, 1959, and that a proposed sale was subsequently deferred until early June 1959. Underwriters—Salomon Brothers, Inc.; Kidder, Peabody & Co.; and Merrill Lynch, Pierce, Fenner & Smith.

Kansas Power & Light Co.

Feb. 15, 1959, announced that company plans to sell some bonds originally scheduled for May 1, 1959, and that a proposed sale was subsequently deferred until early June 1959. Underwriters—Salomon Brothers, Inc.; Kidder, Peabody & Co.; and Merrill Lynch, Pierce, Fenner & Smith.

Midwest Gas Co.

March 24, 1959, announced that this subsidiary of Tennessee Gas Transmission Co. has applied to the Federal Power Commission for authority to issue $15,000,000 of mortgage bonds, unsecured notes and common stock.

Norfolk & Western Ry.

Bills are expected to be received by the company on Dec. 30, 1958, for $7,000,000 in additional capital. The company plans to issue 1,000,000 of preferred stock, with a par value of $50 per share.

Northern Illinois Gas Co.

June 19 announced that company plans to sell 500,000 shares of common stock, with a par value of $50 per share, for the benefit of its employees.

Prospectus for the sale of 500,000 shares of common stock, with a par value of $50 per share, was filed on June 19, 1959, for the benefit of its employees.

U.S. Polymeric Chemicals, Inc.

October 22, 1959, filed with the Securities and Exchange Commission a registration statement for the sale of 100,000 shares of common stock, with a par value of $50 per share, for the benefit of its employees.

Utah Oil Co.

Nov. 10, 1959, filed with the Securities and Exchange Commission a registration statement for the sale of 100,000 shares of common stock, with a par value of $50 per share, for the benefit of its employees.

Utah Power & Light Co.

Oct. 22, 1959, filed with the Securities and Exchange Commission a registration statement for the sale of 100,000 shares of common stock, with a par value of $50 per share, for the benefit of its employees.

Volume 118 Number 5798 . The Commercial and Financial Chronicle (2129) 45
Federal Reserve Bank of St. Louis

Digitized for FRASER

[Image 0x0 to 705x937]

Underwriter—None.

large short-term financing. Proceeds—To refund outstanding 35-year debentures.

probable that common stock will be offered to the public, the proceeds of which may run between $30,000,000 and $60,000,000. Approval of the transaction rests with the New York State Supreme Court (expected within two months). Proceeds—To be used by the Potomac for prospective competitive bidding. Probable bidders: White, Weld & Co., of New York; and M. S. Lynch, Pierce, Fenner & Smith.

Universal Oil Products Co.

Aug. 13 was reported that an issue of common stock will be offered to the public, the proceeds of which may run between $30,000,000 and $60,000,000. Approval of the transaction rests with the New York State Supreme Court (expected within two months). Proceeds—To be used by the Potomac for prospective competitive bidding. Probable bidders: White, Weld & Co., of New York; and M. S. Lynch, Pierce, Fenner & Smith.

Universal Oil Products Co.

Valley National Bank, Phoenix, Ariz.

Oct. 31 common stockholders were given the right to subscribe for additional common stock (par $5) at the rate of one new share for each 15 cents paid in for each share held. The offer expires on Nov. 21. Price—$35 per share. Underwriters—William R. Stais & Co. and Blyth & Co., both of Los Angeles.

Venezuela (Government)

Mr. Stuart C. Purvis, member of the Board of Governors of the Federal Reserve System, has been reported as having been invited by the Government of Venezuela to act as a consultant to the Ministry of Finance. The Government is interested in the possibility of establishing a national bank and in the development of a national banking and insurance system. Mr. Purvis is scheduled to arrive in Venezuela on October 25. The Government is also interested in the establishment of a national insurance company and in the development of a national stock exchange. Mr. Purvis is scheduled to arrive in Venezuela on October 25. The Government is also interested in the establishment of a national insurance company and in the development of a national stock exchange.

Purvis Adds to Staff

DERENY, Colo.—Arnold Deitsch has been added to the staff of Purvis & Company, 1717 Stout Street.

With Harry W. Peters (Special to The Financial Chronicle)

CHICAGO, Ill.—Edward A. Setzer is now affiliated with H. M. Bylbyles Co., 135 South La Salle Street, member of the Midwest Stock Exchange.

With H. M. Bylbyles Co. (Special to The Financial Chronicle)

NEW YORK, Nov. 2—The Commercial and Financial Chronicle, the New York-based financial news service, has announced the appointment of three new editors to its staff. The appointments are part of an expansion in the service's coverage of the financial markets.

Three With Walton

Albert Malangone, Gabriel Telem, and Paul K. Henderson have become associated with Walton & Co., Inc., as registered representatives, in their office at 21 West 44th Street, New York City.

Now Palo Alto Research

PALO ALTO, Calif.—The firm name of Palo Alto Financial Services, Menlo Park, has been changed to Palo Alto Research and the firm is now located at 2378 Tilton & Country Village, Palo Alto.

Leaves V. S. Ads

BOSTON, Mass.—John J. Larder has been added to the staff of Draper, Sears & Co., 127 Newbury Street, members of the New York and Boston stock exchanges.

Joints Lakewood Secs. (Special to The Financial Chronicle)

PORTLAND, Ore.—Alber M. McIver, representative of the firm of Lakeview Securities, has been added to the staff of F. E. Siemsen & Associates, 984 Pittock Block.

Two With F. E. Siemsen (Special to The Financial Chronicle)

NEW YORK, Nov. 3—The Commercial and Financial Chronicle, the New York-based financial news service, has announced the appointment of two new editors to its staff. The appointments are part of an expansion in the service's coverage of the financial markets.

Our Reporter's Report

The underwriting fraternity is still alive for a definite break in the fog-bank which has surrounded the issue of 35-year investment bonds in the market for some months. True, the banking community has been faced with some new issues after a fashion, but it has been slow to acknowledge the situation.

Perhaps the latest action of the Treasury in deciding to attempt to reissue the June maturity bond change offer for its $12 billion of maturities next month, may after some time serve to make it also to raise even a good part of its new cash via new short-term bills.

Accordingly, there should be a minimum of curiosities at the existing market levels as a result. At the least the attitude is beginning to any new base that might have developed out of a new U. S. long-term bond issue is definitely in the future.

Advantageously, a possibility is continuously to begin a bit nervously but with any emphasis being made on the side of improved yields. Institutional investors still are not rushing into the market for new corporate debt offerings.

The prospective calendar is building up but chances are that some of the prospective offerings now going into registration probably will not over the turn of the year unless the Treasury raises its yields levels or extends its improvement.

It is only a matter of weeks until large-scale buyers of investment securities will be more interested in adjusting their accounts for the year-end than in taking on new commitments.

Pacific Tel. & Tel.

It had been recognized that bonds would be well reality this week when Pacific Tel. & Telephone of California Co., reported $500 million of 32-year debentures came up for sale.

With issue up was put two major syndicates breasted the New York green who pay the company a price of 101.76 for a 4% interest rate. The range for the debentures were a bit slow in moving to investors at the outset.

Next week's roster

Northwestern Bell Telephone Co.

July 10 it was announced Missouri Public Service Commission with underwriting of the company's new $100,000,000 4% debenture. Underwriter—May be Hornblower & Weeks, New York.

Southeastern Fidelity Fire Insurance Co.

Oct. 12 it was announced that the company is planning some long-term financing. Proceeds—To take an interm loan obtained in the recent offering of $250,000,000 of bonds to retire approximately $1,200,000 of first mortgage 4% bonds due 1961. Underwriter—May be Hornblower & Weeks, New York.

Underwriters—None.

August 9 it was announced that the company is planning some long-term financing. Proceeds—To take an interm loan obtained in the recent offering of $250,000,000 of bonds to retire approximately $1,200,000 of first mortgage 4% bonds due 1961. Underwriter—May be Hornblower & Weeks, New York.
DIVIDENDS

PUNTA ALEGRE SUGAR CORPORATION

The Board of Directors has declared a dividend of $0.50 per share on the capital stock of the Corporation, payable December 12, 1958, to stockholders of record December 1, 1958. WALTER C. DOUGLAS, Chairman

November 13, 1958.

DIVIDEND QUARTERS

The Board of Directors has declared the following dividends for the quarter ending December 31, 1958:

Class of Dividend

Dividend Preferred $1.02 4.90% Cumulative Preferred $1.50 6.60% Common $1.04 4.90% Preferred $1.04 4.90% Common $1.04 4.90%

All dividends are payable on or before December 22, 1958 to stockholders of record November 26, 1958.

F. MILTON ELLIOTT Secretary

November 19, 1958.

The United Corporation

The Board of Directors has declared dividends totaling 25 cents per share, payable December 15, 1958 to stockholders of record November 28, 1958.

Of the 25 cents per share, 10 cents per share is designated as a dividend paid from net investment income and 15 cents per share as a dividend paid from net realized gains on investments.

In 1957, 25 cents per share was paid from net investment income and 10 cents per share from net realized gains on investments.

November 15, 1958.

With Donald C. Sloan

SALEM, Oreg.—Paul W. Shepard

is now with Donald C. Sloan & Co., 633 Brenner Street.

DIVIDENDS

The Board of Directors has authorized the payment of the following quarterly dividends:

ORIGINAL PREFERRED STOCK

Dividend No. 199 $0.375 per share

ACCUMULATIVE PREFERRED STOCK

Dividend No. 42 $0.375 per share

The above dividends are payable January 31, 1959 to stockholders of record December 5, 1958. Checks will be mailed to the stockholders of record December 5, 1958.

P. C. HALE, Treasurer

November 17, 1958.

SOUTHERN CALIFORNIA EDISON COMPANY

DIVIDEND Notice

The Board of Directors has declared a dividend of thirty-seven and one-half cents ($37.50) per share, payable January 2, 1959, to stockholders of record December 10, 1958.

B. M. BYRN Chairman

November 19, 1958.

UNITED GAS CORPORATION

DIVIDEND Notice

The Board of Directors has declared a dividend of $0.60 per share, payable December 10, 1958, to stockholders of record November 26, 1958.

F. Milton Elliott, Secretary
WASHINGTO... And You

BUSINESS BUZZ

SNEAKY

* Filtered Cigarettes Inc.

"I've got it! Add another filter to filter the filter!"

WASHINGTON, D.C.—The oil and natural gas industry has been greatly disappointed in the treatment it has received from the Eisenhower Administration. These industries actually had higher legal standing before President Eisenhower took over than before the Truman Administration.

The number of anti-trust cases against the oil industry probably has never been as large as it is today at the same time. This is happening all over the country against oil companies.

The highly competitive natural gas industry has been greatly disappointed over actions of the Administration. Their first big blow came when President Eisenhower vetoed the natural gas bill, which would have freed the producers of natural gas from unwarrantable regulations by the Federal Power Commission.

It seems that, since the veto, the attitude of the Administration has been: If the Administration wants a gas bill passed, and the President disapproves of the bill, the bill should be let pass, let the Administration worry about it. Certainly the industry made no concerted effort to get such a bill passed at the last session.

When the natural gas bill was being considered by Congress, and headed toward the White House, House leaders, senators, and mayors and city officials were lining up in Washington to persuade Eisenhower to sign the bill. At that time, however, if President Eisenhower killed the bill by his veto, the country would get their rates increased. They failed to say if the President vetoed the bill, gas rates would go up.

Rate Increases Pending

Today the industry has many applications for rate increases of various kinds to meet increased costs, including 54 by pipeline companies involving $230,873,900.

However, the real anti-trust battle is just getting started. The Commission is really shown in the oil industry with 1,550 pending applications made by independent producer applications for increased rates. The independent oil companies and their interstate pipelines. The whole rate question snowballed after the Supreme Court handed down the new famous Phillips Case in which the tribunal held that the PPC had jurisdiction to pass on the question of rates of independent producers to the pipelines. Prior to the decision, the FPC had substantially powerless.

The Commission is now told that all applications for a rate increase that would take away that function from the Commission. Meanwhile, labor leaders and their representatives are ready to pounce on any natural gas bill that might be considered. In the last session the AFL-CIO News, official publication of the union, intermittently reminded readers of its facilities to write and contact their representatives and senators and ask them to vote against such bills.

One editorial, captioned "Watch Your Wallet," declared that if the bill passes, "your wallet will get thinner—much thinner each time you pay your gas bill." The editorial said "those Texas oil companies and their allies would be the beneficiaries of such a bill.

With the slowdown in exploration and drilling in Texas and Louisiana, it is doubtful whether new reserves discovered this year will more than offset the drain made from the existing fields.

Suit against Oil Companies

One of the puzzlers to the oil industry at this time is why the Department of Justice is doing so much of its attention to anti-trust suits against oil companies. A little more than a year ago President Eisenhower signed the anti-trust division of the department's anti-trust division, in an address at Cleveland, as quoted as saying that at that time 25% of the anti-trust division's lawyers were concerned with investigations or to the whole conflict of interest between the anti-trust and antitrust divisions.

Donald C. O'Hara, Associate Counsel of the National Petroleum Association, a trade association, insists that it is impossible to maintain a pattern to the suits. For instance, he says, one suit charges oil importers with restricting imports to the detriment of domestic consumers, while the same time the Government has declared policies to lower prices by reducing their imports under a voluntary plan.

Another suit alleged the suppliers conspired to end a price war, while several others charge oil price gouging by discounts by dealers. A number of cases charge that discounts have been given favored dealers at the expense of others in the same marketing districts, while one case charges a company's refusal to sell at a reduction to all dealers in the same city.

Right or wrong, the industry feels in present cases were brought hastily as a result of the pressure on the Congress and governmental committees. Certainly, it appears that some of the suits could be dropped.

It also appears to be true that the industry that this might be the case will be caught in the political cross-fire. A Democratic controlled Congress and a Republican controlled executive branch of the government.

A Display of Courage

The Gulf Oil Company, with headquarters at Pittsburgh, has had the courage, through President W. K. Whitelow, to speak out at the recent hearings in the Department of Justice.

A grand jury in the Federal District Court at Alexandria, Va., 15 non-rush hours away from downtown Washington, last May handed down an indictment against 29 oil companies, headquartered east of the Mississippi River. The indictment was issued just before the chief of the anti-trust division was called to testify before a Senate Judiciary Sub-committee, to Sen. O'Mahoney, Democrat of Wyoming.

The 29 companies (no individuals were indicted) were charged with illegally fixing, among other things, the slant prices of crude oil and gasoline. A number of people in the industry have expressed the opinion that the case will center around the financial aspects of the oil industry followed "price-leaders" in each marketing area, both in the setting of crude oil prices and refined product prices.

The oil companies won the first round in the case that may or may not win in Texas. The companies and the court granted the right to buy the case decided by the U.S. District Court in Alexandria to the Gulf Oil Company.

The initial victory for the oil companies in getting the case moved away from the Washington area certainly did not hurt the companies. Most people in the Washington area depend on the Federal Government for their livelihood. Many thousand dollars are also on Federal Government pensions.

Fight Against Deplaw

The trouble is the conservative Democrats in Congress have been "weakened" by the Nov. 4 general elections. It is likely that some new Democrats from the North, East and West, of course, not all of the Democrats from the South are conservatives, but a great majority of them are conservative on most things in Congress, and most of the Southern members would likely vote to retain the depletion allowance, which is necessary in the constant and highly speculative search for new oil and gas reserves.

This column is intended to reflect the "feelings" of the industry, not the impression that Congress' Capital Hill may or may not coincide with "the Chronicle's" own views.

Coast Exchange Ticket Service Expanding

Pacific Coast Stock Exchange's ticket network continues to expand in the fast-rising oil industry. Each month since last April when the Exchange began operating its own ticket service the growth has been outstanding.

Today this fast growing net will continue its rapid spread by crossing the Oregon line for the first time with the installation of its tickets in Portland, Medford, Eugene and Salem. These tickets will automatically key these Oregon cities to the minute by minute changes in the oil price fixed on the Pacific Coast Stock Exchange.

This invasion of the Northwest will be followed closely by another expansive move of major importance when Pacific's network will cross the Rocky Mountains and install its first tickets in the City of Denver giving to the mile high city direct link with the securities market that is serving the dynamic and growing West.

Other recent cities where Pacific's tickets have been ordered and installed include Bakerfield, Beverly Hills, Long Beach, Los Angeles, Pasadena, Springvalley, San Juan Capistrano, Tujunga, San Francisco (Chinatown) and Costa Mesa.

Since Pacific began operating its own ticket service last April there have been 26 new cities it has made a total of 87 tickets now in operation in or ordered in the offices of its member firms. It is the largest regional securities exchange ticket service network in existence.

Pacific's ticket service is attributed to a greatly expanding and the vastly broader oil and gas market as created by the consolidation of the Los Angeles and San Francisco Stock Exchanges into Pacific Coast Stock Exchange in January of 1950. Since that time of this monthly fluid and broader market has been demonstrated by Pacific's record breaking almost all time high in both dollar volume and share volume during the first 10 months.

IN A SERIES ON THE USE OF OPTIONS

CALL OPTIONS FOR PROFIT

This is one of the most familiar and best Call contracts. Expecting a rise in a security and buying an option to buy at an amount of capital as would be needed to buy the stock, a man buys a Call option on the stock; say $500 worth of stock, at 40, with one year to run. If the stock rises to 50 in 3 months, the man can then buy the stock, according to the terms of his Option contract and sells it in the market through his broker. If on the other hand, the security does not materialize during the life of the option, the cost of the option is limited to the cost of the premium paid for it. Ask your broker about these advantages.

File Schmidts Co.

We have prepared a Report

Studebaker-Packard

Botany Mills

Copies on request

LERNER & CO.

Investment Securities

19 Post Office Square, Boston, Mass.

Telephone

Telegraph

FOR FOREIGN SECURITIES

CARL MARKS & CO., INC.

FOREIGN SECURITIES SPECIALISTS

BOSTON OFFICE - 19 POST OFFICE SQ., NEW YORK 8, N. Y.

TEL.: HANOVER 2-0000

TELEGRAPH ADDRESS: BUZZ 3118
Security Traders Association of New York
At The Antlers