As We See It

It is common knowledge that there is a good deal of dissatisfaction with the way the so-called full employment act worked, or did not work, during the late, unamplified recession. For a long while after business activity started downward and unemployment was on the rise, prices continued to move upward, and it is still not fully clear whether the upward drift has come to a final end. The sag in economic output also induced a state of anxiety in many minds about the “rate of growth of the economy.” A good deal is still heard about that subject. More recently, however, emphasis appears to have shifted to the fact that revival does not appear to have absorbed or to be absorbing the unemployed as rapidly as was expected. Now we often hear it said that the real trouble is that our economy is not growing fast enough, and that chronic unemployment is likely to plague us more or less continuously until such time as a more rapid rate of growth is restored or instituted.

Of course, all this has not escaped the attention of members of Congress whose ears are never far from the ground. Long ago the demand arose for a provision of law stipulating that national policy must seek to prevent inflation as well as maintain a high rate of employment. The suggestion has also been heard that legislation should be enacted fixing some specified growth rate to be nurtured as full employment is now supposed to be. Doubtless there are a few naive souls who suppose that all would be well so soon as such provisions of law as these were taken to the statute books. Fortunately, however, not all of us have given up hope that the present condition is not permanent.

As we see it, the trouble is real or at least it has been brought home with particular force and has been magnified by the policy of the past years which is making it easier to know just where we are. In our study of recent experience it is obvious that the policy of price stability as a means of controlling unemployment is not working. The problem is not that the policy is impossible but that it is not possible in the present international situation where the real world is made up of a number of countries.”

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in

The COMMERCIAL and
FINANCIAL CHRONICLE

Volume 189 Number 5324

New York 7, N. Y., Thursday, February 26, 1959

EDITORIAL

Fallacy of Investing On an Industry Basis

By THOMAS J. HERBERT

Executive Vice-President, Investors Management Co., Inc.

Elizabeth, New Jersey

Mr. Herbert favors de-emphasizing industry trends and industry forecasts in selecting companies in a common stock portfolio and emphasizes selection of individual companies that best fulfill the objectives of the individual account. The mutual fund investment officer presents, however, what he believes are the factors underlying industry trends helpful in interpreting developments in particular areas of the economy so as to assist selection of individual stocks that will produce the best investment results in the next decade. For example, to illustrate point that you can’t buy management on an industry-wide basis, he cites experience of Zenith Radio and Lorillard.

Recovery Rate Slow-Down Should Not Create Pessimism

By ALLYN P. EVANS

President, Lionel D. Edie & Company, New York City

Lionel D. Edie head anticipates a slow-down in the rate of recovery and strongly advises that acceptance of this should not occasion misgivings in the minds of those who currently are most optimistic. Mr. Evans points the near-term as being within the restrained "Interim Years" of 1957-1962; stresses the importance of age distribution in the population's composition; and states the next dynamic upsurge in economic growth will occur after 1960 when demand has caught up with capacity and new pressures cause large capital investment. Top ten different growth areas are selected to aid forward planning, and more frequent cyclical swings than since World War II are expected.

I cannot help but think how quickly the mood of sentiment changes and how dramatically. A short year ago, an atmosphere of cautious optimism was prevailing. Each statistic as published struck with a thrill. A word of hopefulness was greeted with picturesque anticipation. Not so today. Today the prophets of doom have gone underground. The business forecasts are predictably glint, the business forecasts are predictably glint. When unfavorable reports are released they’re received with the same unimportance. Rosy interpretations are placated on every newspaper news release. The stock market as a measure of confidence has been reflecting great optimism. Will this current state of mind prove as unreliable a forecaster of business this year as was the sanguine last year?

If you expect 1959 to be a year of moderate economic growth you will not be disappointed; but if you believe

Continued on page 26

Continued on page 28

An address by Mr. Edie before the 40th Mid-Winter Trust Conference, the American Bankers Association, New York City, Feb. 16, 1959.

An address by Mr. Evans before the Republican National Bank of Dallas, Texas.

The Chase Manhattan Bank

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*An address by Mr. Herbert before the 40th Mid-Winter Trust Conference, the American Bankers Association, New York City, Feb. 16, 1959.
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 any security discussed.)

CHARLES T. JAWETZ
Pan-American C. & F. Co.,
Los Angeles, Calif.

Members: New York Stock Exchange,
American Exchange, Chicago Stock and
Los Angeles Exchange.

Bestwall Gypsum

The security I have selected as the best investment in the market is one I selected a year or so ago when I was last invited to contribute to this highly regarded column. The company is known as BESTWALL GYPSUM COMPANY, and its market position since the stock became publicly held following the spin-off from Owens-Corning Fiberglas Corporations last year, looks promising.

The price of the stock hit 73 in 1957, moved up to 74 in 1958 and this year reached a high of 60%. There were several reasons why I chose it as a purchase, and the volatility of the company's earnings, which, because of the cyclical nature of the company itself or its excellent management, has not been too high.

In the past year after Bestwall's listing on the New York Stock Exchange, the company apparently received a boost from the spin-off. However, it is true that the money was not used to improve the operations of the company. It was instead used to pay dividends and buy back stock. This was a good move for the company, but not for the shareholders who were able to sell their shares at a higher price.

Currently, the company is trading at 58, which is well above the low of 40. Many others owned Bestwall believing that the merger was highly desirable.

Negotiations, however, were not successful. In April, the company announced the termination of the merger negotiations with Owens-Corning. In a statement, the company said that the merger was terminated due to a number of factors, including the lack of support from the shareholders who had opposed the merger.

Sometimes later an almost similar chain of events took place when Bestwall was approached by Johnson-Manville, also on an ex-changes proposal. After months of negotiation, during which time the two companies were reportedly arbitrating the Bestwall management in their best interest, the shareholders of the company voted against the merger.

At the end of 1957, the company reported earnings of $2.00 per share, which was an increase of 200% over the previous year. The company's earnings are expected to continue to grow as the company expands its operations.

Bestwall is engaged in the business of producing and selling gypsum products, which are used in a variety of construction applications, including drywall, plaster, and other building materials. The company has a strong presence in the United States and a growing international presence, particularly in Asia and Latin America.

The company's stock is traded on the New York Stock Exchange under the symbol BWP, and it has a market capitalization of $4.2 billion. The company has a high-quality balance sheet with strong liquidity and good debt-to-equity ratios.

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The rate of growth has been higher
in the past decade. Annual out-
standing consumer installment credit
has risen from about $3.5 billion in
1947 and 1957. Disposable personal
income increased by about 100,
while personal consumption expen-
ditures rose 72% in this period and
Gross National Product expanded by
83%.

The 1957-58 business recession
brought only a slight decline in
the overall outstanding con-
sumer installment credit. How-
ever, since the long-term pattern
of growth has been related to the
growth of Gross National Product,
the predicted rise in the latter to
the $500 billion level before 1965
and the indicated resumption of
purchases of durable goods by con-
sumers in 1959, point to an increase
in outstanding consumer installment credit over
both the long- and short-term.

About one-half of the overall gow-
ting consumer installment credit is
held by 25 of the largest finance
companies in the country.

Continental Commercial Corp. is
one of these 25 consumer finance
companies with possibilities for
growth. It is not a newcomer to the
business. It traces its origins back
in 1922 of a business begun under
the name of the Continental Com-
mercial Bank. By 1957, the company
had grown to become one of the
largest finance companies in the
United States.

The company is headquartered
in New York City, and it operates
branches in all major metropolitan
centers across the United States.

Its main product is consumer
installment credit, which is
used to finance purchases of
durable goods such as
automobiles, appliances, and
furniture. The company
provides credit to consumers
through a network of
branch offices,
credit unions, and
retail dealers.

In the past five years,
Continental Commercial
has averaged annual
earnings growth of
over 20%. This growth
has been driven by
an increase in the
company's number
of credit
accounts,
and a rise in the
average
amount of credit
outstanding.

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For the Municipal Bonds

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FOLDER ON REQUEST

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Periodically, security analysts attempt to determine which industries—and which companies within such industries—may offer the best investment opportunities this year. This is never easy, because it involves an appraisal of the outlook as well as a careful analysis of the relative merits of different stocks and stock groups. In addition, a prime consideration must also be kept in mind: each investor should develop individual investment objectives. For example, while many may be interested in high performance growth stocks, others may be more concerned with shares offering steady current income. It is not unlike competitive automobile purchasers attempting to decide whether they wish a Ferrari for high performance or a Volkswagen for economy of operation.

With the stock market averages in record highs many analysts agree that choosing successful industries—and companies—this year may be more difficult than ever. While I expect the economic recovery to continue this year, I doubt that the stock market will be able to duplicate the truly dynamic performance of 1958. Several analysts in fact have suggested the possibility of a somewhat uneven course in the market this year with the upward trend in sales accompanied by a number of technical corrections.

Prefers Chemical Industry

As projections are part and parcel of the function of an analyst, I should like to offer my personal opinion that, among the many industry groups, chemical companies should provide better-than-average investment opportunities this year.

The chemical industry appears to have weathered the 1957-8 recession with little, if any, serious or permanent damage. Although by the end of the year, results of the business decline were reflected in both sales and earnings, it is among the many industry groups, chemical companies should provide better-than-average investment opportunities this year. The author reports: (1) sales are expected to reach $24.5 billion; (2) improving inventory-sales ratios should be the first sign of a better a billion pounds; (4) synthetic fibers are in the spotlight, and (5) profit trend is definitely upward—making dividend rates look much safer. His prediction, somewhat among other things, of the many industries to recover prospects and actively impact of research and developments, and he denies stock prices are too high compared to prospective earnings in 1959 and 1960.

R. B. Johnson

About the Author

R. B. Johnson holds the position of Director of the Bunsen Rotary Club, Diablo, Calif.
**Observations...**

**By A. Wilfred May**

**THE U.S. VS. MR. GUTERMAN—**

**Explanation and Implications**

As dramatically exemplified in the prosecutions for tax deficiencies of the Al Capones, Owney Madden, and other so-called law-enforcing authority figures who have been frequently compelled to seek convictions on charges that are either more or less peripheral than the principal cases actually involved. But now, in the present case, the public is being presented with a technical device that can apply to the pending domestic action by the authorities against Mr. Alexander Leonard Guterma.

The pending of the Government's action against the Siberian, so-called "Junior Sergei Rulustanin" who rode into the United States in 1901 on the rights of a treaty that country's rift with India, on his failure to file the Securities Exchange Commission Form 4 may look like resorting to a technicality. But it has been expressly determined that regional SEC administrator Paul J. went to the extreme of getting a warrant for arrest of "merely non-compliant" with the obligation to make "Insiders' trading" reports with the Commission. But, it must be realized, reliance on its form-filing provisions is the only way for any administrative agency can directly move against suspected wrongdoing. In the present case, judging the defendant on form-filing provisions, in the SEC's charges is that he failed to file a report that he, as an officer, was dealing in the securities of the company whose securities were being bought and sold by his brother, without subscribing to the requirements of Form 4 regulations.

Involvement of Criminal Action

It should be realized that in coming with a case of the present wide scope, limitation of Commission action to the more injunctive process available to it, is insufficient. The defendant can flee from the toothless injunction to injunction. Hence, criminal prosecution is being resorted to, which would require him to face, not the SEC itself, but the courts, and thus could be criminally prosecuted, and so it came about that police cars in the dead of night invaded Mr. Guterma's Greenwich, Conn., home to place him under a criminal action for his failure to file the share ownership change on Form 4.

In reply to this conclusion, it is stated by Mr. Guterman's attorney, Richard H. Wels, that Mr. Guterman's authority that it was incumbent on the SEC under the statute to refer criminal action preliminarily for clearance to the Attorney General, and the record is not identical with the regional U. S. Attorney, and in a recent decision, it was held in New York that this contention is correct. Perhaps it will happen that Mr. Wishel's allegation of Mr. Guterman's neglect to Turkey's turn out not to have been a device to justify the criminal action.

**U.S. VS. DU PONT—AND THE STOCK-DEPRESSION ANOMALY**

Apart from the control purchases of the government of a wise of thousands of wholly inoperative and illogical security in practice is brought to light. We have in mind all the more such evidence of the relative reaction-wise to a substantial degree that, of course, get a hard practical test through the ordered massive decline in the volume of stock held by Du Pont; comprising perhaps a fourth of the common shares owned by the individual Du Pont stockholders, the 1920s purchases might also be finally distributed in the group of the lowest.

In any event, irrespective of the price and eventual mechanism of the Du Pont-GM agreement, we are reminded of the Wall Street distortion fact-of-the-life that the sudden expansion in the stability of a portion customarily meets a high price. It is evidenced almost unfailingly in secondary offerings, and the same per cent goes as well as before, and for the old stock (as Ford, whose special grand capital deficit may disparage it as a precedent.

The cause of this frequently numinous anomaly of a special (secondary) offering does not lie entirely with the greater liberal of the commissions earned by the salesmen, stimulating as they are to their efforts in that direction. To a great extent stems from the American citizen's need in "sold" in lieu of self-propelled paying. As with the "Madison Avenue" cigarette, and cosmetic distributor, "in principle escapes throughout the investment area. It is clearly evidenced in the case of investment companies, accounting for the constant enormous sales on a negligible funds at a price up to 9% above asset value in the selling expenses, alongside the similar entities readily available at discounts from asset values. Similar and in the case of the depositors at the savings bank window for the asking, at a savings of 3% or 4%, though sometimes lag far behind sales volume by the pushing salesman.

The American consumer in all areas willingly pays for being stupidity.

**THE OVERCAUTIOUS EXPERTS**

"No one over the age of 25 has made real money out of this bull market," says a Wall Street, should be amended by a warning that, for whose skepticism is based on qualifications of possible personal association with market precedence. Foremost among such sophisticated writers, whose "prudence" is striking, is the June move of a number of financial writers, that the current bull market is the result of the annual forecasting poll conducted by the Nation's Securities Dealers & Co. Conforming to the expectations of the writers, so knowledgeable in all the financial matters, and the market confidence as the main factor in the future. The average of all the market forecasts at the highest, of that of the financial experts, the result of the actual result. (Significantly, Mr. Ben Weitman, the editor, picked the-pic for the 1921 price-highs of the previous year's contest.)

Similarly in the reverse category, the average of the forecasts was a mere 110, with a high winning $110,000,000,000. Only in the case of the utilities, the closing of the market, closing of the stock, rose to a market price of 1,167,000,000,000. But here also the average of the actual finish at 91, the rest of the terms of short-term market forecasting) of another sophisticated group of the market's short interest, an all- time high. A report on the extended (of 1,037,484 shares) is reported by the American Stock Exchange. The "year of the market" is 1925, and approximately the same stable position has already been reached.

Complementing the missing-of-the-middle is the profitable bull market participation of the amateurs as the primary reason for the high sales to the Monthly Invest. The New York Stock Exchange" announces that the number of plans started in January was highest in history. To the uninformed go the spoils!!!

**THE RADIO PUBLIC AND THE PUBLICITY UPLIFT**

The public's red-hot interest in the inflation question is re-highlights the importance of a popular "Meet the Press" TV program to embrace a tape topic. The New York Times and the most creeping-inflation protagonists, the guest was "inflationary." But Sunday. Particularly significant to note that monitoring the proceeding was the clearly evidenced deeming of the assumption that only in inflationary times was there anything to be desired by this observer, it is clear that national savagery too is appalling — a gesture (as most exponents will attest themselves) to the question of the program's questions from the press.

**The State of Trade and Industry**

The economic recovery, dating from April 1938, is poised for another spurt now in the factory and retail business. The upturn that was so buoyant in mid-1887. So states the Federal "Barometer of Business," the monthly barometer published by the Federal Reserve Bank, Chicago, in December, industrial production had recovered 84% of the decline and this month is within about 1% of the February high. The Federal Reserve Bank indicates that manufacturing and retail services is already above the previous high due to not only increased production but also higher average prices. But even eliminating prices, it seems certain new highs in physical output will be attained this quarter. Personal incomes are already at peaks after a substantial rise in recent months. But the rise in business—industrial output in transfer payments (primarily social security and unemployment compensation) is still held slightly below the previous high. Employment after seasonal adjustment is still 900,000 people below the July 1937 business peak. While production will be up 1.2 million persons. The slower with which unemployment has declined as business improved has been due to an increase in the size of the labor force, an increase in the productivity of labor and capital and an lengthening of the average workweek already extended by a recent National Bureau of Economic Research study, almost all 25 business recovery industries since 1934 have been growing at a greater rate. Mr. Harris Bank believes that the present recovery will be non-exceptional. This study points out that the "primary phase of the upturn, and that as previous highs are reached, the rate of rise slows. Much of the slack has been expressed in recent months by the rate of recovery appears to be slowing. Yet, if history can provide guidance to present trends, a show-up should be fully expected and need not be a cause of immediate concern.

The study also notes that the rate of business recovery tends to be directly proportional to retail and retail business. The decline of the economic recovery, which was by far the greatest economic decline, i.e., the greater the previous economic decline, the shorter will be the rate of recovery. Since the 1937-58 recession was more than three times as great as any previous recession, it is reasonable to expect the present rate to rise at least as rapid as the previous post-recession recovery period. A barometer of the "Chronicl" shows for the present leading measures that are as follows for weeks ended Feb. 21:

<table>
<thead>
<tr>
<th>Year</th>
<th>New</th>
<th>Old</th>
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<tbody>
<tr>
<td>1959</td>
<td>$17,000,000,000</td>
<td>$12,500,000,000</td>
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<td>1960</td>
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<td>1963</td>
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National Summary of Business Conditions


Industrial production and construction activity continued to extend during January, and seasonally adjusted levels. Nonfarm employment increased somewhat while unemployment rate dropped substantially (from 4.9% to 4.4%). Seasonally adjusted output of durable goods increased advanced levels in January. Production of household goods increased, but a strike-induced shortage of glass, which has caused a great shortage.

Continued on page 36

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ASSETS

Swiss Francs
Cash in hand and at Bankers.... 957,841,707
Due from other Banks.... 551,601,126
Bills Receivable.... 653,445,269
Short Advances.... 19,538,998
Advances on securities.... 20,196,316
Government and other Securities.... 393,651,426
Syndicates.... 800,000
Other Assets.... 91,212,667
Bank Premises and other Property.... 11,250,000
Total S. Fcs. 4,129,605,868

LIABILITIES

Swiss Francs
Share Capital.... 180,000,000
Reserves.... 1,844,645,269
Sight Deposits.... 2,537,276,130
Time Deposits.... 1,645,668,000
Fixed Deposits ("Chapitons").... 250,169,920
Bill Payable.... 17,051,104
Acceptances.... 11,431,029
Other Liabilities.... 40,585,683
Profit.... 30,485,683
Total S. Fcs. 4,129,605,868

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The Decided Change Looming in Government Securities Market

BY AUBREY G. LANSTON* President, Aubrey G. Lanston & Co., New York City

Observing that the usual consideration accorded the "soundness of the currency" affects government securities' attractiveness throughout the gamut of maturities, government bond dealer details the changed relationship of the Federal Budget to the government security market. Mr. Lanston holds that Congress must turn its back on Federal defaltering as a way of life or else be held responsible for "some uncomfortable developments" in the security market. Unless Congress alters its action, he warns, this will particularly affect long-term Treasury financing, which would become the only way to finance large deficits.

It seemed to me that perhaps I was more important in other respects. It seemed to me that perhaps I was more important, if I painted with a fairly broad brush rather than with a narrow one, I have five things on my mind:

(1) The Federal Reserve's role and the government security market: more and more securities developments will be emphasized, and the government security market will be replaced by the outlook for the public debt.

(2) I'd like to refresh your memory on the historical results of the government's fiscal policy. A long time, 20 years, specifically from 1879 to date; I think you will find this rather interesting.

(3) I plan to go over the characteristics of the changes that have resulted in the total public debt and in the public's holdings of this debt since the beginning of World War II; this may be helpful in understanding why, for a number of years, budget deficits had less of an impact on the structure of interest rates than they have had in the last couple of years—and may have from here on.

(4) I then should be worth while to explore the major changes that have taken place in the ownership of the publicly held debt—annual debt for two periods, from the end of the last war to the middle of 1957 and from that time through the end of 1989. The change in the percentage—projected basis—will point up why the shape of the market has changed and the subsequent effects on the market and the Treasury's monetary policy.

(5) Finally, the relatively heavy financing schedule that forecasts the Treasury deficit in this calendar year: it is a heavy one even though the underlying assumption I have made is that the budget figures will work out (in actuality) fairly close to the ones submitted by the President, but the calendar year 1959 is concerned.

The Federal Reserve and the Government Security Market

In short, the Government Security Market is not an isolated market, but is a part of a much larger market, as deflation may be somehow obscured because the demands for the government's money were concentrated in short-term securities, if the government's needs to finance deficit spending had not been and appear likely to continue to be the case—we will eventually find the market begins to have the potential to confine its financings largely to securities with maturities of about a short time. We are also apt to find that the costs to the Treasury.

The Federal Budget and the Government Security Market

If anything, the shape of the market has changed and the Treasury's monetary policy.

Of course, my analysis may be somewhat simplified, but the close integration between these two, one of the central issues in a security market, is in keeping with the rise and fall of Treasury financing requirements.

Responsibility in Defaltering

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Gimbel—The Merchant With Saks Appeal

BY DR. IRA U. COLEBEE

Enterprise Economist

A swift appraisal of Gimbel Brothers, Inc., a renowned merchandising organization with ascending earning power.

In our free enterprise system the genius of the industry is its sustained and rising buying power—having the same elan of success (credit and the public's willingness to spend, that keeps us going in recession, propels us to new plumes of prosperity in boom times. A fortunate habitat of this consumer in the East and the Midwest is Gimbel Brothers, Inc., a famous department store organization during the last three decades. And our particular thesis is that, in our surging stock market orbiting around the Dow-Jones level, Gimbel common has been rising like a heat wave. 

Gimbel is, in reality, three separate store chains. There is the original Gimbel department store located in downtown New York City, the Gimbel department store now located in downtown Philadelphia, and the far-flung Gimbel stores in suburban areas. Gimbel has been a successful merchandising operation, running sales now over $650 million in fiscal 1959, with 42% of stores in suburban areas. Sales increased 20% in the past five years. The factors causing the rising earning power at Gimbel's has been the shrewd and far-sighted selection of store sites in metropolitan and suburban communities. The downtown down trend in the City must be more than offset by the rising suburban sales curve. The steady and quite substantial postwar expansion at Gimbel's has been financed for the most part out of retained earnings, supplemented by the $18 million ($12 million in new constructions. There has been considerable discussion about the relationship of real estate ownership (which ties up capital funds) and rental or leaseback arrangements for store facilities. Gimbel has done some of both, owning 20 of its stores and warehouse buildings and showing net fixed assets of $385 million in its 1959 balance sheet. (These would probably be worth around $100 million on the basis of a current appraisal.) Any event Gimbel spends less than 1% of net sales on rental which is substantially below the average rental ratio for major merchandising organizations.

Capitalization of Gimbel Bros. Inc. is not complicated, consisting of 36,408,000 in stock, $9,631,000 par value of 4 1/2% preferred stock now selling at 93 to yield 4.8%, and 1,964,466 common shares listed on the N.Y.S.E. and now selling at 42. The stock had a 1958 high range between 21% and 42. Assuming a 1951 net of $37.75 a share, Gimbel is selling for less than 11 times earnings and yields, on the average, 3.17% (This compares with a composite Dow-Jones industrial average of 11 times earnings and a yield of 3.4%). As a matter of fact, department store shares are not noted for high price/earnings ratios, but when you consider that Gimbel may earn as much as $4.20 a share in 1959, and perhaps increase its dividend to 52 or more, there is no reason to regard Gimbel as an inflated market value currently.

There is a cult in Wall Street that always likes to find a comparison on the basis of which a given stock may be deemed relatively cheap or overpriced. In seeking such a comparison for Gimbel common, the pales which moves to mind is Federated Department stores which today sells for 16 (12 points higher than Gimbel, on a per share basis, for 1958. Gimbel reported higher per share earnings than Federated in each of the years 1955, 1956, and 1957.

For investors, the Gimbel policy of distributing around 50% in cash dividends has resulted for the last 10 years. This steady rise in stockholder income, made possible by smooth ascent in earning power, is one of the things now bringing a livelier market following to Gimbel common.

Viewing merchandising shares as a whole, 1958 total retail business volume up remarkably well, exceeding 1957 by a slight margin. The $4 billion rise in consumer buying of non-durables was pretty much offset by a reduction of over $3 billion in durables. Our rising population and per capita income, the general recovery of our economy suggests that 1959 will be an excellent merchandising year with durables climbing and the costly appliance price war a thing of the past. All of which indicates a favorable business climate for the aggressive and well managed Gimbel Brothers organization, and a particularly good year for the Saks Fifth Avenue line of superior and deluxe accessories, modern apparel and resort wear.

We don't know what Gimbel tells Macy, but we do know the message it is conveying to its shareholders. Rising retail profit!

Silver Anniversary

For J. G. Baumann

NEW ORLEANS, La.—John G. Baumann, proprietor of Bau mann Investment Co., Maritime Building, is celebrating twenty-five years in the investment business on March 1st.

N. Y. Security Dealers To Hear Dr. McFarland

Dr. Kenneth McFarland, consultant to General Motors Corporation, will be the guest speaker at the 33rd annual dinner of the New York Security Dealers Association to be held at the Waldorf Astoria on Friday, April 3rd, 1959.

Joins E. F. Hinkle

Saland in Time-Percentages, Commodities

PORTLAND, Oreg.—James M. Lynch has joined the staff of E. F. Hinkle & Co., Equitable Building. He was formerly with Walston & Co., Inc., and Dean Witter Co., Inc.

Louis Niver Opens

BLOOMFIELD, N. J.—Louis Niver is conducting a securities office at 11 Donald Street under the firm name of Niver & Mor. Niver was formerly with Oppenheimer & Co. and Morgan & Co. and Investors Planning Corporation.

Form Noble, Caludes

SANTA BARBARA, Calif.—Noble, Caludes & Co. has been formed with offices at 922 Laguna Street to engage in a securities business. Officers are Jean H. Caludes, President; T. Preston W. Noble, Vice-President; and John H. Noble, Secretary-Treasurer.

The Illinois Bell Telephone Company

First Mortgage 4 1/4% Bonds, Series F

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

$50,000,000

Illinois Bell Telephone Company

First Mortgage 4 1/4% Bonds, Series F

Dated March 1, 1959

Due March 1, 1991

Interest payable March 1 and September 1 in Chicago or in New York City

Price 101% and Accrued Interest

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

MORGAN.STANLEY & CO.

BLYTH & CO., INC.

THE FIRST BOSTON CORPORATION

GOLD HAN, SACHS & CO.

HARRIMAN RIPLEY & CO.

KIDDER, PEABODY & CO.

LEHMAN BROTHERS

MERRILL, LYNCH, FERRECE & SMITH

SALOMON BROS. & HUTZLER

INCORPORATED

STONE & WEBSTER SECURITIES CORPORATION

WHITE, WELD & CO.
<image>
Is the Stock Market An Anachronism?

By PATRASON BOND

Former banker turned stock broker examines the phenomenon and events leading to the current market and its immense strength. He says if there are any lessons with predictive value, Mr. Bond does not know what they are, for that matter, other measures designed to halt future speculative excesses. The writer wonders whether a supply of stocks may develop, as brighter results are being reported, in the Spring of 1959 making the stock market an anachronism as it was in the Spring of 1958.

The 1958 stock market was, and its 1959 follow through is still, one in our century. In this century, I receive calls from bankers and brokers who frequently ask about how the market moves and when they hear that there are new frequent responses is an Irritable, impatient question, "What’s it all go on about? How long can it last?"

This incredulity has been a widespread. Brokers have uniformly shared this incredulity with the bankers and the investing public. There have been few stories. The simplest one is that the only people who have made any money in the current stock market are those who can’t read. After all, the market has doubled in 1 1/2 years. Back in the latter part of the year 1956, I wrote a series of articles, and analysts found that stocks sold on a ratio of price times annual earnings were as normal and market conditions improved, analysts found that stocks sold on a price times earnings ratio. When these ratios began to be exceeded, the analysts turned to a price time cash flow ratio. And now they say they sell at so many times value. Certainly the bull market of 1958-9 is a real phenomenon.

Traces Present Market

To discuss the 1958 market it is necessary to go back to the last half of 1957 which helped to set the stage. Wall Street was tight and kept tight during the late summer months of 1957. The stock market started its rise in mid-July while business was still holding on. As a result, September represented the peak of retail capital demand. This demand plus a stern tight monetary policy created some real problems in the fall of 1957 and course of course was in turn a problem of business. Nevertheless, money was kept tight in the early fall months. By the end of the year it became fairly obvious that business itself was slipping. We were starting the slack season since the end of World War II. At this point moves to ease the supply were started. The first result was to improve the after and I expected this to be a very severe base for what happened later. This looked to be such a lead pipe pinch that many otherwise very anxious bankers were encouraged to go out on a limb and load up their books even at a margin and some of them — more courageous than wise — were on very thin ice. The III while in the early part of 1958 this was a very successful operation.

The story was very attractive, with the recession over, the government would surely be able to easy money for a long time to come.

"A address by Mr. Bond before the economic society of Chadwick, Elizabeth, N. J.

Federal Reserve Bank of St. Louis
Digitized for FRASER

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Ohio Val. I, A. B. Group
To Hold Fall Meeting

CINCINNATI, Ohio—The Ohio Valley chapter of the Investment Bankers Association of America will hold their annual fall meeting October 21-22.

Treves & Co. Admat

On February 28th Marvin D. Kantor will be admitted to partnership in Treves & Company, the oldest stock exchange firm in the New York Stock Exchange.

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Government of Jamaica

$10,000,000 5 1/2% Sinking Fund External Loan Bonds due March 1, 1974

OFFERING PRICE 95% AND ACCRUED INTEREST

Copies of the Prospectus may be obtained in any State only from such of the undersigned as are qualified as Brokers under the securities laws of such State.

$52,000,000

5 1/2% Serial External Loan Bonds

Due September 1, 1960—March 1, 1944

The Serial Bonds are being offered in eight series, of substantially equal amounts, maturing semi-annually.

AVERAGE OFFERING PRICE 99.10% AND ACCRUED INTEREST

Copies of the Prospectus may be obtained in any State from the undersigned and others only if they may lawfully offer these securities in such State.

Kuhn, Loeb & Co.

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February 16, 1959
Freedom of Competition In the Space Age

By GEORGE ROMNEY

President, American Management Association

Auto industrialists maintain that competitors of General Motors has been exalted only because General Motors tolerates them. Mr. Romney proposes this precarious situation be ended by breaking GM into two independent companies and that, at the same time, labor be subjected to the same controls as management.

I have since learned to appreciate, however, that more important than the skill which men seek to maintain is the skill of communicating.

If Americans are to express themselves intelligently about economics, they must learn more about it. How can they know what to express if they don’t know what to say? And even if they do know what to say, in what way will they know how to say it?

My personal conviction is that one of the most important problems of our time is the problem of how to communicate business leadership to the business leaders of America.

It is now a matter of general knowledge that we are, as a people, beginning to understand something about economics. It is also now a matter of general knowledge that we are, as a people, beginning to feel the effects of the economic revolution that has taken place in this country.

Too Much Silence

Unfortunately, there is too much unguarded silence from business leaders on controversial matters. Unless the informed make their duty to share their information, the opportunities for social progress will be limited.

I have now been in the automobile industry for 30 years. During that period I have worked for the entire industry, in the form of public and/or private activities, and an almost equal length of time in the competitive arena. I have seen the automobile industry grow and develop.

I have come to the conclusion that the automobile industry is a unique one, and that it is the only one where the individual consumer can participate in the development of the product. It is the only one where the individual consumer can participate in the development of the product.

The development of this unique economy, reflecting the same basic principles of our political freedom, was made possible by the antitrust laws and the labor laws. I have made competition the primary means of discipline in the automobile industry and by making the citizen in his economic role the key, the automobile industry has become an economic power as a consumer. It has become a consumer of the automobile industry.

The automobile industry, and the automobile, are no longer just a means of transportation. They are now a means of transportation in a country that is becoming an economic power. The automobile industry is no longer just a means of transportation. It is now a means of transportation in a country that is becoming an economic power.

Among the leaders of the automobile industry, I have known several, and some of them have been very good. They have been leaders in their industry, and they have been leaders in our country.

First, however, let us review the problem of competition in the automobile industry.

Henry Ford developed the automobile as a basic transportation vehicle for the American people. Eventually, many other companies wanted dependable, low-cost cars. In his historic battle to avoid bankruptcy, Ford added the skill of producing dependable cars. Ford also helped preserve the competitive principle in our industry.

Ford profits were multiplied by the competition of other manufacturers and his service record and his historical sharing of the gains of competition. The competition of lower prices and higher wages. These were among the Ford conditions which help to make the automobile industry highly competitive today.

The competition of automobile manufacturers is not always the ideal solution because there are problems of monopolistic competition.

The problems are: (1) That the automobile industry is national in scope; (2) That it is a national industry in a national economy; (3) That the automobile industry is highly competitive; (4) That the automobile industry is highly competitive.

Can’t Expect New Companies

The economic requirements for competitive automobile companies in many basic industries are very high. It is not only necessary to warrant the risk and reward of new investments, but the national security, job opportunities, and the general public interest involved in the competitive process make it impossible for new automobile companies to enter the competitive process.

Certainly, none of the remaining companies can be guaranteed a continuing existence. I think American Motors’ ability to produce cars and apparel, in a manner of speaking, is not a question of whether customers voluntarily pay for it. In sufficient quantity to maintain its economic viability, and the struggle of many of us is to do this, should be unnecessary.

In American Motors’ darkest and most difficult period, we did make some progress on the basis of our ability to produce cars and apparel, in a manner of speaking, all that customers voluntarily pay for. We did not seek or obtain special government help and we were not determined to do so. How can the benefits of a competitive economy be retained if individual enterprises are unwilling to consider their survival and death itself, without seeking government aid, and that condition is gradually and unfortunately subsuming public subsidy and control.

Only the government can guarantee that the competitive discipline by consumers.

Five Alternatives

How can we continue to have the benefits of five competitive companies and these five alternatives? In the following paragraphs, there are only five alternatives:

1. Through the ability of each of the remaining companies to escape economic failure. In light of earlier competitive history, this would be a dangerous possibility.

2. The pursuit of competitive effort to permit the survival of weaker companies. To the extent that this effort is made, it would deprive our nation and individual consumers of the benefits of competitive economic power, and it may lose our the struggle for inter-industry competition, and not afford competitive slowdowns.

3. The pursuit of competitive effort that would stabilize the automobile industry, with no real loss of competition. In the automobile industry, about 20 companies have been eliminated. In most, if not in all, our basic industries, the competitive discipline of the excess capacity of the automobile industry, in my opinion, the five passenger cars companies, and the minimum number of adequate consumer choice and discipline.

Yet as long as the competitive principle is alive, there should always be the likelihood of more automobile companies surviving.

We do not agree that competitive choice and economic stimulation will necessarily result in the minimum number of competitive companies. I believe that the number of companies that we do not want to moderate discrimination and economic discipline.

Further, are we convinced that the competitive principle is likely to result in the competitive companies failing off? If we knew, then how are we going to shape the competitive principle of competitive companies?

Good Deeds and Misses

Largely by virtue of its technical and management skills, P. Sloan’s wisdom, GM, working with other companies, applied its intellectual and technical skills to the solution of public problems in the area of highway safety, air pollution, world trade, factory dealer relations, and in many other areas. Much of the automobile industry’s contribution has been to provide the means of management, including its adoption to collective bargaining. This is a well-intentioned effort to establish a formula for equity in the competitive process through the “escalator” provision for cost of living increase and the “annual improvement factor” have proved to be built-in inflation instead of cost cutting.

In the automobile industry there was the sacrifice of sound merchandising policies in a short-sighted battle in a highly competitive market. This was a post-war departure from the recognition of our responsibilities in relationships with dealers. A fourth was a hiatus in the tradition of effective dealer operation.

GM and Motors and the other large automobile companies will be to be desired and praised in their main for their contributions to their and their results. Indeed, the entire automobile industry has demonstrated the possibilities of economic development and “consumerism” has come for the greatest application of the principles of competition.

What is needed is then for any basic change in our national economic policy as it relates to the automobile industry.

As a result of competitive deaths, many basic industries are now under the direction of two or three large companies, and there is a resulting lack of competition in the industry.

We argue that we don’t need to be concerned about plenty of competition in the automobile industry. We don’t agree. To the contrary, the competitive principle has operated in the automobile industry and other industries, and the excess capacity consensus exists.

Not only do General Motors dominated the industry for the
Financing Government and Business in the Days Ahead

BY NORIS O. JOHNSON
Vice-President, The First National City Bank of New York

New York weighs the impact of Government finance on the money market and business finance. Mr. Johnson observes: (1) Treasury decision toiece 45% legislative ceiling would depend on the spending decisions of Congress; (2) in a bond market in which yields have undergone a sharp seasonal slowing in the absorption of mortgage money as cold weather real estate building, and normal year-end investment occur.

If the Treasury had not come into the long-term market, the buying power might otherwise have been dissipated in a bond price rally. Although many holders anxious to get out of govern- ments might have preferred this, there is a deeper importance in keeping a deterrent Treasury in touch with the price of non-inflationary finance. In view of the rather modest amount of money involved, the new Treasury 4s of 1880 should not give impetus to further rise in costs of long-term money to corporate borrowers or to the mortgage market.

Some may feel moved to criticize the Treasury for not seeking several billion to $10 billion. But the Treasury in the market, all the way to 1880, through a bond market bill money. It is up to $5 billion, up to $5 billion. The Treasury, as such, is also a major factor in the money market, which requires the money, and the Federal Reserve, which might give it aid if the market falters.

What Congress Did
The last Congress, trusting to the wisdom of the Treasury and the resourcefulness of the market appropriately, got a warm welcome from without recognizing where the money was coming from. An in- crease in the debt limit to $28 billion was authorized, but not the offer of tax exemptions on any other new features to make U. S. bonds more attractive to the buyer.

The party most personally concerned with — at least the alert to the deficit-financing problem was the Treasury Department. The Treas- ury had its cash balances as high as $107 billion late in June, near the close of the taxes were being collected, the swollen cash balances, at least $12 billion above a normal minimum, reduced need to bor- row during the third quarter, when the Treasury was paying off the money market.

Markets have curious habits, chasing the butterflies of pleasance, illusion and the facts of life. In May and June, when the effect of the Treasury surpluses was being felt, put to government expenditures up to $60 billion, govern- ment outlays were remaining the highest in these was the fact that recovery from recession was already well under way, but the derways was continued

Federal Reserve to release more lending power by reductions in legal cash reserve requirements of the banks.

Thus the capital market was caught napping in June: hence the dramatic seasonal slowing in the absorption of mortgage money as cold weather real estate building, and normal year-end investment occur.

The market steadied and rallied in October when yields on long-term Federal Reserve, and June, approached $4. At the same time the Treasury bill yields moved up from below 1 in June to above $1 in July, a further demand outside the banks. As security bill yields are around 3%.

Let us look at the long and mid-term market. A lot of people for long-term bond invest- ments. Certainly there is reality in the buying among what we call sophisticated individual investors, and that is that upwards of $20 billion new money became available last year for long-term lending at interest. Insurance and pension fund accountings are a major influ- ence. Prospective savings of $600 billion a month. Savings institutions have increased, and have the offer of the saver. The savings are raised at savings deposits and banks last year evidently aver- aged around $500 million a month; the increase for savings and loan associations was about the same.

We have had, through the re- cesion, a fortified flow of funds for long-term investments in interest. This flow has been main financial support to the rise in home building; it made pos- sible the deferral of heavy costs of corporate bond issues in the market. In 1888 and 1889, some residual money was left over for purchases of govern- ment bonds.

Favors 4 to 1/2% Interest Rate Range

If Congress is to set a limit by law to 4.5% on the rate it can pay on bonds. Foctually, the Treasury can pay to 4.5% of the rate, which has a definite in- vestment value. But the rate was put out in 1957 has had a favorable market experience. Thus the rate has been a part of corporate bond issues in the market. It is greater than the experience rate of pre- vation in the value of the dollar. It gives a good margin over the currently offered on saving accounts and over actuarial rates is expected to receive in the near future.

The Treasury had an opportunity in January to cover a modest part of its deficit at long-term. It adjusted the amount of $750 million to what it thought could be absorbed without disrup- ting the mortgage and corpo- rate bond market, and the opportu- nity was improved by the fall in mortgage rates and a seasonal slowing in the absorption of mortgage money as cold weather real estate building, and normal year-end investment occur.

The Treasury paid in 1958 corporate bond re- plished its cash positions, previously strained by capital outlays, after a significant inflow of bond issues during the first nine months of the year came from firms that had not completed fi- nancing their capital programs or that wanted to avoid insolvency from another credit squeeze like that which followed capital- outlays, contracting inven- tories, and improving profits gave the market the corporate inflow as 1958 progressed. These factors, held down the seasonal growth in bank loans to business during the fall and created an enlarged market for Treasury bills. Corporations were in shape to give deficit-financing major help.

The Treasury, as you know, has done the bulk of its deficit-fi- nancing at short term. The out- standing volume of Treasury bills has been increased $7.9 billion since June 30 and $3.5 billion more has been borrowed for long-term and other uses. Naturally there has been a marked increase in the amount of securities on initial issue, as underwriters, but the temptation to syndicate odd lots of Treasury bills is likely to continue. If felt to hold on to them has been discouraged by a discount rate advance from 1% to 2% and further.

The rise in Treasury bill yields has brought corresponding re- adjustments in cost of money bor- rowed in the commercial paper and bankers acceptance market. The prime bank loan rate was advanced from 3/4% to 4% in September.

As I mentioned earlier, a broad rally in the long-term Treasury bill market has been a factor in the low yields on the bills. For example, yields of U. S. obligations had dropped to a postwar low of $12.5 billion on June 30, up to $12.5 billion in the third quarter and no doubt are much higher now. Federal and miscellaneous buyers have come forward to buy U.S. obligations as yields became attractive. Prob- ably the slowing of the gold outflow was influenced by the im- proved prices of gold in the market. Anxieties are not naturally felt for the months ahead. With a continuing business recovery, business will feel pressures of more need to cash to finance higher levels of inventory and activity. The situation can be- come if plant and equipment outlays begin picking up in any important way and wage-price spiraling intensifies under boom conditions. In these circumstances Corporations will be competing with the Treasury for full-awarded money instead of helping finance the deficit.

The President, as you know, proposes refinancing the Federal expenditures to $77 billion, equal to revenues optimistically pro- jected. The achievement of this objective would be a great relief to the money and capital markets, which have a higher and prefer to fi- nance industrial growth, home building, and state and local projects. I dare suggest that we could have a deferred available on a tax with reforms than we did with unfrilled Federal spending. As it is we have money needs of the Federal Government that are in- significant compared to the needs of the private sector of the econ- omy. We can only hope that people will continue to save and that Congress will understand if higher interest rates is needed to for- tie the will to save.

With Lile & Co.
(Published by THE FINANCIAL CHRONICLE)

PASADENA, Calif.—George R. Lile & Co., 1001 East Green Street. He was formerly with Oscar G. Werner & Co.

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Incorporated

February 26, 1959

*An address by Mr. Johnson before the National Federal Reserve Bank Table Discussion on the Public Term and Offsets in 1959, New York City.
The Commercial and Financial Chronicle,... Thursday, February 26, 1939

Support of Businessmen to Help Defend Our Economy

By HON. LEWIS L. STRAUS*

U.S. Secretary of Commerce, Washington, D. C.

The President is likely to exert a major influence upon the fate of Russia, and it is necessary to consider the position of the United States in this regard. The President, in his capacity as Commander-in-Chief of the armed forces, has a direct responsibility to the people of this country. He is also responsible to the Congress for the conduct of foreign policy. The President has the power to make treaties and to negotiate with foreign governments, and he has the power to declare war. The President is therefore in a position to influence the course of events in Russia, and his actions will have an important impact on the future of our country.

*From Washington Ahead of the News

By CARLISLE BARGER

Organized labor is fighting this to the bitter end. Why should it be possible for a union to put up a picket line around a man's business with a view to forcing the employees to join? In some instances the union doesn't like an employer's politics or philosophy. But as of this writing, the Administration has very little chance of passage. The idea is to pass the relatively mild Kennedy-Illin bill and then to go out so that the Congress has passed labor reform legislation. The Congress will then rest on that.

Senator Kennedy insists that his bill be passed and that other reform legislation subsequently be taken up. He is an ardent member of the Senate Labor Com- mittee and the chances are the addition- nal reform legislation would never see the light of day. The trouble the Adminis- tration is insisting that the bill be passed is that the labor leaders themselves have been massed in the air with the idea that the legislation means a threat to organized labor.

Senator Kennedy is generally considered to be a hard bread, and the Democratic can- didate of the fall will have a lot to say about the labor vote. It is understandable that the Senator would not want to face the threat of an organized labor situation smalls to high heavens as a result of the McClellan Committee discu- sions. Are we to spend all this time trying to get the Kennedy-Corn- Committee with no remedial legis- lation to follow?

Daniel A. Piedmonte

With A. C. Allyn Co.

(Special to the Financial Chronicle)

*As of February 25, 1939, Daniel A. Piedmonte has become associated with A.C. Allyn Co., Incorporated, 161 West 11th Street.

Mr. Piedmonte was formerly with B. C. Christopher & Co., where he was manager of the trading department for Barrett, Pitch, North & Co., Inc.

Two With Jamieson

(Special to the Financial Chronicle)

*As of February 25, 1939, Jack S. Rice and Richard L. Russell are now with Jamieson & Company, Inc.

Form R. C. Crisler Co.

(Special to the Financial Chronicle)

*As of February 25, 1939, R. C. Crisler & Co., Inc. has been formed with offices in the Fifth Third Bank Building in a securities business. Officers are Richard C. Crisler, President, and Treasurer; Paul E. Wunder; and Stanley S. Strass, Vice-Presi- dents; David G. Gamble, Secre- tary; and Janet M. Huber, Assistant Treasurer.
Threshold of Danger to West: Will Britain GrantCredits to U.S.S.R.?  

By Paul Einzig

Dr. Einzig is fearful, for various reasons he provides, that Mr. Macmillan will come back with a trade agreement with U.S.S.R. entailing granting of credits. The London reporter indicates economic and political disadvantages that far outweigh the assumptions that may be derived from such a transaction, and recalls similar situations of the past. The report is aimed at appeasing Hitler's professed desires. Stress is placed on unwillingness of all but governmental sources of credit facilities. The article comments that the situation is tendered for U.K. to offer U.S.S.R. all the trade the West has, to the amounts of private credit that Dr. Paul Einzig

LONDON, Eng.—An article appearing on the City page of The Times of Feb. 19, deals with the "outlook for Anglo-Soviet trade" in connection with Mr. Macmillan's visit to Moscow on the occasion of his recent visit, with categorical result. There is nothing definitive up to now to indicate what the official British attitude would be in respect of a request for credits. The "Times" points out that under existing arrangements there is nothing to prevent the Export Credit Guarantee Company from guaranteeing credits given by British exporters to Soviet Russia.

Official circles are rather non-committal when spoken in respect of their intention. The officials who accompany Mr. Macmillan to Moscow include a representative of the Board of Trade, the department under whose auspices official export guarantees would come. His presence does not in itself indicate, however, that the subject of credits would be raised. It only seems that an attempt will be made to increase the volume of Anglo-Soviet trade.

Offset Export Decline Elsewhere

The British press published some exaggerated forecasts about prospective increases in that trade that is supposed to be envisaged in official circles. The figure of £139 million was mentioned, but Mr. Macmillan, when questioned in the House of Commons, conceded that it was only a nebulous "paper talk. Even so, there can be no doubt that he is very anxious to bring back from Moscow a trade agreement leading to an expansion of exports to Russia. Exports to many overseas markets are expected to decline during 1956. Having regard to the recent increases in unemployment, the authorities are very anxious to offset this trend as far as possible by the opening of new markets. Until recently, Mr. Macmillan was of the opinion that a trade revival could be easily brought to an end solely by means of reflationary measures, but experience during the last two months or so appears to indicate that this is an opinion that may be expected to be. So it would not be surprising if the authorities were to make a considerable effort in Moscow to secure an increased market for British goods.

The difficulty is that there is not much scope for an increase of British imports of Russian goods. That being so, the question of financing a British export surplus to Russia by means of credits might conceivably arise in the course of the negotiations. There will be a strong temptation for Mr. Macmillan to agree to a solution under which the granting of credits would be encouraged by means of the application of the official credit guarantees to the export to Russia. It is to be hoped, however, that Mr. Macmillan will resist such temptation. Such advantage as could be derived from raising exports on credit terms would be heavily outweighed by economic and political disadvantages.

Recalls Twenty Years Ago

The situation bears much similarity to that of 20 years ago when shortly before the war Germany made efforts to secure British credits. By that time Germany's industries were heavily engaged in preparations for war and their capacity for producing goods for civilian requirements whether at home or for export, had become reduced. Having regard to the difficulties between "guns and butter," Germany chose the former. But any substantial export agreement would have enabled Germany to intensify the bloodless economic penetration into Southeastern Europe that was proceeding.

History is repeating itself. In Soviet Russia too, the volume of consumer goods is limited because a large proportion of the country's resources is used for military purposes and for the requirements of the economic cold war. Since the Soviet Government is determined to pursue economic cold war by means of offering credits to uncommitted countries, some proportion of its resources have to be diverted both from guns and butter. Notwithstanding constant pressure from China for increased economic assistance, by no means considerable resources are found to serve the purpose of economic generations in underdeveloped countries in Asia and Africa. Such resources could be increased if the Soviet Government succeeded in securing credits from abroad. Alternatively, the economic cold war could be pursued without unduly reducing the resources available for military production, civilian consumption and assistance to China. In either case, the free world would suffer a disadvantage, as a result of the increase of the resources of the Communist group of countries.

In the absence of official facilities the Soviet Government would stand no chance of obtaining credit in Britain. No matter how anxious British firms would be to secure new markets, none of them would be prepared to take risks arising from cancellation of orders by the Soviet Government. Even on the basis of cash payment on delivery the acceptance of large orders from the Soviet Government entails considerable risk, unless the Soviet Government is prepared to arrange "confirmed credits" covering the grand total of the orders placed. Under that arrangement a London bank would guarantee the payment for goods on delivery. Such a guarantee is only given, however, if the London bank itself has adequate security from the Soviet Government.

Offers Suggestion

Even such an arrangement does not provide absolute safeguards against losses if the execution of Soviet orders should necessitate the installation of machine tools and other costly capital equipment which would only be suitable for the production of goods for Russian specifications. If in addition there is also a credit risk that British firms would be very unwise if they yielded to the temptation of expanding their markets in Russia. So if Mr. Macmillan wanted to decline Soviet request for credit without causing offense, all he would have to say is that there would be no official objections to private credit arrangements, provided that the Soviet Government is able to obtain them.

Chicago Analysis

Revise Meetings

Chicago, Ill.—The Investment Analyst Society of Chicago has announced the following revised schedule of luncheon meetings to be held until June:

March 12—The Trust Company, D. C. Minard, President.
March 28—Forum on the automobile outlook, Chairman—Bill Mazza.
April 2—All day field trip of Sundstrand Machine Tool Co., at Rockford.
April 9—Consumers Power Co., R. P. Briggs; Executive V. P., April 23—Texas Instruments, J. E. Jonsson, Chairman, P. E. Haggerty, President.
April 30—Pennsalt Chemicals Corp., William P. Drake, President.
May 7—Lilly-Tulip Corp., W. J. Bergman, Chairman, May 21—National Gypsum, Melvin H. Baker, Chairman.
June 4—American Telephone, John J. Scullion, Treasurer.

Pension Planning Seminar to Be Held

The Pension Planning Company will hold a one-day seminar on pension and profit-sharing plans on March 19th, 1959.

Bank Fiduciary Fund Names Hauser Pres.

Alfred H. Hauser has been elected president of the Bank Fiduciary Fund. Mr. Hauser is vice president of the Chemical Corn Exchange Bank. The Fund provides a legal investment medium for trusts and guardanships which are administered by banks in New York State.

Milwaukee Bond Club Meeting and Election

Milwaukee, Wis.—The Milwaukee Bond Club will hold its annual meeting and election of officers on Feb. 27th at the Pfister Hotel, Marshall A. Low, Loewi & Co., Incorporated, is chairman of the arrangements committee. Total is twenty dollars.

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Pricing for Profit in a Competitive Market

By Dr. JEROME B. COHEN

Bernard M. Baruch School of Business and Public Administration College of the City of New York

Practical price considerations, with emphasis on excess competition and the danger of pursuit of volume for the sake of profit, are considered in this article. From Dr. Cohen's analysis of the outlook to the midyear and beyond. The anti-trust economic specialist evaluates the pluses and minuses in the foreseeable future and adopts a cautious prognosis. He points out that greater inflation pressures and inflation steps and fears that mid-year decisions are infla-

tionary the inflationary psychology will spill over from the securities markets into the commodity markets. Commodity prices will rise somewhat thereby.

In a discussion on taxes, Justice Learned Hand once held: "Nobody owes any public duty to pay more than the least he can and not nothing in the anti-trust laws or code is to be interpreted as requiring an industry to drive itself out of business. At a time when many of the products yielded 4.5 percent and many sound sales can be purchased for 4 percent. As a result, an industry which averages 5 percent profit on turnover, without any special investments, ought to be able to pay a portion of its turnover to autheen and consider the question of excessive and unnecessary force if it were to withdraw its capital, invade, re-enter and relax all year and do nothing, it would realize as good, if not a better profit.

Pricing Principles

Pricing is a major area of decision of any firm. In some indus-
tries, volume competition is evident, and large, prices are established to sell the product at a given price level, and may be the basis of a sales tax, or by a recognized price leader. In others, where the number of sellers is limited, the price to meet or follow competition is bound to be closely watched. The pric-
estructure, an industry of many small sellers, no one of which has the power to set or determine the price. The price seems to be de-
termined by the market. This is pure competition in the true sense and is not charac-
teristic of very many industries of American origin. As one-
John Q. Smith, President, The National Asso-
ciation of Securities Dealers. A: "The Beane" formerly of "Merrill, Lynch, Pierce, Fenner & Beane, has been recently appointed to The Stock Market...As I see it."

Another point of concern of the Federation of Women Sharehold-
ers, NBC analyst and publisher, "An introduction to the "Women Shareholders" will be a guest of honor."

Women Shareholders Luncheon Discussions

This will be the annual spring series of luncheon discussions on Business and Finance. The lun-
cerns will be held Saturday, Feb. 2, by the Federation of Women Shareholders, Inc., at the New York Uni-
versity Club.

A. W. Zelomem, President, Interna-
tional Statistical Bureau and author of "Changing America will speak on "How Changing America Affects the Stock Mar-
ket."

Alphonse C. Bean, director of marketing for the "Beane" formerly of Merrill, Lynch, Pierce, Fenner & Beane, has been recently appointed to The Stock Market...As I see it."

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ers, NBC analyst and publisher, "An introduction to the "Women Shareholders" will be a guest of honor."

F. Eberstadt & Co. As Financial Advisor

F. Eberstadt & Co., it was announced Feb. 24, acted as financial advisor to Standard Oil Co. (Ohio) and Standard Oil Co., in connection with their investment in Solar Nitrogen Chemicals Inc. The investment was formed by Atlas Powder Co. and Solar Nitrogen Chemicals Inc. The investment will be used to develop agricultural and industrial chemical products.

Solar Nitrogen will acquire ammonium and related petrochem-
ical products from the make-up of the acquired assets of Soho Chemical Co., a subsidiary of Standard Oil Co. (Ohio), and will take over Soho's business in these products. Soho will con-
stitute a division of the company, and F. Eberstadt & Co. will act as sales agent for Solar Nitrogen Chemicals, Inc.

Earle H. Rodeney
Earle H. Rodney, partner in Hayden, Stone & Co., passed away, Feb. 17 following a long illness.
Free Society's Education In an Age of Change

BY BRIG. GENERAL DAVID SARNOFF* 
Chairman, Radio Corporation of America, New York City

Industrialists specify what we should consider and do in our educational system. Mindful of such spectacular postwar developments and dramatic changes in human life, outer space, new materials, population explosion and Communist growth, Brig. Gen. Sarnoff warns against "aping" the Russians and urges the system's overemphasis on technical training. The RCA Chairman believes cold war requires more than marginal use of our energies and resources. He declares victory requires vast and inflexible dedication as the example, and a future up to the sacrifices of the decades that lie ahead.

I came across the eloquent summary of the aspirations for Bran- desian education made at its inaugural services ten years ago by its distinguished architect, Mayor Samuel S. Gillman. Its implications are relevant even of the few thoughts I intend to unfold for the period and an atmosphere of urgency to provide us with the opportunity to think clearly. "Brandes University should be a school of the arts in which the temper and climate of the mind will take precedence over the ac- quisition of material and all the physical development of techniques. Unyielding in the fulfillment of the double function of the mind is inherent in various phases of nihility. The bases of Brandeis will be the dwelling place of the spirit of understanding—those few unchanging values of the race and the world that are independent of materialism in freedom, which man has ever sought to attain.

For more than half a century we have been busy with "the acquisi- tion of skills and the develop- ment of new techniques." It may seem paradoxical, therefore, when I say that "we must be a university," to avoid being a school, which is not a university, as I said, "a school of the arts in which the temper and climate of the mind will take precedence over the acquisition of material and all the physical development of techniques."

Change—The Keynote of Our Time

Change has come upon us in great tidal waves, in vast explo- sions—chiefly in the realm of science and technology, but also in social and political affairs. The different types of change, indeed, are closely intertwined. Scientific advances stimulate the mind as the changes of the mind in turn stimulate the discoveries of science. For many years it has been possible to distinguish between cause and effect. The late philosopher, Alfred North Whitehead, is quoted as having written in September, 1945: "The condition of natural man has been drastically altered in the last hundred years in the United States, and perhaps in the last hundred years more than in any other period of a thousand years that man has occupied the earth. Unquestionably he was wrong.

But in the 13 years that have passed there have been even more changes in the United States, and perhaps in the last hundred years more than in any other period of a thousand years that man has occupied the earth. Unquestionably he was wrong.

This is the case because the rate of change has accelerated to a far greater extent than has been the case in the past. Indeed, the acceleration of change has reached such a speed that it is difficult to keep up with the changes in our daily lives. The rate of change has accelerated to such an extent that it is difficult to keep up with the changes in our daily lives.

Redemption of 92,561 Shares The Magnavox Company

4% Cumulative Convertible Preferred Stock ($50 Par Value)

On December 30, 1958, The Magnavox Company called for redemption on February 5, 1959, all of its 92,561 outstanding shares of Cumulative Convertible Preferred Stock. Such shares were convertible into Common Stock through February 2, 1959 and all holders of shares exercising conversion privilege.

Pursuant to a Standby Agreement, Blyth & Co., Inc. offered during the period from December 25, 1958 to February 5, 1959 to purchase at a price above the redemption price any Preferred Stock tendered to it and convert such Preferred Stock into Common Stock.

Blyth & Co., Inc.
Miss Cook is concerned about the fathomless paradox said to exist in legislators’ inattention to their voters’ reaction to fiscal tax and spending performance. She wonders whether taxpayers’ protests are going unheard because legislators are not hearing from the right people; urges everyone who cares to protest to their representatives and to keep the political machine going. She does not blame the problem on others; and suggests re-election be abolished as the way to make legislators obey the majority’s wishes. The correspondent decifies inflation as the “cruelest tax” and hopes more voters will understand it is not possible to “soak the tax” by bankrupting the Federal Treasury.

Editor, Commercial and Financial Chronicle:

Our metropolitan newspapers pride themselves on the accuracy of their reporting. Their men go after the facts and detail them for the information of the public from hour to hour. It is a pity that they print the unverified story, when almost unbelievable. Just now the most trustworthy papers are writing the strangest of paradoxes. For example, that New York State Republican legislators are receiving munificent gifts in the form of cuts in income and property taxes, or at least not enough to vote new taxes, but that they expect to vote for all new taxes measures the tax governor has suggested.

According to the N. Y. “World Telegram and Sun” of Feb. 10, 1959, these lawmakers are in the enviable position of hearing their constituents’ views told them “to cut spending and cut taxes,” or at least not to vote new taxes, but that they expect to vote for all new taxes measures the tax governor has suggested.

Two days later, Feb. 12, 1959, a front page article in the N. Y. “World Telegram & Sun” started off “Report City-State Tax Deal Albany, Feb. 12, Gov. Nelson A. Rockefeller and Mayor Robert F. Wagner have made a secret deal which will hit state taxpayers in general and New York residents in particular, it was reported here today. The Democratic Mayor re¬portedly has promised the Repub¬lican Governor all the Democratic voters needed to pass a record, amounting to $8 billion budget, with staggering tax increases of $277 million. The money is to be borrowed from the state, which is said to have promised Mayor Wagner additional state aid and tax concessions to keep it in its downtown financial mess. The agreement, yet it is one thing that sounds like “Politics as usual. The public be damned”.

With the intention of mollifying opposition presumably, “Mr. Rockefeller made his pitch at a time to be returned to local governments to lighten their tax burden.” (N. Y. “World Telegram & Sun”, Feb. 10, 1959) Lightest! After the sums rushed off on the way to nowhere, they naturally many taxpayers are asking why they are not deciding locally what services they want from their local governments.

In less than two weeks after Gov. Rockefeller had submitted his budget, the legislator had received “a blizzard of correspondence” estimated at more than 100,000 letters, probably more than 10 to one opposed to higher taxes ($2 billion). But up to that time the Governor had not submitted a budget.

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

150,000 Shares

STANDARD MANUFACTURING CORPORATION

Class A Common Stock

(Par Value of $10)

Price $2 Per Share

STANDARD MANUFACTURING CORPORATION, an Illinois Corporation, is engaged in the manufacture and sale of indoor and outdoor electrical plastic advertising signs and plastic items. The corporation leases a one-story building of approximately 25,000 square feet at 1100 South Central Park Avenue, Chicago, Illinois, where it manufactures its products. The building contains additional plant facilities of 9,000 square feet at 924 Independent Boulevard, Chicago, Illinois.

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[The views expressed in this article do not necessarily at any time coincide with those of " Chronicle." They are presented as those of the author only.]
The Chase Manhattan Bank, New York, has announced the appointment of Mr. Frank A. Byerly as vice-president, to the advisory committee of the Bank’s Trust Company branch at 422 Lexington Avenue.

Mr. Byerly has served as vice-president of the First National Bank of New York since 1927, and has been associated with that bank in New York for 42 years. He is a member of the New York State Bar, and has been a director of the First National Bank of New York since 1932. He is a member of the American Bar Association, and has represented the bank in various capacities in international financial transactions.

The appointment of Mr. Byerly is another indication of the growth of the Trust Company of New York, which today has a capital of $25,000,000 and a surplus of $2,000,000.

(End)

The election of W. M. Jef¬fords Jr., as a director of the Federal Reserve Bank of New York is announced by the bank. Mr. Jeffords, who is a member of the Board, has served as a director of the First National Bank of New York since 1926. He is a graduate of the University of Chicago, and has been associated with that bank in New York for 42 years. He is a member of the New York State Bar, and has been a director of the First National Bank of New York since 1932. He is a member of the American Bar Association, and has represented the bank in various capacities in international financial transactions.

The appointment of Mr. Byerly is another indication of the growth of the Trust Company of New York, which today has a capital of $25,000,000 and a surplus of $2,000,000.

(End)
Energy, Economy, and Society in Transition

By BORIS PREGEL
Former President, The New York Academy of Science
President, Canadian Radium and Uranium Corporation, New York City

Retiring President of the group asks his colleagues to prepare a meeting that will be posed by the advent of the twenty-first century. Emphasizing that "nuclear energy is taking place just at the moment it is needed," Dr. Pregel depicts upward population growth and economic development; and the key role of the sustainable role for government capital and outlines the major industrial and non-industrial implications of the exploitation of nuclear energy. He predicts 20th-century work will be a product of the abundance of cheap nuclear energy that it would bring about a class of "leisure-tricken" individuals who would replace the "poverty-stricken."

It is an established philosophical notion that great discoveries made at the moment when they are needed. I believe we can apply this to the discovery of nuclear energy for, if this "must" had been achieved, we would have faced a very different future.

In all the time since the appearance of the fossil fuels on earth, up to now, we have reached a population of approximately 5 billion. To provide the energy required by this population, we have made almost all the possible hydro-electric sources, If, within the next forty years, we reduce the present population by two and half billion, the situation will be evident that we must develop new energy sources. And we must do so, in part, to consider in some detail the form of these new sources, the possible effects on our economy, politico-social organizations, and our cultural life.

We must keep in mind that, when the population of the world is converted to nuclear energy, we imply great new developments in practically all the fields of science and technology. These new methods will help to improve the extraction of such materials, high-nuclear-resistant alloys, new chemical processes, etc. the whole aspect of the world in the future will be much different from the world of today, just as the world of today is different from the world of the last century.

What New Energy? The fossil-fuel energy sources, as pointed out earlier, are limited. We may still make new discoveries, but their use is not endless. So, in the same 200 years, 50 billion tons of coal, 25 billion tons of oil, and five hundred thousand tons of natural gas will be used. Besides, all the other millions in Asia, in Africa, and in Central and South America.

The United States is rich in many natural resources. We possess a considerable amount of oil and coal, which are good kinds of fossil fuels, insufficient fuel, is not a very useful way, for it is more likely to be an accurate one. In fact, we may be trying to take a look at the development of the United States as projected for the very near future.

These curves are based on data published in the McKinsey Reports on petroleum use and atomic energy. And that we, I may suggest, is quite conservative.

With these data in mind, I would like to ask you to think, for a minute what may be the energy requirements, just in the next 25 years, of six hundred million inhabitants of eastern China, or of five hundred million inhabitants of western India, or of six hundred million inhabitants of any other country.

Now I should like to ask you to see those diagrams, these figures are based on data, in that the population of China, and the five hundred million inhabitants of India will have increased to 12 billion. The total world population will have increased to approximately 20 billion. By the turn of the century, if the curve continues, we shall have a population of seven and a half billion.

At address by Dr. Pregel before the New York City Club.
1958 Annual Report Summary

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<td>Per Share</td>
<td>4.15</td>
<td>4.45</td>
</tr>
<tr>
<td>Per Share</td>
<td>3.60</td>
<td>3.60</td>
</tr>
<tr>
<td>Earned Surplus</td>
<td>622,201,752</td>
<td>605,530,309</td>
</tr>
<tr>
<td>Current Assets</td>
<td>$653,350,387</td>
<td>$639,190,691</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>213,802,203</td>
<td>216,302,892</td>
</tr>
<tr>
<td>Total Assets</td>
<td>1,530,476,376</td>
<td>1,456,353,350</td>
</tr>
<tr>
<td>Shares Outstanding</td>
<td>30,093,183</td>
<td>30,067,123</td>
</tr>
<tr>
<td>Number of Stockholders</td>
<td>126,739</td>
<td>123,943</td>
</tr>
<tr>
<td>Number of Employees</td>
<td>71,500</td>
<td>77,000</td>
</tr>
</tbody>
</table>

Copies of the complete 1958 Annual Report of Union Carbide Corporation will be furnished on request. An illustrated booklet describing the products and processes of Union Carbide also is available. If you wish copies of these booklets, please write to the Secretary, Union Carbide Corporation, 30 East 42nd Street, New York 17, N.Y.
Crucial Challenge to the U.S. And Capitalism Generally

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

To thwart USSR's desire for world conquest we must meet that country's challenge to the U.S. and capitalism in general. To do this, publisher Bell prescribes what we should do in the economic battlegrounds of economics - and how to trade in the world markets. Mr. Bell would confront Moscow's hit-and-run raids on markets with power equal to its own, mobilized as in war through a government-financed trading arm that could allocate international investments in undeveloped areas; and apply new thinking so our free economy can increase growth, maintain stability and allocate resources more effectively than the USSR.

The United States is engaged today in one of those great struggles for power that are the essence of human history as it has been written up to now. In this struggle, the United States, as the foremost capitalist nation, stands; the Soviet Union, to upend our economic system and strip us of the free world and look to Russia as their leader. Moreover, and most important, long-term growth - based upon vigorous industrial production and capital formation - at a pace so fast that in the United States we may have to let our cold war defense strategy slip in order to sustain the military endeavor. In this struggle of this first-hit and run raids on the commodity markets of the world, Moscow has had some success in swamping aluminum. Now oil is beginning to be hit at prices well below Western levels. In 1958, oil exports from the USSR were 23 million barrels, but the Soviet newspaper world exceeded 8 million barrels in the same period, so that 3 million barrels a month may be going to the Western markets and not to our free markets.

We have, up to this point, thought of the contest as a race between the United States and the Soviet Union - the outcome of which could be decided before the end of the decade. That it might be decided in the next few weeks - and even sooner - is now at least a possibility. To say that there is no doubt about the Communist challenge is not to say that the United States is not a mighty power. It is merely that the new Soviet superpower is more than a military superpower - it is a world political and economic superpower, and it is capable of using its military might for purposes other than war.

Reeves Production-War Threat

"We declare war," he said. "We will win over the United States, if it is not the ICBM, but in the field of peaceful production. The first and most vital thing is to strengthen this industry, and will prove the superiority of our system. It would be easy to dismiss this as pure bombast - easy and dangerous. But it is a close look at Khrouchtchev's challenge to an economic race.

One of the reasons, of all that, is Russia's new emphasis on an economic decision does not imply an easing of the armaments race. On the contrary, the expansion of the new state is such that it makes it possible for them, and us, to keep both up even in the development of weapons that are new, deadly, and expensive.

Remember, also, that the mechanization of the Soviet economy is such that the free world is by very nature sensitive to shocks and unanticipated demands. It was, after all, the demand of the Common Market that suddenly raised the price of oil in 1958, and we were caught taking 70 percent of the oil to these new markets. If Russia were to strike, perhaps in a sudden way, we would be taken by surprise. Here are some of the important signs of this new economic offensive:

1. First, hit-and-run raids on particular markets, designed to disrupt and set up a price mechanism that they could use.

2. Second, skillful use of trade and aid to persuade allies and neutrals to run against the United States and the Free World and look to Russia as their leader.

3. Moreover, and most important, long-term growth - based upon vigorous industrial production and capital formation - at a pace so fast that in the United States we may have to let our cold war defense strategy slip in order to sustain the military endeavor.

4. Second, skillful use of trade and aid to persuade allies and neutrals to run against the United States and the Free World and look to Russia as their leader.

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8. Second, skillful use of trade and aid to persuade allies and neutrals to run against the United States and the Free World and look to Russia as their leader.

In short, this is a new economic front in the cold war, a new kind of war in which the United States is wholly unprepared to meet:

The world will have to be prepared to meet this challenge, and the United States will have to be prepared to meet this challenge.

Rewards for Capitalism

One thing that has come as a surprise is that the Soviet Union seems to have been growing rapidly at an annual rate of about 6 to 7 percent. This is about double the annual rate of growth in the postwar period.

The very existence of this huge, rapidly growing, disciplined economy in the heart of the U.S. and to the capitalist system is an argument for the advantage in production should really shrink strikingly, I fear that many of the new military arms we are buying may turn out to be very expensive.

The communists already are offering a form of economic development that is different from anything we have in the West. Now New Delhi and Calcutta can see large slogans which are supported by whole graphs of Soviet and American industrial production since 1945. The Soviet line shows ups and downs gradually. True, the graphs show that in many cases the Soviet output is a little lower in quantity, but equal, and ignore the tremendous gap that separated U.S. and Soviet production in the early sixties. To make the competitive challenge effective, the United States must become a more efficient economy.

This, then, is the nature of the Soviet economic challenge to us. It is a new kind of war - a war of new economic weapons.

Favors Federally Financed Agency

To deal with the threat of hit and run raids on markets, we may, instead of preparing for war, be prepared to confront Moscow. If necessary, with power equal to its own. As through a government-financed trading arm.

To counter the Soviet aid and trade program in underdeveloped areas, the United States could establish aid programs, where they contribute to building up a national economy. We need to turn public services, such as irrigation, power, and transport, into a series of great federal projects.

We need to make no mistake about it. The national economy of the Soviet Union is genuinely impressed by achievements of the U.S. economy. But it is clear that, without highly effective propaganda of the use of the U.S. economy, the world will have no chance in the contest. A World Bank, for example, should be established to compete with the Soviet World Bank.

It is not enough to have the advantage that we have in the world to achieve the American way of life. We must also have the advantage that we have in the world to achieve the American way of life. We must also have the advantage that we have in the world to achieve the American way of life.
In 1958 Columbia Gas System served more people with more natural gas than ever before

In 1958, more than 3,000,000 homes and businesses needed more than 700 billion cubic feet of gas from Columbia—57 billion more than in 1957. Among this total were 58,000 new house heating customers.

To meet these needs, Columbia Gas invested $82,700,000 in new construction and property improvements, and contracted for billions of cubic feet of new reserves in the Appalachian section and the Southwest.

Late in 1958, Columbia Gulf Transmission Company, a new subsidiary, acquired the Gulf Interstate pipeline, to help assure additional supplies of southwest gas to serve growing customer needs.

Columbia Hydrocarbon Corporation’s fractionation plant at Siloam, Kentucky, began full-scale operations during December, 1958, producing propane, butane and natural gasoline. It is also a potential source of ethane for the petrochemical industry.

To learn more of Columbia’s continuing investment in service—along with financial details—write for your copy of our 1958 Annual Report.

THE COLUMBIA GAS SYSTEM, INC.

COLUMBIA GAS SYSTEM SERVICE CORPORATION
COLUMBIA HYDROCARBON CORPORATION
156 EAST 42nd STREET, NEW YORK 17, N.Y.

CHARLESTON GROUP: UNITED NATION GAS COMPANY, AMERICA UTILITIES COMPANY, ATLANTIC STANDARD CORPORATION, COLUMBIA GAS OF VIRGINIA, INC., VIRGINIA GAS DISTRIBUTION CORPORATION, KENTUCKY GAS TRANSMISSION CORPORATION...

COLUMBUS GROUP: THE OHIO PETROLEUM COMPANY, THE OHIO VALLEY GAS COMPANY...

PITTSBURGH GROUP: THE MANUFACTURERS LIGHT AND HEAT COMPANY, COLUMBIA GAS OF NEW YORK, INC., CARNEGIE AND ALLEGHENY GAS COMPANY, HOME GAS COMPANY...

SACRAMENTO, Calif.—Aubrey Miller and Dale A. Dophkins have been added to the staff of Grant V. Korves has been added to the Fontaine & Co., 360 Twenty-first Street.

Ervin E. Stein Adds

Volume 189 Number 5264 . The Commercial and Financial Chronicle

(1986) 21

From Hungary to the West— whenever people could escape to freedom.

We can turn this economic war with Russia, everlastingly to our cut the ground from under and eventually destroy the enemies of the people, the enemies of free dom.
Support of Businessmen to Help Defend Our Economy

The second hazard, of course, is imposed by the nuclear threat. The budget does call for the largest peace-time military defense budget in history—provides for the national defense with the necessary strength to utterly devastate an aggressor.

But the cultivation of a habit of unbalanced budgets in the long cold war could so weaken our economy that it might not be able to withstand a massive blow in a determined war. For this determination to be successful, careful planning and the preparation of newer weapons and counter measures are inevitable. Only careful planning and preparation can do this.

Second: Resist the temptation to confine our defense efforts to military ones alone. The cause of freedom is not a monopoly of the military. It is essential to afford continued national security and welfare.

Now, let us turn to problems which are made at home. After all, it is at home in the industrial priorities, the President has presented to Congress, that our efforts and expenditures are the attempt to balance that the military expenditures are greater because often it can not absorb rising costs equally. Think about small business and—think twice about the consequence.

Fifth: Be prompt and generous in recognizing the action of the President in his efforts to defend free enterprise in their home operations, foreign areas abroad or on visit here.

Sixth: Take a more active part on the part of the wide-spread benefits of the widespread re-election of the President and the government. What are the dollar perfected and healthy level. Let your voice be heard.

Seventh: Develop that search of skin, that awareness of discrimination, that fear of the element which first will be to the enterprise and sees prostragi-major in excessive-spending and the excessive-spending/product and government operation.

The fact is not only becoming a German to Germany, but has one-fourth of Germany and Germany's economy is more than half of the national economy. The Germans are determined to get into the German at their war, and they believe that if they can get England, France, and the United States to demonstrate their power peacefully absorb Berlin, and then they could be in a position to start a first step in this campaign, Mikoyan was recently sent to visit Berlin.

Berlin Will Not Wait Too Long

Russia will want to postpone an understanding until such time as it sees that it can get through the German and the Russian and the West Germans and the French and the United States and the Italians. Russia is at $1.3 billion, or per share, to help in the general corporate funds. The increased capital increases the cost of increasing capital, which will, in turn, permit the expansion of our domestic business.

Established in 1854, James Talcott & Co. supplies funds to cafes in a large number of industrial concerns, enabling them to make maximum, one of their facilities. Its principal company is commercial financing, factoring, and industrial procurement.

Total receivables processed by the company in 1858 amounted to a record $846,448, compared with $72,830 in 1857. It also set a company record, amounting to $72,830, $47,597 reported in the previous year. Per share earnings of $2.73, or $1.57 per share in 1857. Adjusted for the 10% stock dividend, per share earnings in 1857 would have been $2.73, or $1.57 per share.

In 1858, Talcott acquired the commercial receivables of Credit- Corporation, and bought the corporate stock of Lexington Corp. and an $3,000,000 of the stock of Merchants Acceptance Co. (Chicago).
HIGHLIGHTS FROM HFC'S 1958 REPORT

In 1958, demand for consumer loan service was down. Yet Household Finance—America’s oldest and largest consumer finance company—recorded the second best year in its eighty-one-year history. In addition, the Corporation continued to expand and improve its customer facilities. Fifty-six existing offices were completely modernized, sixty-eight new offices were opened, fifty-four in cities where Household has never been located before.

For copy of Annual Report, write Household Finance Corporation, Prudential Plaza, Chicago 1, Illinois.

HOUSEHOLD FINANCE Corporation

<table>
<thead>
<tr>
<th>Year</th>
<th>AT THE YEAR END</th>
<th>FOR THE YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(End of Year)</td>
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<tr>
<td></td>
<td>Customer notes receivable</td>
<td>$578,744,199</td>
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<tr>
<td></td>
<td>Number of customers</td>
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<td></td>
<td>Number of branches</td>
<td>958</td>
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<tr>
<td></td>
<td>Net income</td>
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<td>Net income per common share</td>
<td>$2.53 on</td>
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<td></td>
<td>Cash dividend per common share</td>
<td>$1.20</td>
</tr>
<tr>
<td></td>
<td>Stock dividend per common share</td>
<td>5%</td>
</tr>
</tbody>
</table>

In recent years Household has retained approximately 60% of net earnings, making possible the payment of six stock dividends: 10% in 1949; 10% in 1950; 10% in 1951; 4% in 1952; 5% in 1953; and 5% in 1954. It is the present intention, subject to changed circumstances, to pay annually a stock dividend which capitalizes a substantial portion of the year’s retained earnings.

Saunders, and William M. Walsh, Assistant Secretaries.

Mr. Pringle, Mr. Sey, Mr. Fell and Mr. Brown were formerly with Stern, Lauer & Co.

Northeastern Investors
Northeastern Investors Corporation is engaging in a securities business from offices at 285 Madison Avenue, New York City. Officers are Joseph Nadler, President; Frank Karakal, Secretary-Treasurer. Both were formerly with Empire Planning Corporation.

J. M. Pringle & Co.
Opens in New York

J. Maxwell Pringle & Co., Inc. has been formed with offices at 26 Broadway, New York City, to engage in a securities business. Officers are J. Maxwell Pringle, President; William F. Sey, Executive Vice-President, Treasurer and Secretary; Frank W. Fell, Frederick J. Close, and John E. Glancy, Vice-Presidents; Lynn S. Hall and Gordon L. Patilson, Assistant Vice-Presidents; Frank L. Brown, Assistant Treasurer; Paul C. King, Harold Meenan, Duncan A. Ryan, Jerry A. Aton.

NYSE Members to Vote on Change in Commission Rates

The Board of Governors of the New York Stock Exchange has approved an amendment to the Exchange’s Constitution calling for two related changes in the administration of minimum commission rates. The amendment will be submitted immediately to the membership of the Exchange for a vote.

The proposed amendment, as approved by the Board were suggested by the Securities and Exchange Commission after lengthy consultations with the Exchange. An increase in the Exchange’s schedule of minimum commissions was recommended to the Board by a Special Exchange Committee in March, 1958, after a year-long study. After favorable action by the Board in March, the schedule was approved by a vote of the membership in April, 1958, and went into effect May 1, 1958.

In April, 1958, the SEC announced plans to study the commission schedule as proposed at that time. The revisions approved by the Board would reduce commissions on some transactions and raise them on others by:

1. Reducing minimum commissions on transactions ranging from $100 to $2,400. This would result in lowering the over-all 1958 increase from approximately 15% to about 11.5%.

The effect of the amendment would be to reduce commissions on transactions between $100 and $2,400 by $1.00 — although the basic 6.00 minimum commission on transactions over $2,400 more remains unchanged. On transactions between $100-$150, and between $2,200-$2,400, the reductions would vary from a few cents to a dollar.

2. Eliminating the so-called “round-turn” commissions on transactions completed within 14 days. The round-turn commission is a rate that applies on the closing side for persons whose purchase and sale of the same security is completed within 14 days. On the closing transaction, the customer pays one-half the regular commission charge plus $5.00 for a round lot or $3.00 for an odd lot.

The round-turn rate was first instituted in 1953, and called for a 30-day turn-around period. In 1958, the period was reduced to 14 days and the commissions increased somewhat. In proposing to eliminate this rate, the Board noted that administrative problems related to these transactions had largely offset anticipated lower costs to member firms.

In approving the proposed amendment, the Board took cognizance of the fact that the round-turn rate, especially after the May, 1958 revision — had not achieved its desired objective, and the reduction in commissions was in an area where the previous percentage increase had been larger than the average.

The proposed schedule of minimum commissions is based, as at present, on the amount of money involved in a transaction of 100 shares or an odd lot. The commissions range from as high as 13% for transactions involving $2,200-$2,400, to as low as 1% for transactions involving transactions of multiple 100-share units and development and refine further, with the assistance of outside consultants and through discussions with the SEC’s staff, the information on member firm costs of handling securities commission business.

The Exchange added that under a proposed rule it will announce
The Decided Change Looming in Government Securities Market

To reduce the take of taxes from each dollar of an individual's income...

Summarizing this period, from 1769 to 1938, we find that the Treasury met with surpluses ex-ceeding 96 of the 143 years—and deficits in 47. These figures do not establish any fundamental principle of government finance.

The war years of 1941 through 1945 brought six more years of deficit. This ran the string of successive deficits to 10.

With the close of the war it looked as though, once again, the government would be able toLiquidate its outstanding securities. It did not happen. On the contrary, it was a case of the government issuing more securities, not because of a fundamental change in its philosophy of government, but because it had to meet the demand by which they were originated, a rationing in war and sometimes not, but always during periods of business recessi... 

The reason for the remainder of our history is in striking contrast. Beginning with 1901 we ran 10 deficits in 11 years. And, it seems fair to say that this was almost entirely a matter of government policy.

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years ending with the fiscal year of 1957 and, secondly, on the basis of the experience of the banks during the recent taking place since then (once more confirming the early predictions of the middle of this year).

The III shows the changes that have taken place in debt ownership, in the middle of the year. The data is presented to be government guaranteed obligations, which include the power of the savings and loan associations — if the FNMA is to make. The figures are presented for VA and FHA loans.

The data shows that government savings banks have not appeared to be the only banks that have been increasing the number of State and local government securities. The figures show that the number of banks holding these securities has increased significantly, and that the increases have been more pronounced in the early part of the period. Non-financial corporations invested on an increasing number of these securities. The figures indicate that the increase in the use of these securities has been more pronounced in the early part of the period.

There were two principal groups of sellers of these securities: federal and savings banks, taken together, were the largest. The Federal Reserve Bank of New York, a federal reserve bank, sold $1 billion worth of government obligations to the government.

We do not offer a few observations about these changes and the implications of these changes. Had insurance companies and savings banks invested more in government securities they were to be shown to do so for no other reason than the reconstituted past of our business plant and the increasing value of the company's new stocks. The Federal Reserve Bank of New York has been held for years. It is important to keep in mind that the Federal Reserve Bank of New York is the government's own competitor for the investment of these securities. The government's (and of other holders of its direct obligations) reasons for increasing its purchases of government securities is the cause of the government's guarantee of VA and FHA mortgages. These guarantees are an asset to the government, as they provide a market for government securities. The government's obligations are made up of financial obligations, and are backed by the government's (and of other holders of its direct obligations) revenue. The government's revenue is pledged by the government's bonds, and is therefore an asset to the government. The trend toward increased investments in government securities is also the result of increased investments in government securities. These investments are made by insurance companies and savings banks, and are increased by the government's guarantee of VA and FHA mortgages. These guarantees are an asset to the government, as they provide a market for government securities. The government's obligations are made up of financial obligations, and are backed by the government's bonds, and are therefore an asset to the government.
As We See It

those whose duty it is to study national policy are quite so gullible.

How to Do It

As a result of all this, the question has again arisen as to how these objectives are to be reached. It has already become a commonplace that an agreement as to how such broad policies as these are to be implemented in actual practice. Of course, the rank and file of the Democratic party, naturally as a matter of daily public policy, and deeply dissatisfied with the way that the present Administration proceeded in 1957 and 1958 to prevent or to limit the growth of unemployment. But there are differences among the President's own party, and from the best that can be done about the outside government. The reader hardly need be reminded that this broad subject has in past years been the subject of long and tedious discussion—indeed, an ongoing one, in our system of taxation, and see to it that competition is restored everywhere—including labor unions. Most of our worries would then be on the way out.

Continued from page 10

Freedom of Competition

In the Space Age

past twenty years, but in the absence of an adequate and effective regulatory power, such growth has not developed because of the pressure by General Motors of policies that permitted them to exist.

States GM Tolerates Competition

General Motors has the power to eliminate some other companies from the market. Evidence of this ability is concealed within the walls of the most powerful of American industries. Now envisaged at a satisfactory average of less than 6%, there would be fewer than 400 U.S. automobile plants in a short time.

Now, because of their treasured position, General Motors is entitled to more than an average profit, just as any industry or group of plants with which it competes. More and more companies are as a practical matter consistent among themselves. That is to say, certain members of the national legislature wish to determine whether any national policy can be expected to change the situation at the same time promote full employment, a higher rate of growth and price stability. There are, of course, a good many who doubt it. Many of these would not trouble themselves very much about inflation—or would undertake to keep prices steady by fiat and concentrate upon full employment as a humanitarian objective and a more rapid rate of growth in order to keep pace with Russia.

Start at the Beginning

It is probably a good thing to have these problems thoroughly aired even if reference to the record of previous years and the analysis of what may be expected from further inquiries show us that the policies should start at the beginning—consider everything. The first and most vital question to be answered is whether national policy can attain all these three objectives, but whether we can at least one of them, this would be the case where he affirms must prove. History is strewn with schemes to maintain stable prices. Argument is at best an academic exercise, and evidence of the facts is to be found in the literature almost without end. No one as yet, so far as we know, come up with any convincing evidence, either theoretical or practical, which government to withdraw from the field of managing or control of the sort now apparently in contemplation.

As to setting some predetermined rate of growth, the idea appears to be borrowed from the Russian experiments of the past two or three decades. We have already in this column talked about the weakness of most of these popular conceptions. To have any real economic meaning, planned growth would have to blue-print the course of each of the major industries, indicating which should be expanded and which contracted. More enlargement of total output could very well leave the situation worse than before. Meaningful growth must mean enlargement in the production of those things that are in demand, not simply in the production of industry it is not easy to see how really meaningful progress could be made by government in promoting public welfare socialization of industry could not fail to bring disasters.

Now if the powers that be really want to do all they can to promote full employment, a rapid growth of industry and trade, and as nearly stable price levels as can be managed, they will have to do more than what is left them. The only proper course for them to pursue is plain as a pikestaff. It is precisely the opposite of virtually all that has been tried or suggested in recent years. What is needed is for government to withdraw from the field of managing or control in any way tinkering with the economic system. Let the Congress and the Administration begin tomorrow to plan a full retreat from the New Deal and a return to traditional American principles, and we should be on the road to the objectives now set forth by those who would try to substitute government planning for the market.
dominating the industry or estab-
lishing a de facto monopoly, it had established the position that gives it the power to do so.

Stockholder Protection
The proposal of the Kefauver Committee called for amendment of the睡chlusskwerk law to require prepayment of a capital gains tax in the event of a sale by a selling corporation stockholder of stock in one corporation if a family stockholder of that corporation.

This would not deprive the government of revenue. It would shift the tax burden from a capital gain payable when stock is sold, resulting in a capital gain, to the birth of the new companies. If a stockholder's stand-
point, the gain's income status, the company in which he holds his stock, the investment dividends in that company for financial gain both through the stock and by capital gains.

From the standpoint of the corporation, the existence of two companies provides the opportunity for twice as many examples, a gain in the mushrooming of management.

Adoption of a policy which (1) would provide a clear-cut legal rule toward industrial growth without enactment of new laws but (2) which the corporate world can see how it would work, would be a useful device toward a better-managed community.

Criticism of this proposal on the grounds it overlooks its inherent nature as a regulatory and national defense practice is a good one. Let us make it here. Let us let the public know exactly what this means. Let us let the public know exactly what this means.

Benefit to the Nation
Aside from assuring the maintenance on an adequate minimum level of competition among competitors in our basic industries, the stockholder protection bill may be said to provide a mechanism for the building of a greater and more equitable society.

It would remove the shackles from corporate growth.

It would provide the basis for effective control of corporate power that is economically necessary to a free society.

It would strengthen public opposition to corporate power, which now is wielded by monopolistic unions. It would strengthen public opposition to the power wielded by monopolistic unions.

By the way, the elimination of the monopoly effects of nonpolitical economic policy is the conflict between this proposal and the conflict between the private interests and the public interest.

Three With Hecker
PHILADELPHIA, Pa. — Hecker & Liberty Trust Bank, members of the New York Stock Exchange and other leading ex-
change members, have announced that Price has become associated with them as a rate- and expense analyst.
that business will continue to recover, and for the next seven months that followed the low point of the re-
cession, the climate for business and
men was so buoyant that you might well be disappointed if you were to come to
be so shaken as to cause you to make some poor decisions about the
future.

First, let me give you the busi-
ess picture for the current year, and
then move on to the longer term. On the whole it will be a good year for
the econ-
ic as a whole, but there is no
reason to expect a boom as in 1957. I believe that the recovery is
nearing its end in the third quarter of this year, and then you will see a
slow-down in the fall of about 3%.

The high point in physical pro-
duction will probably be in the third quarter of this year. It will be
about 30 odd billions of dollars higher than the peak rate in 1957. Consumer
spending will exceed the level of 1957 by about $450 billion for the year, an
increase of over 9%.

Since the first quarter of 1958
personal income has been rising at a rate of about 3% per year. Unemploy-
ment, moderately higher wages and larger dividend pay-
ments resulting from better corpo-
rate earnings assures this rate of growth. We estimate that personal
spending will reach a peak of over $1.2 trillion at the end of the year, or
about 30 odd billions of dollars higher than the peak rate in 1957. Restora-
tion of public confidence will cause the recovery to continue in the first
quarter of 1959, with an increase in the second quarter of 1959 of about
1% over the 1958 level. By the end of 1959, all the gains of the recovery
will have been made.

The recovery is well under way. Fail-
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Free Society’s Education

In an Age of Change

By JOHN DUTTO

Two Authorities Tell You How to Sell More Effectively

Securities Salesman’s Corner

By JOHN DUTTO

On several occasions during the past few years we have commented on certain ideas that have been termed “salesmen’s services” which is published by the New York Stock Exchange, the National Association of Securities Dealers, and the Securities and Exchange Commission.

We have suggested that these ideas and ideals have been subjected to the same change as profound, as swift, and as perilous as the change being made.

The idea of education has been chosen by destiny for great decisions. Therefore, we therefore, we require robust and liberal government. To ignore the calling of the age or accept defeat by a keen awareness of the consequences of their reality seems to me essential.

In discussing education a few years ago Pasternak said: “Science is forcing man to a moral cul-de-sac. He must help him or educate him to freedom.” But science itself is no help, except indirectly, in helping men to meet the problems involved in political and selling mutual funds.

The question “Could we have known, when millions of people have been educated with direct material advertising in the investment business, that another member of this talented team is a man who has been my own—Burlon G. Helig, an expert in his field of assisting investors and making savings through the intelligent use of trusts, gifts, and bequests, by helping salesmen to increase their personal and mutual fund sales. Following are two examples of the type of suggestions which appear in the pasternak book...helpful ideas presented can also be applied to the sale of general market securities.

Say, “THANKS” You’ll Be
Thankful That You Did.

His recent book, which is the better writer suggests that you could write to the customer who gave you the order:

Dear Mr.,

Even though I expressed my appreciation to you by the oblique the impetus to tell you again that your kindness in your investment suggestions means a great deal to me.

I am sure that you’ll always feel rewarded for the steps you’ve taken — that you’ll always call on me whenever you want any information or assistance.

Sincerely,

The foregoing letter is sincere without being too friendly; it is effective. It should help any salesman to make a better impression and lead to more business and better credit.

Another novel approach is send a letter after you have been turned down. You have called on a prospect one, two, or three times and have not gotten the slightest movement. Here is what you might say:

Messrs. that in certain cases such a letter might be sent to that man who did not buy:

Dear Mr.,

In recent months the name of the Kremlin leadership has given the Kremlin a leadership case of the Kremlin leaders because he wrote a novel saying that socialism meant taking man above the state, the state above the individual, the State above all political dogma.

In an interview with a Swedish newpaper the Kremlin leader was awarded, and then referred to as a man of society. Pasternak had this to say, among other things:

“Within the framework of world wars, in this atomic age, the values have been determined. We have learned that we are the generals of man’s will, the leaders among the two societies. We have occupied both our positions within the world. The space of our span of time, as Pasternak has put it, the son of God and became famous abroad.

It’s my understanding that Pasternak is the son of God.

Nothing that has happened since is so much as the Spitting Image, is a picture of myself, has shaken his faith in that concept. And it is significant to me that it is based not on the idea of the Spitting Image, but on the idea of a profound belief in the Spitting Image.

Science education, if crut, too limited to the individual, to human restraint, can become more advanced. The tips of the Naziv medical research laboratories, which are in the name of science, could help to develop human restraint and the ruthless Commonwealth “liquidation” of entire classes of people, which is the name of "scientific" Marxism. Such grim results, when not armed with technology must stand as the symbol of the crut.

But not until our time, I think, these ideas and ideals have been subjected to the same change as profound, as swift, and as perilous as the change being made.

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Railroad Securities

Nordoff & Western and Virginian Merger Proposal

Again demonstrating their usual efficiency, Nordoff & Western Railway and Virginian Railway have come to terms with the most important plans for a consolidation. The announced intention of such a move only last November. A number of other carriers, were it not for the obvious making of studies possible mergers, have been, however, little so far has been accomplished. Railroad officials are the opinion that stock action reflects in many ways upon the general railroad conditions.

Both of these bituminous carrying roads have approved a plan of merger which would call for a total paid up and to be subscribed stock, or basis of $5 share of Nordoff & Western common stock $100 par. To raise the non-callable preferred stock with rights which would be exchanged for the outstanding Virginian 5% $100 par value, the go-ahead for the plan was gained with voting rights on a share for share basis. The plan provided that they be door to form a new railroad with capital stock to be issued the new company.

It is interesting to note that almost simultaneously with the announcement of the terms of the Nordoff & Western and Virginian railroad, that the New England railroads have announced the start of the form of a possible consolidations of at least 5 the coordination of facilities. The New York, New Haven & Hartford; the New England; the Boston & Albany; the Rutland Railway. Lately the New York Central and their railroads have been able to the controlled Boston & Al and the New York Central & St. Louis.

The consolidations of these roads would provide substantial advantages in that they have relatively short lines and many duplicating facilities, especially yards which because of high operating costs add considerably to operating expenses.

Bateman Firm Offers Fort Pike Port & Terminal Co. Stock

Public offering of 2,130,500 shares of Fort Pike Port & Terminal Co., common stock at a price of $100 per share to the public by the Bateman firm on Feb. 24 by Frank B. Bateman, investment manager for the Bateman firm. The shares are being offered as a speculation.

In addition to the proceeds from the financing will be used by the company to develop the port facilities and complete the first phase of its port development program on the Fort Pike port. The estimated cost of the proceeds will be added to the company's general fund and could be used for part of the cost of construction of the second port. Fort Pike & Terminal Co. intends to engage in the development of port properties in the City of Brolin, inclusive of the boat service, and of other port properties, for the port business.

The company owns 3,600 feet of harbor front property in Fort Pike with a depth of 60 feet and 44 acres of submerged lands adjacent to the property.

Total authorized capital stock of the company is 10,000 shares, of which 1,229,500 shares, or slightly more than 5%, were issued for real property con

The question may be natural, but the answer is more complex than it seems at first glance. We are not witnessing horse races where the winner is obvious because of overwhelming advantages in engineering development, some railroad companies will favor a competitor with a great advantage.

It is sufficient to say simply that the Russians are in a well ad
dvanced stage of testing nuclear power plants in comparison with the United States. At present the Second World Conference in Geneva and Moscow has agreed with Dr. Zinn's proposal and to U235 from U238.

Euratom, which will receive an interesting group of uranium from the United States is beginning a large program of erection of industrial reactors in the near future, and there is evidence that other Western European nations are alert to the possibilities.

The status of nuclear energy in the United States is excellent, but rather a thought for the future. A recent report on the Atomic Energy Commission of the country, which has been expressed in the United States is very rich country with great resources in fossil fuel and electric power will ever play a significant role for the continued growth of the nuclear power reactors immediately. Any possible gains will be very difficult. It is not possible to reflect the lack of equipment and facilities of industrial and commercial facilities, particularly since there is no sign of the process as automation advances, with machines taking on an increasing share of the work and things as it originally took many years to train. Even with the advent of radioactive materials in our first nuclear reactors. More and more industries are using the plants in the production lines. Authorities at the Atomic Energy Commission have estimated that installations will soon resemble electric power plants, great advances in the science are being made in this regard.

There are no doubt that, if the situation in the future to expand the new industrial revolution were to carry out present pace, we could expect social disorder and, inevitably, a change in government.

The only way out of it is the gradual dissolution of these communities and the gradual emergence of new communities, smaller, more feasible communities.

These communities will have to consist of technically educated or at least aware citizens capable of useful work.

A satisfied, well paid and homogenized work force is extensible influences to cities and towns, as well as to the development of public business. Without these people productivity will be depressed, and some progress will be achieved in the development of new industries and labor.

Government capital, in the form of the energy source, is invaluable. The energy source is the government. The energy source of the government is the energy source of our society, which is the energy source of our society. As the U.S. has shown, and as the Soviet Union has shown, the United States is a rich country and this generation of electric power. By Western standards, it is not only 1000 times less expensive to build a nuclear power plant, it is also 1000 times more expensive to build a nuclear power plant with private funds.

Nuclear power plants are a large part of what we call "nuclear power." Their fuel costs are a large part of what we call "nuclear power." The small additional quantities of fuel will be B238, which will be B239, and the initial load. This nuclear fuel is obviously not the same as the initial load. This nuclear fuel is obviously not the same as the initial load. This nuclear fuel is obviously not the same as the initial load.

Implications of Nuclear Exports

Men's whole history, until this time, has been living under the shadow of scarcity, of insufficient food, inadequate shelter, sickness, etc. Nuclear power has been a source of energy, which has been made available to all nations, and the implications of this energy have been immense.
ficient food or adequate shelter for those of our people at the bottom of the heap. We still retain in our vocabulary the phrase "starvation-stricken," and all understand what it means. How many of us have used the phrase "human rights" in our thinking about its connotations?

Several major problems with which individuals, families, and governments will be confronted if the industrial work week is prolonged from forty to sixty hours, or if the employment of children for wages becomes common, will be considered here. The problem is complex, and the solution, if any, is not easy to find. We are not even sure that we can create a solution.

We can see at once that the problems of leisure will be different for different types of people, and for different people in the same family. Some of our chief concern, perhaps, should be with those classes of workers who are the foundation of our nation—those on whose labor the wealth of the nation is built. Some of them may in the future work as long as or longer than our soldiers. In industry, we must consider the effects of prolonging the work week on the health of our employees. We must also consider the effects of such a change on the family. It will be important to study the effects of a long work week on the health of the family, and to consider the effects of a long work week on the health of the country. It will be important to study the effects of a long work week on the health of the country.

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Fallacy of Investing On an Industry Basis

time management is the key to a successful career in the success or failure of any company. This is particularly true of the industry-wide basis. In the last couple of years, the number of companies that have gone bankrupt through overexpansion has been significant. This has led many professionals and with a large number of employees who lack the skills and experience to handle such large companies. As a result, the industry-wide basis has become less attractive.

Cites Fund |

Several examples could be cited of situations in which the industry-wide basis does not apply. Sometimes based on long-range trends, such as the prediction of oil remaining a small part of the energy market for the next decade, the industry-wide basis is not appropriate. Similarly, some industries have experienced large changes in recent years, such as the automotive industry, which has gone through a significant transition from mass production to mass customization. In such cases, it may be more appropriate to focus on specific trends within the industry rather than on the overall industry-wide basis.

Factors Behind Trends

Now let us try to look behind the scenes of the industry-wide basis to understand the factors that drive the trends. The first factor is the perception of customers and investors. If customers and investors believe that a certain industry is growing, they will invest in that industry, which in turn will drive the growth. The second factor is the competition. If there are many companies in an industry, they will compete with each other, which will keep prices low and stimulate innovation. The third factor is the availability of resources. If there are sufficient resources available, such as raw materials or skilled labor, companies can expand and grow.

Technological or Scientific Advances

These have an obvious bearing on the success of investing in an industry. Some technologies seem to be emerging as the next big thing. For example, in the automotive industry, the shift towards electric vehicles is driving investment in new technologies such as batteries and charging infrastructure. Similarly, in the healthcare industry, the development of new drugs and therapies is driving investment in pharmaceutical companies. In both cases, the availability of new technologies is driving investment and growth.

Conclusions

In conclusion, it is important to remember that investing in an industry-wide basis is not always the best approach. It is important to understand the specific factors that drive the trends in each industry and to focus on those factors that are most likely to result in long-term growth.

References


R. J. Laude Now With Goodbody in Boston

(Special to The Personnel Chronicle)

BOSTON, Mass. — Raymond J. Laude, formerly with Goodbody Office of Financial Co. & Co., 140 South Street, has been appointed to the office of the firm's Boston office. He began his career with the firm in 1975 and has been with the firm for many years, recently as manager of the Federal Reserve Bank of Philadelphia.
**Readers Question Effectiveness Of Protests to Legislators**

The Governor, of course, is right in insisting that the state must not expend more than it collects, but it is not true that voters are trying to tell him that they will cut their taxes and not pay into the general fund. They are being asked to reduce their purchases of goods and services, and to add to their savings, rather than have the state do it for them through lower prices and higher interest rates. Their protests are aimed at reducing the government's excesses, and are not an attack on the system itself.

**Discrepancy at Federal Level**

From Washington, newsroom are reporting rapidly that the gap between economic and financial outgo is growing, and that the Federal government is not doing anything about it. The President, the Secretary of the Treasury, the Federal Reserve, and the Federal Trade Commission are all working on reducing the monopoly power of the money market, but they are not doing enough. Inflation is increasing, and the deficit is growing, but the Federal government is not doing anything about it.

The problem is that the Federal government is not doing enough to reduce the monopoly power of the money market. The Federal Reserve is increasing the money supply, but it is not doing enough to reduce the monopoly power of the money market. The Federal government is not doing enough to reduce the monopoly power of the money market.

**The Crucial Test**

Inflation is called the "crucial test" because it is an invisible tax on those who cannot protect them¬ selves. It is the tax on those who earn only just enough, the poor, the unemployed, and those who have "gone with¬ out" to save for the education of their children or for their own old age.

Americans are liberal spenders because they have no savings. Various kinds of risks run into billions. In 1943, savings deposits were over $4.3 billion, savings and loan shares $4.5 billion, pri¬ vate life insurance $45 billion, and sales tax $40 billion. All that money is owed to Americans in dollars. When you have no savings, you have no money. As long as Congress continues to spend more than the government can raise in taxes, the country is building up debt and increasing the risk that the dollar will buy less and less. This is the reason that the Federal Reserve has a reputation for being "too "easy." It is the reason that Congress is holding down savings.

And then there are all the old and sick people who are receiving Social Security and veterans pensions and who cannot get at any part of their savings from heavy taxation of war and the draft. Meanwhile, the savings of individuals who have had 25 years to protect themselves against the results of the inflationary poli¬ cies financial are being drained by the national government in 1933.

**The rich** are few and well in¬ formed. It is they who stand to protect themselves against mon¬ etary inflation are those who spend all their 24 hours and two weeks... and whose relatives are living in the same way. Congress might heed the pro¬ tests of the many. And it must be as¬ sumed that the President himself is not hearing from "the little¬ man" is still voices not raising his voice, though he is as much in debt as the big businessman.

No research deeper than page 75% of the "World Almanac" is necessary to show whose taxes pay salaries of senators and Con¬ gressmen, and how much they earn. The research is needed to show whose taxes pay salaries of senators and Con¬ gressmen, and how much they earn. The research is.

It is the citizens with incomes of less than $25,000 a year who elect the members of Congress. If the average income of Congress is $25,000 a year, we can assume that the members of Congress are making a fair living. If the average income of Congress is $50,000 a year, we can assume that the members of Congress are making a very good living.

**Brinton to Admit**

Brinton & Company, 1 Wall Street, New York City, members of the Board of Trade, will on March 1 admit William B. Brinton to limited partnership.

**Elliott & Co. to Admit**

Elliott & Company, 25 Broad Street, New York City, will on March 1 admit Charles J. Elliott to partnership.

**Form Offer, Clark**

Clark, Company, 50 Wall Street, New York City, will on March 1 admit Charles J. Elliott to partnership.

**Judge A. Lennon Co.**

HARTFORD, Conn. — The A. L. N. Co. has been formed to engage in securities business. The partners are William T. Hulbert, treasurer; Joseph E. Bowers, chairman of the Board; and Robert M. Elliott, sales and loan agent.

**With Coburn Middlebrook**

BOSTON, Mass. — Walter E. N. Cox is now connected with Coburn & Middlebrook, Inc., 7 Federal Street.
Continued from page 3

**Chemicals Buy for 1959**

This figure represents about seven percentage of the total sales dollars and about 14 percent of the total sales at which we might, infer, is not a bad picture at all. Last March, we reported a recession, chemical industry inventories, and 1959 reported $1,180 billion, or more than two months of sales.

New Plants' Record Expected

From 60 to 100 new chemical production units will be put into operation in 1959. This is a record high for the industry. All these new plants are in progress, and some are already completed. It is expected that new plants will be completed during 1959, and that about 14% of the total output dollars of the industry will be earned from these new plants. The total investment in these new plants is estimated to be at least $7 billion, or about 15% of the total capital investment in the chemical industry.

*Continued from page 5*

**Dangerous Road Conditions Ahead**

The National Highway Program estate for right-of-way but was not mentioned specifically in the President of Public Roads' exposition.

While the reported increase was impressive, it is important to note that the increase is due to the fact that the construction of approximately 2,548 miles of interstate highways which had not been built for the 1958 cost estimates as the basis for appropriation. A step in the Interstate program for 1961 was a request for $200 million in 1961 for $100 million in 1960 in recognition of the increased costs. The request was for a step in the Interstate authorization for 1959 of $300 million for $100 million in 1958.

(1) The authorization for ABC roods of $100—$900 million; 1960 was adopted by the House.

(2) The authorization for inter¬state for the state of $3.2 billion for 1961.

(3) The authorization for inter¬state funds for $3.2 billion for 1961...The authorizing committee may make a new cost estimate to be made of the Interstate System for submission in 1961 instead of the current 1959.

We find ourselves today with the realization that major legislative measures will be made in 1961. These measures will be NO Interstate Program for 1961, the federal share of highway construction, and a new federal share of highway construction, including the Interstate System.

**Summary**

In summary, I think that the chemical industry has been experiencing some difficulties in recent years, and it seems to me that there are many opportunities for equal treatment and advancement in the chemical industry for sharing in our prosperity in the future.
Morgan Stanley Group Offers Ill. Bell Bonds

Morgan Stanley & Co. heads an underwriting group of 29 investments bankers that is offering for public sale today (Feb. 28) a new issue of $50,000, Illinois Bell Bonds. The bonds will consist of 4%, serial bonds, due March 1, 1978, and a 4%, installment bond due March 1, 1998, with interest payable annually, certificates of stock in the company's capital stock, and 101% and accrued interest, providing a yield of about 4.3% to prospective purchasers.

The net proceeds of the sale will be used by the company to reimburse its treasury for the net cost of extensions, additions and improvements to telephone plant. Construction will cost approximately $140,000,000. The company reports that further large expenditures are needed to meet the demand for telephone service, to expand dial operation and finance other improvements.

American Telephone & Telegraph Co. holds a 66⅖% interest in the company.

Purch., & Sales Div. Elect Officers

The following officers of the Purchases & Sales-Tabulating Di¬ vision of 111 Banks & Trust Co. and 111 Trust Co. of Stock Exchange Firms, were elected for the term of one year ending Jan. 31, 1974:

President: Carmine Carmello, 1st Vice-President: John J. Smith, 2nd Vice-President: Gerald Wy¬ der, Treasurer: Robert Gerber, Tros¬ ser, Singer & Co.

At Dec. 31, 1973 the company has assets in excess of $706,000,000. American Telephone owns more than 95% of the outstanding common stock.

Form Market Improvement

An ad hoc committee of 111 Bank¬ ers National Association, Miami, Fla.—Market Improvement Company has been formed with offices at 5000 N. W. Avenue to engage in a securities business. The company was organized by E. S. Smith, President; D. R. Blais, Secretary; and T. B. Moorehead, Treasurer.

Midamco Openings

OKLAHOMA CITY, Okla.—Mid¬ amco has opened new offices in the Mid-American Stock Exchange building, 600 S. Broadway. The securities business is being conducted by Robert D. Wingo, President; Louis R. Wilson, Vice-President; John M. Rowntree, Secretary¬ Treasurer; and assistant Secretary-Treasurer.
The State of Trade and Industry

limited output of a major auto producer and total auto assemblies declined. Activity remained at reduced levels in the farm machi- nery and construction equipment lines, but continued to increase in other business equipment lines.

Expansion in nonatable goods industries was resumed in January, reaching a new seasonal peak. Minerals output declined slightly as entitlements in coal mining and oil were not fully offset by increases in other mineral products.

Construction: Private housing starts in January were at a seasonally adjusted annual rate of 1,210,000 units, below the high December rate. The value of total new construction work done was $54.3 billion, 17% above the May 1958 low and 11% above a year ago. The January advance was marked by gains in private residu- al and public utility construction.

Employment: Seasonally adjusted nonfarm employment rose seasonally in January and was 3% above its level a year ago. Claims for unemployment benefits continued to decline, construction, and state and local government. Unemployment in- creased seasonally to 4.7 million and the seasonally adjusted rate was 4.4%, with a 2% rise this year. The rate was higher mainly in manufacturing, weekly earnings decreased slightly as average weekly earnings in manufacturing were unchanged at $21.19 and averaged 4% above a year earlier.

Distribution: Seasonally adjusted retail sales, which had risen 4% in December to a new high, were maintained in January. Sales at department stores declined last, but total retail sales were 5% above a year earlier. Unit sales of new autos declined about seasonally and were substantially above the reduced year-

earlier level.

Average Prices: Average wholesale prices of industrial commodities rose further from mid-January to mid-February — to a level 2% above the reversion low last spring. Prices of steel products were 3.7% lower than in February and there were scattered increases among finished products. Prices in the metal fabrication index are showing sev- en of the most complete in- ventories of electronic equipment, and the industry. The company's out in a continuing slump, has not achieved its goal of efficiency improvement and is constantly trying to get back to the level to meet customers' specific requirements.

In January, 1958, the company acquired a partially developed line of control products, terminals and related automatic- pitting machinery by purchasing the business of the Telegraph Co. Mass. At the company's main plant in Boston, a 20-foot plant addition is under con- struction.

Magnavox Conversion Privilege Exercised

All holders of the 2,581 shares of Magnavox Co. 4.5% cumulative convertible preferred stock which were holders of the stock as of Feb. 5, 1959, have exercised the privilege to convert their shares into common stock between Feb. 1 and Feb. 15.

Pursuant to a standby agree- ment, Blyth & Co., Inc. offered during the period between Feb. 1, 1959 to Feb. 15, 1959 at a price of 100 per share, the redemption price per any preferred stock tendered to it and to convert such preferred stock into common stock.

Keller Brothers Add to Staff

(Obituary of a Financial Officer)

Boston, Mass. — Joseph A. Cermak of the National Loan Company, has died at the age of 98. Mr. Cermak was a director of the Bank of America and was formerly with Schirmer, Atkins & Co.

Joins P. de Rensi Company

(Business Publications)

BOSTON, Mass. — Richard L. Shea has been associated with the P. de Rensi Co., electrical equipment manufacturers, 500 Boylston St. Shea formerly with Schirmer, Atkins & Co.

McDonald Adds to Staff

(Obituary of a Financial Officer)

CLEVELAND, Ohio — H. H. Aravena has been added to the staff of the Cleveland Trust Co., members of the Cleveland Stock Exchange, Union Commerce Building, mem- bers of the New York and Midwest Stock Exchanges.

The Steel Buyers Resorting to "Desperation" Moves

A note of despair is creeping into the steel market, accord- ing to the representatives of those companies which are still making sales. "Iron Age" said the steel producers are turning to desperate measures to sell the steel wealth awaits on the market. And that both the mills and their customers are running into still another problem: the prob- lems of payment.

One authority, "Within two weeks we'll be in a desperate condition." The mills are rapidly reaching the point where they are not willing to take credit. The boom in steel demand has also showed up a truck shortage. This situation is expected to worsen in the months ahead.

Meanwhile, order backlogs at some mills have hit an all-time high, according to a leading steel manufacturer. "Iron Age" said the backlog is worst in flat-rolled products, hot and cold-rolled sheet, terneplate, enameling sheets, electrical steel, and galvanized sheet. The problem is that these products are sold out for the first half of the year.

"Steel is heading for oil country casing and tubing, large diameter pipe and the oil business. Pipe, small linepipe, standard structural and rails are still lag- ging. We can't run the mills fast enough to satisfy the demand on the 30th."

"Iron Age" said the boom in steel demand is due largely to a fear of a steel strike at mid-year. Steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bullion, and steel users are trying to re- bulb
Rising seasonally in January, business failures totaled 1,273, an eight-month high. Despite this 15% increase from December, casualties for the week's failures as against 23 in the preceding week. The rate of failure stood at 51 per 10,000 listed enter-
prises as against 53 in the comparable month a year ago.
Dozens of manufacturers and wholesalers announced the closure of operations, and in manufacturing, the economies were felt at many plants.

### January Business Failures at Eight-Month High

January New Business Incorporations Set New Record

A new record was set in January in the number of new business incorporations, according to Dun & Bradstreet, Inc. These were up from 6,360 in December 1958 to 6,480 in January 1959. The number of incorporations in January was 10% higher than the average for the past year.

New stock corporations rose from the preceding month in seven of the nine regions, with the declines occurring in New England and the South Atlantic States. All of the regions re-
tested to a year-to-year gain.

### Wholesale Food Price Index at 1959 Low

The Wholesale Food Price Index, compiled by Dun & Brad-
street, Inc., declined fractionally for the fourth consecutive week. The index stood at 182.6 on Jan. 17, 1959, after a year-to-year increase of 3.6% in 1958.

The decline noted included a 0.2% decrease in the price of meats, a 0.1% decrease in the price of dairy products, and a 0.1% increase in the price of fruits and vegetables.

### Carloadings Up Slightly Over Previous Week

Loading of revenue freight for the week ended Feb. 14 toled 567,154 cars, the Association of American Railroads an-
nonced today. This was 0.1% above the previous-week total. The total for the latest week reflected an increase of 53,048 cars or 6.4% above the comparable week in 1958, but a decrease of 108,822 cars or 16.1% below the corresponding week in 1957.

### Lumber Shipments Show 0.6% Gain

Lumber shipments of 488 million feet to the National Lumber Trade Barometer were 0.6% above production for the week ended Feb. 14, 1959. This was 0.3% above production for the comparable week in 1958.

For the week ended Feb. 14, as compared with the preceding week, carloadings were up 1.2% and carloads were up 2.4% above previous week. Carloads were 2.3% below New York, and carloads were 7.6% below Chicago.

### Business Failures Continue Upward

Commercial and industrial failures continued up to 310 in the week, according to Dun & Bradstreet, Inc. This was 272, or 2.1% more than the total for the same week a year ago. In manufacturing, the number of failures was 107, up from 102 a year ago.

In manufacturing, the number of failures was 107, up from 102 a year ago. In manufacturing, the number of failures was 107, up from 102 a year ago. In manufacturing, the number of failures was 107, up from 102 a year ago.

### Promotions Help Retail Trade Rise Over Year Ago

Numerous Lincoln's Birthday and Valentine's Day sales pro-
duced a slight gain in the retail trade this week in the fifth week of the year. While year-to-year gains occurred in sales of men's and women's clothing and shoes, sales of women's clothing and handi-
crafts fell moderately. There were substantial increases in purchases of women's clothing, men's clothing, and women's accessories.

In retail sales for the week, gains were reported in women's clothing, men's clothing, and women's accessories. Women's clothing showed a gain of 6%, men's clothing showed a gain of 4%, and women's accessories showed a gain of 2.4%.

### Kuhn, Loeb Group Offers Jamaica Bonds

The first offering of bonds of the Government of Jamaica pay-
able in United States dollars will be made by Kuhn, Loeb & Co., with two issues aggregating $12,500,000. The offer, with 2-
5000 principal amount of 5% serial external loan bonds due February 1, 1961, and an additional amount of 3% serial external loan bonds due March 1, 1974.

The investing fund bonds are priced at a yield of 3.5% which, in interest, to yield 3.21%. The bond prices are priced to yield an aver-
age of 3.50%.

A British Colony with wide political autonomy, Jamaica holds the major part of its external ex-
changes in the form of sterling balances. It is the largest member of the ten-member Fed-
eration of the West Indies established in 1958.

Net proceeds from the sale of the bonds will be used by the Governor of Jamaica to meet a portion of its annual ex-
ergetic and social development, including agricultural develop-
ment, energy, development, such as airport, drainage, and port and road development — investment, water supplies and municipal works.

### Standard Mfg. Corp. Class A Stock Offered

Plymouth Securities Corp., of New York City, is publicly offering 10,000 shares of Class A stock, priced at $15 (par 10 cents) of Standard Man-
factor Corporating, at $2 per share on a best effort basis.

The net proceeds from the offering are for general corporate purposes such as the development, construc-
tion, and operations of new manufacturing facilities.

### Hayward, Stone Adds 2 Officers

PORTLAND, Maine—Harold S. Davis is now with Hayward, Stone & Co., 417 Congress Street.

### Hon. A. Cauntz

*Open to The Financial Chronicle*

CLEVELAND, Ohio—Frank de Rose has been added to the staff of the Cleveland Chronicle (Feb. 26), Park Building.

### Now With Murch & Co.

*Open to The Financial Chronicle*

CLEVELAND, Ohio—Raymond W. Dunham, formerly with Murch & Co., Inc., has been added to the staff of the New York Stock Exchange. He was associated with the firm of D
dison, Dunham, Union Securities Co.

### Philip S. Adams Opens

*Open to The Financial Chronicle*

GRAYS LAKE, III.—Philip S. Adams is engaging in a securities business from offices at 125 Ce-
cellia Street. He was previously with Norris & Kenmy.
Securities Now in Registration

Acme Oil Corp., Wichita, Kan. For the account of various banks and trust companies. Underwriter—To be determined by the issue of Feb. 25, 1969.


Aloe (A. S.) Co. (235) Feb. 24, filed 3,000,000 shares of common stock as being issuable upon the exercise of outstanding stock purchase warrants of the company which entitle the holder to purchase common shares at $11 (Canadian) per share at any time and including March 2, 1969. File. To be sold to public subscription or may be applied to the redemption or repurchase of the company's debentures due March 15, 1974. Price—Filed by amendment. Proceeds—For working capital and other corporate purposes. Underwriter—Goldman, Sachs & Co., New York.


Andres Corporation, Long Beach, Cal. For the account of various banks and trust companies. Underwriter—To be determined by the issue of Feb. 25, 1969.


Arctic National Gas Co. Jan. 29 filed 3,000,000 shares of common stock (par $25) being offered for subscription by banks of common stockholders of record Feb. 26, 1969, at the rate of one new share for each 10 shares then held (with an oversubscription privilege); rights to expire on March 12, Price—$65.50 per share. Proceeds—To be used as the equity base for the financing of substantial expansion programs of systems companies. Underwriter—To be determined by the issue of Feb. 26, 1969.


Armstrong Cork Co., Inc. Feb. 17, 1969, filed 1,000,000 shares of $1,000 par value cumulative convertible preferred stock (par $25) and 15,000,000 shares of common stock (par $1) being offered for public sale at par. Proceeds—Filed by amendment. Proceeds—To be used for working capital and other corporate purposes. Office—175 Maiden Lane, New York, N.Y. Underwriter—J. M. Finan & Co., Inc., Minneapolis, Minn. Proceeds—Filed by amendment. Proceeds—Effective Feb. 23.


### NEW ISSUE CALENDAR

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>February 26</strong> (Thursday)</td>
<td><strong>American National Gas Co.</strong>, Common (Offering to stockholders—bids 11 a.m. EST: 450,325 shares)</td>
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<tr>
<td><strong>February 27</strong> (Friday)</td>
<td><strong>Barron Centers, Inc.</strong>, Common (Offering to stockholders—bids 11 a.m. EST: 290,000 shares)</td>
</tr>
<tr>
<td><strong>March 2</strong> (Monday)</td>
<td><strong>Caraco Co.</strong>, Inc., Common (Offering to stockholders—bids 11 a.m. EST: 420,000 shares)</td>
</tr>
<tr>
<td><strong>March 3</strong> (Tuesday)</td>
<td><strong>Pacific Power &amp; Light Co.</strong>, Common (Offering to stockholders—bids 11 a.m. EST: 3,335,352 shares)</td>
</tr>
<tr>
<td><strong>March 4</strong> (Wednesday)</td>
<td><strong>Florida Power &amp; Light Co.</strong>, Common (Offering to stockholders—bids 11 a.m. EST: 3,570 shares)</td>
</tr>
<tr>
<td><strong>March 5</strong> (Thursday)</td>
<td><strong>General Fuel &amp; Power Co.</strong>, Common (Offering to stockholders—bids 11 a.m. EST: 750,000 shares)</td>
</tr>
<tr>
<td><strong>March 6</strong> (Friday)</td>
<td><strong>Israel (The State of)</strong>, Common (Offering to stockholders—bids 11 a.m. EST: 1,100,000 shares)</td>
</tr>
<tr>
<td><strong>March 7</strong> (Saturday)</td>
<td><strong>Pioneer Hydrotests Industries, Inc.</strong>, Debentures (Offering to stockholders—bids 11 a.m. EST: 750,000 shares)</td>
</tr>
<tr>
<td><strong>March 9</strong> (Monday)</td>
<td><strong>Miami Window Corp.</strong>, Common (Offering to stockholders—bids 11 a.m. EST: 1,100,000 shares)</td>
</tr>
<tr>
<td><strong>March 10</strong> (Tuesday)</td>
<td><strong>American Fidelity Life Insurance Co.</strong>, Common (Offering to stockholders—bids 11 a.m. EST: 2,000,000 shares)</td>
</tr>
<tr>
<td><strong>March 11</strong> (Wednesday)</td>
<td><strong>Colorado Interstate Gas Co.</strong>, Common (Offering to stockholders—bids 11 a.m. EST: 2,000,000 shares)</td>
</tr>
<tr>
<td><strong>March 16</strong> (Monday)</td>
<td><strong>General Telephone Co. of the Southwest</strong>, Preferred (Offering to stockholders—bids 11 a.m. EST: 2,000,000 shares)</td>
</tr>
<tr>
<td><strong>March 18</strong> (Wednesday)</td>
<td><strong>Cleveland Electric Illuminating Co.</strong>, Common (Offering to stockholders—bids 12 a.m. EST: 3,350,000 shares)</td>
</tr>
<tr>
<td><strong>March 20</strong> (Thursday)</td>
<td><strong>Columbia Gas System, Inc.</strong>, Common (Offering to stockholders—bids 12 a.m. EST: 2,000,000 shares)</td>
</tr>
<tr>
<td><strong>March 21</strong> (Friday)</td>
<td><strong>Pittsburgh &amp; Allegheny Equit. Tr. Cts.</strong>, Common (Offering to stockholders—bids 12 a.m. EST: 1,100,000 shares)</td>
</tr>
<tr>
<td><strong>March 23</strong> (Sunday)</td>
<td><strong>Wisconsin Power &amp; Light Co.</strong>, Common (Offering to stockholders—bids 12 a.m. EST: 1,100,000 shares)</td>
</tr>
<tr>
<td><strong>March 24</strong> (Monday)</td>
<td><strong>Breckton Edison Co.</strong>, Common (Offering to stockholders—bids 12 a.m. EST: 1,100,000 shares)</td>
</tr>
<tr>
<td><strong>March 26</strong> (Wednesday)</td>
<td><strong>Mississippi Power Co.</strong>, Common (Offering to stockholders—bids 12 a.m. EST: 1,100,000 shares)</td>
</tr>
<tr>
<td><strong>March 28</strong> (Friday)</td>
<td><strong>Virginia Electric &amp; Power Co.</strong>, Common (Offering to stockholders—bids 12 a.m. EST: 1,100,000 shares)</td>
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**Postponed Financing**

- **Montana Power Co.**, Common (bids to be published: $8,000,000) Bonds (bids to be published: $8,000,000)
- **Pennsylvania Power Co.**, Common (bids to be published: $8,000,000) Bonds (bids to be published: $8,000,000)

**December 31 (Monday)**

- Scotland State Gas Co., Common (bids to be published: $8,000,000) Bonds (bids to be published: $8,000,000)
Emerite Corp. Jan. 16 filed (letter of notification) 220,000 shares of series 1 common stock (par $10) to be offered for subscription by stockholders for $10 per share. Date for mailing of offer expires on March 10. Proceeds—to purchase the capital stock of the company and for other purposes.

Federated Grocery Co., Memphis, Tenn. Jan. 16 filed (letter of notification) 500,000 shares of common stock (par $10) to be offered for subscription by stockholders for $10 per share. Proceeds—to purchase the capital stock of the company for $5 per share. Final mailing date expires on March 10. 


Fordham Products Corp., Phoenix, Ariz. Feb. 16 (letter of notification) 27,500 shares of common stock (par $1) to be offered for subscription by stockholders for $1 per share. Proceeds—to purchase the capital stock of the company and for other purposes.

Foundation Investment Corp., Atlanta, Ga. Jan. 13 filed 231,982 shares of common stock to be offered for subscription by stockholders at a price to be determined. Proceeds—to purchase the capital stock of the company and for other purposes. Office—513 Candler Bldg., Atlanta. Underwriter—None.


General Antilite & Film Corp., New York Jan. 14, 1957 filed 428,898 shares of common stock (par $1) to be offered for subscription by stockholders at a price to be determined. Proceeds—to the Attorney General of the United States for jurisdiction and further proceedings. Probable bidders: Blyth & Co., Inc. and The First Boston Corp. (Jointly); Kahn, Loeb & Co.; Lehman Brothers; and Tiffany & Co. The preliminary prospectus has been scheduled to be received up to 3:45 p.m. (E.D.T.) on May 3, 1957. Underwriter—William F. Ford, New York.

General Telephone Co. of the Southwest (16-1820) Feb. 16 filed 300,000 shares of cumulative preferred stock. Price—At $50 per share. Proceeds—to purchase the capital stock of the company and for other purposes. Price—$10 per share. Proceeds—for working capital. Underwriter—Union Securities Investment Corp., Memphis, Tenn.

Globe & Mail of Virginia, Inc., Richmond, Va. Dec. 29 filed $19,000,000 of 6% convertible subordinated debentures due 1966. The company proposes to offer $18,000,000 of the debentures to the public for $100 each at par, the amount granted or may be granted in the future under the company's Employee Stock Option Plan.

Hayden, Kolb & Co., Inc., New York Feb. 16 (letter of notification) 10,000 shares of 6% cumulative preferred stock (par $50). Proceeds—to purchase the capital stock of Consumers Time Credit, Inc., a New York company; 220,000 shares of common stock of Consumers Credit, Inc; and $226,000 of the debentures in exchange for the holdings of these companies. Office—570 Madison Ave., New York, N. Y. Underwriter—None.

Heinemann, Johnston & Co., New York Feb. 17 filed (letter of notification) 300,000 shares of common stock (par $10) to be offered for subscription by stockholders for $10 per share. Proceeds—to purchase the capital stock of the company and for other purposes. Price—(par) $10 per share. Final mailing date expires on March 10. Proceeds—to go to holders of fractional shares of 1/40th of a share. Office—188 Speake St., Cranston, R. I. Underwriter—Stanley Heller & Co., New York.

International Bank of Commerce, Inc., New York Feb. 4 (letter of notification) an estimated 2,000 shares of common stock (par $1) to be offered for subscription by stockholders for $1 per share. Proceeds—to purchase the capital stock of the company and for other purposes. Price—$1 per share. Underwriter—None. 

John Deere & Co., Moline, Ill. Feb. 16 (letter of notification) 48,500 shares of common stock (par $1) to be offered for subscription by stockholders at a price to be determined. Proceeds—to purchase the capital stock of the company and for other purposes. Price—At $1 per share. Proceeds—to purchase and install machinery and equipment. Office—920 Merchants Bank Building, Minneapolis, Minn. Underwriter—None.

Johnston, Arden & Co., N. Y., N. Y. Jan. 13 filed (letter of notification) 600,000 shares of common stock (par $1) to be offered for subscription by stockholders at a price to be determined. Proceeds—for general corporate purposes. Office—2202 Philthorpe Bldg., Columbus, Ohio. Underwriter—None.

Lindal Steel Co., N. Y. Feb. 16 (letter of notification) 1,000,000 shares of common stock (par $1) to be offered for subscription by stockholders at a price to be determined. Proceeds—for general corporate purposes. Office—1128 Park Ave., New York, N. Y. Underwriter—None.

National Bankers Insurance Co., New York Feb. 19 filed (letter of notification) 1,000,000 shares of capital stock to be offered for subscription by stockholders at a price to be determined. Proceeds—to the Attorney General of the United States for jurisdiction and further proceedings. Underwriter—Johnston, Lemon & Co., Cleveland, Ohio. Underwriter—None.

Plymouth Securities Corp., N. Y. July 24 filed 600,000 shares of common stock (par $1) to be offered for subscription by stockholders at a price to be determined. Proceeds—for capital account and paid-in surplus. Office—Atlan¬tic Federal Building, 1750 E. Sunrise Boulevard, Ft. Lauderdale, Fla. Underwriter—None.

Promontory Real Estate Inc., Washington, D. C. Jan. 6, 1957 (letter of amendment) an additional 500,000 shares of capital stock (par $1). Price—at market. Proceeds—to purchase the capital stock of the company and for other purposes.

The Chesebrough Co., Cleveland, Ohio. Feb. 17 filed (letter of notification) 17,500 shares of common stock (par $1). Price—At market. Proceeds—to purchase the capital stock of the company and for other purposes. Price—$1 per share. Proceeds—to go to holders of fractional shares of 1/10th of a share. Office—3406 N. High St., Columbus, Ohio. Underwriter—None.

The Dana Corp., New York Feb. 16 (letter of notification) 520 shares of preferred stock (par $100) to be offered for subscription by stockholders for $100 per share. Proceeds—to purchase the capital stock of the company and for other purposes. Price—(par) $100 per share. Final mailing date expires on March 10. Proceeds—to go to holders of fractional shares of 1/40th of a share. Office—10125 E. Windsor Road, Glendale 5, Calif. Underwriter—None.

The South Carolina Public Service Authority, Columbia, S. C. Feb. 16 (letter of notification) 2,000,000 shares of capital stock (par $1) to be offered for subscription by stockholders at a price to be determined. Proceeds—for general corporate purposes. Underwriter—Borden, Fish & Co., and Prudential Bldg., Santa Barbara, Calif. Investment Advisor—Invest¬ment Research Co., Santa Barbara, Calif. Underwriter—None.

Tox Corp., Las Vegas, Nev. Jan. 28 filed (letter of notification) 2,000,000 shares of capital stock (par $1) to be offered for subscription by stockholders at a price to be determined. Proceeds—to purchase the capital stock of the company and for other purposes. Price—$1 per share. Proceeds—to purchase and install machinery and equipment. Office—302 Main Street, Westminster, N. Y. Underwriter—Tilton, D. Browse & Co., Inc., New York.

Westinghouse Electric Corp., East St. Louis, Ill. Feb. 16 filed (letter of notification) 2,000,000 shares of common stock (par $1) to be offered for subscription by stockholders at a price to be determined. Proceeds—to purchase the capital stock of the company and for other purposes. Price—At market. Proceeds—to go to holders of fractional shares of 1/10th of a share. Office—11212 E. Windsor Road, Glendale 5, Calif. Underwriter—None.

New 28 (letter of notification) 200,000 shares of common stock (par 10 cents). Price—$1 per share. Proceeds—to purchase the capital stock of the company and for other purposes.
acquire machinery and equipment and additional space for test facilities.


* J. E. Plastics Manufacturing Corp. Dec. 23 filed 255,000 of common stock, of which 20,000 shares are reserved for officers, directors, and employees. Price—$2.00 per share. Proceeds—For investment. Underwriters.—Oppenheimer & Co., Inc., New York, N. Y.


* Mississippi Chemical Corp., Yazoo City, Miss. Dec. 23 filed 500,000 shares of common stock (par $5) and 5,000 shares of special common stock (par $75). Price—Offering price has not been determined. Proceeds—For construction program, to purchase shares of Coastal Chem- ical Corp. and to use the net proceeds to reduce funded indebtedness. Underwriters—None.

* Monongahela Power Co. (33) Jan. 10 filed 2,460,000 shares of mortgage bonds due April 1, 1940. Proceeds—For construction program. Underwriter—To be determined. Bids—None.

* Midwest Truck & Equipment Corp. Dec. 15 filed 2,130,000 shares of common stock (par $5) of the company. Price—$1 per share. Proceeds—For investment. Underwriter—None.


* Piedmont Natural Gas Co. (2,1) Feb. 4 filed 56,591 shares of common stock (par $1) to be offered by the company to holders of common stock in the ratio of one new share for each 10 shares held by them, or for public subscription. Price—$1 par share (par $1). Proceeds—For general corporate purposes. Underwriter—None.

* Phoenix Hotel Associates Feb. 16 filed $8,380,000 of Participations in Partnership for operation and maintenance of hotels, etc. Proceeds—For working capital. Underwriter—Investment Bldg., Washington, D. C.

* Pilgrim Helicopter Service Inc. Jan. 9 (letter of notification) 12,000 shares of common stock (par $10). Proceeds—For working capital. Underwriter—None.


* Plaza Hotel Associates Feb. 16 filed $8,380,000 of Participations in Partnership for operation and maintenance of hotels, etc. Proceeds—For working capital. Underwriter—None.

* Prairie Fibrilboord Ltd. Aug. 18 filed 209,083 shares of common stock (par $1) for sale by the company. Proceeds—For working capital. Underwriter—To be determined. Bids—None.

Prospective Offers

Alabama Power Co. (4/30)
Dec. 10-27. The company plans to issue $20,000,000 of 30-year mortgage bonds in a public subscription program. Underwriter-To be determined by competitive bidding.
Probable bidders: Lehman Brothers and Eastman Dillon; Merrill Lynch, Pierce, Fenner & Smith, Inc.; and Salomon Brothers & Hutton.

El Paso Electric Co. (4/29)
Feb. 9, it was reported that the company plans to sell $5,000,000 of first mortgage bonds. Proceeds-To be determined by competitive bidding.
Probable bidders: Lehman Brothers and Eastman Dillon; Merrill Lynch, Pierce, Fenner & Smith, Inc.; and Salomon Brothers & Hutton.

Alaska Power Co. (4/30)
Feb. 9, it was reported that the company plans to sell $5,000,000 of first mortgage bonds. Proceeds-To be determined by competitive bidding.
Probable bidders: Lehman Brothers and Eastman Dillon; Merrill Lynch, Pierce, Fenner & Smith, Inc.; and Salomon Brothers & Hutton.

El Paso Electric Co. (4/29)
Feb. 9, it was reported that the company plans to sell $5,000,000 of first mortgage bonds. Proceeds-To be determined by competitive bidding.
Probable bidders: Lehman Brothers and Eastman Dillon; Merrill Lynch, Pierce, Fenner & Smith, Inc.; and Salomon Brothers & Hutton.

El Paso Electric Co. (4/29)
Feb. 9, it was reported that the company plans to sell $5,000,000 of first mortgage bonds. Proceeds-To be determined by competitive bidding.
Probable bidders: Lehman Brothers and Eastman Dillon; Merrill Lynch, Pierce, Fenner & Smith, Inc.; and Salomon Brothers & Hutton.

El Paso Electric Co. (4/29)
Feb. 9, it was reported that the company plans to sell $5,000,000 of first mortgage bonds. Proceeds-To be determined by competitive bidding.
Probable bidders: Lehman Brothers and Eastman Dillon; Merrill Lynch, Pierce, Fenner & Smith, Inc.; and Salomon Brothers & Hutton.
Gas from May Brothers; Fenner Pierce, €00 controlled of states. A Light, connected and served. Philippines. About 86% of the population is served. The average electric bill in the Philippines is about $16.98 per month. The Philippines is the 11th largest economy in the world, with a Gross Domestic Product (GDP) of approximately $863 billion. The country's debt-to-GDP ratio is about 62%, which is relatively high. The government is working to reduce this ratio to ensure long-term financial stability. The Philippines is also home to many multinational companies, with the automotive and technology sectors being significant contributors to the economy. In 2019, the country's GDP grew by 6.7%, and it is expected to grow by 6.8% in 2020. The country's infrastructure is developing rapidly, with many new roads and bridges being constructed to improve connectivity and reduce travel times. The Philippines is also a major tourist destination, with over 11 million tourists visiting the country each year. The country's government is focusing on improving education and healthcare, and there is a significant push to increase access to these services, especially in rural areas. The Philippines is a member of the ASEAN economic community, which aims to promote economic integration and cooperation among member states. The country is also a member of the World Trade Organization (WTO) and participates in various global trade agreements. The Philippines' economy is highly diversified, with agriculture, manufacturing, and services being important sectors. The country's exports include textiles, garments, electronics, and agricultural products. The country's currency is the Philippine peso, and the Philippines' official language is Filipino. The country's population is primarily composed of ethnic groups such as the Tagalog, Cebuano, and Ilocano, with a strong influence of Spanish culture from the colonial period. The Philippines is known for its rich cultural heritage, with traditional festivals, music, and dance being popular. The country is also known for its natural beauty, with many famous beaches and mountain ranges. The Philippines is a member of the United Nations (UN) and participates in various international organizations. The country's government is focused on improving the lives of its citizens, with a strong emphasis on education, healthcare, and infrastructure development. The Philippines is a democratic republic with a multi-party system, and the country holds free and fair elections. The Philippines is a trading partner with many countries, with significant trade agreements and partnerships around the world. The country is also a member of the Asia-Pacific Economic Cooperation (APEC) and the Asia-Pacific Economic Cooperation (APEC) forum. The Philippines is a member of the International Monetary Fund (IMF) and the World Bank, and it participates in various international development programs. The country is also a member of the ASEAN Economic Community (AEC), which aims to promote economic integration and cooperation among member states. The Philippines is a significant player in the global economy, with a diverse range of industries and a growing middle class. The country is known for its tourism industry, with many famous beaches and landmarks, as well as a rich cultural heritage. The Philippines is also a major agricultural producer, with significant exports of agricultural products.
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.
Mutual Funds

New Canadian Fund Now in Operation

The North American Fund of Canada Limited, a new mutual fund investing in the common stocks of leading Canadian and U. S. industrial corporations, on Feb. 25 commenced operation as an open-end company following a successful $7,000,000 underwriting.

The initial offering of the new Fund’s shares, which is approximately the equivalent of a $75 million underwriting in the U. S., was the first undertaken by leading investment dealers in Canada. The syndicate was headed by Wood, Gundy & Company, Limited.

Shares of North American Fund are now being offered on a continuous basis through authorized investment dealers throughout Canada under the sponsorship of Vance, Sanders & Company of Canada Limited.

William P. Shelley, President of North American Fund, said the new Fund will be managed by “strong sponsorship and a unique management setup featuring a board of Directors that is made up of leading Canadian and U. S. business and investment men who have extensive experience in the selection and supervision of investments in both countries.”

Vance, Sanders & Company, in the United States, headquartered in Boston, is the oldest and largest sponsor of mutual fund shares which are sold through investment dealers in the U. S. and many foreign countries. Net assets of the five Funds in the Vance, Sanders group are in excess of $2 billion. Included in the group is Canada General Fund Limited, a Canadian Investment Company investing in securities of Canadian corporations and owned by some 33,000 U. S. investors. Total assets of this company are approximately $100,000,000.

North American Fund is managed by North American Fund Management and Securities Limited, which has a contract with Boston Management & Research Company for the performance of basic research and analysis work for the new Fund. The Boston firm also is the investment adviser to the $200 million Boston Fund, a U. S. mutual fund investing in U. S. securities, and to the aforementioned Canada General Fund Limited.

One unique benefit which North American Fund derives from the work of Boston Management & Research Company, Mr. Shelley explained, is that Canadian investors are analyzing the light of similar investments in the U. S. Basic research in Canada is a new study and follows the same industries in both countries it is applied.

North American Fund’s investment advisory firm—Board of Directors of which George M. Robart of Montreal, President of Consolidated Paper Corporation, Limited, is chairman. Other prominent Canadians on the Fund’s Board are: John A. Fuller, President of The Shawinigan Water and Power Company; Major-Gen. A. Bruce Matthews, President of The Excelsior Life Assurance Company; Honorary President of the Great Lakes Paper Company and Timber & Forest Corporation Limited; and Maxwell C. G. Melihem, President of Canadian General Insurance Company.

The Board also includes such leading U. S. investment men as G. Kelley Anderson, President of the New England Mutual Life Insurance Company; Kenneth L. Isaac, Vice-Chairman of the Board of Directors, Fidelity Investors Trust, oldest and largest mutual fund in the U. S.; William F. Morton, Vice-President of the State Street Investment Corporation and Henry T. Vance, President of Boston Fund, Mr. Shelley, President of Canadian General Fund Limited and Vice-President and Director of Boston Fund.

“We are confident that the North American Fund will seek long-term objectives—Life income by investing in a cross-section of companies in leading industrial and commercial growth potential. “These investments will be made in Canadian and American companies whose fundamental strengths, values and resources are expected to offset to a considerable extent over-all growth of business and the development of the country’s rich natural resources,” he added.

The new Fund, he pointed out, will also have a great many of the advantages of participating in the ownership of U.S. companies on a diversified and selected basis. The Fund’s portfolio will include a reasonable amount of stocks of U.S. companies with promising prospects for long-term growth and which will contribute to the earning power and dividends of the Canadian Fund.

As the Canadian economy re- cuits from its present depression state an average of one per cent in U. S. citizens in eight publicly owned Canadian investment companies rose substantially during the year, William F. Shelley, chairman of the Committee of Canadian Investment Companies.

During 1958 total net assets un- marked value of the eight registered Canadian companies whose shares are sold for U. S. investors increased from $47,800,000 to $105,000,000, according to Mr. Shelley, chairman of Canada General Fund Limited.

As of Dec. 31, 1958, a total of $28,877,600 U. S. million worth of shares with total net asset value of $286,701,702, representing average individual investments of $2,366 each at the end of 1957.

In 1958, Mr. Shelley pointed out, “that the bulk of the 1958 increase in the assets of the Canadian companies represented improvement in market prices of the securities which they hold and the cumulative long-term benefits from continual diversification and reinvestment of their investment income during Canada’s transition from recession to recovery.

“Capital additions through $12,963,148 of new shares purchased in 1958 were responsible for about 12% of the $105,000,000 increase in total net assets, while approximately $18,000,000 of capital growth reflected appreciation in the market values of a broad range of securities of enterprises sponsored by the Fund which were used in the long-term growth and development of Canadian companies.”

The eight Canadian investment companies—all the mutual fund type—compound possible long-term benefits for their shareholders by re-investing their net income rather than distributing it in the form of taxable current income.

This policy contributed substantially to growth of the Canadian companies’ assets during the past year, it was pointed out.

National’s Dividend Fund Rises 40% in Year 1958

National Dividend Fund report to shareholders accompanying the 1958 annual report and dividend payment shows that asset per share value per share had increased from $2.81 on Dec. 31, 1957 to $4.66 on Dec. 31, 1958, a gain of 49%.

During the fiscal year, total assets of the Fund, sponsored and managed by the American Securities Research & Corporate Engineering, went from $100,000,000, to $125,295,000, and total net investment income amounted to $159,000, sharing distribution from 1958 to 354,418 and shareholders from 46,870 to 48,984.

In his message to shareholders, President Henry J. Simmons, Jr., noted that National’s investment staff believes that the business recov- erty currently underway will continue at a good—but not a boom—rate in 1959.

Incorporated’s Share Value Up 42% in 1958

Incorporated Investors per share net asset value increased 42% during 1958 stockholders are told in its Thirty-Third Annual Report. This compares with a share value increased from $70.01 to $100.70 during 1958 and $66.66 at the end of 1957. Stockholders were also informed, Incorporated investors at $100,677,908 shares outstanding at 31,977,266, and stockholders’ equity too, was $1,617,030, record year-end highs.

Summarizing the basic reasons for the improvements made in 1958, the ethical drug, life insurance, utility, and steel industries, Chairman William A. Parker and President Charles H. Smith told in the Letter to Stockholders: “The intensive program of the ethical drug in- dustry continues to bring about a flow of new products to a waiting and responsive market. The public utilities serve rapidly expanding communities and the life insurance in- dustry, which fills a basic human need, is expanding at a rate faster than the growth of the steel in- dustry— which demonstrated growth during the recession in its ability to show profits even when operating at half capacity—should remain the backbone for continued industrial growth.”

Purchases in the last three
named Director

The election of William J. Jacobs, Jr., as a director of Gatehouse Power Company, Hull, Quebec, has been announced by the company.

Mr. Jacobs, President of Abacus Fund, a closed-end investment company, is a director of Madison Fund, Inc., Government Employees Insurance Co. and its affiliates.

DIVIDEND NOTICES

GEORGE W. HELME COMPANY

A Nashville Plaza, New York, N. Y.

On February 26, 1959, a quarterly dividend of $1.00 per share was declared payable to shareholders of record on the common stock of the company on March 31, 1959.

J. L. NEWMAN, Secretary

TEXAS GULF SULPHUR COMPANY

The Board of Directors has declared a dividend of 25 cents per share on the 100,000 shares of the company's 5% Cumulative Convertible Preferred Stock, payable March 15, 1959, to stockholders of record as of March 2, 1959.

J. F. VANDERSTUKE, Jr., Secretary

DIVIDEND NOTICES

DETOUR STEEL CORPORATION

COMMON STOCK DIVIDEND NO. 116

On January 23, 1959, the Board of Directors voted a common stock dividend of 12 1/4 cents per share payable in cash March 17, 1959, to stockholders of record at the close of business March 4, 1959.

R. A. YOUNG, Vice President—Finance

INTERNATIONAL SALT COMPANY

DIVIDEND NO. 179

A dividend of $.02 a share has been declared on the capital stock of this Company, payable April 1, 1959, to stockholders of record at the close of business on March 15, 1959. The transfer books of the Company will not be closed.

HERBERT J. ORSBERG, Exec. Vice Pres. & Sec'y

DIVIDEND NOTICES

INTERNATIONAL HARVESTER COMPANY

The Directors of International Harvester Company have declared quarterly dividend No. 176 of fifty cents ($.50) per share on the common stock, payable April 15, 1959, to stockholders of record at the close of business on March 13, 1959.

GERARD J. EGER, Secretary

DIVIDENDS

A quarterly dividend of 15 1/6% ($1.50 a share) has been declared upon the Preferred Stock of The American Tobacco Company, payable in cash on April 1, 1959, to stockholders of record at the close of business March 15, 1959. Checks will be mailed.

February 24, 1959

A. T. Co.

DIVIDEND NOTICES

PULLMAN INCORPORATED

—390th Dividend—

93rd Quarter Dividend on Quarterly Cash Dividends

A quarterly dividend of seventy-five cents (75c) per share will be paid on March 16, 1959, to stockholders of record March 2, 1959.

CHAMP CARRY, President

DIVIDEND NOTICES

KENNECOTT COPPER CORPORATION

161 East 42nd Street, New York, N. Y.

February 20, 1959

At the meeting of the Board of Directors of Kennecott Corporation held today, a cash dividend of $.50 per share was declared, payable on March 23, 1959, to stockholders of record at the close of business March 15, 1959.

PAUL E. JESSUP, Secretary

MERCK & CO., Inc.

RAHWAY, N. J.

Quarterly dividends of $.46 per share on the common stock and 87 1/2% a share on the $3.125 cumulative preferred stock have been declared, payable on April 1, 1959, to stockholders of record at the close of business March 13, 1959.

CHARL M. ANDERSON, February 24, 1959 Secretary

DIVIDEND NOTICES

SUNDstrand MACHINE TOOL CO.

DIVIDEND NOTICE

The Board of Directors declared a regular quarterly dividend of $.45 per share on the common stock, payable March 20, 1959, to shareholders of record March 10, 1959.

G. J. LANDSTROM, Vice President-Secretary

DIVIDENDS

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

ORIGINAL PREFERRED STOCK Dividend No. 199 6% per share

CUMULATIVE PREFERRED STOCK, 4.375%, Series Dividend No. 40 75 cents per share

The above dividends are payable April 1, 1959, to stockholders of record March 15, 1959. Checks will be mailed from the Company's office in Los Angeles, March 31.

P. C. HAKE, Treasurer

February 19, 1959
WASHINGTON . . . And You

WASHINGTON, D.C. — Federal
taxes are going up sharply
on life insurance companies.
Just how much they will be
increased remains to be deter-
mined, but it is certain that
the industry may expect to pay
nearly twice as much as it has
been paying in recent years.

Obviously, the new import
will be felt by all branches of
the growing industry. The com-
panies have expected to have their
taxes raised before, but they did
not expect to have them increased
as greatly as they have been during
the past few days under the proposed permanent
new formula.

The House-passed measure is pending before the Senate Fin-
ance Committee, where hearings pro-
ceed to conduct hearings early in
March so that early Senate floor action may follow immedi-
ately. The proposed new tax formula is scheduled to be envi-
ronmentally retroactive as to 1958 taxes. That, the Senate plans to ac-
pel the action on the measure.

The House Ways and Means Committee would probably amend
the Senate measure, in connection with the measure, and the Senate Finance Com-
mittee probably will do like-
wise. The Treasury Department
would be called upon to reappraise up to meet the bills of the Federal Govern-
ment, in the formula fixed as quickly as possible.

Companies Want Action

While there is a marked di-
vision between some stock com-
panies and mutual companies relative to the merits and de-
ments of the proposed new tax formula, the companies never-
thess are anxious to get the tax plan settled so to see where their
companies will be in 1959.

The companies are not quite sure how the proposed amendment
will alter the property they are
now to write the Senate on their 1958 Income.
Nevertheless, it is esti-
mated that the proposed 1959 insurance act set, the tax on
life companies is expected to be
year. This would amount to more than $250,000,000, besides the present
payment.

The tax will not keep the companies from growing and prospering, but it may make some major
cuts in their national catastrophe. For in-
stance, the giant life companies expect their sales in 1959 to be
about 10% greater than 1958. A great majority of the compa-

cies are now writing a "family" plan, which has been fairly

green.

The facts are nearly all kinds of insurance are growing. Insur-
ance is now that $1,000,000,000 people in this coun-
ty have health insurance of some kind. The Health Insur-
ance Institute says the number of
persons protected for major medical expenses jumped from
13,900,000 to 16,400,000 in 1958.

Many individuals have asked to be heard before the Senate Finance
Committee. They requested the Senate to rat-
ize the stock companies and the mutual carriers. The com-
panies and their spokesmen will con-
test that the House-approved measure is adequate to meet the tax

the tax too much. They feel that the total estimated tax yield
should be closer to the $160,-

000,000 mark than the $500,-

000,000 estimated under the House

In addition to the increased in
taxes, insurance companies of various kinds are expected to
be under investigation on
Capital Hill during the Fifth
Congress. One thing apparently
would be shown by any inquiry is
that the Senate Finance Commit-
tee, in every company that
leads in every line of insurance
that it writes.

Mutual Carriers Hard Hit

Mutual company carriers par-
isitically disturbed over the
proposed bill before the Senate Financial Committee, where
they would pay the majority of
the increase. One spokesman for
the mutual group maintains that
the measure opens the door for
taxation of every form of sav-
ings and singles out the life insurance
industry for no other penalties bore by no other form of business in the United
States.

Louis W. Dawson, President of
Mutual of New York, and Chairman of the Committee
representing 21 mutual life com-
panies, with millions of policy-
holders, maintains that the sole
aim of a mutual life company is to
maintain the financial status at a
least possible cost. At the end of
the year, a mutual company has more money in the offices than
it needs to fulfill all the obligations to policy-
holders it returns the unneeded funds in the form of a premium
refund.

Life companies must always have on hand large reserves for the
payment of claims of policy-
holders. For this reason life companies are not subject to income
income. Mr. Dawson insists
that some companies under the
House-passed bill would pay no tax on a rate of return that would
be "inconsistent with their insurance
income as others. Said he: "This is a strange departure in principle from
the proposed federal tax law."

For all practical purposes the
proposed measure is an Adminis-
tration measure, be-it the predominant role played by the Treasury
Department. Nevertheless, the Administration is aware of the
House Ways and Means Com-
mitee sought to send the bill back to committee for further study and the role it might
play on the economic score.

Reserves Term

Anti-Inflationary

Although the life companies do not favor a corporation tax on the
income of life companies, they favor similar tax on the
income of life companies, as well.

The reserves held by the life companies are said to be equal to
$2,400,000,000.

"We hear on many sides to-
day that the Administration, the Federal Government's in-
tentions of taking all possible action to prevent the outbreak of a
major inflation has been made upon us. The reserves of life insurance
are the largest pool of capital in the world. To levy
taxes of this weight upon life
business is to place the fund whose forms of savings should be en-

NY Hanseatic Corp.
Announces Promotions

New York Hanseatic Corporation,
126 Broadway, New York City,
has announced the following
promotions:

Frank J. Ronan
promotions: Frank J. Ronan, Vice-
President; Alfred Laschke, Treas-
er; Edward E. Buechle, Conven-
tion Chairman; William P. Meyer, Assistant
Vice-President; Henry Scheringer,
Assistant Vice-President and As-
sistant Treasurer; Samuel Gold,
Assistant Secretary, and Jack
Hosig, Assistant Secretary. Fred
Pilzlock was named an Assistant
Treasurer of the investment firm.

Admiral McLean Joins
Bache in Philadelphia

PHILADELPHIA, Pa. — Rear
Admiral Ephraim Rinkman McLean
Jr., (United States Navy, Retired), a
pioneer in Naval Aviation, is now
associated with the Philadelphia
office of the investment firm of Bache & Co., 1510 Chestnut
Street, members of the New York
Stock Exchange, it was announced by Harold L. Bache, managing

Prior to joining Bache & Co., Admiral McLean had been Com-
mander of the Fourth Naval Dis-
cratic and Commanding Officer of the Naval Base, Philadelphia, since August, 1956.

COMING EVENTS

Association of New York annual Bowling Match.
 Feb. 27, 1959 (Philadelphia, Pa.) Investment Traders Association of Philadelphia, 33rd annual
midwinter dinner in the Grand Ballroom of the Bellevue-Stratford Hotel, preceded by a member-guest luncheon at 12
o'clock.
 Feb. 27, 1959 (Milwaukee, Wis.) Milwaukee Bond Club Annual Dinner at Pfister Hotel.

TRADING MARKETS

American Cemement
Botany Mills
Heywood-Wakefield
Indian Head Mills
W. L. Maxson
Morgan Engineering
National Co.
Southern Pub. Serv.
United States Envelope

LERNER & CO.
Investment Securities
19 Post Office Square, Boston, Mass.
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