Outlook for Bond Market

By ROBERT VAN CLEAVE*
Vice-President, Research
C. F. Childs and Company, New York City

Mr. Van Cleave concludes next year’s interest rates and bond yields will follow a generally upward trend probably wide swings around that trend. In so doing, he assumes for 1959 non-inflationary, non-booming prosperity engendering a greater need for cash than supply; notes Treasury’s immense refunding and need for new funds; contemplates less new reserves, a higher cost, will be supplied by the Fed and that the banks will have to finance themselves by selling some of their securities; and finds significant the psychological and speculative character of a market “the sober, staid and worthy U. S. Government securities market.” The author advises that these wider, severe reactions, must be taken into account in forecasts on bond and money market outlook.

I shall follow the usual procedure and consider, first, the business outlook with its implied need for money and capital funds; second, the Treasury, its policies and problems; and third, the Federal Reserve System and what action it may be expected to take. In addition, there is a fourth point, which during the past 13 months has had an extraordinary importance. This concerns the technical situation and the psychological attitudes of those concerned in bond and money markets.

I assume that we are presently in a rising phase of the business cycle which will continue through 1959. I think, and I strongly hope, that it will be no more than a tide of rising prosperity; that it will not be a “boom,” and that it will not involve “inflation.” I put “inflation” in quotation marks because to many it has a special meaning. So, I look for conditions which

*An address by Mr. Van Cleave before the Dean’s Day Homecoming for Commerce Alumni, New York University, New York City, Dec. 8, 1958.

The SEC and Small Business Investment Companies

By EDWARD N. GADSBY*
Chairman, Securities and Exchange Commission

In the new field of small business financing, opened up by the Small Business Investment Act of 1958, the SEC intends to be elastic in applying exemptive powers granted in new Section 3(c) of the 1933 Securities Act, Section 6(c) of the Investment Company Act, and the new provisions of the Trust Indenture Act. Mr. Gadsby explains the factors that must be considered regarding such exemptions as: private offerings, private placements, $300,000 limitation, requirements of asset coverage on debt and issues under the Trust Indenture Act.

I have been asked to discuss how the disclosure and regulatory statutes administered by the Securities and Exchange Commission will affect small business investment companies operating under Public Law 800, commonly referred to as The Small Business Investment Act of 1958. This will involve a bit of crystal ball gazing on my part since the extent to which the various Securities Acts are pertinent to this new situation will depend somewhat upon factually similar to the one in the sense that they cannot as yet be clearly defined or analyzed, and it may be that the practical application of the statutes will show difficulties not wholly unforeseen. However, in many respects, our course is perfectly clear, and it is equally clear that the corporate managing, the lawyer and the investor must give careful consideration to the implications of these Acts when planning to proceed under the 1958 legislation.

The first step in setting up the machinery under this

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.)

Ben Gaynes, Jr.


American Research & Development Co.

An analyst in setting up the criteria for an ideal investment would look to the stature of the company within its industry from the standpoint of quality of product, service, management, competitive position, and excellence of the organization. Preferably the company would be in an industry with an attractive growth factor. Such a high dividend payout would be desirable. His idea was rounded out if such a stock would be selling at a price which would yield a dervalued price which would clearly indicate that the above qualities are not reflected in the price realized by the investment public.

I believe that the common stock of the American Research & Development Corp. clearly fulfills all the requirements and should be nominated as “The Security I Like Best.”

American Research and Development is a prominent company in the research and development "industry." A.R.D. produces several highly-held venture capital enterprise in the United States which are of a regulated, closed-end investment company. The principal arm of A.R.D. is a venture capital enterprise which is expected to have a substantial capital worth while in a variety of technical fields. Most of A.R.D.'s funds are invested in companies engaged in the fields of electronics, computers, minerals, chemistry, mechanics, instrumentation and specialized equipment. As a venture capital enterprise, A.R.D. does not invest in the ordinary sense. Rather it creates by taking calculated risks in selected companies in whose growth possibilities it believes. A.R.D. also possesses a number of companies which are not subsidiaries of A.R.D., but are engaged in similar lines of business.

I believe that the measure of A.R.D.'s success is the amount its total capital growth is revealed in the net asset value per share. A.R.D.'s total net assets on November 21, 1958 can be estimated at $13,500,000, or about $1,900,000 in cash and $12,500,000 represents the fair value of the company's outstanding investments. This represents a net asset value per share of $45.76 on the $85,000 worth of common stock outstanding. This compares with a $35.50 value on June 9, 1958 when the company was $23.30 on December 31, 1958 after a distribution equal to $1.60 per share. This is real performance.

I emphasize the $1.50 dividend of the 1957 dividend because this...

Continued on next page

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Continued on page 28
Federal Reserve Bank of St. Louis
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Observations ...

By A. WILFRID MAY

WALL STREET ON THE COUCH

This column now fortunately finds itself suddenly blasted "off the book" on which it may have been hanging bough past possible overestimations of the Freudian influence over Wall Street, where we have been observing some of the psychological elements controlling the market place.

Now, aren't we overemphasizing the cause of a many-place, emotionality? Where is this stressing of the emotional responses that the trader is seeing in the Washington Board of Trade? There is no assurance that inventory-cutting during the recent recession was the biggest factor in bringing about a down-market. Stocks of about 12,000,000 tons during the 1954 recession compared with about 8,000,000 tons during the 1951 recession.

For a moment, the nation's economy was much smaller than it is today. Most steel consumers, if observed, have now begun to rebuild their stocks.

Turning to finished steel products, shipments during October totaled 9,921,670 tons. This is nearly 16% above the September total and the highest since October a year ago. American Iron and Steel Institute announced on Thursday of last week. The September shipments came to 3,886,292 tons and the October 1957 total was 6,530,660 tons.

On the outlook for the rest of this year, the "Institute" reports shipments totaled 49,226,073 tons against 49,155,351 tons during the same months of 1957.

Automotive output is forecast to top the monthly average, kilowatt output in the week ended Dec. 6, set an all-time high record at 13,017,000,000 kw.

Steel output is expected to reach a new high of 12,801,000,000 kw. in the period ended Aug. 16, 1958.

The steel industry as a whole is expected to report for the first three weeks of November, plans for heavy construction projects had a total of 14,521,000. The total for the calendar year, according to Steel magazine this week says to look for the soft coal operators to absorb most of the 52-34 increase in wage rates to be granted the coal miners. The steel companies will contract with an escalator arrangement which will permit the coal miners to increase their weekly compensation by 10% for each 1.5 change in the price index of 133.5. It is expected that the index and the market is involved with your need to feel adequate? To feel you have made, and to what extent a money a symbol for your ego?

"To what extent you are influenced to "come from dividends is 'good,' but what is the actual output? There are changes in the price 'bad.'"

Some flaws, as spots of super- observers, say Mr. Magee's opus may contain: put this volume's exploration of the Chicago Board of Trade and definitely constitutes a solely Chicago Seifl market output of Wall Street literature.

Edward Flynn With H. M. Byllseye & Co.

CHICAGO, III.—H. M. Byllseye and Co., merchant bank in South La Salle Street, members of the American Bankers Association, announce the association of Edward Flynn with their firm and his election to the position of assistant treasurer.

Mr. Flynn, who has been in the investment business since 1923 was formerly associated with The Flynn Corporation and the Chicago Stock Exchange. He is a member of the Chicago mercantile exchanges and the Chicago Board of Trade.

If there should be a strike, the poor position inventory of steel users may influence prices of the "Iron Age," added. It quoted industry sources to the effect that a steel strike could come any time within the next 30 days and noted that the inventory-cutting spree during the recent recession was the biggest in history.

Industry sources estimate the cutbacks at something like 11,000,000 tons combined with a reduction of about 8,000,000 tons during the 1954 recession.

As a result, said "The Iron Age," steel stocks at the start of the fourth quarter are about the lowest level since 1950, when the national economy was considerably smaller than it is today.

Continuing, it observed that most steel users have now begun to rebuild their stocks and probably will add about a million tons more during the fourth quarter, raising the total to about 13,000,000 tons at year-end, according to one estimate.

The price of steel rose substantially after the turn of the year, "The Iron Age" predicted. Steel order books already have begun to reflect this as well as the steady improve-

Continued on page 32.
Well Heeled Shoe Company

By DR. IRA U. COBLEIGH

Endicott-Johnson

An old and renowned shoe company, Endicott-Johnson, takes on a new look in merchandising and in the trend of its earnings.

While Whittier immortalized the "Barefoot Boy" in poetry, in real life the unfortunate youngster developed an "affluent society" becoming virtu-

utility non-existent except during leisure and loafing hours. His home was next door to a pool, sea-

side or lake shore. Thus it is that one of our worst industries is also the manufacturer of shoes. And one of the outstanding manufact-

ers has been Endicott-Johnson Corporation which turns out some $34 million pairs of shoes per year, and ranks as the leading shoe producer of shoes in the United States.

While Endicott-Johnson offers shoes for men, women, and children, in the more fashionable priced brackets, its forte has been in the supply of economic, well made shoes for the working class. It does 15% of the total business of the industry in this category, and according to the recent figures of the Census Bureau the "Blue Collar" market. In this case the shoe is unaffordable to you, it refers to a working class composed of farm-

ers and laborers, craftsmen for whom the end and operatives totaling roughly 20 million men. And so far, for growth at Endicott-Johnson has been concerned, the problem has been that this blue collar shoe has not expanded with the popu-

lation. In fact, it has dipped from almost 27 million as recently as 1951. In the past decade over two million men have left the farm and automation and the recent recession has also curtailed and dented.

So, faced temporarily at least, with a rather static market, Endicott-

Johnson had to be prepared to develop a new business tactic if it were to expand its earnings. The company seemed to be to perform more of the merchandising itself especially through direct sales to retail outlets. While it wholesales its products to shoe store owners, renters, or "blue collar" stores it has not expanded with the popu-

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lation. In fact, it has dipped from almost 27 million as recently as 1951. In the past decade over two million men have left the farm and automation and the recent recession has also curtailed and dented.
The Role of the United States
In Latin American Growth

By HON. C. DOUGLAS DILLON

Under Secretary of State for Economic Affairs
Department of State

State Department spokesman invites tax treaty negotiations
which would liberalize our existing private foreign investment
tax-incentive policy; discusses new proposals to stimulate
increased flow of public and private capital abroad; and
suggests ways of improving international trade and technical
aid. Mr. Dillon raises some blust important suggestions
and searching questions regarding these matters, and notes
the practical difficulties that have to be overcome regarding
the newly proposed Latin American lending institution.

We are meeting here to examine the whole range of economic
problems facing the American States with one objective in mind:
that ultimate goal of full employment and economic growth
in Latin America. The United States is prepared to cooperate
close in a continued effort to achieve these common
ends. The countries of Latin America,

First, how can we estão the floor of capital into the flow
of private investment projects in Latin America?

Second, how can we step up our level of technical cooperation in the field of technical cooperation, which is so essential
to the development process?

And, third, how can we improve and expand international trade,

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in the case of lead and zinc. We believe that effective international cooperation to avoid acute and recurring imbalances between supply and demand in these commodities can make an important contribution to our objectives.

This does not mean that we feel that easy solutions can be found. It does not mean that we have altered our view regarding the impracticality of rigid price-stabilization schemes. It does mean that we feel that real gains can be made whenever we sit down together in good faith and discuss our common problems.

During the past year or so there has been increasing discussion about the possibility of establishing a regional market or markets in Latin America. It has been the policy of the United States to encourage arrangements to achieve economic integration between two or more countries because it has believed that such arrangements, if properly designed, can lead to increased competitive opportunities, greater productivity and a higher level of trade both within the area concerned and with other countries. In short, we have encouraged integration measures of a forward-looking, trade-creating nature, while at the same time opposing any arrangements which would serve to divert and restrict trade. Thus, we have supported the European Common Market and the created Europe Free Trade Areas. However, in our endeavor to assure that the interests of outside countries, including those in Latin America, are adequately protected. We have also supported a free-trade area in Central America. We have also tried to see that we are prepared, through the Export-Import Bank, to consider the dollar financing required by such regional industries in Latin America.

I think I can say with confidence that if proposals for regional markets in Latin America seem likely to result in genuine economic benefit for the countries directly concerned and in the long-run development of international trade, the United States will give careful study to them in relations to its commercial policy and trade agreements. We are also prepared to do what we can to help interested Latin American countries in framing arrangements for economic integration which would be economically sound.

In this spirit that we have expressed our willingness to work with the Committee of Experts which the Executive Secretary of GATT has suggested meet in Washington to examine and discuss specific proposals in the field of regional economic integration in Latin America.

Throughout their history the American Republics have shared the conviction that free peoples who respect the dignity of the individual and the equality of nations through cooperation, not only preserve their liberties and cultures but also build a better and fuller life for themselves and their children.

Today we live in a time of great danger to our way of life. It is also a time of great opportunity that challenges us to prove that our system of democratic freedom can yield the greatest material benefit to the individual as well as the greatest spiritual benefit.

Here on the American continent we have great resources and great determination. We have already accomplished much. In Latin America as in the United States — we have experienced a dynamic economic expansion, if we all set ourselves resolutely to our task, if each does his share, and if we work cooperatively for an integrated program of development—not for just one part of it, omitting other parts essential to success—we can demonstrate that free peoples can out-produce enslaved peoples and can do so without sacrificing their way of life.

Victor, Common, Dan. To Admit New Partner

BUZFAKO, N. Y.—Victor, Common, Dann & Co., Elliott Square Building, members of the New York Stock Exchange on Jan. 1, will admit Charles B. Lacelles, Jr. to partnership.

Form Western Secs.

WENATCHEE, Wash.—Kenneth Allen is engaging in a securities business from offices in the Donen Building under the firm name of Western Securities & Research. He was formerly with Murphy-Faye, Inc. and Wm. E. Harper & Son Co.

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Burns Bros. & Denton, Inc.

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The Dominion Securities Corporation

McLeod, Young, Weir, Incorporated

Salomon Bros. & Hutler

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Midland Canadian Corporation

December 9, 1958.

Copies of the Prospectus are obtainable from only such of the undersigned and other dealers as may lawfully offer these securities in this State.

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Midland Canadian Corporation

December 9, 1958.

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The offer is made only by the Prospectus.

$22,707,000 Sinking Fund Debentures
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Textile Industry's Potential

By HALBERT M. JONES
President of the American Cotton Manufacturers Institute and Weaverly Mills, Inc., Lurinburg, N. C.

Textile industry's spokesman presents a list of strengths supporting his conviction that the industry is potentially in the strongest position of its history. In his analysis of what is "right" about the American textile industry, Mr. Jones also lists three factors that can jeopardize its vigorous and dynamic future. He is also concerned with competition against cheap imports, non-discriminatory world raw material prices, and managerial control of output to demand; claims severe competition experienced has eliminated waste, inefficiency and non-essential costs; praises research, research and development as "little short of fantastic"; and points up essentiality of the industry to the economy.

For far too long, the major public -

The American textile industry, several years ago, seemed to have a serious problem: it was facing increasing competition from abroad. But today, the industry has overcome many of these problems and is now stronger than ever. It has expanded its market share, increased production, and improved efficiency. Today, the American textile industry is a major player in the global market, and its products are in high demand across the world.

The American textile industry has also made significant advancements in technology. New developments in fiber technology, such as the introduction of synthetic fibers, have allowed manufacturers to create a wide range of new and improved products. These advancements have not only increased the industry's productivity, but have also helped to reduce costs and improve quality.

The American textile industry is also notable for its commitment to research and development. The industry has invested heavily in research to develop new products and processes, and has made significant contributions to the field of textile science and engineering. This ongoing commitment to innovation is essential to the industry's success, and will continue to drive the industry forward in the years to come.

In conclusion, the American textile industry is a vital part of the nation's economy. It provides employment for millions of people, supports a wide range of related industries, and is a major contributor to the nation's exports. The industry has overcome many challenges in the past, and continues to adapt and thrive in the face of new ones. With its strong foundation and commitment to innovation, the American textile industry is well poised to continue its success for many years to come.

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                                      STONE & WEBSTER SECURITIES CORPORATION
                                      WHITE, WELD & CO.

E. H. SCHNEIDER AND COMPANY

December 11, 1933.
The Importance of Selecting the Right Individual Issues

By EDMUND W. TABELL

Bankers and Brokers, Walston & Company, New York City

Market analyst uses hypothetical selections to illustrate the importance of selecting the right issues rather than the market swings. Mr. Tabell concludes that the market, in terms of price level and timing level, has quite a bit to offer an investor if he selects the proper stocks. The market, he feels, is still unrealistically high, based on earnings and dividends, it would be wise to assume a more liquid position than has been advisable in recent years. He ascertains that market performance is not a safe guide, and a further examination and analysis of the factors now that we are in the final upward phase which may last until early 1960's and be followed by a deep correction.

The following hypothetical figures more than the market swings in the historical past, in the right market issues are available to market investors. Let us suppose, for example, that an individual has $10,000 in 1949 and bought Dow-Jones Industrial Average stocks.

Edmund W. Tabell

Since 1940 it has not paid to follow the market swings, as the switching has been necessary in order to profit by price movements in various periods. For example, if the investor had bought Standard Oil of New Jersey with all of his funds in 1949 and held until January 1952, and then paid his tax and switched the entire amount into General Electric and held it until August 1952, he would have bought Aluminum Company of America and sold it in May of 1956 to purchase 1956, exchanged the proceeds for bought Parke Davis, his $10,000 investment having been $48,900 in value of Parke Davis after taxes on all the previous payments.

Even more phenomenal results would have come from the Dow-Corning Corp., in June of 1949, holding it until April 1952 and converted it into Marine and held it until June, 1953. This would have been worth $90,000. As to corporations, the results are, of course, impossible in attainment. The only thing that we would have found is that there are more profit opportunities in individual issues than attempting to catch the swings in the market.

H. C. Traylor Co., Being Formed in Atlanta

ATLANTA, Ga. - H. C. Traylor & Co., Inc., is being formed for the purpose of buying and selling securitates business from New York to Denver.

Fulton National Bank Building, Officers are H. C. Traylor, President; Thomas B. Monrad, Vice-President and Treasurer; Howard C. Traylor, Secretary and Treasurer, and W. Killoo, Assistant Treasurer. Mr. Traylor and his associates are not well known in the Atlanta business community, with which Mr. Traylor is affiliated.

R. G. Mauro Opens

MITCHELD, N. Y. - Robert D. Mauro, has opened offices at 491 Lexington Avenue, New York City.

J. D. Morelli Opens

DELавEAU, Pa. - John D. Morelli, has opened offices at 1401 Walnut Street to engage in a small business. Mr. Morelli was formerly with Chas. A. Tegart & Co., and Walston & Co., Inc.
What's Ahead for Banking Credit and Interest Rates

By S.B. CONDON

Chairman of the Board, The National City Bank of Cleveland

Prominent mid-west banker raises and answers questions as to future bank earnings. Interest rates of all banks will be held lower than prevailing in the rest of the world.

As the servants of business and family units which make up our overall economic system, banks prosper as the economy prospers. Business analysts visualize next year and as a matter of fact, by the middle of next year, the depression will be over. The trend of the next few months will be high prices, high wages, high profits, high consumption and low unemployment. The banks will have to provide all the needed funds, and the task will be a heavy one.

As to the interest rate problem, it appears that the Federal Reserve Board is going to stick with its present policy. The Board is not likely to change its present policy, and the banks will have to adjust their interest rates to the prevailing conditions.

The new credit conditions will be reflected in the cost of bank money, which will be lower than the present rates. The banks will have to watch their deposit volume closely, and the money market will be closely watched.

The banks will have to adjust their policies to the new conditions, and the interest rates will be lower than those prevailing in the rest of the world.

Volume 108  Number 5062  The Commercial and Financial Chronicle

Sutro & Co. Will Admit Two Partners

SAN FRANCISCO, Calif.—John C. Hoyt and Maurice Schwartz, Jr., members of Sutro & Co., have entered into an agreement with James C. McCauley, J. C. M. Smith, and H. B. Buffington, members of the New York and Pacific Coast Stock Exchanges. Mr. Schwartz will make his headquarters in the firm's Beverly Hills office.

SUTRO & COMPANY

Spencer Trask & Co. To Admit Two to Firm

On Jan. 1 Carl F. Greenway of the firm of Spencer Trask & Co., 23 Broad Street, New York City, members of the New York Stock Exchange.

George L. Clayton With Commerce Trust Co.

KANSAS CITY, Mo.—George L. Clayton has become associated with Commerce Trust Company, 10th and Walnut Streets. Mr. Clayton was formerly proprietor of Harvey A. Clayton & Co.

Harry F. Mayfield, formerly with Seabury, Kellogg & Co., also joined the staff of Commerce Trust Company.

C. R. Ekholm Opens

HANSEATIC

Encino, Calif.—C. R. Ekholm is conducting a securities business from offices at 4555 White Oak Avenue.

W. K. Ledgard Opens

CLIFTON, N. J.—W. K. Ledgard has opened a securities business from offices at 23 Nelson Street under the firm name of Mutual Fund Investments.

$70,000,000

Southern Bell

Telephone and Telegraph Company

Thirty-Five Year 4½% Debentures

Dated December 1, 1958

Price 101 107½ and accrued interest

The Project may be obtained in any State in which this announcement is circulated from any dealer in the underwriting or other dealers as may be instructed after 100 shares in such State.

HALSEY, STUART & CO. INC.

SALOMON BROS. & HUTZLER

BEAR, STEARNS & CO. INC.

FRANCIS F. pONT & CO.

LADENBURG, THALMANN & CO.

WERTHEIM & CO.

A. C. ALLYNN AND COMPANY

DICK & MERLE-SMITH

HAYDEN, STONE & CO.

INTERCOMPANY

PHelps, Fenn & CO.

COFFIN & BURLS.

Schoeffl & Peters

R. S. DICKSON & COMPANY

HIRSCH & CO.

E. F. HUTSON & COMPANY

W. M. POLOK & CO., INC.

RITTER & CO.

WEEDEN & CO.

B. M. BURGESS & KRAUS

J. C. BRADFORD & CO.

BURNS BROS. & DENTON, INC.

H. HENTZ & CO.

NEW YORK HANSEATIC CORPORATION

SHEARER, HAMILL & CO.

December 10, 1958.
Federal Agency Bonds As Investments

By C. BUDH HEISLER
Vice-President, Central-Penn National Bank of Philadelphia

Philadelphia banker weighs the pros and cons of "agency" bonds before enthusiastically recommending them as supplementary investment devices.

Mr. Heisler briefly describes the five kinds of Federal agencies and their notes, debentures and bonds; considers them to be top-grade, taxable risk obligations that yield more than U. S. Treasury bonds.

He warns, however, that all bonds are subject to the 52 subject to the 52% corporate tax. He regrets that Congress found federal financial institutions deficient in meeting the needs of these financial agencies were created to remedy those deficiencies. In the new concept in lending demands there is usually the danger of increased competition from the government at the expense of private lending institutions.

In discussing Federal Agency Bonds the author is talking about bonds issued by federal agencies to finance the working capital of the agencies themselves. These bonds are essentially the same as U. S. Treasury bonds and are subject to the same taxes and must be held as an investment for a period of over 10 years.

The Federal Intermediate Credit Banks are institutions established in the 12 Federal Reserve districts. These banks are a part of the Federal Reserve System and are under the supervision of the Federal Reserve Board.

The Federal Intermediate Credit Banks are authorized to make first mortgage loans to farmers on land and also to farmers who are not land owners. These loans must be evidenced by a mortgage which must be recorded in the county in which the property is located.

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The National Economic Picture

By JAMES R. DYER
Chairman of the Board, American Stock Exchange
New York City

American Stock Exchange Chairman predicts 1959 should be a good year for American business and that the long-term prospects for the nation are as bright as the short-term. Cautioning there are bound to be re-adjustments from time to time, Mr. Dyer points out that projections of spectacular prosperity abound unless the effort of government, industry and labor to increase efficiency and guard against the ever present dangers of inflation.

Last March our national economic picture affored very little cause for optimism. The principal business indicators or signposts for industrial activity, production, and demand were all pointing to an industrial recession, if not more. Just to mention a few of these, the operations of the nation's main manufacturing industries had dropped to 54.2% of their capacity in the previous year; freight tonnage was down to about 54,000 from approximately 672,000; manufacturing employment was off 1,200,000 and unemployment had grown to over five million.

In those gray days, despite the evident overcapacity in the country, some predicted that we might achieve a new industrial depression. It was feared that the termination of the Korean War could result in a return to the generally depressed conditions of the early 1920's in the midst of the national prosperity that was already evident. The outcome of the conflict had not been foreseen, of course, and when it was finally announced, those households that were still unhappy with their jobs were reassured by the news.

We have still a month to go before the turn of the year and already the economic picture generally one of confidence, a confidence not only that our most recent recession has come to an end, but also that 1959 should be a good year for American business.

Baker, Watts & Co.
To Admit Three


Branch, Cabell to Admit A. F. Hughes

RICHMOND, Va.—Branch, Cabell & Co., 814 East Main Street, members of the New York and Richmond Stock Exchanges, on Jan. 1 will admit Forrest F. Hughes to partnership.

Francis I. du Pont To Admit E. N. Jones

On Jan. 1 Eliah J. Jones will become a member of Francis I. du Pont & Co., 700 North 13th Street, Wall Street, New York City, members of the New York Stock Exchange.

Diversified Securities operates in New York.

ENGLEWOOD, Colo.—Diversified Securities, Inc. has been formed with offices at 3535 South Broadway to engage in a securities business. Officers are Carl Askens, President; John W. Fiket, Vice-President; and Clifford G. Gabriel, Secretary and Treasurer.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of the securities. The offering is made only by the Prospectus.

Price 100% plus accrued interest

Copies of the Prospectus may be obtained in any State only from such of the several underwriters, including the undersigned, as may lawfully offer the securities in such State.

White, Weld & Co.

Salomon Bros. & Huntington American Securities Corporation
Bears, Stearns & Co.

A. G. Becker & Co. Equitable Securities Corporation
Francis I. du Pont & Co.

Lee Higginson Corp. Incorporated
Paine, Webber, Jackson & Curtis

Allen & Company Ricer & Co.
Tucker, Anthony & R. L. Day

Auchincloss, Parker & Redpath Cooley & Company
Johnston, Lemon & Co.

Granberry, Marache & Co.
Model, Roland & Stone

Laird, Bissell & Meeds

Joseph Walker & Sons
Stronger Impulse for Real Gains

As I read the news, the impulse or drift or drive—whatever you want to call it—in the business environment seems to be still helming us, if not a little, and I notice it also disturbs quite a few members of the public of the same age. In these circumstances the eventual danger seems to me to lie in the establishment of wage-price controls. I think such controls in this country would mean the end, at least to a large extent, of what we call "real gains." I believe we must find a way to bring the American people close to the question—is this what they want?

As a matter of fact, it was Mark Twain who said that everybody ever did anything about it. Nowadays everybody talks about the business environment and so does everything about it. And I believe we have more than enough inconvenience and inequity in taxation were eliminated or minimized, the overall tax burden on the business sector, and individual incentives restored. If the business environment were attacked, we would have much less inflation of prices, real wages would improve, and we would do more business, and government expenses would be less.

Also, not every economist would agree with that statement, but I know some people who do, because they believe in the economic theory that said and they gave me a green card of what they would do. I feel that is good because if the government is just full of hard, workable, and reasonable people, there have been some fundamental truths. As a result of the present situation, these circumstances press hard. They must realize the prices and attitudes of the business environment, and in no position to institute it. If it is not in the government, a corporation with personal interest to fail by paying and for the goods we are in command in ways that win widespread belief.

Futility of Business in Politics

As a matter of fact, this government should throw off past rectifications and "get into politics"—put that phrase in quotes. It is a phrase that can be repeated without any consequence. One interpretation—and a good one—is that government in the U.S. has been thought to be more active in public and political affairs. I'll mention it at some moment. First, however, let me make sure that we are not assuming a stereotyped interpretation which seems to me dangerous. This is that with labor movement's candidates nominated and elected to office, we should do better, get along and do the same. This the whole point of this speech.

In the long run I think we should be able to do that, and it is that—take more risks, will be good, and provide the earnings without which the tax collector can never find the money to pay the government's bill.  

*From a talk by Mr. Kappel before the Board of Farm Bank of New York, Nov. 20, 1958.

Connecticut Brevities

Connecticut of Stamford and Bethel National Bank has agreed upon more term. If approved by stockholders Dec. 22, the merger will become effective Jan. 1, 1959. Plans call for Bethel stockholders to receive three shares of Fairfield National Bank for each share of Bethel. Following the merger, total resources will be in excess of $40 million and combined capital surplus and undivided profits will be in excess of $40 million.

Stockholders of Gray Manufacturing, Inc., have been offered the right to subscribe to 20,182 shares of $1 par on the basis of one share for each four held. The rights expire Dec. 22. Pending the closing, agreements were reached with the general funds of the company and will be available for general corporate purposes, including working capital.

Consolidated Controls Corporation, a subsidiary of Consolidated Edison, Inc. of Stamford, has received contracts totaling $300,000 for the design and manufacture of primary plant instrument equipment for the United States Navy destroyer. The contract includes a new project involving instrumentation design and manufacture for a nuclear powered aircraft carrier.

2338 Sales, Inc.

Opens in Houston

HOUSTON, Texas—2338 Sales, Inc. has been formed with offices at 1110 Jackson, Suite 101, the Southwestern Building to engage in a securities underwriting business. Officers are: John W. Hendrickson, Chairman; Patrick W. Brady, President, and John T. Trotter, Vice-President.

J. C. Mahoney Adds

MINNEAPOLIS, Minn.—Irving C. Hinck has been added to the staff of J. C. Mahoney & Co. as a partner.

C. J. Mahoney Adds

CHALotte, N. C.—Ridgway A. Hadley has been added to the staff of C. J. Mahoney & Co. as a partner.

With Southern Investment

With Southern Investment

CHAS. W. SCRANTON & CO.

New Haven

New York—Rutland 2937

Hartford—Jackson 2166

Sewetite NH, 19
Present Trends in Business, Employment and Prices

BY Ewan Clague*  
Commissioner of Labor Statistics, U. S. Department of Labor

The U. S. Commissioner of Labor Statistics now reports that jobless figure jumped from its seasonal low of 2.5 million in October, 1957, to about 5.2 million in early spring of 1958 before turning. Looking ahead he anticipates business recovery will come slowly and probably rather than all at a shot. The past six months and will be accompanied by a more moderate and slower improvement in employment than in output. Mr. Clague disparates inflation as a short-run prospect though he does point out that in the past the economy has expanded in personal income and a seasonal decline in employment this winter, and calls attention to moderately high productivity in 1958. Estimates normal unemployment—less than 4% of labor force—of $22-440 billion, or about $475-$480 billion.

The economy is now in the full swing of business recovery. We are employing, there was also a decline, which we enjoyed when the business recession was wound up a year ago last summer. Soon, we will doubtless be in all high ground, both in production and consumption. However, we are far from having reached previous levels of employment, investment, and production, and a number of other economic factors.

In attempting to gauge present trends and futures, we must look at the behavior of key statistical series and their future. Among the most important of these are employment and unemployment. Detailed employment reports of the Bureau of Labor and government show that the number of employees in the private industry in government establishments dropped by 2.8 million from the peak in the spring of 1957 to the spring of 1958. Of this decline, unemployment, manufacturing industries dropped over 2.8 million in the peak in the summer of 1957 to about 5.2 million in early spring of 1958, about 600,000 of whom have been caused by seasonal unemployment, and about 250,000 of whom, in the peak in the summer of 1957 to the low point in the spring of 1958. Coupled with the rise in the Consumer Price Index, this meant a sharp curtailing of the purchasing power of factory workers. This loss in purchasing power has now been largely restored. In September, 1958, average earnings in manufacturing rose over a week for the first time in history.

Labor Income  
Total labor income in the economy dropped by $9 billion from the peak to the trough, but by $11 billion since the trough in July 1958. And total personal income is now slightly above the peak it was in July 1958. Inflation, coupled with rising wages rates and effects of hours of work, implies a gradually expanding personal income in the first ten months of 1958. This will be one factor making for further business recovery.

The sustaining influence of social security and other types of welfare payments was well demonstrated in the recovery experience. It was indicated above, a decline of $9 billion occurred in labor income. However, as a partial offset there has been a rise since 1957 of $5.7 billion in the annual rate of transfer payments—old age and survivors insurance, unemployment compensation, pensions, and other types of welfare payments. Thus, a considerable fraction of the loss of labor income through cuts in hours of work and unemployment compensation has been made up by these transfer payments to retired and unemployed persons. Certainly this helps to sustain consumption during the recession. Consumption facts of life may seem like $2 billion from the peak to the trough; and it has already reached new high ground in the summer of 1958.

Summary
In summary, the outlook is for a continuation of the business recovery, though perhaps at a slower rate than in the fall of 1957. The year will have to expand by at least 10% in the next year in order to bring about the conditions of full employment, at about 4% of the labor force, or better.

Stone & Youngberg Add
(Special to The Financial Chronicle)

SAN FRANCISCO, Calif—William H. Luities, Jr., is now affiliated with Stone & Youngberg, Russ Building, members of the Pacific Coast Stock Exchange.

Copies of the Prospet were obtained from any of the usual sources, unless noted in italics in which such underscoring are used in at least four consecutive letters of the name of the company in which it was found. The financial news was reported as follows:

The New York Times

47,873 Shares

Northwest Airlines, Inc.

Cumulative Preferred Stock, 5% Convertible Series
(For Vote Feb 21st Shareholders)

Holders of the Company's outstanding Common Stock are being offered rights to subscribe at $25 per share for the above shares of New Preferred Stock at the rate of one share for each three shares of Common Stock held on December 8, 1958. Subscription Warrants expire at 5:00 P.M., Eastern Standard Time, on December 22, 1958.

The several Underwriters have agreed, subject to certain conditions, to purchase any unsubscribed shares and, during and following the subscription period, may offer shares of New Preferred Stock as set forth in the Prospectus.

The following firms are participating as Underwriters:

The First Boston Corporation
Hornblower & Weeks    Kidder, Peabody & Co.
Merrill Lynch, Pierce, Fenner & Smith
Webber, Jackson & Carr
White, Weld & Co.

Baetjer and Company    Carl M. Leech, Rhoads & Co.
Sheilds & Company
Werthinn & Co.
W. D. Barrick & Co.

J. M. Dine & Company    Peter, Jaffray & Hopkins
R. W. Biede & Company, Inc.
Barnes & Borden, Inc.

J. Barc'h & Co.

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J. S. Barc'h & Co.

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The Market... and You
By WALLACE STREET

Except for drugs generally and some of the high-priced, hence split-class, issues, the stock market was largely and unambitiously afloat this week with industrials holding within easy reach of their record highs.

Enthusiasm for the drug shares was unrestrained and they took off a further multi-point daily runups with most of them automatically listed among the stock splits which added the much more to the interest in them. What profit-taking centered on them was absorbed for the moment.

Natural gas issues and some of the lines allied with them such as pipeline producers were doing as well, and perhaps a momentary lift out of winning Supreme Court reversal of the so-called drugs case this week which had posed a serious threat for the entire industry. It ended the threat, but added to the so-called well-off impossible agreement by all of a company's customers to a rate hike and now the industry faces a deferred expansion. The strength generated by all this enabled the utility average to nudgen to a new peak for more than a quarter century, but not with too much conviction.

Oils continued to drag their heels and are less than prominent, some of the threats, and one actual move, by eastern carriers to abandon passenger service keeping investment interest a bit restrained.

Zenith, which has been the pet in the radio-TV section on expectations of fat earnings, bumped into something of a roadblock. The stock has been doing well, but had a loss last week, and added a score of points in a reasonably steady posture. The gains were added on a few holds, but a look at the charts showed a faint line which added to the idea of a possible wave.

The market has been a little like the gun on the firing line which keeps firing without a break, but something of a line of restraint is evident.

With the building industry on the way up industry, the shares of the associated companies might have been expected to attract more attention. But with the quality item in the section, is still available at a yield of 4% even in the face of this year's and further improvement assured for next year. New plants have been added and an improved proposal with L&G Glass Fibres will further diversify the company's operations and bolster its future earning power.

U. S. Cross Section

For participation in the economy on a broad front with limited holdings, one possible offering was interesting in that the well-known items in the "portfolio" represented 29 basic industries. They included General Electric, Minnesota Mining, Southern California Edison. Utility earnings results have been good making good reading throughout the recession but the rate of growth in power sales was down this year to the smallest gain in almost a decade. The long-term holding was consequently was seen as flattening out temporarily and kept investor interest cautious.

Tires in the Limelight

Tire shares took turns in making some General Tire taking over the stage this week when the others rested after having had their turn the previous week. General Tire, in addition to participating in the increased demand for replacement tires, has the romance of its missile-rocket subsidiary, Aerojet-General, which is 74% owned by General.

Apart from an occasional ad and sheet from a particular star, the aircraft-defense section continued mostly drab. In the defense group Sperry Rand had a rather long time earningswise, the stretch-outs hurting. But its defense orders have been spiking as the missile rocket program gets more and more involved and Sperry earnings, too, have turned a definite corner upward. Investment Company predictions indicate that the turn is continuing and projections point to profit-improvement right into 1960.

Another issue that has come through hard times is Blaw-Knox which suffered along with its fellow in the steel industry generally. A strong recovery, however, has given Blaw-Knox the chance to show better earnings than expected. Some estimates run to around $3.80 a share against $3.99 last year which produced a recent increase in the dividend, and here too, continued improvement in next year seems assured.

An Attractive Oddity

An oddity that offers an interesting story is Durco which is a turn is Great Northern Iron Ore which derives its income from royalties on iron ore properties and leases which were depressed along with the steel industry generally. The 1958 dividend of $3 had to be cut to $2 this year, reflecting the lower earnings. But even in the face of the reduction its yield stands at 7-1/2% and the stock has hovered only a bit above its year's low. The prospect is for substantial improvement in its fortunes next year.

With Vice-President Nixon is like the star player on a football team. He can get him out of play, unless men give him good service. Nixon is badly

Nixon is looked upon as the key player on the Republican team. The word has gone out among Jacoby of the Democratic party that next year, 1960 days ago the Democratic National Committee there was as much talk of how to handle Mr. Nixon as anything else. Paul Hoffman, National chairman from California, sized up the thinking of the gathering when he said "Nixon is the man to watch."

That means that everything Nixon does says for the next two years will be studied closely by the Democrats and at every opportunity they will pounce on anything he is able to stand on his feet at the end, he will undoubtedly qualify as All-American.

Harry Truman says he hopes Nixon will be the Republican candidate because he would be the easiest one to beat. That was the strategy he used on the late Bob Taft in 1952. Jack Redding, Truman's lawyer in those days, in his book has revealed how Truman told Taft that Taft would be the hardest man to beat. So he kept up his chant about his being the one and in time had Republicans talking that way.

The Democrats will have plenty of opportunity to get at Nixon because he will have plenty of activities from the day he retires. He intends to step up his campaign activities. He has long been invited by Chancellor Adenauer of West Germany to pay him a visit and he has been just as soon as the proper occasion presented itself. Mike Mansfield is banking to go behind the iron curtain but doesn't think that will be practical at this time.

His trip to England is looked upon as a great success. Even the hawks who wanted him to go rather meekly at first were singing his praises before his departure. That was probably as profitable a visit as he ever made because the British people had been sturdily given a bad picture of him and were especially interested in Mr. Tricky Dicky, a description which his enemies in this country use. The British people were surprised to see a talking man with a charming smile and a charming voice who not only conducted himself perfectly but was also a genuine patriot of his world affairs.

It was important that he made his good show with the British because being like we are, we are not likely to elect a man President who does not see the American viewpoint. Our whole life is spent these days in trying to get the praise of foreign nations. This is not confined to Britain but to other considerable countries. We are frequently told by our friends of Mr. Nixon's fascinating ability or if we do this or that the people of Indonesia will get the wrong impression of us.

I remember a book once by Mr. Jan Hofhoven, "What Will People Say." Never in our history have we been so concerned in what will people say.

Mr. Eisenhower has a new campaign coming along foreign affairs and it is expected to come up with a new foreign policy. It is necessary, Congressman Passman of Louisiana, Chairman of the House Committee on Appropriations for foreign aid, thinks the foreign committee is a plot to get foreign aid, as distinguished from military aid, away from his committee. He says he is doing it up with the President. He also says that Mr. Eisenhowden has indicated that the committee is responsible for a great increased appropriation. It is a fact that people do not expect the President's Committee to recommend a reduction.

Hempbell, Noyes & Co.
To Admit A. L. Cameron
Hempbell, Noyes & Co., 15 Broad Street, New York City, members of the New York Stock Exchange, has announced the admission of Alan L. Cameron to partnership.

Security Asscociate Office
MELBOURNE, Fla.—Security Associate Inc. has opened an office at 224 Strawberry Avenue under the direction of William Hambrick.

With Lester, Ryans Co.
(Special to The Commercial and Financial Chronicle)
LOS ANGELES, Calif.—Landon de M. Bower is now affiliated with Lester, Ryans Co., 817 South Hope Street, members of the New York and Pacific Coast Stock Exchanges.

With Paine, Webber, Jackson
(Special to The Commercial and Financial Chronicle)
LOS ANGELES, Calif.—James W. Richardson is now with Paine, Webber, Jackson & Co., 22 South Spring Street. He was previously with Bilalac & Co.
Public Utility Securities

By OWEN ELT

Northern States Power Company

Northern States Power, largest utility in the West Central area, has annual revenues of about $150 million and serves about 2.4 million people in a service area of 40,000 square miles. The system is interconnected except for two small sections in North Dakota. About half the population lives in Minneapolis and St. Paul, one-quarter in medium-sized cities, and one-quarter in small towns and rural areas. The company has a healthy sales diversification, both between city and rural areas and as to diversity of industries. About 23% of revenues are residential and rural, 23% commercial, 24% industrial, and 5% miscellaneous.

While the company is characterized as one based on farming, today industries based on food and related products contribute only 3% of total electric revenues, and there are a large number of other light industries. For example, General Mills is still practicing in milling and food processing but has an important mechanical division devoted to the production of grinding wheels, missile components, and research to counteract the effects of mechanical manipulators. Archer-Daniels-Midland, known as a line of oil company, has greatly expanded into several new activities. Minnesota Mining & Manufacturing, U. S. Rubber, Trane Company, Carell, and Minneapolis-Moline, Renington Round Divisions of Sperry, etc.

The population of the four States in which Northern States Power works is 70% less than the national average, the growth in the special area served is 10%, and the company is national average, having been up 15% in the past years compared with the national average, but its largest growth has been in the Twin Cities area, next in towns of 2,500 to 9,000, in smaller cities. The rapid movement of population from the rural areas to the cities has resulted from more mechanized farming, and improvement in transportation has put the big cities of the major part of the readjustment has been brought about by growth in the major industrial areas that should continue to grow at a slower rate than the cities.

While the Twin City area is only 18% of the geographical and electrical service area of the company, and most of the generating capacity is located there, generating capacity is about 30% steam (18 plants), 14% hydro (38 plants), and 5% oil (20 plants). Total capability is 1,460,015 kw, and 270,000 kw units are under construction.

The power plant, consisting of about seven-eighths of revenues, with service to 35 communities. Of these only 18 are served with natural gas; the company has been anxious to obtain a market for the remaining towns but has met with some delay. The company has a well-diversified customer group, and there is a good balance of sales, with only a small proportion of sales from one major customer.

Irvings Trust Enters Federal Funds Field

New York bank establishes Federal funds central market which will be available to all banks.

The Irving Trust Company, New York City, has announced that it is setting up new facilities to provide a central market for buyers and sellers of Federal funds. Orders to buy and sell Federal funds, which are the reserves of member banks held at the discount window, will be brought together through the Irving Trust Company. The service will be available to all banks throughout the United States. There will be no charge for the service.

The Federal funds market has been growing at a rapid pace in recent years. Frequently transactions amount to more than $1 billion in a single day as banks all over the country seek to adjust their reserve positions by trading in Federal funds. Many member banks may trade with any other member bank regardless of location in the country. Buyers and sellers of Federal funds are looking for each other at all times. The volume of activity and the rates at which trades are effectuated vary as the money market tightens and eases from time to time. Officials of the Irving Trust Company feel that nationwide trading in Federal funds will be facilitated by providing the services of a major money market bank.

The new activity will begin operations immediately and will be headed by Nelson W. Kimball, Assistant Vice-President.

With Gaither & Co.

(Corporate Headquarters)

CLYVERLAND, Ohio—Loretta A. Brennan is affiliated with Gaither & Co., Inc., 11900 Shaker Boulevard, members of the Midwest Stock Exchange. Miss Brennan will be assisted by Baker, Williams & Co., and the firm is an active member of the New York Stock Exchange. The firm is well-known in the Midwest with a large office in Chicago.

Ferro Dynamics Corporation

Common Stock

Price $3 per share

Copies of the Offering Circular may be obtained from such of the undersigned as may legally offer these securities in this State.

Milton D. Blanner & Co., Inc.

Incorporated

Hallowell, Sulzberger, Jenks, Kirkland & Co.

December 8, 1958

$200 Million Bonds of N. Y. Power Authority Slated for Market

Dillon, Read & Co., Inc., Halcyon, Stuart & Co., Inc., Kuhn, Loeb & Co. and W. H. Morton & Co., Incorporated, joint managers of an underwriting group, announced Dec. 9 that negotiations are under way with the Power Authority of the State of New York for the sale of $200,000,000 general revenue bonds, series E, looking to a public offering on or about Jan. 6, 1959. It is expected that the offering will consist of term bonds due in the year 2061 and serial bonds in proportions which have not yet been determined.

The bonds will be tax exempt as to interest from Federal income taxes and New York State income tax, and will be legal investments under New York law for insurance companies, banks and trust companies and other banks and certain trust funds.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offering is made only by the Offering Circular.

NEW ISSUE

$100,000 Shares

Baltimore Bond Club

Annual Meeting

BALTIMORE, Md.—The Bond Club of Baltimore will hold its annual meeting Dec. 11 at the Merchants Club. The following slate has been nominated for the ensuing year:

President: Howard E. DeMuth, Baltimore.
First Vice-President: Charles W. Reed, Robert Garrett & Sons.
Second Vice-President: W. W. O. Schach, Merrill Lynch.
Committee on Arrangements: S. Frank White, Alex. Brown & Sons.

Dual Planning Branch

SILVER SPRING, Md.—Dual Planning Corporation has opened a branch office at 1300 Cameron Street under the management of Max Zerkin.
LETTER TO EDITOR:

Comment on Papers

By Hazlitt on Keynes

Frank Cat, taking issue with Henry Hazlitt's attacks on the theories of Lord Keynes in "Chronicl," charges that they fall into fundamental errors characterized by confusion and contradiction, and contends that there can be no general overproduction; as well as the "blinds spots" in F.I. a combination of moneter with economic theory, and in omitting to recognize that even high tariff grades increased credit status. Concludes Keynes' program is necessitated by the unworkability of the gold standard resulting from U.S. tariff policy; and that acceptance of his "General Theory" would result in ruin of their own.

Editor, Commercial and Financial Chronicle: I

Henry Hazlitt, in an "article in The Journal of Sept. 11, attacks his usual with Hazlitt's theories of the late J. H. Keynes. Unfortunately, if I am right about this, it appears to be a two very fundamental errors, namely, (1) that which confers gold-standard thinking in the United States, which has been often availed of, and (2) which, because there was no al-

ence, deserve comment.

The first error is one of omission. It lies in the assertion that the United States is not subject to general overproduction. In commenting on the unworkability of the gold standard, Hazlitt cites John Locke some example of a classical predecessor, Jean-Baptiste de Borot, and John Marshall, Benjamin Anderson and John Stuart Mill, in which the question of the gold standard was an end point of reasoning. He then states that it is not in itself a necessary result of any system of production, that it is and the mass of the people, and that there are no strong arguments against the gold standard. However, rather than being an end point of reasoning, it is in fact an inherent part of the argument. The gold standard is not a necessary result of any system of production, but rather a fundamental principle of economic theory that must be reconciled with all other principles. Hazlitt's omission of this principle is a fundamental error.

The second error is one of confusion. It lies in the assertion that the gold standard is a desirable system of production. Hazlitt states that the gold standard is a system of production that is capable of being reconciled with all other principles of economic theory. However, this statement is a confusion of the gold standard as a system of production with the gold standard as a principle of economic theory. The gold standard as a system of production is not capable of being reconciled with all other principles of economic theory, while the gold standard as a principle of economic theory is capable of being reconciled with all other principles of economic theory. Hazlitt's confusion of these two concepts is a fundamental error.
To Probe New York City's Economic Future

Economists in the New York area will conduct an inquiry into the "Problems of the New York Metropolitan Economy" this Friday evening, Dec. 12, at the Remington Rand Auditorium. Four experts in the respective fields will analyze prospects regarding population change, fiscal solvency, industry and commerce transition, and local resident and commuter facilities.

The proceedings will be jointly sponsored by the Metropolitan Economic Association of New York and the New York Metropolitan Committee on Planning. The topics to be explored by the respective authorities on each subject are as follows:

**Public Finance and Planning**
Henry Fagin, Executive Director, Regional Plan Association.

**Industrial and Commercial Growth**
Dr. Raymond Vernon, Director, New York Metropolitan Regional Plan, Inc.

**The Housing Situation**
Dr. Charles E. Stonier, Associate Professor of Economics, Hofstra College.

This second of four conferences scheduled for the Metropolitan Economic Association, now in its third year of existence, should have particular interest for both business and academic economists. The sub-topics will deal with New York City's future as a money and capital market, trade and commerce center, industrial gothic, and a huge urban residential area.

Mr. Henry Fagin will provide an insight regarding the City's ability to remain sound credit-wise. The ability to curb its high unbalanced budget, and have continued to maintain their relative income position as in the rest of the state.

Director of a forthcoming 11-volume study of the New York Metropolitan region, Dr. Raymond Vernon will offer his views on the industrial and commercial outlook for the city.

Dr. Charles E. Stonier will analyze proposals and inter-state efforts to the growing transportation muddle, and the outlook for financing methods and other schemes.

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This announcement is neither an offer to sell nor a solicitation of any offer to buy these securities. The offer is made only by the Prospectus.

**New Issue**

December 10, 1958

**SUPER FOOD SERVICES, INC.**

*Chicago, Ill.*

110,000 Shares
Preferred Stock (First Series)

110,000 Warrants (First Series)

These securities are offered only in units consisting of one share of preferred stock and one warrant to buy one share common, initially at $25.00 per share.

Price Per Unit $20.00
Biggest Management Job Ahead

By L. R. BOULWARE
Vice-President, General Electric Company

General Electric's labor relations expert believes businessmen should spend more time in political work so as to fulfill their opportunities to guide the social and economic destinies of the nation. As president of the National Management Association, Mr. Boulware pictures the basic political problem to be met is the "preposterously false expectation" people have as to what government can give the individual at little cost. Politicians do not and cannot deliver on a something-for-nothing basis. The official delineates the political from the non-political work that businessmen can perform, and spells out the activities the business community can enter into to participate in politics.

The biggest management job ahead—as in the past—is to succeed in pleasing people. That task is by no means an easy one, and it is one which business has not so successfully accomplished, as is evident from the actions of people, as Mr. Boulware pictures it, a sea taking place all around us.

Our greatest failure is that we have not satisfactorily explained how what we are doing is good for the many. Part may be due to the fact that we have had little opportunity to exhaust the possibilities of the most effective arguments for the greater good by discoursing results as intimately as we can and should to the other fellow's viewpoint.

Time in which to reverse our failures is very short. We must have only the next six weeks—between now and the opening of the United States Congress—to make a very substantial start.

What we undoubtedly find this New Congress is made up, by and large, of good citizens eagerly wanting to know what's good for the country. They are going to be far more critical in their appraisals of the direction of our national policies than in the 1936 campaign. That is, if there is no satisfactory explanation of how we are doing what we are doing, the possibility is a great deal greater that they will take the action the Spanish say, "con el pie en el fuego y cara en la luna." In either case, it may be a salutary lesson to the political parties that the public has its own method of appraisal.

Where to Begin

The way to begin is to acquire and then spread a basic understanding of how the different processes work. This business or task must not be left only to people engaged in managing or working in business, but must be taken on by people who want to do so, and by those who must in some degree do so.

Where to Begin

The way to begin is to acquire and then spread a basic understanding of how the different processes work. This business or task must not be left only to people engaged in managing or working in business, but must be taken on by people who want to do so, and by those who must in some degree do so.

That business does directly influence people, Business deals with things only through people—and then only with things people do. If businessmen do not want to want done and will voluntarily pay others to do for them. People serve one another in five contributor-claimant roles: as owners, customers, suppliers, employees, and citizens. I like to think of business as a highly creative activity, in which these five contributor-claimants voluntarily cooperate. When the aid of good ideas and specialized knowledge is necessary, it may come from others who may not or could or would not if separately utilizing just their own individual contributions, where a body of knowledge is possessed?

I believe business has basically just one kind of problem that will be just one kind of burden to bear, regardless of which one or more roles a person may perform in it. That human being as a claimant wants something, and that the business people who are responsible for the contribution he is willing to make in the two-way, something-for-something process, and is willing to have more in the way of the progress realistically promised the person who contributes the resources to make it possible, too generally claim successful business is the culprit standing in the way. We are at this moment overlooking a lot more of this.

But we apparently need not worry about that. There are, indeed, very notable exceptions, politicians in general do not take any responsibility for what the public is not willing to pay for, nor do they have any ability whatever to do so. Succes in politics is obtained, in this country, through the actions of people in getting elected. Most politicians are not even as willing to work faster than a chameleon. Whatever we think of some of them, we are only as willing to work faster than a clam. We are only making the effort fast enough to keep up with people's demands if we are for maintenance of the status quo, or for the management's own advantage. So we are only a little better than the rest of the world.

So we may as well face it. We businessmen have something new or different if we think public servants should do. They have already had the chance to work with the public, and should not and usually will not recognize the fact. The majority of the people are not part of the issue. If we can not recognize the fact, we are part of the problem.

Fortunately, the things that need to be done to cure our political ills are exactly the same relationship, of cause, perhaps, as that which we business need to invent anywork in order to have this business environment. We need to be a little more realistic and understand what the business climate required for the public's support of it. We need to be a little more realistic and understand what it is necessary to do to get that support. We need to be a little more realistic and understand what it is necessary to do to get that support.

Two Kinds of Political Work

There are two kinds of political work. There is the political work that we do to live up to our opportunities and obligations as businesses and organizations. We have an opportunity to win the confidence of the public, and to do it properly. It might even be of benefit to us, as it is to some extent, to some extent, to the business organization, to the public, and to the public.

In different countries, since the government has absolute internal control, the politicians have to do, and are done with help, standing in the way of the progress unrealistically promised the person who contributes the resources to make it possible, too generally claim successful business is the culprit standing in the way. We are at this moment overlooking a lot more of this.

Part of the problem is that so-called "taxes on business people," because they are very much like the taxes on consumers, that these taxes have cut progress and jobs or raise prices and the cost-of-living, and that they have distorted the proper level of compensation of the equivalent ratcheting of the wage scale.

That increased Federal spending—even when matched by increased personal savings—can't. We believe, as the President and Peter after much loss, disappointment, and disillusionment, has already seen in the linkage of the shrinking of his diagram.

That free government goes down the drain via the "log of the inflationary pattern," when to me, as I once before, wanting to pay Paul and wind up in the frying pan, is not. The President, if a man, saw his way to the public.

In non-Partisan Political Work

Good non-partisan political work is the work that people do in the public that both parties will be able to support. This means that both parties are acting as representatives of public interest, and thus the public interest as a whole, and not as the particular interest of whichever party or candidate wins.

Party labels, as such, are losing their significance and the two-party system is thereby greatly strengthened. This is not only good, but may not not as representatives of both parties but also as prospective motors of what they care can work on a given career go too generally run on about the same platform's and act about it because they are both theoretically trying to please their particular platform's or candidates, and not in the present state of knowledge, or the inartistic activity. The happy exceptions to this situation do not sufficiently re-
is a problem in economics. We cannot have free choice in free markets, and we cannot otherwise go around as if people do as we please, unless we not only know what the right thing is, but also will to do that right thing. Rightly informed, a policeman is standing over us but also when we are wrong.

We businessmen, with our free system of incentives and competition, do have an obligation to misrepresent the facts as to what it is and what it can do. We cannot solve the problem of business in competition with our competitor, and acting in public like we believe is and approve of what he is saying in his misrepresentations of us and our system. We have to compete and compete not just privately but publicly—to achieve an understanding of the: truth and soundness of our system. . . . and to have such understanding prevail over the misunderstanding and misrepresentation, of the collectivist system, which has failed and is failing people all over the world, as it always must. Both the will to the and the courage needed to act right— is a moral requirement on us, manager-citizens—no matter who has to be contradicted in the process.

2. Political Sophistication: As already indicated, politicians are too generally practiced, with success, as the art of appearing to serve the many— to create the always righteous many against the always corrupt few—to get back, for force from the few what has been stolen from the many. And I feel feeling that too many of us businessmen have ourselves belonged to the “Little Big Peep” school of political sophistication. There are happy exceptions to both the fore-gone, but, they are rare and substantial; it relieves our problem.

So the third non-partisan grass roots job for us businessmen is to become ourselves, and help the rest of the world to become politically sophisticated to the point where we are not only not against the false idea and in tended misrepresentations of the wily, demagogues but also most importantly, against the equally false, and more damaging, falsehoods put forward by, well-meaning, but misguided, politicians; particularly writers of influence, and even too many businessmen.

For instance, we businessmen must learn and teach politicians in both the Democratic and Republican parties are positively for inflation—and we must learn and teach why this is so, regardless of, what they say, and regardless of whether some of them even realize what they are for. For instance, a very able, decorated and respected U. S. Senator recently wrote me:

“if I were to venture to say that out of all the explanations of the public which could explain . . . . or who ever knows . . . that he will, if at all, spending actually creates new money, thereby enlarging the value of the currency.”

4. Law Enforcement: The four non-partisan grass roots job we businessmen must do is to keep, themselves up wake up the rest of the public to the inexusable and damaging double standard of the government that prevails in practically every community. Pickets, car wreckers, dynamiters or other union-connected lawbreakers are too generally immune to prohibible laws that are enforced for any such offense committed by any other citizen. There are happy exceptions, of course, but these are relatively few and not our problem. I will not dwell on this, as

you and your associates and neighbors may want to spend 20 minutes viewing a law enforcement film that is available from the Cecil deMille Foundation in Hollywood.

5. Balanced Press: One of the big reasons why businessmen and something-for-something economists do not get a better break in politics is because of the preponderance of favorable treatment in the press and on radio and TV for anti-business elements and some thing-for-something economics. We think this “bad press” for business and for sound economics and politics—which we get with too few exceptions—is entirely or largely the fault of us businessmen. I think we can do something about it by becoming better

news” ourselves and paying more attention to becoming effective in this field. But here again it means we probably have to go first to the public by other means than the popular media before it becomes “g. o. d. publishing” and “good broadcasting” for enough people in those businesses to offer the general public a more balanced economic and political diet. But this is a subject in itself that involves meeting better the whole relations problem of business, something I believe needs an enormous amount of high level attention.

6. Timely Information on Issues: We must secure for our own use—and then provide for the use of others while there is still time for action—specific and timely counsel on legislation, administrative rulings and other developing issues that directly or indirectly involve business and are of interest to all who depend on or are affected by business.

For instance, General Electric has kept a representative in Washington on labor matters alone for the past 11 years. We also have specialists there on taxes, on price and distribution, regulations, on atomic energy, etc.

We have state councils on state legislation, administration and law enforcement. In connection with our Better Business Climate program we watch ordinances, law enforcement and government policy at the local level.

Our findings are made available, for what they are worth, to other businessmen and the other citizens of the nation, the state or the community as the need is indicated, and to legislators and administrators—no matter who has to be contradicted or disagreed with. For instance, many top government officials have quite understandably protested the conclusions I have publicly disseminated on various issues. There is no way to avoid controversy if you are going to try to get anything worthwhile done about constructive legislation or about heading off unworthy schemes.

In this connection, the most effective lobbyist of all is the one. Continued on page 22

All the comforts of home

A little bit of home flies with you when you take a trip on one of today’s modern airliners. The friendly comforts . . . the small but important needs . . . are graciously and thoughtfully provided. No wonder so many people are flying.

Last year, America’s airliners carried more than 42,000,000 passengers a total of 25 billion miles. Providing the fuels and lubricants to make this possible has been a big job for the petroleum industry. Texaco is proud of its part in this
Biggest Management Job Ahead

who can say "the thing I am proposing to you is something good" for you, or for others? It is probably

A very effective and readily understood competence to do one's personal work and personal

The Businessman's Personal Program

Mr. Morrow and Mr. Hawker have

taken a down-to-earth, do-it-your-
self, do-it-for-yourself, do-it-together,

(1) Peruse the head of your own

naturally, is the key to a vital part of the work

every manager at every level. My boss has

(2) Persuade the head of your

organizations, and also get them to

(3) When a Better Business

Overall, our personal work

(4) Money alone will not do

(5) Do the mental work and
toxicating, stimulating, and invigorating.

far-reaching, and important—indeed,

If the individual is trapped with no

for taking a walk. And, in extreme cases of pro-

who take the initiative clear over to

organized special-interest groups competes with one another

and his personal freedom. One's freedom from

Some of the most interesting and important
to new businessmen to get busy from a point of view that particular

in the light of new and better information, and also

get them to have a personal hold on

what is now wanted in the

organizing and directing, and will actively

the first place of the one's party that it

its bearance of good people unless it

at least usually or supposedly but

what is genuinely good.

However, the main objective sought is for both parties to get the

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 endeavors themselves more constantly to

The candidates who seem most

in the party are too many to

that history is going to deal very poorly with the politicians of our

didn't know the kinds of work we

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reassuring activity—more than the

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of one's personal freedom. In your party, you are
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But to be sure of doing your work


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ought to be able to instil, the

the individual must take his political

in the same way, whether you are

in the banks and workshops.

Far from trying to

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in that the party platform of the

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very own or his own personal, and can

this select committee, this personal

be done only on his own time and

in their own

In our General Electric program, we, of course, distinguish

are businessmen, large and small;

and managing respon-

Is it possible, or will they all be
to establish a closer tie between

while we do not think any particular

work in the world and the public.

that in order to do this job, you

money in the personal party of

the party, you may like, or the party

If there is cooperation, take on the job of

the other party's plan of action.

The Municipality of Metropolitan Toronto (Province of Ontario)

in the personal party of the council

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individual—having done

for, and working for,

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together, the party seems

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probably best usually to go along,

by the other party. It could be

in the grass roots. Undertaking to

persuade and deliver 50

individual voters in your own

party is a valuable and

itation, and personal

or the party you

type of cooperation.

Take on the job of voting and

the other party's plan of action.

and out of business, you are
doing. It is essential to
to get 10 other responsible citizens

A Job We Can Do

We do only to do this job for you and

the country and you are as

part of the community — and

we know you are doing just what we

how to get paper shuffling?

This is a job of do-it-yourself, practice-before-you- preach. This job cannot wait until the next
election campaign, it must be done now.

It's a job we, as responsible
citizens, can do for our own

machines and making a job, we

theinking of the debentures will be

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Sterling’s Prospects in Early 1959

By Paul Einzig

Whether sterling will increase its seasonal improvement during the early months of 1959—in view of its singularly successful strength in the face of traditional autumn decline—is examined by Dr. Paul Einzig, former Banco dei Siciliani Professor of international finance at the London School of Economics. While the autumn pressure due to heavy payments for seasonal influences, the balance of payments, and political psychological considerations, has declined, the arrival of the winter, and by implication the spring, may create a 5% or smaller post-war level of seasonal strength. A Conservative re-election victory, the British commentator hopes, may enable the Government to take a more realistic view of sterling’s prospects in the long run. Possibly the most important outcome of the election, however, will be the crystallization of a majority of one or more, which may necessarily be accompanied by pessimism about the long view.

Northwest Airlines Offer Underwritten by First Boston Group

Northwest Airlines, Inc. is offering the holders of its common stock a proposal to increase its capitalization by filing with the SEC a registration statement on Form S-8 for 250,000 shares of common stock, 5% convertible series, par $25, on the basis of one share of new series stock for each five shares of common stock. The stock will be offered in the U.S. and abroad, and is expected to be an eventful subscription to the conversion price of $26 per share, including the right of any subsequent conversion, with the proceeds expected to be used for additional working capital.

Unsatisfactory Basic Conditions

Notwithstanding the reinforcement of the gold reserve during the last few months, it is unlikely that this will become effective in December as a result of the Bretton Woods and Cambridgespring Loans—because the basic condition of the gold market is that the price of gold is rising as a result of the rise in the price of gold to 420 Swiss francs, which stimulates demand, is not met. Furthermore, the Chancellor of the Exchequer, Mr. Amory, declared that the Government is not prepared to liquidate sterling markets by reducing the amount of gold held abroad. This will, however, make the Government unwilling to liquidate foreign exchange markets by reducing the amount of gold held abroad. The Government will, however, have to be prepared to liquidate foreign exchange markets by reducing the amount of gold held abroad.

Overlooked Wage Increases

The debate over the early-month devaluation increases was distinctly detrimental to export prospects. This was particularly the case, and the shipbuilding industry. The grant of 3% to coal miners, for example, has its influence on the pound, which has fallen from 0.125 to 0.123, but the effect is likely to be offset by the increase in coal price. The effect on the pound, which has fallen from 0.125 to 0.123, is likely to be offset by the increase in coal price.

Newspaper Advertising

John J. McCloy, Chairman of Chase Manhattan Bank Company, New York, announced the election of Charles H. van Leer to the board of the Chase Manhattan Bank Company, New York, which was approved at a recent meeting of the Board of Directors. Mr. van Leer, who is out- standingly Vice-President, is Chairman of the Chase Manhattan Bank Company, New York, and Samuel S. Marshall, III, formerly Assistant Treasurer, has been named Assistant Vice-President, and is to preside over the Chase Manhattan Bank Company, New York, which was approved at a recent meeting of the Board of Directors.

The Baltimore News-American, a newspaper of The Baltimore Sun Company, Commercial and Banking relationships in the Middle West.

K. Marvin Camp, formerly As- sistant Vice-President, has been appointed to the board of the Chase Manhattan Bank Company, New York, which was approved at a recent meeting of the Board of Directors.

Dr. Paul Einzig

In ordinary circumstances December witnessed the least seasonal pressure. The autumn pressure due to heavy payments for seasonal influences, the balance of payments, and political psychological considerations, has declined, the arrival of the winter, and by implication the spring, may create a 5% or smaller post-war level of seasonal strength. A Conservative re-election victory, the British commentator hopes, may enable the Government to take a more realistic view of sterling’s prospects in the long run. Possibly the most important outcome of the election, however, will be the crystallization of a majority of one or more, which may necessarily be accompanied by pessimism about the long view.

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their investable funds and pursue an investment program in their own right that should provide them not only with more diversified investments but also with higher yields and better balanced incomes.

Mr. Eldridge said the Hackensack Common Trust Company will follow the same pattern used successfully by large New York banks in managing similar trusts. This will mean that participants in the Hackensack Common Trust will have a choice of two investment funds: a Legal Fund and a Discretionary Fund.

"The Legal Fund is designed primarily for those who may wish to concentrate on investment safety. The Discretionary Fund also may include investments of this type, but this Fund will provide, too, for investing in common and other corporate securities at the discretion of the Bank, and thus will offer greater income potential."

He added that the Hackensack Common Trust Company will merge into the merger, available through the Bank's new branch office at 26 Linnan Avenue, the former site of The First National Bank of Syrian Corn.

The Security National Bank of L. L. will open the doors to its 28th Long Island office in Melville, L. L., on Dec. 15, it was announced by President Heman H. Masur. Opening the operations at the Melville office will be Edward C. Johnson, who had been the bank's Fort Lee office, the bank's Amityville office. Previous article appeared in this column on Nov. 20, page 2106.

Frederick B. Burkhardt, a director and retired Treasurer of the First National Bank Company, died Dec. 5. He was 74 years old.

Mr. Burkhardt had been with the bank for 42 years before retiring as Treasurer in 1942.

Matthew J. Sibol, a Vice-President of the New Jersey Savings Trust Company in Paterson, N. J., and a retired Vice-President of the National City Bank of New York, died Dec. 6 at the age of 65. Mr. Sibol had been the bank's vice president at the Bank's Amityville office.

Mr. Sibol retired in 1965 from National City Bank, now the bank's New York City office. Since that time he had held the Paterson Bank post.


The First National Bank of Jersey City, New Jersey announced on Dec. 9 that the bank is offering its stockholders of 17,000 additional shares of $25 par value, of common stock at a price of $25 per share has been $92.3% subscribed. Rights expired Dec. 5.

Of the total offered, 16,801 shares were taken up and were sold, terms of the offer and the remaining 19 shares sold. The Bank maintained its original offering prices, but at prices substantially above the offering price, it was announced by Knott in Jersey City, N. J., President of the Bank. Previous article appeared in this column on Nov. 15, page 1960.

The Hackensack Trust Company, Hackensack, N. J., has added something new to its inventory of banking services: a common trust that will enable participants to pool their resources for investment purposes.

Brock E. Eldridge, President of the Bank, in announcing the new service on Dec. 2, said that many of our trust customers with modest holdings have found it practical to invest only in a relatively small number of securities at any one time. By participating in the Hackensack Common Trust they will empower the Bank to pool

Lockheed Management answers your questions about:

Lockheed's Diversification

1. How many types of aircraft and missiles is Lockheed manufacturing or developing? What other activities is Lockheed engaged in?

Lockheed, long noted for its wide diversification, now has more projects in production or development stages than at any time in its history—thus increasing our research and ability to adjust to changing conditions in the years ahead.

Lockheed Aircraft Corporation is composed of a team of autonomous operating divisions—each specializing in specific fields and independently active in a multitude of endeavors that make up today's air/space industry. Lockheed's versatility in management and technical skills is, we believe, unrivaled in the field of flight.

Here is a partial list (restricted for security reasons) of Lockheed projects which are now in production or development stages:

MANNED AIRPLANES

1. Transports: Passenger piston Super Constellation

2. Fighter: F-104A-C air superiority jet Starfighter

3. Research Vehicles: U-2 high altitude

Nuclear PROGRAMS

1. Testing of nuclear devices

2. Industrial reactor design

3. Nuclear propulsion for missiles

4. Reaction effects on aircraft systems, structures, and materials

5. Radiation shielding

6. Radiosophs for industry

RESEARCH PROGRAMS

1. Man in space

2. Space communication laboratory

3. Ion propulsion

4. Gas dynamics under magnetic influence

5. Computing machine memories

6. Very-high-speed aerodynamics

7. Human engineering

8. Crew fatigue studies

9. Noise suppression

10. Materials and processes

11. Jet thrust reversal

12. Electromagnetic wave propagation

13. VOTL and STOL designs

14. Operations research and analysis

15. Chemically-powered supersonic aircraft

AIRCRAFT MODERNIZATION AND SERVICE

1. Maintenance, overhaul

2. Repair

3. Modification

4. Avionics maintenance and overhaul

5. Missile field service support

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1. Maintenance, overhaul

2. Repair

3. Modification

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5. Missile field service support
**Lockheed means leadership**

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**MANAGEMENT SERVICES**

1. Airport management consultation
2. Aircraft production licensing and technical assistance
3. Aircraft/missile flight and ground crew training
4. Computer time
5. Nuclear operations management

**MANUFACTURING SUBCONTRACTING**

- Tool design and manufacturing
- Fabrication
- Assembly

**SPARE PARTS DISTRIBUTION**

- 15,000 ports for commercial planes alone—In five U.S. depots.

**HANDLING EQUIPMENT**

1. Passenger/cargo loading bridges
2. Aircraft/missile maintenance and ground handling equipment
3. Aircraft/missile test and checkout equipment
4. Mechanized cargo loading systems
5. Aircraft/missile flight and navigational aids
6. Aerial delivery systems

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2. Is Lockheed’s diversification paying off in increased sales and profits?

Yes. And it will continue to do so. Our drive for diversification in the past decade has brought significant sales in many new fields. Just 10 years ago our sales volume was $126 million. In 1958 we estimate sales will exceed $900 million—seven times our 1948 figure. Let’s look, for example, at several areas in which we have expanded vigorously:

**Missiles and satellites**—one Air Force missile project in 1948...sales of $194,000. This year our Missiles and Satellites has been awarded orders from three military services at the rate of $1.4 million every working day. We expect missile-satellite sales will be nearly one third of our total 1968 sales volume.

**Government research and development**—aside from missile and satellite work, research sales of less than $6 million in 1948 have grown to an estimated $22 million this year. Postwar research sales through 1968: about $170 million.

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Two officer advancements at the Bank of Virginia in Richmond were made by Thomas C. Boush, President, and James D. Harrington, Jr., elected as Assistant Vice-President. Mr. Harrington is in charge of the Installment Loan Headquarters for the entire bank.

Action to permit the payment of a 2% stock dividend was recommended to the shareholders of Mellon National Bank and Trust Company, Pittsburgh, Pa., by the bank’s Board of Directors at their regular monthly meeting held on Dec. 8.

To make the stock dividend possible, the shareholders must authorize an increase in the bank’s capital from $2.704,500 to $4,208,000 and an increase in the number of shares outstanding from 325,500 to 3,250,000. The par value of the shares would be $10.

Mr. Harrington, a commercial loan interviewer with the Eighth and Main Streets office in Richmond, joined the bank Jan. 1, 1953. Mr. Harrington began his banking career as a management program trainee and has held assignments in audit, loan and credit administration. He has been a commercial loan interviewer since May 20, 1960.

**Military aircraft**—in 1948 we delivered $78 million worth of Navy antisubmarine patrol bombers, Force jet fighters and jet trainers. This year we have delivered jet fighters, jet trainers, antisubmarine craft, airborne early warning planes, and troop-cargo transports to the Air Force and Navy at a dollar volume more than five times greater than the 1948 level.

**Atomic developments**—our studies began 10 years ago. First contract received eight years ago. Current annual sales: $4 million.

**Military modernization and service**—about $11 million in revenues in 1948. Now a sprawling network of service facilities—Japan, Hawaii, New York, California, Atlanta—brings us service sales 10 times greater than a decade ago.

**Commercial transports**—in 1948 we delivered 18 Constellation airliners valued at $31 million to four domestic and foreign customers. We had orders for 12 more. In 1958, a year of transition, the Constellation line has ended. We are beginning deliveries of the new prop-jet Electra transports ordered by Braniff, Dec. 8. (Number of shares outstanding—40,000 shares, par value $10.)

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Next year and in the years to follow, out of the many advanced projects we are now developing, we will create exciting new contributions to human knowledge—and sales from sources undreamed of a few short years ago:

Commercial applications of missile and space technology....radically new supersonic jet transports....harnessing of nuclear energy for industrial use....incredibly sophisticated electronics applications....

—from the whisper of an idea as yet unborn.

**3. What about the future?**

Our 1958 nine-month financial report showed sales at an all-time high and earnings nearly one fifth above 1957. We expect this higher volume and earnings trend to continue.

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News About Banks & Bankers

Halsey, Stuart Group Offers Southern Bell Tel. & Tel. Debentures

At a meeting of the Board of Directors of The Bank of Nova Scotia, in London, Canada, held on Dec. 4, F. William Nichols was elected President and Chief Executive.

Mr. Nichols succeeds C. Syndey Forster, who has been the bank's chief executive, but is retiring for health reasons after a 20-year banking career.

The new President announced the election of Robert L. Lohr as Executive Vice-President, and Douglas Gibson has been appointed General Manager of the Thomas A. Boyles appointed to the new post of Assistant General Manager of the Royal Bank.

Mr. Nichols has been General Manager of the Bank of Nova Scotia since 1924. He was elected a director of the bank in 1927, and a Vice-President in the fall of that year.

Mr. Lohr began his banking career 30 years ago at Yarmouth, Nova Scotia, and has been an executive Vice-President, and in June, 1906, President.

Mr. Lohr began his banking career 50 years ago at Yarmouth, Nova Scotia, and has been a director, and executive Vice-President, and in June, 1906, President.

Stanley Co. Formed

MONTCLAIR, N. J.—Stanley & Co. is a new bank, chartered by the State of New Jersey, and incorporated for $1,000,000.

Francis I. du Pont Adds

To the staff of Francis I. du Pont & Co., 317 Montgomery St., Philadelphia, Pa., have been added two new employees, Robert J. O'Hara and John E. O'Hara.

Continental Illinois National Bank and Trust Co.

The origin of this bank goes back just over one year to the organization in Chicago of Mercantile Savings-Loan & Trust Co., in 1897, four years prior to the Civil War. The bank was incorporated in Illinois to act in the capacity of a bank. It was licensed to do business in the state of Illinois, and was chartered by the state of Illinois. It was the first national bank to be established in Illinois, and was the first national bank to be established in the United States.

About 40 years ago, the bank became a member of the Federal Reserve System, and has been a member of the Federal Reserve System ever since. The bank has been a member of the Federal Reserve System since 1933, and has been a member of the Federal Reserve System ever since.

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In my humble opinion, it is but a matter of time before national bankruptcy sets in; in that event, all of our economic legislation may not be worth the paper the laws are written on. It may not happen in your lifetime, even in your children's life-span; but it can happen. We have been on the brink of depression before, and we look back upon such a period as a by-product of economic leeches. If the depression is due to a lack of control, over a period of time, more interest in our economic welfare legislation will usher in national bankruptcy, that labor's over-reaching brings about the next depression, and that we have foregathered our cooperative.

As I look back over my 40-odd years as a voter and try to interpret the Democratic side of the last election, which happened while I was in Africa, I am convinced that the average voter is more interested in seeking the freedom to-day than he is looking "free-
dom." Now the more I have studied and the more I have seen, that freedom which is the fruit of the labor of those who have been in danger of being scalped by the Indians, were often cold and hungry and many times naked and cold, but they were free men. Today we speak of "freedom," but we are endeavoring those hard-won freedoms for ourselves in the direction of a welfare state.

Soak the Rich!
Subsidies and guaranteed "womb-to-tomb" economic aids of every variety have been paid for by someone. Uncle Sam has no mysteries but a lot of dime-oney for your unemployment account and old-age pension comes out of your pocket, not Uncle Sam's. He has no pockets; and if he had, I am afraid he would be full of holes! When you put a ceiling on a receipts which pay- taxing initiative, man tends to give up. And when you soak up the business and industry and try to destroy those financial sources that will build our banks, our institutions, hospitals, research centers, and libraries, Top, then you get the reaction of the people and we get a capital because the return is just not paid out in the way it should be. Investment steps into the breach to sub-
stitute for the inaction of the private capital which has been deranged. This means that more money has to be collected from you and your commercial activities. These responses, it also as-
sumes. But the little individual, the little individual in the community is the most important. The vendors certain aspects of his freedom, I assure you, But he thinks is security.

Our Drive for Economic Security Means Surrender of Our Freedom

By ROGER W. RABSON

Looking back over his sixty years of voting experience, Mr. Rubson fears want peace but are unwilling to sac-
ifice anything for that, and that they place security ahead of freedom. The only way to stop this trend of incentive- discouraging welfare legislation will usher in national bankruptcy, that labor's over-reaching brings about the next depression, and that we have foregathered our cooperative.

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In my humble opinion, it is but a matter of time before national bankruptcy sets in; in that event, all of our economic

AAA and Mutual Savings Banks Assn. Discuss Taxation Problems

Representatives of the American Bankers Association and the National Association of Mutual Savings Banks meet at the A.B.A. offices in New York to discuss problems of taxation.

Seated around the table (clockwise): William A. Lyon, President of the National Association of Mutual Savings Banks; Claude L. Allen, President of the Dry Dock Savings Bank, New York; Earl B. Stewart, President of the Citizens Fidelity Bank and Trust Company, El Dorado, Ark.; Mr. Hurley is Chairman of the Board of Governors. (Interior view.)

Securities Salesmen's Corner

A Follow Up Idea for Newspaper Advertising Replies

Ferro Dynamics Corp.
Common Stock Offered

Public offering of 100,000 shares of Ferro Dynamics Corp. common stock (par 25 cents at a price of $33) is being offered by Milton D. Blauner & Co., Inc. and Hallowell, Suburger, Jenkins, Inc., underwriters.

The net proceeds from the fin-
ing are to be used for the general funds of the company and for the purpose of being used for increasing working capital, to refine iron from factors and for expansion and im-
mprovements. The company, a writer of insurance, has made a demand of the names, "Sonorama" and "Brand Five."

The net proceeds from the fin-
ing of the company will consist of 122,792 shares of common stock, 76,792 shares of common stock B, which are payable to banks and other.

Allen L. Hopkins

Allen L. Hopkins, a new partner in Putnam & Hart, Co., new partner in Putnam & Hart, Co., passed away suddenly Nov. 30 at 85.

Robert H. Scalon

Rollins H. Scalon, limited partner, National Trust Company, San Francisco, passed away Nov. 21.
Competition vs. Monopoly

result of our success, of what we have accomplished — I'd like to discuss some of our economic problems.

Our Economic Problems
We are confronted with the fact that inflation is our biggest economic threat. I do not argue. As a matter of fact, the gains in real income that have been achieved are more than offset by the consequences of real economic growth. The only solution is to follow the conventional wisdom that inflation is a threat to our economic system. I believe that the only solution is to follow the conventional wisdom that inflation is a threat to our economic system.

Inflation is not our biggest economic problem. What is the source of our economic problem? We must recognize that inflation is not the whole answer. The real source of our economic problem is the degree of competition in our society. The competitive system has been replaced by a concentration of economic power in a few hands. This concentration of economic power has been accompanied by a decline in the degree of competition in our society. The competitive system has been replaced by a concentration of economic power in a few hands. This concentration of economic power has been accompanied by a decline in the degree of competition in our society.

In the long run, I believe that the competitive system is the only solution to our economic problems. I believe that the competitive system is the only solution to our economic problems. I believe that the competitive system is the only solution to our economic problems.

Biggest Problem: Industrial Concentration
I believe that the biggest economic problem we face is the degree of concentration in our economy. When you look back at our political system, the concentration of economic power is all the divine origin of man and the inalienable right of property. The concentration of economic power is the basis of our political system, the concentration of economic power is the basis of our political system.

In order to preserve the divinite rights of individuals, we have created an economic system that distributes political power. This political power is distributed to the point where individuals can exercise some control over government. The concentration of economic power has been propelled into a continuation of competition. We cannot fully participate in this political activity. But, how can we continue to participate in political activity? It has been very difficult to do that.

Actually, this wage-price spiral has been stimulated and pushed along by our government policy. In 1963, Walter Reuther's brilliance in recognizing government controls over the economy marked the beginning of the New Deal economy. The New Deal economy is characterized by government controls over wages and prices. The New Deal economy is characterized by government controls over wages and prices.

The third factor: Excessive reliance on monetary controls.
With a government policy of keeping wages and prices, the Federal Reserve Bank has the capacity to control interest rates and money-
ary controls to stop things and then start them again. We have had our monetary controls to slow down growth and then reverse them to get things going again, there is no indication that they are working. It has placed an excessive reliance on monetary controls to deal with a situation that is not old-fashioned inflation.

I think those three factors have created an economic situation that constitutes our biggest economic threat.

Source of Our Economic Strength

The concentration of economic power is the source of the economic strength of our political system. If you analyze it fundamentally, the real source of our economic strength is the degree of competition in our society. The competitive system has been replaced by a concentration of economic power in a few hands. This concentration of economic power has been accompanied by a decline in the degree of competition in our society.

In the long run, I believe that the competitive system is the only solution to our economic problems. I believe that the competitive system is the only solution to our economic problems. I believe that the competitive system is the only solution to our economic problems.

Biggest Problem: Industrial Concentration
I believe that the biggest economic problem we face is the degree of concentration in our economy. When you look back at our political system, the concentration of economic power is all the divine origin of man and the inalienable right of property. The concentration of economic power is the basis of our political system, the concentration of economic power is the basis of our political system.

In order to preserve the divinite rights of individuals, we have created an economic system that distributes political power. This political power is distributed to the point where individuals can exercise some control over government. The concentration of economic power has been propelled into a continuation of competition. We cannot fully participate in this political activity. But, how can we continue to participate in political activity? It has been very difficult to do that.

Actually, this wage-price spiral has been stimulated and pushed along by our government policy. In 1963, Walter Reuther's brilliance in recognizing government controls over the economy marked the beginning of the New Deal economy. The New Deal economy is characterized by government controls over wages and prices. The New Deal economy is characterized by government controls over wages and prices.

The third factor: Excessive reliance on monetary controls.
With a government policy of keeping wages and prices, the Federal Reserve Bank has the capacity to control interest rates and money-
ary controls to stop things and then start them again. We have had our monetary controls to slow down growth and then reverse them to get things going again, there is no indication that they are working. It has placed an excessive reliance on monetary controls to deal with a situation that is not old-fashioned inflation.

I think those three factors have created an economic situation that constitutes our biggest economic threat.


determination of contribution and risk. We have been willing to pay the cost of the organization that made the greater contribution to our industries. People and organizations have necessarily been rewarded on the basis of their contribution to the competitive system the world has ever seen.

That includes the unrestricted use of enlightened competition.

Our basic industries, which are down—that is a handier way of putting it—are determined to use every resource we can muster to keep ahead of them.
Better Antitrust Laws

In solving the wage-price spiral, that should we do? As I have already pointed out, our strength as a nation derives from our religious and political institutions. In order to understand how political institutions were developed, we must understand the nature of distribution of political power. The Federal Reserve Bank of St. Louis

is an excellent organization of private power for the pursuit of the common interest. Big labor and other groups are organized to serve special interests. The Federal Reserve System and other General Government. We are threatened, therefore, by the loss of vested ultimate political power in the hands of the state.

Wants Collective Bargaining

In the American economy, workers and management struggle for a share of the nation's wealth. They need to extract their share of the bottom line. The government, the Federal Reserve Bank of St. Louis

sheltered employer, can provide a haven for them. The Federal Reserve System is a fantastic organization of private power for the pursuit of the common interest. Big labor and other groups are organized to serve special interests. The Federal Reserve System is a fantastic organization of private power, and the government, the Federal Reserve System, is a fantastic organization of public power. We need to ensure that the Federal Reserve System is a fantastic organization of private power for the pursuit of the common interest.

Economies of Trade

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As We See It

This is the effort spent in useless and destructive regulation of ourselves. Our attitude, or that of many of us toward production and the limitation thereof, particularly by organized labor, also costs us more than the benefits and the reduction of incentives are still other self-imposed handicaps which should go by the board without delay.

More Is Involved

These things, we now repeat, we must do if we are to realize anything approaching our full potentiality. But more, so say these current commentators, is involved than mere volume of production or the efficiency of production; it is a question of the hundreds of millions of people throughout the world now in abject want, who are pictured as being in a state of mind which is likely to lead them to look abroad for help, if it is not repudiated out of their difficulties. The question is, so it is said, whether these benighted and backward peoples will presently be easy victims of communist notions with the result that they will soon fling their way into the camp of the Kremlin and hence at odds with us and the remainder of what we usually call the free world. Of course, in any such situation much might turn on what seems to be greater progress by the Russian peoples. For, as it is said, is the greater by reason of the long history of colonial rule and sometimes colonial exploitation.

This seems to us to be a battle—if it is a battle—at least more than propaganda as of economic achievement. The Kremlin is pastmaster of making the worse appear the better thing, and it often seems that spokesmen for this country are in fact more interested in making the worst appear to the average person as better than the reality of the situation. What we have a right to say is that at least every time that the likelihood of progress of this sort, aided and abetted by the Kremlin, might lead to undue influence by the Russians and possibly subject to our own people in the economic field is more than a matter of proportions to the facts as they exist. For it is made obvious in the present effort to improve them all aligned somehow against us. It must not, however, be taken that even if communist, these now independent countries or regions would easily and graciously accept the Kremlin's path, for the peoples of these regions, too, are too prone to think of the communist world at "monolithic" as the Russian communists would and do say.

Naive?

But are we not a little naive in believing that the economic position of these poverty-stricken peoples will or can be greatly improved within a short period of time by the Kremlin, no matter what may be the policies or programs of that arch-tyranny? Let us take a look at the record of the communists in Russia itself. Somewhat more than 200 years ago it was eloped since Lenin and his associates took the reigns in Russia. There is still no free land in Europe, so we should expect to find, where life is rougher or tougher upon the individual than in Russia today, that, as a rule, all which is unconditionally has been made. It is true, of course, that Russia had suffered severely at the hands of Hitler and his hordes during World War II, and so did most of the other peoples of Europe. We have heard great things since the end of World War II, but we wonder if it is greater than in West Germany.

Again let us not forget that the cost by which we pay Russia has made itself felt, and that the cost has taken over has been the cost of blood and sweat and tears among the vast rank and file, who have paid dearly for any progress that has been made. We are told that it had to be the way it is, by command from above, the people that have had to go on with much less than they produced in order to build for the future. We can not help but wonder if there is any force in the world that could drive the rank and file in India, for example, to undergo such hardship and suffer such slavery as the Russians did. The same may well be said of most if not all of the peoples now expected to be helped by the Kremlin. Whatever Russia does or whatever any other country does, the salvation of backward peoples lies largely in their own hands.

Textile Industry's Potential

1958 was 20.2% higher than in the base period 1947-49. There are facilities for the several components. This was a 3.6% increase. The greater rates of rises include:-

-1.380. housing-125. other goods and services-124.5.

This increase in the price level of 11.8% points to what has been the "real" change. For example, since that point, the apparel group would be at about the same in 1947. That is, today, to offer the people of America something such as 12-20% of what was available in our markets; that the industry has been instead greatly improving their living standards.

Labor Opportunities

One of the most noted textile executives recently said, "If you can develop the ability to assume and to do, the present industry is one that could offer an opportunity for the ambitious young man." The statement points strongly to a potentiality of thousands of millions of dollars for economic development and a possible opportunity for the ambitious young man.

As in all industries, the textile industry is not static in its development. In recent years, the industry has been taking steps to improve the quality of its products. The industry's recent efforts have been directed toward improving the quality of its products. Some of these efforts have been aimed at increasing the quality of the products, while others have been aimed at improving the efficiency of the production process.

The textile industry is characterized by a large number of small firms that produce a wide variety of products. It is important for the industry to continue to develop new and improved products in order to remain competitive in the market.

With the expansion of the textile industry, there is a growing need for skilled and trained labor. This provides an opportunity for workers to enter a thriving industry and earn a living.

It is important that the textile industry continues to grow and develop in order to meet the demands of the modern economy. The industry plays a vital role in the economy of the nation and its continued growth is essential to the well-being of the country.

Exposures Own Conviction

My own conviction is that the textile industry in the United States will be more successful in the years that lie ahead than it was during the 1950s. The textile industry has been plagued by a variety of problems, including competition from other industries, changes in consumer preferences, and fluctuations in the economy. However, I believe that the industry has the potential to grow and thrive in the future.

The textile industry is a large and diverse industry that produces a wide variety of products. It is important for the industry to continue to develop new and improved products in order to remain competitive in the market. The industry plays a vital role in the economy of the nation and its continued growth is essential to the well-being of the country.
Optimistic talk about the future course of the economy, concern over very narrow profit margins despite satisfactory level of business volume in some industries, continued drag on employment, and the rise in the Federal Reserve's base rate are the highlights of the latest outlook by National Association of Purchasing Agents' Committee.

Purchasing executives, in their December survey that continues to be a good deal of optimistic talk concerning increased sales and prices. Also, the recent rise in the base rate, which has not caused a drop in business, shows that purchasing agents are not likely to be a sharp upturn in purchases of bonds.

No Activity on Tax Selling

Year-end operations, none of which are expected to be unusually active. Predictions of a large volume in tax selling for the market of the balance of this year. Most of the deposit institutions are doing very little in Treasury obligations, since the earlier drop in rates and the inflow of funds has given a new break in the market. The Treasury bill will give many of the opportunities to extend their maturities a bit and at the same time obtain a better return on the futures market, says one investor, in the near future.

Inflation Fear Spurs Equity Buying

The insurance companies and savings banks have been selling off the longer-term Government bonds from time to time, although not in large amounts. The speculation is that a few of these issues now being sold for very good yields to income investors are being reacquired by the insurance companies, which may try to get appreciated, will be given the green light in the not distant future. If this should come to pass, then the demand for common stocks as inflation hedges will increase sharply. As against this, there will be a decreasing interest in fixed income bearing obligations as the rate increases. In face of all of this fear of inflation, which is the main concern among investors for the rest of the year, there is a very conservative attitude. Yet it is quite evident that this spiral is either broken or slowed down considerably there is going to be a waning interest in the bonds that have a long rate of return.

Variable Annuity Policies a Probability

The inflation psychology is so important in the minds of most investors that there is a growing belief among financial experts that the life insurance companies will experiment with variable annuity policies. These policies, according to W. H. Borchardt, have tried to get approved, will be given the green light in the not distant future. If this should come to pass, then the demand for common stocks as inflation hedges will increase sharply. As against this, there will be a decreasing interest in fixed income bearing obligations as the rate increases. In face of all of this fear of inflation, which is the main concern among investors for the rest of the year, there is a very conservative attitude. Yet it is quite evident that this spiral is either broken or slowed down considerably there is going to be a waning interest in the bonds that have a long rate of return.

Bonds May Get Breathing Spell

On the other hand, it does not appear as though the corporate borrowing in 1959 will be as large as they were in 1958, while tax selling is likely to remain at about the same level. In the new year as they were in 1958. The Government, after the early 1959 new money operation and the refunding of the first quarter's worth of the money market, is likely to leave the market a little stronger in the new year.

Accordingly, these forces could have a favorable effect on the market for capital funds. It might be a breather for the longer-term Government market, unless the Treasury in its coming new money of the year afforded an opportunity to make the needed changes for tax purposes. Other institutions also are quiet and expect to enter the Government bond market as the bonds are of high interest rates, which is a principal rally of the bond market. The new 1960 Treasury bill will give many of the opportunities to extend their maturities a bit and at the same time obtain a better return on the futures market, says one investor, in the near future.

Specific Commodity Changes

A large number of items are reported higher in price again in November, but there is not a lot of statistical support for any of these reactions. Increases may be due to local changes in pricing structure.

The up side is: Copper, lead, silver, steel castings and pipe, tin, nickel, manganese, vegetable oil, rubber, cotton, burlap, electronic equipment, refractories, fasteners, and L-shaped bars.

On the down side are: Steel scrap and some chemicals.

In short supply: Helium (it is interesting that Macy's in New York, used only two dollars worth in the exhibit in today's Thanksgiving Day parade).

Mutual Fund Inv., Inc.

With Dempsey-Tegeler

FRESNO, Calif.—Mutual
Investments, Inc., has been formed with offices at 419 North Calle,
Levinson, Raymond Sodersten, and James Watanabe are now
Brooke St. Aluminum, and rubber, cotton, brass, electronic equipment, refractories, fasteners, and L-shaped bars.

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**Outlook for the Bond Market**

will produce a GNP for 1959 of something like $460 or $470 billion, with a rate of increase in the price indexes, especially in the last half of the year, I am coun-
tending that the consumer's propensity to buy will be going to be decided in no small part by the extent to which he will be able to buy at prices that he can afford to pay. My own feeling is that the consumer is going to be fairly well off in terms of disposable income, and that he is going to be looking for larger quantities of goods and services than he has been looking for in the past.

The Treasury's Plans

The Treasury will be competing in the money and bond markets to provide new funds for 1959, with several offerings of new securities.

There will also be the problem of refunding-or of a continued judgment of the floating debt-and it is difficult to say whether these refundings or the new issues are going to cause greater problems to the market, or whether the Treasury is going to be able to use it as it did in 1958, in terms of dollar amounts of maturities obligations and the way they were handled, that we had never ever had to face.

At the beginning of the present year the issue which would have to be dealt with was the reduction of the regular issues, and the Treasury is trying to get the regular issues into the market in such an amount that it will be possible to have the market in a good position to do business.

About the liquidity shift in commodities and securities, it appears that the liquidity is in the hands of the banks, and the Treasury is trying to get the money to the Treasury.

There are other grounds for believing that the purchase of bonds for income has in recent years become increasingly important, and that the purchase of anything that will provide a source of income will be increasingly important to the tax structure, which makes capital gain much more important than income.

Speculation as such, from the stock market and other speculative sources, has been under a good deal of speculative movement, and it is necessary that the Treasury should have some way of getting these speculative sources into the market in order to prevent them from becoming a source of disruption.

In view of the increase in the economy's holdings of money and bond issues, I think it is necessary to believe that there is no need for greater current income, and that the Treasury will be able to provide the Federal Government with the needed revenues from higher incomes and profits, and can do no more to offset the spending than the last in this year's deficit by perhaps a little bit.

There must be taken into account, also, the world-wide demand for capital—which whether it is to be provided by the public or the private purse, the Treasury must have an absolute assurance that what it is doing is going to be financed. Its precise nature is of less importance than the fact that in a period of foreign exchange currency will not be able to be financed. The Treasury must have an absolute assurance that what it is doing is going to be financed. Its precise nature is of less importance than the fact that in a period of foreign exchange it is going to be able to be financed. The Treasury must have an absolute assurance that what it is doing is going to be financed. Its precise nature is of less importance than the fact that in a period of foreign exchange it is going to be able to be financed. The Treasury must have an absolute assurance that what it is doing is going to be financed. Its precise nature is of less importance than the fact that in a period of foreign exchange it is going to be able to be financed.
The State of Trade and Industry

There will add about four million tons to their stocks during the first two months of 1959. If this forecast holds true, the magazine stated, the metalworking plants would already have a slightly less inventory on July 1, when steel labor contracts expire, than they showed at the time of strike. At that time, steel stocks were estimated at about 18,000,000 tons. Some steel men even foresee the possibility of short-term shortages of steel, as happens now at a faster pace than expected during the first half of next year, when all products made from slabs could tighten quickly. That would mean that on a plant-to-plant basis, structural steel and other products, if used at the same rate as in 1958, are less likely to be in short supply, even for temporary periods, concluded "The Iron Age.

The auto industry opened its December marketing meeting in Chicago last week with an almost deafeningly steady rising, "Ward's Automotive Reports" stated on Friday last. A total of 18,400 new cars, daily during the period Nov. 21, 20 to 13,560,000 monthly month that put sales at the 1938 high of 17,755,000 at the peak of the decade.

It declared that the blustering show of strength gave entire November's 15,000,000 unit and 17,400,000 monthly month during a period of 12 months, a new high in 1958. High inventory levels are now at a sillier than hoped-to-stage in these markets a tendency to build up expectations of a new, more readily too easily. When these expectations are disappointed, the reactions are severe.

I conclude that interest rates and bond yields will present a pattern of a generally upward trend, and probably with wide swings around this trend.

Forms Mutual Fund Plans

WASHINGTON, D.C.—Willem H. Nerlich is engaging in a securities business from offices at 435 7th St. N.W. under the firm name of Mutual Fund Plan, Inc. Mr. Nerlich formerly with Jones, Kreger & Hewitt, Rud, Kristeller & Co. and Campbell, Johnson.

Mutual Inv. Service

LITTLE ROCK, Ark.—Mutual Investment Services, Inc., has been formed with offices at 712i Broadway, the firm's local office at 123 Broadway.

Jouns Bache & Co.

(Based on The Financial Chronicle)
BEVERLY HILLS, Calif.—James H. Soward has become affiliated with Bache & Co., Beverly Hills, a securities business, Officers are Franklin F. Busch, President; John C. Chestam, Vice-President; and Samuel H. Moore, Sec-Treas.

Thomson & McKinnon

To Admit

DAYTONA, Fla.—John M. Chryl will become a partner in Thomson & McKinnon on Jan. 1, bringing the firm's local office at 123 Broadway.

With First California

(Based on The Financial Chronicle)
GLENDALE, Calif.—John W. Aker is now connected with First California Corporation, a subsidiary of First National Bank of Los Angeles.

Hill Richards Adds

(Los ANGELES, Calif.—John E. Free has been added to the staff of Hill Richards & Co., 621 Union Bldg., New York, and 1678 Spring St., Long Beach, Calif., with the Pacific Coast Stock Exchange.

Joins Baille,alcantara

(Based on The Financial Chronicle)
SAN FRANCISCO, Calif.—Richard G. Osgood has joined the staff of Baille & Alcantara, 1517 Pacific Avenue.

Two With E. E. Ballard

(Based on The Financial Chronicle)
PARK RIDGE, III.—Clifford H. Jameson and Warren B. Mickey have become affiliated with Everett E. Ballard, 505 Park Place.

Continued from page 4

Steel Production Scheduled This Week to Rise Fractionally to 7.1% of Ingot Capacity

Metals Week reported that a production of under 129,000,000 tons for the week ending Dec. 29, 1958, will be 2.9% below the ingot output for the previous week's total and 28.2% higher than the 90,327,913 tons of October 1957. The value of production permits issued in 217 cities including New York was estimated at $62,980,417, or 8.1% above the $59,435,477 reported for the previous week's permits. The sale of permit rolls is higher than the $51,000,000 of October 1957.

Key automotive suppliers think their business with motorists will be 20% higher next year. Producers of automobiles and parts are now in transition from a period of economic hesitation to a new era of prosperity. It appears that the automobile will be a better year than 1958.

Steelworking operations for an upturn in early 1959 when automakers will know how new models are operating. If sales are dull, they will need more steel. Flat-rolled inventories will be increased and new orders will continue to come also are steel plant managers in the industry. Metallurgical work should win 4% more government work in steelmaking will double in 1959 than in 1958, this trade weekly added. Transportation equipment and machinery components, for example, can be expected to show a good report on the 1959 models last week, "Steel" declared. Orders for this period of November consisted of 144,000 new cars. The daily average of 16,200 cars was the highest of any day that of the first three months of 11,740 cars. Some industry sources have predicted that the year with extreme estimates reaching 8,000,000.

Retail sales are down in the Detroit area, according to this trade weekly. An average of two salesmen are out on business. Jobbers have watched the tooling contracts go to integrated captive service dealers as automakers decentralized and finally overseas. New threats to the current tooling plans are expected to be put in the service tooling needed and interest in plastic tooling.

Britain's most popular of its kind, the United States can expect greater metallurgical sales competition, the magazine observed. More British cars are expected to pour into the United States and more imports will come from United States, particularly in South America and Japan.

Steel's" price composite on the prime grades of scrap slipped 66 cents to $35.67 a ton with consumer buying still lacking.

The American Iron and Steel Institute announced that the capacity for the week ending Dec. 8, 1958, equivalent to 206,600,000 tons of steel ingot production was declared. "Steel's" price composite on the prime grades of scrap slipped 66 cents to $35.67 a ton with consumer buying still lacking.

For the like week a month ago the rate was" 125.3% and producer caused by seasonally higher shipments and a total weekly production was placed at 1,719,000 tons or 112.5%.

Index of production is based on average weekly production for 1947-49.

Electric Output Sets All-Time High in Latest Week

The amount of electricity consumed by the electric and power industry for the week ended Saturday, Dec. 6, 1958, totaled 217,185,000 kwh., according to the Edison Institute, Output last week set an all-time high in the week ended Aug. 16, 1958 at 2,821,000,000 kwh. The previous all-time high was recorded in the week ended Dec. 6, 1957, 216,800,000 kwh. compared to the previous week's output, which was 216,000,000 kwh.

Car Loadings Fell 12.9% in Holiday Week Ended Nov. 29

The volume of car loadings on the Thanksgiving holiday week ended Nov. 29, 1958, was 80,109,000 tons, 12.9% below the corresponding week of 1957.

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Car Output Rose by 20% and Truck Assemblies by 15% in Week Ended Dec. 5

Passenger car production for the week ended Dec. 5, 1958, was 23,236,000 units, or 20% above the current assembly of 18,918,000 units for the corresponding week of 1957. Tractor assembly for the week amounted to 21,628,000 units, or 20% above the total of 17,962,000 units produced during the corresponding week of 1957.

Lumber Shipments Rose 7.5% Above Out in the Week Ended Holiday Weekend

Lumber shipments of 467 reporting mills in the week ended Nov. 29, 1958 were 7.5% above the previous week's因为在"National Lumberman" reported this week that the current week's production was 67.9% more than the "1958 production was 120,997,000 units and compared to the previous week's output, which was 120,997,000 units.

Business Failures Rose Moderately to Four-Week High in Latest Week

Business failures for the week ended Dec. 5, 1958, increased to 202, up 2.9% above the corresponding week of 1957.

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Wholesale Food Price Index Fell Below Year Ago for First Time in 1958

The wholesale food price index compiled by Dun & Bradstreet, Inc., fell below that of the comparable period last year for

Continued on page 34
The State of Trade and Industry

The first time in 1958. On Dec. 2 the index declined 0.6% to 63.39 from 64.43 a week earlier, and was down 0.5% from the similar date last year.

In the last week the wheat were wheat, corn, rye, oats, beans, sugar and milk. Lower in cost were flour, barley, beef, ham, eggs, and cheese. The index represents the sum total of the price per pound of these items. The index is computed to show the changes in the average cost of living.

Wholesale Commodity Price Index Falls

Moderately the Past Week

Lower prices of most grains, lard, hogs, rubber and steel caused the general level of the Wholesale Commodity Price Index fell 0.4% on Dec. 1 from 278.48 a week earlier and compared with 279.46 a year ago.

Increased supplies and slow trading resulted in a moderate decline in wheat, corn, soybeans, oats, and barley. Wheat prices dipped somewhat. Prices of rye and oats matched those of the prior week, but prices of barley rose slightly. Hog buying slackened. Hog supplies were close to those of the prior week.

Although cattle receipts in Chicago expanded appreciably, prices of cattle were unchanged in the previous week. Lamb trading was sluggish, but prices were unchanged in the previous week. Sheep buying was slackening. Sheep supplies were close to those of the prior week.

Although cotton prices moved up at the start of the week, they fell moderately in the period and finished below the prior week.

Trade Volume Last Week Approached Level of a Year Ago

Although the usual post-Thanksgiving rise in trade volume occurred, the year-to-year comparison revealed more decline to that of a year ago. While there were gains over last year in sales of women's apparel, gifts and floor coverings, volume in men's apparel, toys and major appliances was down somewhat. The buying season had a very slow start to that of a year ago. The S.B.A. Volume Index, however, was 37% below the volume index of last year.

Trade in the dollar volume of retail trade in the period ended on Wednesday of last week was 2% below to 2% higher than a year ago, according to the data showed. Regional estimates varied from the comparable 1957 levels by the following percentages: Pacific Coast States 2- to 4% higher, East and West South Central, 2- to 4% lower, East North Central and West South Central, 4% to 9%.

Best-sellers in women's apparel were fashion accessories, especially handbags, jewelry and gloves. Women's cloth coats, sportswear and dresses similarly, while those in men's dress clothes and suits were unchanged.

In sales of men's furnishings and hats, declines in suits and topcoats and total volume of apparel slightly below last year. Interest in children's clothing was the least of the similar 1957 period.

There was a substantial rise in the buying of gifts, silvertone and glassware and sales exceeded those of last year. Increased purchases of occasional tables and dinette sets boosted total furniture volume noticeably over the prior week.

Sales were close to those of a year ago. There were slight variations in volume of furniture, floor coverings and television sets and laundry equipment was down somewhat.

Both the beginning of the year and the division in sales of the prior Thanksgiving week, but volume remained slightly over a year ago. Best-sellers were frozen foods, fruit and tomato products.

There was a marked rise in last minute reorders for women's Christmas gifts, especially among the more prominent department stores. best-sellers were blouses, blouses, sportswear and dresses. Bookings in women's sportswear and accessories are the highest in the past few years.

A slight increase in the call for men's furnishings occurred, while volume in suits and topcoats held unchanged. Wholesalers reported moderate interest in men's clothing and sports and boys' sportswear and shirts.

In contrast, the volume expanded moderately last week with volume close to that of a year ago. Interest in upholstered chairs, dinette sets and occasional tables matched that of a week earlier. There were shortages of some furniture and floor coverings during the week, but interest in draperies and kitchen utensils slackened. Appliance wholesalers reported substantial gains in the call for television and lighting equipment, but volume in most other appliances was sluggish.

Continued from page 33

The SEC and Small Business Investment Companies

The SEC or the Small Business Investment Companies

The SEC 1958 Act or the Small Business Investment Companies

Continued from first page
disclosures of all pertinent facts concerning the proposed offering. This word "pertinent" is arbitrarily defined so that what "you don't know won't hurt you" does not apply. If you don't know, you must find out. The penalties are severe for any false or misleading statements.

As I have indicated above, the definition of "private placement" in Section 3(a)(11) of the 1933 Act and of "exempt securities" in Section 3(4) for a number of reasons may well be the most important factor in determining the types of securities, to securities issuers, in certain circumstances and to certain classes of securities. Most of these exemptions are of a "private placement" nature. They cover, for example, Federal Agency or Public Authority, securities of certain companies, and railroad and certain other common carrier, public utility, and financial transactions, etc. Another example utilizes the "intestate exemption" as the "inestate exemption" and described in Section 3(a)(11) of the 1933 Act, i.e., the offer and sale of securities of a registered investment company, and we may forget it for our present purposes. There are, however, two exemptions which do seem to be pertinent here, and which may make registration unnecessary for some circumstances.

Private Offerings

The exemption which would probably prove most useful of the exempt financing of Small Business Investment Companies is found in Section 4(a) of the 1933 Act which exempts, among other things, "any transaction not involving any public offering." It is called the "创新创业 exemption" or "创新创业 securities" for a relatively small number of units offered. The exemption is of the securities of a registered investment company, and we may forget it for our present purposes. There are, however, two exemptions which do seem to be pertinent here, and which may make registration unnecessary for some circumstances.

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however, and the proposed Form N-5 to which I referred earlier and the SEC's new rule permitting self-regulation of professionals is considered to be a step in the right direction. The Commission is more concerned with the obstacles in the way of the industries the SEC hopes to regulate. These obstacles are found in the laws and statutes which create and regulate the industries involved. It is the law which makes the industry's problems, not the industry which makes the law. The result of this is that the Commission may have to spend a great deal of time and effort in preparing and filing the statements and reports which will be required of the industries it hopes to regulate. This may not be worth the time and effort, and the Commission may have to decide that it is better not to regulate these industries at all.

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

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<th>COUNTRY</th>
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<th>PRODUCTION OF NATURAL GAS</th>
<th>PRODUCTION OF GASOLINE</th>
<th>PRODUCTION OF DIESEL FUEL</th>
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**Note:** Figures are for the year ending December 31st.
Mutual Funds

Dividend Shares Sets New Records
In All Categories

Total net assets, number of shareholders, and holdings of Dividend Shares, Inc. increased during the fiscal year ended Oct. 31, 1958. Hugh Bullock, President, reported that the total net assets of the company at the end of the third fiscal quarter were $249,635,889, as compared with $249,529,831 at the end of the fiscal year 1957. The increase of $1,108,058 in the company's total net assets during the fiscal year, Mr. Bullock said, reflects not only a rise in the market value of investments, but an increase of 4,915,558 in the number of share outstanding.

Net asset value per share climbed from $2.26 on Oct. 31, 1957, to $2.35 on Oct. 31, 1958. After crediting the distribution of 91 cents per share from net securities income, the increase for the period is equal to 4.1%. The number of shareholders rose from 9,490 to 9,700 during the year.

During the fiscal year Dividend Shares paid four quarterly cash dividends which totaled 91 cents per share, from net investment income and capital gains. The 91 cents per share is derived from sales of stocks and securities.

A prospectus on each fund is available from your investment dealer.

Franklin Custodian Funds

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

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Address
City
State

Mutual Funds Asset Up 50%

James H. Orr, President of The Colonial Fund, reported that for the fiscal year ended Oct. 31, 1958 total net assets of the fund increased 56% to a record high of $90,111,000, and that the fund's per share net asset value increased from $8.25 to $9.53. Mr. Orr added that distributions for the fiscal year were 94 cents per share.

For the three months ended Oct. 31, 1958, the Colonial Fund reported earnings of $1,635,878, 94 cents per share, representing a 94% increase from per share earnings of 48 cents reported in the first three months of 1958.

Colonial Fund% Growth

In the first nine months, the Colonial Fund has increased the income of its shareholders through its net income to 16.4 cents per share, as compared with 11.2 cents in the first nine months of 1958.

Colonial Fund% Growth

Tri-Continental Tops in M. P. Buying

Tri-Continental Corporation, the nation's largest diversified closed-end investment company, added $14 million to its investment portfolio during the third quarter of 1958, making it the top publicly-traded closed-end investment company in the month of October.

Tri-Continental Corporation% Growth

The fund, which is managed by Peter M. Bache, Inc., added $14 million to its investment portfolio during the third quarter of 1958, making it the top publically-traded closed-end investment company in the month of October.

Tri-Continental Corporation% Growth

TOWNSEND INVEST ADDS TO HOLDINGS

Towson Invest, the investment company, announces that it has added $14 million to its investment portfolio during the third quarter of 1958, making it the top publically-traded closed-end investment company in the month of October.

Towson Invest% Growth

Offers New 5-Year Contractual Plan

A new mutual fund contractual plan, designed to provide for the automatic purchase of $500 of funds at the end of each month, was announced by American Fund Distributors, Inc., the marketing agent for American Electric Telecommunications Fund, Inc., a mutual fund with investments in telecommunications, radio and industrial electronics.

The plan, which is available to new and existing investors, will allow interested persons to have $500 of funds available for investment at the end of each month.

BULLOCK FUND% Growth

A mutual fund investigational service is a mutual fund investment counseling service for the individual investor.

BULLOCK FUND% Growth

C A R L B U L L O C K , L T D .
Established 1937

7401 West 53rd Street
Chicago 36, Ill.
**Variable Investm't Plan Contract Sales Exceed $65,000**

Sales of the Variable Investm't Plan, sponsored by Mutual of New England Financial Corporation, have exceeded $6,500,000, a new high for this series of contracts. The company, which has developed the plan over a period of several years, reported that the majority of the sales were made through brokers and dealers who are members of the Variable Investm't Plan, the sponsoring firm, reported.

More than 1,000 of the contract sales were for individual policies, but it is also significant that hundreds of thousands of dollars were received from group sales. The amount of group sales has increased steadily during the past year, and it is expected that this trend will continue.

The company also reported that the average premium for each policy sold was $15,000, and that the majority of the sales were made to individuals in the age group 30 to 50 years old.

**November Sales of Broad Street Funds Attain New Peak**

Nov. 1958 sales of new shares of the Broad Street Group of Mutual Funds, owned and operated by the Connecticut Financial Corporation, national distributor for the mutual funds, reached a new peak for the month of November, the report said.

The total value of investments in the group of funds increased by $150,000 in November, bringing the total of all funds to $100,000,000.

**Wellington Equity Fund's First Report**

The investment portfolio of Wellington Equity Fund, a mutual fund which began operation last month, included stocks in 14 major industry groups, the report said. The total of all funds grew by $150,000 in November, bringing the total of all funds to $100,000,000.

**Chemical Fund's November Sales Soar to New Highs**

Chemical Fund, Inc., reported that its November sales, the largest in the company's history, increased by 22% over the previous month.

**25th Consecutive Canadian Fund Div.**

The 25th consecutive dividend of $6.50 per share, which has been paid to shareholders of Canadian Fund, Inc., has been declared.

**Slayton Urges More Emphasis on Redemption Ratios**

According to preliminary estimates of the Securities and Exchange Commission, the ratio of mutual funds to the number of outstanding shares was 1.45 in 1959, compared with 1.41 in 1958.

The report also indicated that the ratio of mutual funds to the number of outstanding shares was 1.45 in 1959, compared with 1.41 in 1958.

**Group Marks 25th Milestone With Imported Onyx Gift**

Over two tons of imported onyx paperweights, some weighing up to 25 pounds, were imported by agents from other countries across the last week. The agents, who are members of the Paperweight Importers Association of America, have been importing onyx paperweights as a symbol of their appreciation and friendship with the company. They have found that the onyx paperweights are popular and useful.

The paperweight, which is 24" x 15" x 15" in size, is a piece of gold on top that bears the inscription "25th Anniversary."
Securities Now in Registration

**Indicates additions since previous issue**

**Items revised**

**Advanced Research Associates, Inc.**
Dec. 21 filed 58,600 shares common stock (par $1). Filed—Nov. 15. Price—$5 per share. Proceeds—For research and development and working capital.

**Ambassador Oil Corp., Fort Worth, Tex.**
Nov. 12 filed 700,000 shares common stock (par $5). Filed—Oct. 25. Price—$5.50 per share. Proceeds—For general corporate purposes. Underwriter—First Pacific National Bank, St. Louis, Mo.

**American Asiatic Oil Corp.**
Nov. 28 filed 100,000 shares common stock (par $.25). Filed—Nov. 4. Price—$3 per share. Proceeds—For general corporate purposes. Underwriter—Dempsey-Tegeder & Co., St. Louis, Mo.

**American Burwood Co.**
Nov. 13 filed 5,000,000 shares common stock, of which 952,000 shares of this offering have been sold. Shares have been issued or are freely transferable under applicable securities laws in the United States and Canada. Underwriter—Babcock & Wainwright, Inc., Manila, Republic of the Philippines.

**American Bowling Equipment Corp. (12 corp. purposes)**
Nov. 10 (letter of notification) 5,000 shares of non-cumulative convertible preferred stock (par $5) and 50,000 shares of common stock (par one cent) to be offered in units of 10 shares of preferred stock and one share of common stock. Price—$1 per unit. Proceeds—For purchase of bowling equipment and working capital for general corporation purposes. Underwriter—York Securities, Inc., 10 Wall St., New York, N.Y.

**American Magazine Co.**
Nov. 13 filed 1,000,000 shares of capital stock (par one cent). Filed—Nov. 5. Price—To be determined. Proceeds—To discharge certain liabilities of the company. Underwriter—To be named by amendment.

**American Tobacco Co., New York.**

**American Trust Co., Denver, Colo.**

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

**American Telemail Service, Inc.**

**Arvida Corp., Miami, Fla.**
Dec. 10 (letter of notification) 1,000,000 shares common stock (par $1). Price—To be sold by amendment (expected to be approximately $1 per share). Proceeds—Together with other funds, to purchase properties of the company's properties and for working capital! Underwriters—Carl M. Loeb, Rhoades & Co. and Dominick & Dominick, both of New York. Offering—Expected today.

**Associated Bowling Centers, Inc.**
Nov. 20 (letter of notification) 15,000 common shares convertible preferred stock (par one cent) and 5,000 outstanding shares common stock (par one cent). The common stock will be sold for the benefit of the estate of the decedent. Proceeds—to be used for the benefit of the estate of the decedent. Underwriter—None. Proceeds—To be used by the estate of the decedent. Underwriter—None.

**Associated Women Investors, Inc.**
Nov. 20 (letter of notification) 1,500 shares common stock (par $2.50) of which 125,000 shares are to be offered publicly and 37,540 shares to employees pursuant to stock purchase options. Proceeds—For expansion and other corporate purposes. Office—Atlanta, Ga.

**Bank Building & Equipment Corp. of America**
Nov. 20 (letter of notification) 4,781 shares common stock (par $.25) to be offered for the benefit of the estate of the decedent. Proceeds—To go to a stockholder. Office—1130 Hampton Ave., Brooklyn, N.Y. Underwriter—None.

**Bankers Fidelity Life Insurance Co.**
Nov. 16 filed 1,500,000 shares of common stock (par $1) of which 125,000 shares are to be offered publicly and 1,375,000 shares to employees pursuant to stock purchase options. Proceeds—For expansion and other corporate purposes. Office—Atlanta, Ga.

**Bankers Management Corp.**
Feb. 16 filed 400,000 shares of common stock (par 25 cents) of which 100,000 shares are to be offered publicly. Proceeds—To reduce outstanding indebtedness and for working capital. Office—New York, N.Y. Underwriter—None. Proceeds—For expansion and other corporate purposes. Underwriters—Kaiser & Co., Inc. (formerly McDonald, Holman & Co., Inc.), New York.

**Barlow Brothers, Inc.**
Apr. 14 filed 8,934 shares of common stock. Price—At $100 per share. Proceeds—For general corporate purposes. Underwriters—Barlow Brothers Co., Louisville, Ky.

**Banquet Concessions, Inc.**

**Bellescasse Mining Co., Ltd.**
Oct. 29 filed 99,000 shares of common stock. Price—At $4.50 per share. Proceeds—To be used for general corporate purposes. Offices—150 Bank St., Montreal, Quebec, Canada. Underwriter—2807 Broadway, New York, N.Y.

**Belo Telephone Co.**
Nov. 4 (letter of notification) 1,985 shares of common stock (par $6) to be offered to employees under the company's Employee Common Stock Purchase Plan. Price—$50 per share (the same price as the price of the stock on the day of the offer). Proceeds—To be used for general corporate purposes. Office—2807 Broadway, New York, N.Y. Underwriter—None.

**Central Illinois Light Co.**
Nov. 17 (letter of notification) 9,975 shares of common stock (no par) to be offered to employees under the company's Employee Common Stock Purchase Plan. Price—$50 per share (the same price as the price of the stock on the day of the offer). Proceeds—To be used for general corporate purposes. Office—2807 Broadway, New York, N.Y. Underwriter—None.

**Chase Stevedore Co.**
Dec. 4 (letter of notification) 1,485 shares of common stock (par $4) to be offered to employees under the company's Employee Common Stock Purchase Plan. Price—$50 per share (the same price as the price of the stock on the day of the offer). Proceeds—To be used for general corporate purposes. Office—2807 Broadway, New York, N.Y. Underwriter—None.

**Chase Manhattan Bank, New York.**
Dec. 1 (letter of notification) 1,494 shares of common stock (par $4) to be offered to employees under the company's Employee Common Stock Purchase Plan. Price—$50 per share (the same price as the price of the stock on the day of the offer). Proceeds—To be used for general corporate purposes. Office—2807 Broadway, New York, N.Y. Underwriter—None.

**Chase Manhattan Corp., New York.**
Nov. 17 (letter of notification) 300,000 shares of common stock (par $1) to be offered to employees under the company's Employee Common Stock Purchase Plan. Price—$50 per share (the same price as the price of the stock on the day of the offer). Proceeds—To be used for general corporate purposes. Office—2807 Broadway, New York, N.Y. Underwriter—None.

**Chase Manhattan Co., New York.**
Dec. 15 (letter of notification) 1,596,090 shares of common stock (par $1) to be offered to employees under the company's Employee Common Stock Purchase Plan. Price—$50 per share (the same price as the price of the stock on the day of the offer). Proceeds—To be used for general corporate purposes. Office—2807 Broadway, New York, N.Y. Underwriter—None.
Fluorspar Corp. of America
Oct. 29 filed 59,383 shares of common stock (par $1) to be offered to stockholders of record of Fluorspar Corp. of America on the basis of one share for each ten shares held, at not more than $70 per share. Proceeds—To acquire machinery and equipment and additional space for present operations.

Underwriter—None.

Amaro, W. L. & Co., Inc.
Oct. 31 filed 25,000 shares of common stock (par $1) to be offered to stockholders of record of Amaro, W. L. & Co., Inc. on the basis of one share for each ten shares held. Proceeds—To repay bank loans.

Underwriter—None.

Laughlin Alloy Steel Co., Inc.
Oct. 31 filed 200,000 shares of common stock (par $1) to be offered to stockholders of record of Laughlin Alloy Steel Co., Inc. on the basis of one share for each ten shares held. Proceeds—To offer additional long-term debt financing.

Underwriter—None.

Cincinnati & Dayton Co., Ltd.
Oct. 29 filed 15,000 shares of common stock (par $1) to be offered to stockholders of record of Cincinnati & Dayton Co., Ltd. on the basis of one share for each ten shares held. Proceeds—To repay bank loans.

Underwriter—None.

General and Electronics Corp.
Oct. 29 filed 2,000,000 shares of common stock (par $1) to be offered to stockholders of record of General and Electronics Corp. on the basis of one share for each ten shares held. Proceeds—To increase capital and surplus.

Underwriter—None.

Fluorspar Corp. of America
Oct. 29 filed 59,383 shares of common stock (par $1) to be offered to stockholders of record of Fluorspar Corp. of America on the basis of one share for each ten shares held, at not more than $70 per share. Proceeds—To acquire machinery and equipment and additional space for present operations.

Underwriter—None.

Amaro, W. L. & Co., Inc.
Oct. 31 filed 25,000 shares of common stock (par $1) to be offered to stockholders of record of Amaro, W. L. & Co., Inc. on the basis of one share for each ten shares held. Proceeds—To repay bank loans.

Underwriter—None.

Laughlin Alloy Steel Co., Inc.
Oct. 31 filed 200,000 shares of common stock (par $1) to be offered to stockholders of record of Laughlin Alloy Steel Co., Inc. on the basis of one share for each ten shares held. Proceeds—To offer additional long-term debt financing.

Underwriter—None.

Cincinnati & Dayton Co., Ltd.
Oct. 29 filed 15,000 shares of common stock (par $1) to be offered to stockholders of record of Cincinnati & Dayton Co., Ltd. on the basis of one share for each ten shares held. Proceeds—To repay bank loans.

Underwriter—None.

General and Electronics Corp.
Oct. 29 filed 2,000,000 shares of common stock (par $1) to be offered to stockholders of record of General and Electronics Corp. on the basis of one share for each ten shares held. Proceeds—To increase capital and surplus.

Underwriter—None.
• Merchants Petroleum Co. Oct. 13, filed $612,000 of preference bonds (par $100), being offered for subscription by stockholders holders on the basis of one new share for each four common shares held; will expire Dec. 31, 1988. (letter) Price—$8 per share.


Montana Power Co. July 1, filed $250,000,000 of first mortgage bonds due 1988. Proceeds—To extend and improve the facilities of the company and to repay $155,000,000 in bank loans and to carry the company's current obligations. Underwriter—To be determined by competitive bidding. Probable underwriters: Lehman Bros., Merrill Lynch, Pierce, Fenner & Smith and Webster Securities Corp. (jointly). Bids—Must be received by Sept. 1, 1984. (joint) Price—Not less than $50 per $1,000 bond. Proceeds—For working capital. Underwriter—None.


New Oil Tool Co. (joint) Sept. 29, letter of notification) 150,000 shares of common stock (par one cent). Proceeds—For general corporate purposes. Underwriter—Beard & Thompson, New York, N.Y.

* New York Stock Exchange, Inc. Dec. 14, filed 1,000,000 shares of common stock. Price—At par ($1 per share). Proceeds—For general corporate purposes. Underwriter—None.


North American Oil Co. of New York (12/31) Dec. 11, filed 1,000,000 shares of common stock (par $1). Proceeds—To cover outstanding expenses, including costs of organization and development. Underwriter—None.

• North West Airlines Inc. Nov. 24, letter of notification) 100,000 shares of common stock (par $1). Proceeds—To cover outstanding expenses, including costs of organization and development. Underwriter—None.
Continued from page 43

of capital stock of Silver State Savings & Loan Association and 3,000 shares of capital stock of Silver State Insurance Agency, Inc., both of Denver, Colo.

Dec. 4 filed 10,000,000 memberships in the company's Employee Stock Ownership Plan (ESOP) with 46,041 shares of common stock which may be purchased and distributed under said plan.

**United National Insurance Co.**


**Pima Pinecones Farms Trust—Office—1902 North Central Avenue

Phoenix, Ariz. Underwriter—O'Malley Securities Co., Phoenix, Ariz.**

**Service Life Insurance Co.**

Sept. 20 (letter of notification) 1,576 shares of common stock at par, $1. Price—$18.75 per share. Proceeds—to be used by the company.

**South Texas Land Co.**

Dec. 3 filed 593,673 shares of common stock. Price—$1 per share. Proceeds—To purchase farm land from Pima Pinecones Farms Trust—Office—1902 North Central Avenue

Phoenix, Ariz. Underwriter—O'Malley Securities Co., Phoenix, Ariz.**

**Sun Life Assurance Co. of America**

Oct. 24 filed $26,500,000 of 7% capital income sinking funds debentures. The company proposes to offer $8,000,000 of the debentures in exchange for outstanding common shares and an additional $18,500,000 of convertible debentures due March 1, 1967, and 5% debentures due March 1, 1967, in addition to the offering price, subject to the registration of the additional issue of debentures. The remaining $15,000,000 of debentures, plus any part of the $12,500,000 of debentures to be exchanged for outstanding common shares, will be offered for public sale at 100% of principal, plus accrued interest from the date of such exchange. The remaining $4,500,000 of debentures, plus any part of the $12,500,000 of debentures to be exchanged for outstanding common shares, will be offered for public sale at 100% of principal, plus accrued interest from the date of such exchange.

**Sheridan-Belmont Hotel Co.**

Aug. 19 (letter of notification) $250,000 of 6% convertible debentures due Jan. 1, 1980, will be offered for subscription by common stockholders on a pro rata basis. Price—$1 per debenture. Proceeds—to be used for working capital.

**Silicon Transformer Corp.**

Dec. 3 filed 1,000,000 shares of common stock. Price—$3 per share. Proceeds—To purchase equipment and increase present inventories, and for working capital. Office—500 East Ctr, Boston, Mass.

**Sixth Valley Land Co.**

Dec. filed and offered for subscription by registered holders 3,000 shares of common stock. Price—$1 per share. Proceeds—to be used for working capital.

**Slick Oil Co., Houston, Tex.**

Dec. 8 filed $1,500,000 of participating interests in the corporation's joint venture program, to be offered in minimum amount of $200 per share and the balance upon demand during 1990. Proceeds—to acquire and operate interests in Canada and Continental United States. Underwriters—Rowles, Winston & Co., Houston, Tex., and Dewar, Robertson & Pancoast, Boston, Mass.

**Southern Fire & Casualty Co. (12/15-19)**

Nov. 28 filed 12,000 shares of $1.50 convertible preferred stock with cumulative dividends, and for working capital. Office—New York.

**Sports Arenas (Delaware) Inc.**


**Sports Arenas (Delaware) Inc.**

Nov. 18 filed 461,000 shares of common stock (par one cent). Price—$5 per share. Proceeds—to be used to invest in business opportunities.

**State Life, Health & Accident Insurance Co.**

July 1 (letter of notification) 5,000 shares of common stock (par $1). Price—$3 per share. Proceeds—to be used in business opportunities.

**United States Freight Co. (12/19)**

Dec. 16 filed 2,000,000 shares of common stock (par $5) for sale to the public (no par) to be offered for subscription by stockholders of record Dec. 6, 1968, at the rate of one share for each four shares held, rights to expire on Jan. 6, Price—to be determined. Proceeds—to be used by amendment. Proceeds—Some $750,000 will be retained by the company to purchase trailers, tractors and miscellaneous equipment previously acquired. Proceeds will also be utilized to strengthen the company's working capital and, approximately $1,750,000 will be applied to additional "piggyback" equipment, the purchase of which is primarily in addition to the existing working capital to fire loss. The proceeds will be used primarily in the current business of the company and for other expenses incurred in the drug business. Proceeds—to be used for capital and security procedures. Proceeds—to be used for working capital. Proceeds—to be used for capital and security procedures. Proceeds—to be used for working capital. Proceeds—to be used for capital and security procedures. Proceeds—to be used for working capital. Proceeds—to be used for capital and security procedures. Proceeds—to be used for working capital. Proceeds—to be used for capital and security procedures. Proceeds—to be used for working capital. Proceeds—to be used for capital and security procedures. Proceeds—to be used for working capital.

**United States Glass & Chemical Corp.**

Nov. 24 (letter of notification) 600,000 shares of preferred stock. Price—$1 per share. Proceeds—to be used for working capital. Office—1202 South St. Paul, St. Louis, Mo.

**United Western Sales Inc.**

Dec. 5 (letter of notification) 600,000 shares of preferred stock. Price—$1 per share. Proceeds—to be used for working capital. Office—1202 South St. Paul, St. Louis, Mo.

**United Wholesale Druggists of Fort Worth, Inc.**

Dec. 18 filed 439,673 shares of common stock. Price—$1 per share. Proceeds—to be used for working capital. Proceeds—to be used for working capital. Proceeds—to be used for working capital. Proceeds—to be used for working capital. Proceeds—to be used for working capital. Proceeds—to be used for working capital. Proceeds—to be used for working capital. Proceeds—to be used for working capital. Proceeds—to be used for working capital. Proceeds—to be used for working capital.
Prospective Offerings

Acme Steel Co.

Each of us was intended to announce the company plans to offer an additional dividend to preferred stock holders and federal common stock holders, a combination of the two, including bank, federal common stock, preferred stock, working capital and inventories. Underwriters—Blyth & Co., Merrill Lynch, Pierce, Fenner & Smith.

Columbia Gas Co.

Dec. 1 it was reported that the company may issue and sell $50,000,000 of preferred stock. Underwriters—Morgan Stanley & Co., Inc. and First National Bank of New York.

Commonwealth Edison Co.

As of mid-1959, the company is believed to have no plan to issue additional preferred stock. Underwriters—Morgan Stanley & Co., Inc. and The First National Bank of Chicago.

Equal Gas Co.

July 18 it was announced the company expects to issue $3,850,000 of preferred stock to be known as The Northern New York Gas Co. of which $3,850,000 will be paid in cash and the remaining balance by the company in the form of preferred stock. The company stated that the proceeds from the issue will be used to extend existing service, upgrade facilities, and finance additional construction.

First City National Bank

Sept. 30, 1959, the company announced the plan to issue $100,000,000 of preferred stock at par. The proceeds from the issue will be used for general corporate purposes, including the construction of a new office building in downtown, which will be the company's headquarters and main office. The company stated that it will be the largest new office building in downtown.

First National Bank in Dallas, Texas

Dec. 3 bank offered $20,000,000 of additional common stock (par $10) to stockholders of record Dec. 21, 1959, the right to subscribe for 125,000 additional shares of common stock (par $20) on the basis of one new share for each 10 shares held; subscription is to expire Jan. 13, 1960. Underwriters—Morgan Whitney, Merrill Lynch, Pierce, Fenner & Smith, Fort Worth, Texas and Equitable Life Assurance Corp., Dallas, Texas.

First National Bank & Trust Co., Tulsa, Okla.

Nov. 25 it was reported that the stockholders of the company at a meeting held Nov. 13 approved to issue $100,000,000 of preferred stock to be offered to the public at par, with an option to the bank to sell the preferred stock at a lower price. The proceeds from the issue will be used to finance the construction of a new office building.

Gulf States Utilities Co. (1/19)

Nov. 30 it was announced the company plans to issue $10,000,000 of preferred stock to the public at a price of $25 per share. Proceeds—To finance construction program.

Heubel, Inc.

Aug. 19 it was announced the company expects to sell $100,000,000 of preferred stock to the public at a price of $25 per share. Proceeds—To finance construction program. Underwriters—To be determined by company.

Interstate Motor Freight System, Inc. (Mich.)

Dec. 1 it was reported that the company plans to issue $5,000,000 of preferred stock to the public at a price of $25 per share. Proceeds—To finance construction program.

Japan (Empire of)

Aug. 19 it was reported that the company expects to issue $25,000,000 of common stock to the public at a price of $10 per share. Proceeds—For public works projects, etc. Financial Adviser—The First Boston Corp., New York.

Kanso & Electric Co.

March 12, G. W. Evans, Chairman, announced that company plans to sell some bonds originally scheduled for sale on Jan. 13, 1959, to the public at a price of $100 per bond. Proceeds—To be determined by the managing underwriters.

Kanosa Power & Light Co.

Feb. 19 it was announced the company plans to issue and sell $100,000,000 of preferred mortgage bonds due 1988. Proceeds—To finance construction program.

Pennsylvania Power & Light Co. (1/5)

Dec. 30, 1959, it was reported that the company plans to offer $8,841 additional shares of common stock will be offered by company to the public at a price of $25 per share. Proceeds—To finance construction program. Underwriters—To be determined by company.

Southern Co.

Oct. 27 it was reported that the company is planning some long-term financing. Proceeds—To replace an existing line of credit. Underwriters—To be determined by the company.

Southwestern Gas Fire Insurance Co.

A report was received that the company plans to offer $4,000,000 of common stock to the public at a price of $10 per share. Proceeds—To be determined by company.
Continued from page 45

Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Lehman Brothers.

Nov. 24 it was reported that this company plans sale of for about $35,000,000 of first mortgage bonds. Underwriters—White, Weld & Co., and Stone, Hammer, & Co. (jointly); Lehman Brothers. Proceeds—For construction bonds. First mortgage, 5-year debentures. Underwriters—White, Weld & Co., and Stone, Hammer, & Co. (jointly).

Southwestern Bell Telephone Co.

July 10 it was announced Missouri Public Service Commission has approved a request for a $75 million service bond issue, the proceeds of which will be used for the purchase of additional favorable bidding. Proceeds—For capital improvements. Underwriters—White, Weld & Co., and Stone, Hammer, & Co. (jointly).

United Electric Co., St. Louis, Mo.

March 28 it was announced company plans market to the public $25,000,000 for the purpose of obtaining additional bidding. Underwriters—White, Weld & Co., and Stone, Hammer, & Co. (jointly); Lehman Brothers.

Universal Oil Products Co.

An announcement was made that the union of common stock will soon be offered to the public, the proceeds of which will be used for the purchase of additional favorable bidding. Underwriters—White, Weld & Co., and Stone, Hammer, & Co. (jointly).

Venezuela (Government of)

July 1 the Government announced that the Union, Stroud & Co., Inc., has been selected as financial advisors to develop a financial program for the country. As a first step in the organization of the government in cooperation with the union, bids for the purchase of additional favorable bidding. Underwriters—White, Weld & Co., and Stone, Hammer, & Co. (jointly).

Transcontinental Gas Pipe Line Corp.

Dec. 1 it was reported that the corporation plans issue of $200,000,000 of first mortgage bonds. Proceeds—For construction bonds. Underwriters—White, Weld & Co., and Stone, Hammer, & Co. (jointly).}

Our Reporter's Report

Evidently this is not the season of the year to expect far-reaching changes in the bond market. At any rate it now appears that recently expressed optimism with regard to reception being accorded new debt offerings has been a bit premature to say the least.

The market is building up increasing resistance to define but at the same time investors are not in a position to be too critical and can't be expected to buy new issues at large. The reason for this is that the buyers of the new securities.

Reluctance presumably is largely seasonal with the end of the year rolling around rapidly. In the circumstances, portfolio manangers are on the defensive and seeking to hold toward maintaining their positions. They are striking a balance for closing out their books at the moment.

Yields on three most recent issues of substantial proportions have been pretty much in keeping with what investors might have been led to anticipate.

The market this week and this includes Pacific Gas & Electric's common stock, has been in tight and steady at the offering price. In the case of the latter issue the initial rush of orders subsequently flattened out.

The corporate market has had little of the excitement that has accompanied the Treasury list which, after a short period of temporary leadership by the bonds of the opening action, now leads in the market. The absence of any major long-term investment market as a whole. Governments have been lacking in demand on the part of the rate to a narrow range, seemingly in an effort to remove itself on a new base.

Treasury To the Fore

Plans of the Treasury for handling its securities needs in the early part of the new calendar year will be an increasing note of direction in the weeks ahead.

Railroad Securities

Virginia Railways

Earnings of Virginia Railways have held up fairly well despite some unfavorable in- terest in the result of the business, and the sharp drop in export traffic. The latter movement had been partially offset by a large increase in the long haul to tidewater.

For the year, gross revenues showed a decrease of 20% under the like 1957 period. Freight traffic was down 11.3% from 242,379,000 tons in 1957 to 217,969,000 tons in 1958.

The road, however, cut operating expenses by 12.8%. With lower operating rentals, the present long term debt maturing with a year, including sinking fund reserve, total approximately $7,300,000, well below the cash flow from depreciation of around $4 million. The relationship between the Virginia and the Norfolk & Western railway, profiting by the same of the work for the like 1957. It is believed that at least maintenance of the expansion of the plant facilities and the road, however, a reduction of the road's load with funds on the move, which is unlike some of the cash flow pressure is against consolidations.

While, Weld Group Offers Phila. Electric 43 7/8% Bonds at Par

White, Weld & Co. and associates are offering today (Dec. 1) an issue of $50,000,000 Philadelphia Electric Co. first and refunding mortgage bonds of 4 3/8% series due Dec. 1, 1986 at 100% and accrued interest, of the issue was won by the underwriters competitive sale yesterday (Dec. 10) on a basis of 17 1/2.

A portion of the net proceeds from the sale will be used by the company to repay bank loans obtained for interim financial purposes amounting of which $40 million are expected to be in the company's hands by December, 1958. The balance of the proceeds will be applied toward the cost of the new Connecticut construction program. It is expected that the increasing demands for the company's services will require additional expenditures for the expansion of plant and facilities of about $34 million in the final three months of 1958, $92 million in 1959, and $91 million in 1960, a total of $267 million through 1960.

The new bonds will be redeemable in part in tranches ranging from 10% to 50% par, plus accrued interest thereon. Some of the bonds may be redeemed prior to Dec. 1, 1963, if the redemption price is paid in its entirety. In the event that none of the bonds, directly or indirectly, at any time outstanding exceeds the interest cost of the present financing.

Philadelphia Electric Co. is an operating utility serving electricity and gas, and is in southeastern Pennsylvania. Three subsidiaries own and operate the Conowingo Hydro-Electric Proj- ect, and one distribution subsidiary serves electricity in two counties in northeastern Maryland.

The total area served comprises 2,285 square miles in the Delaware Valley. Electricity is supplied to a population of 2,750,000 in Philadelphia and surrounding counties, and the company is in a service area of 2,228 square miles. The gross revenues for the year were $1,144,500 square miles in five counties adjacent to Philadelphia, with a population of 1,583,900. Steam heating service is furnished to the central business district and in portions of West Philadelphia.

For the last three months ended Sept. 30, 1958, the company and its subsidiaries had combined operating revenues of $244,777,000 and net income of $29,250,000.

DIVIDEND NOTICES

CONSOLIDATED NITROUS OXIDE COMPANY 10 Rockefeller Plaza New York 20, N. Y. DIVIDEND No. 44 The board of directors has this day declared a regular quarterly dividend of $1.50 per share of the company's 3% Cumulative Unconvertible Preferred Stock, payable February 1, 1959 to stockholders of record at the close of business January 19, 1959.

JOHN MILLER, Secretary December 10, 1958

INTERNATIONAL SHOE COMPANY St. Louis

191ST CONSECUTIVE DIVIDEND Common Stock A quarterly dividend of 45c per share payable on January 1, 1959 to stockholders of record at the close of business December 31, 1958, as declared by the Board of Directors.

ROBERT O. MONOGEN President and Treasurer December 2, 1958

TENNESSEE CORPORATION

November 18, 1958

CASH DIVIDEND A dividend of fifty-five (55c) cents per share was declared payable December 18, 1958, to stockholders of record at the close of business December 4, 1958.

EXTRA CASH DIVIDEND An additional dividend of twenty-five (25c) per share was declared payable January 18, 1959, to stockholders of record at the close of business December 4, 1958.

JOHN G. GREENBERG
61 Broadway Treasurer New York 6, N.Y.
Washington . . .

And You

Stock Options and Mergers

under the stock option plan are the ones that is expected, a national bank would be authorized to grant options to purchase, to issue and to sell, shares of its capital stock. The first offering such options to its shareholders for such consideration, not less than par value, and upon such terms as the board of directors, by a vote of two-thirds of its shareholders, and by the Comptroller. The ABA has recommended authorization of the stock option plan for national bank employees as an aid in recruiting and retaining personnel.

One of the first pieces of banking legislation likely to be enacted in the session 7 of the so-called Clayton Act. Certain bank mergers create problems. Representative Emmanual Celler, Democrat of New York, sponsored a bill at the last session which would have amended the act to cover merger activity, through a buy-out provision. The bill was not passed. The Comptroller would call for a pre-merger announcement.

Patman's Proposals

Some qualified observers of banking believe that Representative Wright Patman of Texas, a ranking member of the Banking and Currency Committee, will conduct an inquiry into the Federal Reserve System and some of the big banks. Twice he has gone before these inquiries, but without success. During the 1938 session he proposed by resolution that the Speaker of the House appoint an 31-member Select Committee on Monetary and Debt Management Policies. The proposal, which probably will be reintroduced in the next session by the same speaker, is an inquiry into the Federal Reserve System and the role it places relative to interest rates and credit availability in private banking institutions.

School Bonds Supported

The United States Chamber of Commerce declares, with facts and figures to back up their observations, that the Rev. 4 general election proved that local areas are ready and willing to pay more taxes and spend whatever money is necessary for more classrooms when such rooms are needed. If the Federal Government is allowed to intervene on the schools it will be but a matter of years until Washington will be telling a school 5,000 miles away how it should operate its schools. Nevertheless, a concerted effort appears certain to be made in the next Congress to provide Federal aid for building classrooms. Such a proposal should be buried in committee.

Vincent Cioffi with Hill Richards & Co.

(Special To The Financial Chronicle)

SAN FRANCISCO, Calif.—Vincent Cioffi has been associated with Hill Richards & Co., 600 California Street, Mr. Cioffi was formerly with Wilson, Johnson & Higgins and Evans MacCormick & Co. Prior thereto he was in the investment business in Florida and New York City.

Some of the provisions in this proposal are regarded as necessary to the future growth and prosperity of national banks. Under the proposal a national bank would be authorized, by a vote of shareholders owning two-thirds of the common stock, to issue preferred stock of one or more classes with or without voting rights. No such action and with such par value as shall be approved by the Comptroller. The American Bankers Association supports the principle that national banks should have authority to issue preferred stock not limited to emergency situations, but that they should have greater flexibility in meeting their capital requirements.

BUSINESS BUZZ

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American Metal Market Annual Classified Supplement with Buyers and Sellers Directory—American Metal Market, 13 Cliff St., New York, N. Y.


Jeb of the Federal Executive—Harvey H. Bernstein—Brookline Institution, 722 Jackson Place, Washington 6, D. C. (cloth), $2.50.


The "Whole" Story of American Bank Bonds—Booklet tracing methods used by American banks to process checks begins with the first chartered United States Bank in 1782 until the present day—Citizens-Chicago Corporation, 4740 North Ravenswood, Chicago, Ill.—no request.

PUTS FOR A DECLINE

A man, feeling that a security will decline, and not being willing to go short the stock through a short sale, buys a Put contract for thirty, forty, or more shares of the stock. At, or before the expiration of the contract, the stock declines far enough below the Put contract price to make the contract worth more than the stock he buys the stock in the market, and delivers it at the higher Put price to the firm endorsing the contract. If the market should not decline but advances, no matter how far the advance, the loss to the holder of the Put contract is limited to the cost of the Put contract.

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