Editorial

As We See It

The inexorable course of events is beginning to force some of the economic facts of life into the consciousness of even the reluctant disciples of the New Deal. It is becoming clear—that it has definitely become clear to the thoughtful—that it is no longer possible to enlarge so-called welfare expenditures of government without either adopting deficits as a way of life or of imposing taxes which hurt not only the rich but the very rank and file which are the supposed beneficiaries of “justice”—and hurt them in a very direct way which can hardly escape popular notice. This is the kernel of the innumerable controversies now under way in Washington and in so many of the state capitals.

The often boldly stated thought of New Dealers in the early days was to the effect that the poor (or the politically useful) elements in the population could and should be the recipients of various benefits at the expense of the rich. The theory that the tax burden should be carried largely by the wealthy was invoked again and again—and this idea was made popular by Adam Smith at about the time of the birth of this nation. The other general principles laid down by the father of the laissez-faire school of economics—of which plainly implied that taxation of the wealthier elements in the population could or should not be carried so far as to interfere with the normal functioning of the economy were forgotten or ignored—as they are today.

Progressive Taxation

Highly progressive individual income taxes were; of course, the main reliance in implementing it. Continued on page 28.

Will Good Economics Prove To Be Good Politics?

By NEIL H. JACOBY

Dean, Graduate School of Business Administration
University of California, Los Angeles, Calif.

Dr. Jacoby indict his fellow economists for failing to emulate their great predecessors’ devotion to solving decisive public policy issues and for not making greater use of familiar concepts of economic analysis. Taking one problem, the recollection of full employment with a stable price level in a freely growing economy, the former Economic Council Advisor formulates a broad theory of creeping inflation, outlines reforms in principal public policy areas, and advocates greater structural flexibility in prices and movement of resources as well as improved monetary and fiscal controls.

My theses are simple but fundamental. I hold that the economist performs his highest and best function when applying his craft to the great issues of public policy in his times, and that American economists should devote more time to this activity. We stand in greater need today of lucid and courageous application of familiar concepts of economic analysis than we did of new tools of thought. These propositions are illustrated by our failure so far to deal effectively with the problem of reconciling full employment with a stable price level in a growing, free-enterprise economy. I shall try to diagnose this problem and to show how traditional economic theory suggests the elements of a solution.

It is hardly necessary to remind economists that their science had its origins and growth in efforts to analyze contingent issues of public importance. Continued on page 33.

Picturing in Section Two—Candid photos taken at the 32nd Annual Midwinter Dinner of the Investment Traders Association of Philadelphia appear in Section Two of today’s issue.

Taking a Real Look Ahead

By WALTER E. HODADLEY, JR.*


Industrial economist discusses contradictory views businessmen generally hold about the future and stresses the crucial gravity of the problem of inflation in laying down a program to avert the national dangers involved. Mr. Hoadley’s short run view optimistically expects: 3-5% increased volume of total business over current level, inflationary full will continue for next nine to fifteen months, and a better housing and mortgage market. Mr. Hoadley expresses thankfulness that the general public is still not really concerned about inflation and skeptically asks how sure are we that inflation will not take over. Calls for utmost in anti-inflation leadership now.

The safest forecast which one can now make about the American economy is an optimistic one—that there will be much more growth but also many changes. Obviously, it is much more difficult to predict just what rate of growth will prevail and to identify and time the changes which lie so certainly ahead. Each of us has in mind some rough idea of what we expect will happen to our economy not only during 1951 but for some longer period ahead. This must be true because every one of us make decisions which necessarily are rooted in our beliefs and hopes about future short-term and longer-term developments.

For some years, almost as a hobby, I have endeavored through various polls, interviews and interviews to keep abreast of the forward thinking of a representative cross-section of American business leadership. From a current analysis plus recent visits to several sections of the country, I must reluctantly and unapologetically conclude that at least

*An address by Mr. Hoadley before the 96th Sections and Mortgage Bankers Association, New York City, March 4, 1951.

Continued on page 52.
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The Security I Like Best

A continuous form 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 form are not intended to be, nor are they to be regarded, as an offer to sell the securities discussed.

G. SHELLY FRIEDRICH


South Shore Oil and Development Co.

There are very few companies which have been able to obtain a direct participation in the potential of land and oil and gas exploration and production in the southern Louisiana, South Shore Oil and Development Company is one such company, which enables the operation of both a royalty company and an oil company.

The success of these operations is largely determined by the capabilities of management and South Shore has been extremely fortunate in having been selected as the operator by Mr. John F. Bricker to head a well-qualified and experienced team.

Mr. Bricker is a highly regarded and widely experienced oil and land man with a major oil company as head of the Land Department in the southern area of the United States.

Mr. Bricker resigned to continue as a land and sea independent oil operator.

His knowledge of land and sea exploration in southern Louisiana is proved invaluable to South Shore and the company has made excellent progress under his management since his election as President in June, 1957.

South Shore operates primarily as a royalty company, deriving its income from its mineral interests in 46,828 acres located in southern Louisiana. These mineral rights were granted to South Shore by the Union Security Life Assurance Company on Sept. 12, 1935.

On these royalty properties, South Shore receives income from the production of 37 oil and 17 gas wells in 11 different fields.

The properties are divided into three general divisions: the Oaklawn, named for the Oaklawn Parish, the Louisiana, the Georgia Division in Lafourche Parish and the Terrebonne-Terrebonne Division in Terrebonne Parish. During the past fiscal year which ended July 31, 1958, royalty income from these divisions totaled $55,700 and 50,000 from the Oaklawn Division, $75,000 from the Georgia Division and $35,700 from the Terrebonne-Division.

This royalty income should show a stable increase in the current fiscal year since the present shut-in gas wells are put into production.

These shut-in gas wells on South Shore's properties which are shut-in, awaiting pipeline connection.

In the Oaklawn Division, Humble Oil and Refining Company completed a wildcat test as a shut-in gas distillate well on its offshore lease, area of 1,162 acres from South Shore.

This discovery is the latest of the many discoveries from the prolific Charleroi Field, which has 21 Petroleum Oil Company has 21 productive wells on South Shore's property. The latest in the Oaklawn Division, was completed in October, 1958, tested 193 barrels of oil plus 1,165 MCF of gas per day.

In the Georgia Division contains 1,800 acres on which will go into production very soon. These well will be put on the new pipeline to this area which Transcontinental Gas Pipeline Company is now completing. The largest of these wells tested 200 barrels of distillate, plus 6,000 MCF of gas per day. Based upon official tests, production from the three wells will increase 25% in the New Orleans, La., South Shore Oil and Development Co.

(28x92)
Applying Realism to Investing
In a Revolutionary Era

BY SIDNEY B. LURIE

Research Partner, Josephthal & Co., New York City

Before analyzing the upward business trend, Mr. Lurie speaks realistically on "why it isn’t easy to accumulate wealth in the securities market." The Wall Street research partner adds the reminder that we are in a period of unprecedented demand for stock and equities, and that there are important differences which should prevent another 1932. Becoming specific regarding investment advice, Mr. Lurie stresses issues are more important than averages; expects real test of business success will come between second and third quarter and suggests seeking values in oils, textiles, metals, and names several firms to illustrate other advice given.

Ours is the most fascinating, the most exciting business in the world.

It’s fascinating because the Stock Market is a "hobby"—all of us in the business feel a mysterious "we are." Being "people," the market reflects all the human frailties—fear, greed, stupidity, etc.

If you doubt that this is the "greatest show on earth," just think of the primary and primitive urge to make a meal out of its actions: a: search for food, clothing, shelter, sex and security. Each, however, has his own way of attempting to attain these objectives. For example, the Egyptians sought security in the Hereafter, by being buried with food and jewels as well as their personal possessions.

Today, judging by the financial pages, all America is seeking security in the Stock Market. Frankly, some would be better off in Churchill Downs; at least, they’d be out in the sunshine. To others and this means the majority of security buyers, this is a business of diligence and effort.

Believe me, Wall Street is a business—a business of common sense—a business which repress, an applied, intuitive art. It is not an exact science, it is a business where the key to success is the ability to read or multiple. If you were to get easy financial, there would not be enough residual solicitors to accommodate all of us.

Provides Reality on Investing

There are several reasons why it isn’t easy to accumulate wealth in the securities markets.

"From a talk by Mr. Lurie before the Managing Editors of the University of Louisville, sponsored by Stein Bros. & Bryan, March 4, 1959.

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Texas Eastern Transmission Corporation—Prosperous Pipeline

By DR. IRA U. COBLEIGH

A current look at this remarkable enterprise, which in just 12 years has become a profit-laden $500 million transporter of invisible freight.

The saga of Texas Eastern is a corporate romance of the first magnitude. In a period of 12 years, this company, during World War II deliveries of foreign oil to our shores, has become one of the most powerful corporations on the continent, propelled only by original capital provided by its shareholders.

There's no need to dwell too precisely, expansion from that point to this. Texas Eastern was built; capacities were expanded; and in just two years an additional 30 inch line was constructed. A new route from Chicago to Long Beach, Pa., at which point it joined the older lines across the states.

In the summer of 1948, the line was extended to New York. Finally a 30 inch line was extended to Mexico to tap the rich reserves of natural gas in that area. The 14 inch line servicing the expanding gas requirements, so effectively, it was decided last year, with the approval of the Federal Power Commission, to construct a Little Big Inch back to its original use—oil. The recent acquisition of the Dowtown, Texas, to Moundsville, West Virginia, plant, with an interchange to Chicago and the Midwest, the smallest bore unit is delivering refined petroleum products.

On the supply side, Texas Eastern has acquired, in New Jersey, a large gas processing plant, and owning extensive oil and gas properties in New York and Texas. The company has one of the most satisfactory investment vehicles in the stock market and a long pipeline reputation. Labor costs take a very large portion of the income, but the long line maintenance is far less costly than a proportion because of existence of a maintenance of a railway right-of-way; and demand for natural gas, as the trend to gas is a powerful up-curve. The lion's share of new natural gas and those who have used it are spoiled for any other fuel.

Close to $1 billion in these advantages to the full. It has carved out, in only 12 years, a large and successful international industry. At 3 4/5 today (over $500 million) it is one of the most secure businesses in the world, with a consistent earnings stream and a market price which represents an interesting value: provides a 4% yield (which increases to 6% when the common stock is converted into 14% preferred stock). In short, it is a well-dressed pipeline, delivering on a big scale—gas, oil and profits.

Cowen & Cowen, 54 Pine Street, New York, City members of the New York Stock Exchange.

April 1 will admit Arthur L. Arnold, Edward Elkan and Joseph Shirk to partnership.

Fitting the News to the Market

The new raising of the discount rate by Federal Reserve Banks, while not affecting the spectacular stock market in any way, but can interpret in two alternative ways—either the interpretation is being suited to the particular situation at the time or the interpretation is being interpreted in terms of the event.

While the company might be considered, in the past, on the latest consensus about the firm, it has been decided to invest in any on the ground that it implies the authorities' confidence in the stock market. An optimistic boom activity in being. In the event that the rate took a higher turn, the rate can be looked on as proof that the 7,000,000 of unsecured convertible debentures have a market. In line with Reserve Board policy of preventing the writing of bullish statements indicating that the high level of unsecured debt that during the preceding week had been keeping the Board from following a restrictive policy.

However, the rate rise can be thought of as a market factor in implying a curb on market speculation, on business activity, on stock market buying; less as a national cause, and prices might be expected to maintain a high level of unsecured debt that during the preceding week had been keeping the Board from following a restrictive policy.

GUTERMAN NOTE OF THE WEEK

The latest development in the criminal activities of the Federal Judge Sugarman's refusal to order receivership for the E. K. Lambda, Inc., corporation, its legal merits is constructive investor. It exhibits this court's primary concern for the rank and file of shareholders, and with the employees, irrespective of possible misfeasance of the corporation. It is further hoped that this decision will set a precedent in avoiding needless receiverships.

Whatever else may be thought of Lidia's impropriety, it is clear that surely is the most articulate of all the cases that have come into publicized trouble. His "performance" that week in a half-hour dissertation was the press at a conference in the nation. It was a monumental event, Pollock, was a forensic masterpiece—violent invective dramatically couched with outraged martyrdom. Interpersed with a wealth of factual detail—all given extemporaneously without the benefit of notes or manuscript. Will this appearance of ability and shrewdness perhaps kick back in working psychologically to his disadvantage when appearing before a jury?
The Steel Industry and an "A Billion Dollar Bundle"

By ROGER M. BLOGH

Chairman, Board of Directors, United States Steel Corporation

Quite aware of the June 30 cut-off date, Mr. Bughrefs the belief that "baggying" over pennies in steel labor negotiations is of little importance by pointing out that a one cent per hour increase adds $12 million to industry direct costs. That is a vast sum in relation to indirect costs, adding a total of $30 million to the inflationary spiral. He lays stress on the inflationary effect of unearned wage cost rise; claims 1958 rose 7.6% in each of the 17 years whereas output per manhour gained 2.6% per year; compares declining after-tax profits with increasing wages; reveals pressures on steel when it accepted strikes "to help clean up" and cites its firm's decision to share total output of underscored extent of increased industry competition. The steel head asks labor to ponder the consequences of extending "billion-dollar bundle" demanded to the entire nation's $5 billion. Warns that only public opinion can stop wage inflation at its source.

Over the years, we of United States Steel have suffered a very great deal from what we have referred to as "wage inflation" that has been aimed in our direction by a powerful, vocal, and self-appointed minority. The belief is true, of course, that none of these things are done for personal, secondary gain, and that the employment of material, labor, and time, and the encouragement of parties to their exploitation, must be justified by the belief in being honorable and in the advancement of the public interest. To these you have added flood after flood of self-serving criticism. In your attacks on wages, production, and the entire industry, you have accused us of being power-hungry, rapacious, and inhumane. You have possessed some valliant and unappreciable power to crush our competitors and bring us to your knees. Society, it is true, has had frequent occasions to ponder, at length, the question of power — or the lack of it; and it has always puzzled what it is these possessed some valliant and unappreciable power to crush our competitors and bring us to your knees.

It just happens that in 1841 — the first year of its existence — United States Steel produced about two-thirds of all the steel that was made in America. In other words, twice as much steel of all its competitors put together. But last year it produced only 28% of America's steel; and our competitors turned out more than 72% of the remaining 72%!

So you will understand my natural desire to get my hands on this extra-powerful weapon that you suppose to have; because if I ever get hold of it, you know exactly what I want to do with it. I want to give it, with my blessing, to Bethel, to Lebanon, to Ephraim, to, to, to. Jones and Laughlin and one or two hundred other competitors of ours who have been "crushed" to such heights of success since U. S. Steel was organized.

Living in ignorance, as a solution to all the problems that confront us daily in the business world, is that something sounds mighty appealing; and, therefore, the publication of newspapers, I suppose that a great many of us would welcome an escape from the tedium they so often bring. With pressures and tension building to the breaking point on all sides of us, we wish perhaps that we might forget the news and seek some form of entertainment that we could commune, in peace, with master and man. If a "commune" has lost its restful magic. Today it is usually a noun with a threatening terror, oppression and the degradation of human beings. The situation of people in China can attest. No; today there is no escape—no balm in gilead.

The news is too demanding. It

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The State of Trade and Industry

Since estimates of the current industrial scene as most sectors of activity continue to push toward new highs, says the Federal Reserve Bank of Chicago.

In its monthly review, "Business Conditions," the Bank terms increasing "at an accelerating rate of recent weeks. Production in November and December was up 50% from April lows and had gained another 20% by February. In early February the Bank added, output was only slightly under the previous high in early 1956. However, steel mills were running an estimated 16% below capacity, reflecting the extension of bottlenecks in recent years. In the Midwest, some firms are operating practically at capacity and most types of steel are again on 'lateral allocation.'

Two factors contributing to the rapid rise in steel demand are the need to supply current requirements of steel processing firms and the rush to build up inventories against the possibility of a strike mid-year.

Reductions in steel inventories, began in March, 1957, have just come to a halt, says the Bank, and rapidly filling order books indicate a probable rise in inventories through the second quarter. Elsewhere on the economic scene, personal income, retail trade and construction had reached new highs in the early months of 1959, while industrial production, corporate profits, business investment and employment all were rising.

Employment in the Midwest is gradually tightening despite continuing problems in some areas, says the Bank, though the rate of rise is slower than in sales and industrial production. Since July, 1958, 10 of the District's 20 major labor markets have shown substantial improvement.

Total business inventories rose late in 1958 for the first time since August, 1957, thanks to a sizable boost in stocks of auto dealers. Other inventories actually declined slightly in November, and were still a bit lower the following month.

Retail trade in January equalled the record 17.6 billion level established in December and recent department store reports indicate more of the same in February. Automobile sales, which kept total retail volume in 1958 from surpassing 1957 levels, although much improved, still were a question mark early in the current year.

The dollar volume of sales of automotive stores in January appears to have topped January, 1957, the previous high, but this includes sales made before the extended order. A continued accumulation of inventories would be an important factor in output and employment in the coming months.

Badly needed is a reduction of steel inventories and an increase in steel buying by the public. It is time that steel was purchased to meet the demands of industry, rather than be stored up as a waiting proposition.

Rogel M. Blogh
Puerto Rico's power is tuned for growth

To meet the increased demand for electric power, the Puerto Rico Water Resources Authority has invested $40 million and will have invested $50 million in the next three years for new construction. Kilowatt capacity of the Authority for 1958 was 21 per cent higher than five years ago.

Power consumption in Puerto Rico is now more than 1.3 billion kilowatt-hours a year. The Authority's program to build a new 165,000 kilowatt-steam electric station is under the national electric power authority's jurisdiction.

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO
Fiscal Agent for the Puerto Rico Water Resources Authority

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The remainder of 1958, according to Mr. Van Cleave, can be expected to contain: (1) a rising demand for money prompted by over-all rise in GNP; (2) increased reliance upon commercial banks by Treasury and private borrowers leading to substantial bank credit expansion marked by increases in both securities and loans; and (3) rising yield trend in all maturities with sharper escalation in money rates. The investment expert cannot see how the Treasury can avoid unpleasant concentrations of short-term paper, indepently of short-term yields, and advises savings associations that the prudent course is to invest in Treasury bills. He doubts long-term bonds in portfolios containing smaller proportion of securities to total earning assets would enough income to compensate for their reduced liquidity. At most he would suggest departing from bills for 2 to 3 year maturities.

To lay the groundwork for a decision about what securities a savings association should buy, it is indispensable to consider the general business and investment climate likely to prevail in the remainder of this year, 1958. An orderly procedure directed first, a look at the overall economic picture. The I shall skim lightly, attempting hardly more than a statement of assumptions. Second, a look at the details of the Federal Reserve act of 1958 and the Federal Reserve System in the light of the first two points. The main background for the expected movements of interest rates, which will be the fourth item, and finally, the question of what will be an appropriate securities investment program for savings associations.

The Business Outlook

Different people can look at the same statistics and arrive at different conclusions. We all know there is much debate over the ability of the current economic recovery to carry on; there is a pronounced tendency to downgrade the recovery at some point in the production index, and to disbelieve early signs that output may be increasing. The American manufacturers are not likely to argue gloomily that because there is not yet a strong upswing in business inventories and in capital spending plans there is no "zip" to the recovery, which consequently is likely to fall flat and flip into a new recession almost immediately. Such speculation is fairly typical. In the early stages of recovery, when the typical American businessman asks himself what will happen, new records are not being established daily or weekly, conditions are unsatisfactory. So Goldwyn some years ago is said to have asked about the movie industry's situation. "It's terrible," he was answered, "it's not even colossal!"

I choose to think, however, that a slower and steadier pace is more to be desired, and more likely to accomplish. Momentum already developed, it seems to me, can be relied upon to carry us to the end of the year, 1958, so that this expansionary movement will at least equal the average of 12 such periods since 1900, which is more than has occurred in recent years.

I think, in particular, that the ordinary seasonal adjustment factors may work in the Treasury's favor and perhaps understated the strength of the recovery. This is particularly true of auto sales and in housing. Few people will believe that next three-foot snowdrifts to a driver's return, buy a new car, and get it stabled immediately outside the door. Likewise, it is difficult to build houses under such conditions of snow, cold, and flood as we have experienced in so much of the country during recent months.

Factory employment has held up well, the book week has lengthened, and personal income is one of the indexes actually setting new records. The consumer has reduced past debts and has accumulated large savings; he is in position to buy, and there is no evidence of a buyers' strike. Consequently, inventories and backlogs will increase, and production of durable goods will rise. The Society for the Promotion of Hope. From the end of June to the end of the year, the national income is expected to rise from $12.3 billion to $16.3 billion. I doubt that any rate of increase would be enough to make a substantial recovery this year, even if it is not yet a runaway movement, and business spending for plant and equipment will probably rise to meet the increase in the consumer market, and continue in the second quarter, a leveling or even perhaps a slight dip in the third, and a stronger upswing in the fourth.

All this implies a rising demand for money, from all classes of borrowers.

Treasury Problems

Whatever may be the prospects for a balanced budget in fiscal 1959, it is very likely that the government will have to do with the problems immediately facing Treasury the remainder of this calendar year. I see these problems result from decisions made in the past, and one of the so far unanswered questions is whether decisions made this year will compound or reduce the problems of next year and the year after. It is hard to say what cash lie immediately ahead -- perhaps $5 billion before June 30. Will these be dealt with in the pattern set by the recent issue of tax anticipation bill to mature next September. Already it has been heard that a tax anticipation issue to mature in December would be appropriate, with fairly long and possibly other short-term paper thrown in for other purposes. It hardly need be pointed out that this would compounding the existing problem of last half refunding, which already averaged $9 billion in the spring. The cash deficit for that period, July-December, is expected to be more than $6 billion, even on the assumptions on which the budget is based, and it can be estimated at as much as $9 billion, or even more. On top of borrowing to cover that gap, several additional billions will be needed to finance the accumulation of savings bonds.

Some persons rely upon the non-commercial corporations to continue absorption of new Treasury securities, which averaged a little over $1 billion during the last half of 1958. This would be a disappointment to the Treasury, and the need for a systematic program of purchase of bonds and discounts. The difficulty of the situation is evident. If anybody has its eye on the spring to the next bond issue, which starts in April, and is likely to be early but not subsidy, it would be another $6 billion. This possibility of further heavy buying is presented so long as this country is not able to curtail the deficit, the growth of commercial credit, and the Treasury's ability to finance the national debt. The country, because of the need for further foreign aid and financing and the continued depletion of the gold reserves, is saddled with the burden of a growing national debt.

There is another matter which could least at least be mentioned in this connection. This is the possibility that the annual outlay of the Federal Reserve System in 1958 was $2.957 billion. Of this amount, $2.546 billion was for purchases of government bonds, and $122 million was for purchases of foreign securities. This was about 93 per cent of the total outlay, and it was the first time in many years that there would have been sufficient funds to purchase government bonds.

Thus I think we must expect that the Treasury is going to be able to purchase Treasury bills this year, and to purchase bonds in the primary market, by direct purchase from the Treasury and from local governments.

In 1958, a previous year of business was seen as a year in which bank credit accompanying the Treasury purchases of government bonds was cut down by the Federal Reserve System. This is an important part of the reason why the equation of demand for money must be considered in the Federal Reserve's planning.

In 1958, the Federal Reserve System, which was a year of business activity, was able to increase holdings of government securities from $5.1 billion to $7.8 billion. The Federal Reserve System purchased government securities in the amount of $1.7 billion and purchased government securities in the amount of $1.7 billion and purchased foreign securities in the amount of $1.7 billion. The Federal Reserve System purchased government securities in the amount of $1.7 billion and purchased foreign securities in the amount of $1.7 billion.

The Federal Reserve System purchased government securities in the amount of $1.7 billion and purchased foreign securities in the amount of $1.7 billion. The Federal Reserve System purchased government securities in the amount of $1.7 billion and purchased foreign securities in the amount of $1.7 billion. The Federal Reserve System purchased government securities in the amount of $1.7 billion and purchased foreign securities in the amount of $1.7 billion.

Hence it seems to me reasonable to think that while the Federal Reserve System can provide adequate and unavoidable needs, additions to bank reserves must be made with some reluctance, probably after the need appears rather than in advance of it, and
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$2,740,000 1960 1.90% $1,400,000 1965 2.99% $1,400,000 1970 @ 100
2,740,000 1961 2.20 1,400,000 1966 3.00 1,400,000 1971 @ 99 1/2
2,740,000 1962 2.40 1,400,000 1967 3.85 1,400,000 1972 @ 99
2,860,000 1963 2.60 1,400,000 1968 3.19 1,400,000 1973 @ 98 1/2
2,860,000 1964 2.75 1,400,000 1969 3.15 1,400,000 1974 @ 96

(Accrued interest to be added)

The above Bonds are offered, sold and issued and received by us, and subject to prior sale and approval of legality by Mes, Wood, King & Heaton, New York, N. Y.

The Chase Manhattan Bank

Chemical Corn Exchange Bank & Co., New York City
Manufacturers Trust Company
J. P. Morgan & Co., New York City
Lehman Brothers
Blyth & Co., New York City
Lazard Freres & Co., Incorporated

Barr Brothers & Co., New York City
R. W. Prespress & Co., New York City
Merrill Lynch, Pierce, Fenner & Smith
Eastman Dillon, Union Securities & Co.

Goldman, Sachs & Co., New York City
Bear, Steans & Co., New York City
The Northern Trust Company
Truman, Trust and Savings Bank
Equitable Securities Corporation

Drexel & Co., New York City
The Philadelphia National Bank
Hornblower & Weeks
Carl M. Loeb, Rhoades & Co.
Ladenburg, Thalmann & Co.

Blair & Co., New York City
Hemphill, Noyes & Co., New York City
Halfard & Co.
The Marine Trust Company
at Western New York
F. S. Moseley & Co.

Paine, Webber, Jackson & Curtis, New York City
Schellkopf, Hutton & Pomery, New York City
B. J. Van Ingen & Co., Inc.
R. Bache & Co.
Baxter & Company

A. G. Becker & Co., New York City
Federation Bank and Trust Company
Gregory & Sons
E. F. Hutton & Company
Wm. E. Pollock & Co., Inc.

Reynolds & Co., New York City
Ernst & Company
First National Bank
in Dallas
Hirsch & Co.

Laurence M. Marks & Co., New York City
Rauscher, Pierce & Co., Inc.
Trust Company of Georgia
Weed & Co., Incorporated

Chas. E. Weingold & Co., Incorporated

John F. Shields

John F. Shields, manager of the Brunswick, Ga., office of Shields & Company, members of the New York Stock Exchange, passed away on March 5 after a prolonged illness. He was 61.

Mr. Shields had been associated with Shields & Company during most of his business career. At one time he was with the firm's former Chicago office and for the past six years headed the Brunswick office.

Two With Hemphill, Noyes

Two vice presidents of Hemphill, Noyes & Co., Inc., are now with Hemphill, Noyes & Co., 628 West Sixth Street.

Loyalties in holding securities at all. But liquidity must be real; it must be such that you can realize cash instantly and without substantial loss when the need arises.

If experience of the past decade has taught anything, it must have taught the long-term bonds cannot be relied upon for this sort of liquidity, that is, to provide cash where-with to meet withdrawal of collateral; or to make additional mortgage loans. And the latter, after all, is your major business.

When long-term bond prices fluctuate in price by as much as four times the amount of the annual coupon return within the space of a single year, it seems to us a self-evident fact that they do not serve the purpose. Moreover, the time factor, when you want cash with which to meet a demand for mortgage bonds is more likely to be the exact time when bond prices are low.

It should be evident, too, that the smaller proportion of securities in your total earning assets will increase the danger that they will be required at precisely the time if 25% of your assets were in securities you might take chances with some part of them for the sake of greater yield, but not when the circumstances demand it.

Furthermore, the smaller the ratio of securities to total assets, the more stable it becomes to try to increase total income by seeking higher bond yields. The total return, or the average rate of yield, can be increased only by self-evident means to the earning assets.

So, I suggest bills as a rule will meet your needs better than bonds. And there may be times when they will yield just as much. The present year may be one of those times. If there actually are surplus funds not needed in your regular mortgage business, and if liquidity requirements are fully provided for, maturities spaced out to two or three years may be justifiable, and probably will provide as much yield as the longest-term bond.

With B. C. Christopher

(Special to The Financial Chronicle)

Forbes Davis, Alfred W. Att has joined the staff of B. C. Christopher & Co., Board of Trade Building, members of the New York Stock Exchange. Mr. Att was formerly with Allard & Co. in New York, and prior thereto with Goodbody & Co. in Coral Gables, Fla. And there may be times

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Federal Reserve Bank of St. Louis
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It is understood that the firms mentioned will be pleased to send interested parties the following literature:

Atomic Letter No. 48—Current comments on recent atomic and nuclear developments, including government procurement requirements—Atomic Development Securities Co., Inc., 1953

Burham View—Monthly investment letter—Burham and Company, 13 Broad Street, New York 5, N.Y. Also available in 2-color version


Canadian Financial Picture—Review—E. M. Saunders Limited, Victory Building, Toronto 1, Ont., Canada


Copper Industry—Review—Hirach & Co., 23 Broadway, New York 4, N.Y. Also in the same circular is a review of the Steel Industry and lists of securities in various categories which appear interesting.


Japanese Export Trade—Survey—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N.Y. Also in the same monthly report are discussions of the 19 Japanese stocks considered favorable for 1959 and data on Daito Rosan, Mitsubishi Shoji and Marubishi-Bi.

New England Business Conditions—Review—First National Bank of Boston, 100 Federal Street, Boston

Magazine Publishing Industry—Discussion of outlook in current issue—"The Exchanges of the Magazine Industry," 11 Wall Street, New York 5, N.Y. (40 cents per copy, $1.00 per year. Also in the same issue is a discussion of the oil stock's favored by college endowments; common stock financing through trusts; odd lot investors, etc.

New York City Bank Stocks—Earnings comparison of 21 leading bank stocks, includingOC&H, Commercial Union, 320 Broadway, New York 5, N.Y.

Over-the-Counter Index—Elder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 33 over-the-counter industrial stocks used in the National Quotation Bureau's "Warrant" list, and the data is a cross-section of the stock market's performance over a 20-year period—National Quotation Bureau, Inc., 46 Front Street, New York 4, N.Y.


Picker Industry—Review—Geery Development Bank for Puerto Rico, Juan Suan, P. R.


Air Express International Corp.—Brochure—Trouter, Singer & Co., 74 Trinity Place, New York 6, N.Y.


Argo Oil Corp.—Memorandum—Carl H. Pforzheimer & Co., 25 Broadway, New York 4, N.Y.

Automobile Insurance—Memorandum—Simmons & Co., 56 Beaver Street, New York 4, N.Y. Also available is a memorandum on Peter Oelker, etc.


Blaw-Knox Company—Analysis—Schweickart & Co., 29 Broadway, New York 5, N.Y.

Boston Edison Company—Analysis—Raymonds & Co., 120 Broadway, New York 5, N.Y. Also available are analyses of the following: Citizens & Southern National Bank, Mutual Fire & Marine.

Budd Company—Analysis—Halle & Stieglitz, 52 Wall Street, New York 5, N.Y.

California General & States Life Insurance Company—Analysis—Walter C. Gerey Co., Penn Building, San Francisco 4, Calif. Also available is an analysis of West Coast Life Insurance Company.

Canadian Chemical and Cellulose Ltd.—Analysis—W. A. Krueger Co., Clark Street, New York 4, N.Y.


Commonwealth Edison—Data—Du Pont, Hensley & Company, 31 Mill Street, Boston 8, Mass. Also in the same circular are analyses of James Laughlin Steel, Rockwell Standard and United States Rubber.

Consolidated Foods Corporation—Analysis—Sheepe, Hammill & Johnson, 74 Trinity Place, New York 6, N.Y.


First National Bank—Financial data—Bancorporation, 59 Broadway, New York 1, N.Y.

First National Bank of Toronto—Analysis—Deer with Co., 45 Madison Avenue, New York 22, N.Y.

Electroline Corp.—Memorandum—A. C. Cofield & Co., 120 Broadway, New York 5, N.Y. Also available are memoraunds on Mississippi Gulf Co., North American Coal and Pacific Transformer Co.


General American Transportation Corporation—Analysis—Laird, Bissell & Co., 300 Broadway, New York 7, N.Y.

General Dynamics Corp.—Memorandum—Woodcock, Hess, Moyer & Co., 123 South Broad Street, Philadelphia 5, Pa.


Johnson Service Company—Report—Milwaukee Company, 297 East Michigan Street, Milwaukee 2, Wis. Also is available is a report on Wisconsin Electric Power Company and a memorandum on Angelica Uniform Co.


Martin Company—Analysis—Chase, Whiteside & Winslow, Inc., 32 Wall Street, New York 5, N.Y.

National Food Products Corporation—Analysis—Strass, Ginsberg & Co., Inc., 115 Broadway, New York 6, N.Y.


Olin Matheson Chemical Corporation—Report—Thomson & McKinnon, 11 Wall Street, New York 5, N.Y. Also available is the annual report and reports on United Merchants and Manufacturers, and Royal Dutch Petroleum Company.

Pacific Finance Corporation—Annual report—Pacific Finance Corporation, 621 South Hope Street, Los Angeles 17, Calif. or 15 Broadway, New York 5, N.Y.


Ralsion Purina Co.—Data—Alfred L. Vanden Broeck & Co., 55 Liberty Street, New York 5, N.Y. Also in the same circular is a memorandum of National Can Company Ltd., International Nickel Company of Canada, Ltd. and National Aluminum Co.


Steel Improvement & Forge Co.—Memorandum—Fulton Reid & Co., Union Commerce Building, Cleveland 14, Ohio.


Sterling Precision Corporation—Analysis—Mitchell, Hutchins & Co., 231 South La Salle Street, Chicago 4, Ill.

Squier Broadside Bulletin—Bache & Co., 56 Wall Street, New York 5, N.Y.


Syutax Corporation—Analysis—Hill & Richards & Co., 621 South Spring Street, Los Angeles 14, Calif.


Apr. 10, 1959 (Toronto, Canada) Toronto Stock Exchange Association annual dinner at the King Edward Hotel.

Apr. 28-29, May 1, 1959 (St. Louis, Mo.) St. Louis Municipal Dealers Association annual spring party at the Sunset Country Club.

May 1, 1959 (New York City) Security Traders Association annual dinner at the Battery Hotel.

May 10-13, 1959 (Omaha, Neb.) Nebraska Investment Bankers Association annual field day.

June 18, 1959 (Minneapolis-St. Paul, Minn.) Twin Cities Bond Club 38th annual picnic and eating at White Bear Lake, White Bear Lake, Minn. (preceded by a gala dinner June 17 at the Nicollet Hotel, Minneapolis).


Oct. 27, 1959 (Philadelphia, Pa.) Consumers Bankers Association annual convention at the Warwick Hotel.

Oct. 28-30, 1959 (Cincinnati, Ohio) Ohio Group of Investment Bankers Association annual fall meeting.

Nov. 2-5, 1959 (Boca Raton, Fla.) National Security Traders Association—Annual Convention at the Boca Raton Club.

Cannell Exec. V-P. of Chemical Fund

Peter B. Cannell has been elected and inaugurated as executive vice-president of Chemical Fund, Inc., it was announced following the regular meeting of the board of directors.

Peter B. Cannell

Invesco Branch

PHOENIX, Ariz.—Invesco, Inc. has opened a branch office in the Securities Building, under the management of Philip M. Cannell.
The Fabulous Fifities draw to a close, leaving behind an era of growth and prosperity. The world has now entered the critical trade-off arena. The Soviet World values its vast natural resources and strives to maintain a balance between private and state control. Economic growth and development are critical to the nation's survival in order to maintain the nation's greatness in the face of economic and political challenges.

The evidence suggests that the Soviet economy can balance the need for growth with the need for stability. The nation's future prosperity depends on its ability to maintain a balance between the private and state sectors.

John L. Rowe

1957—A Year of Restraint

By JOHN L. ROWE

1957—A Year of Restraint

The Federal Reserve Bank of St. Louis

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Prospects for Housing in 1959

BY ROBINSON NEWCOMB

Economist Consultant, Washington, D. C.

Well known housing economist presents encouraging evidence regarding the housing investment market. Assuming adequate monetary and housing policy, Mr. Newcomb foresees annual rate of about 1.3 to 1.5 million homes.

The economic analyst observes that household income has been increasing at a rate of 4.3% annually since 1946, and the trend is expected to continue. He notes that the demand for housing is also expected to increase, driven by population growth and rising incomes.

Defends Low Down Payment

The down payment on a new home is often a financial barrier that discourages potential buyers. Mr. Newcomb argues that a low down payment makes it easier for people to enter the housing market. He cites the example of FNMA (Federal National Mortgage Association) and FHA (Federal Housing Administration) programs that have made home ownership more accessible.

S & L's Declining Growth

The savings and loan associations have seen a decline in growth, and Mr. Newcomb suggests that this is due to changes in government regulations and increased competition from other types of financial institutions.

Growth in Savings by Individuals

The growth in savings by individuals is expected to continue, but at a slower rate. Mr. Newcomb attributes this to increased spending on consumer goods and services.

Tapping Pension Funds

Pension funds are another potential source of funds for housing. Mr. Newcomb suggests that tapping these funds could help meet the demand for housing.

From Washington Ahead of the News

By CARLISLE BARGERON

Washington, D.C.

Some significant developments in the housing market that might affect your plans:

1. The Federal Reserve has been increasing interest rates, which could make borrowing more expensive for homebuyers.
2. The government is considering new regulations to address issues of discrimination in housing.
3. There is a recent increase in home prices, which could affect the affordability of housing.

The impact of these developments will depend on how they are implemented and receive public support.

By SCHROEDER BOUTON

Goodbody & Co., 115 Broadway, New York City, member of the New York Stock Exchange and National Association of Securities Dealers.

S & L's Declining Growth

Although savings and loan associations have traditionally been a significant source of funds for housing, they have experienced a decline in recent years. This is due to increased competition from other financial institutions.

Growth in Savings by Individuals

The growth in savings by individuals is expected to continue, but at a slower rate. This is due to increased spending on consumer goods and services.

Tapping Pension Funds

Pension funds are another potential source of funds for housing. However, the extent to which these funds can be tapped remains to be seen.

By CORNELIUS CARSTEDT

K. W. Carstiled With Amos Treat & Co.

The financial advisor at Amos Treat & Co. discusses the housing market and its impact on your financial planning.

With Crowell, Weedon

Special to THE COMMERCIAL AND FINANCIAL CHRONICLE

The housing market continues to evolve, and it is crucial to keep up with the latest developments to make informed decisions.
A Changing America
And the Stock Market

By A. W. Zelomek*

President, International Statistics Bureau, Inc.
Visiting Professor, Graduate School of Business Administration, New York University

Business economist stresses the impact on business and investment of our sharply raised standard of living— "In the words of the lady who washes your clothes for you, "I am now free to go out for flowers."

The stock market is a component part of our economy and one cannot divorce economic phenomena without consideration of the stock market. The stock market "tells" the story of our economy.

The stock market is a component part of our economy and one cannot divorce economic phenomena without consideration of the stock market. The stock market "tells" the story of our economy.

More married women work in order to supplement their husband's income. Why is it possible for her to do so and at the same time raise a family? The answer is to be found partly in the mechanization of the home and in the greater demand in the packaged food industry. Furthermore, there is a need for the relatively large number of widows to do. Times change heavy on their hands.

Importance of Women

Just in passing, may I point out that there has been a tendency to overestimate the power of a woman. Sure, the ladies own 32% of all common stocks listed. However, the bulk of it is owned by a few wealthy women, although there are more and more middle-income women being added to the list of stockholders. Owning is not necessarily controlling. Women generally leave the investment decisions to men, and prefer men as stock brokers. Women are seldom found on the board of directors. They have little voice in determining policy with the respect to their own approximately half or slightly more than half of all savings accounts and government bonds. They may handle and pay the money and turn it over to men, and in 31% of families, the wife is provided for the money together and pay the bills without separate accounts.

Revolution in Income Distribution

As a result of the kind of change we've seen in the last 30 years. It is true that we've seen a change in income distribution, the most important development is the rise in the standard of living. The rise in income distribution, the most important development in recent years has been the tremendous rise in population. In fact, the rise in the professional population forecasters. A rise from this marked population increase, a rise from between 1930 and 1957 amounted to 110 million. This was partly a substantial increase in 1930. There is also been a radical change in the more recent years. Women are less men, especially in the 45 years of age group. Since I am entitled to call them "the attention," I would like to call your attention to the time that women are in the work force. This has been brought about by an improvement in the labor force. Women, which was a bad word, has become commonplace, even though leisure and culture may now be termed "the ultimate loafers." Women are employed in the labor force. As a result of the growth of leisure, they have been funneled into labor force of high grade securities and what you would call "blue chips." This has reduced the supply of women, and certainly has contributed to the strong demand for leisure. There will be an increase in the supply of stock, and through additional flotation of common stocks, especially with the yield of gold. This is the increase in the supply of stocks at the present time. Thus, the demand for leisure time is changing. It is instructive to go into this in greater detail.

The most important fact about the leisure time is that it time away from work, rather than expenditure on the leisure market. The most important fact about leisure time is that there is a reality without the current demands of leisure goods. This might emphasize that this must mean new sources of leisure in the home and outside the home. The important thing to emphasize is that this is a case of the special needs of leisure time.

The undersigned have placed the Notes, described below, with institutions, This announcement appears at a record price only.

Federal Reserve Bank of St. Louis
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American Interest in British Equities

By PAUL EINZIG

Dr. Einzig sees insufficient justification for cessation of U. S. buying of British land and long-term securities, although a sharp rise in the long-term rate of interest was expected in the aftermath of the Suez crisis. The Treasury's needs and the monetary policy of the United States are both factors in the British Treasury's requirements this year. If a sharp rise in the long-term rate were to occur in the aftermath of the Suez crisis, the British might be able to meet their requirements by selling some of their American gold reserves. This is a possibility, but it is unlikely that such a large inflow of funds would come from American sources. The Treasury's requirements are likely to be met by other sources of funds.
Public Utility Securities

BY OWEN ELY

Pioneer Natural Gas Company

Pioneer Natural Gas began business in January, 1954 as successor to Southwestern Development Company, controlled by Mission Oil Company and Sinclair Oil Company. Southwestern and Mission were dissolved, and in July, 1954 Sinclair sold its interest to a group of underwriters who distributed that portion of the stock to the public in June, 1955. When the reorganization was finally completed Pioneer became a gas transmission and distributing utility company, and Amariillo Oil Company (a fully-owned subsidiary with leases in the Panhandle field) supplied gas to the parent company. In the past year or so two other subsidiaries—Pioneer Production and Pioneer Gathering System—have been set up. A neighboring utility company—Empire Southern Gas Company—was also acquired in March, 1958, by an exchange of shares.

Pioneer Natural Gas now supplies gas to 76 communities in Texas and one in Louisiana, total population served (including rural areas) being over 950,000. Amarillo and Lubbock are the largest cities served. The territory includes the South Plains and Panhandle sections with their important oil and gas resources, together with rich irrigated farm areas in central Texas which raise wheat, cotton and feed grain, plus livestock. The southern portions of this area are in the Permian Basin, which contains about 25% of the nation's oil resources; oil and gas production are from deep forma¬tions with considerable pressure.

About 80% of system revenues are from sale of natural gas and 7% from oil and extracted products. Pioneer's 1957 gas revenues, residential accounted for 36%, irrigation 33%, industrial 15%, commercial 10%, and miscellaneous 6%. The company has practically 100% of the water heating load in its area, some 90% of the water heating load, and 85% of the cooking load. It serves nearly half of the 43,000 irrigation wells in the farm belt—the program of providing gas to pump water for irrigation began in 1938 and has been increasing rapidly since that time.

Investment in facilities to serve irrigation pumping is now about $11 million. The present price of gas for irrigation is about 80% less than competitive fuels, hence the farmer can afford to construct his own water pumps, plus livestock. The southern latitudes extend into the irrigation area. The underground water supply is considered ample for many years.

Altogether, Pioneer now has about 199,000 customers, and with an annual growth rate of about 5%, they expect to add about 7,500 to 8,000 new accounts each year. The number of customers has tripled in 12 years and revenues have quadrupled since 1948. Pioneer will continue to expand its operations through acquisition of new properties when advantageous. The company is not subject to Federal regulation, hence the acquisition did not subject Pioneer to such regulation.

Nineteen-fifty-eight figures are not yet available, but in 1957 Pioneer produced 14% of its gas sales requirements, purchasing the remainder through Amariillo Oil Company or directly from others. Considerable “residue” gas is purchased in the Permian Basin; this gas, which is produced with oil, must be taken as available. Since Pioneer owns this gas, it is in excess of two trillion cf, representing about a 30-year supply.

Amariillo Oil was a subsidiary when Pioneer was reorganized in 1954. It has current production of over 1,000 barrels per day and well reserves (proven and developed) estimated at nearly 3,000,000 barrels. It also has about 100,000 acres of undeveloped leases in Kansas, Oklahoma, Colorado, Wyoming, Utah and Texas—all of these lands being worth more now than when the company bought them. During the first 11 months of 1958, Amariillo Oil and Pioneer Production (a recently formed subsidiary) par¬ticipated in 39 completed drilling operations, which resulted in 12 oil wells, 14 gas wells and nine dry holes. Approximately $1,500,000 is being spent annually for drilling and exploration.

Pioneer Gathering only started in January, 1958, picked up operations July 1, and is operating a number of gas wells—with possibilities for further development. It operates in West Texas near the Mexican border, gathering gas in that area which it sells to Permian Basin Pipeline. The company expended about $20 million in 1957 to build 71 miles of pipeline together with a compressor station. At the end of 1957 it controlled 400 billion cf of gas reserves.

Pioneer Natural Gas enjoys excellent relations with the municipali¬ties it serves, and during the past few years has been able to secure rate increases without having to appeal to the Texas Railroad Commission. The city of Amarillo, where the company's headquarters is located, has recently granted an increase of nearly 12%, needed to offset the increasing costs. Of the entire system operations only the sales of gas by Pioneer Production and Pioneer Gathering are interstate in character and thus subject to FPC jurisdiction.

Construction expenditures are expected to average about $8 million a year over the next five years and a large part of these cash requirements will be generated internally. No common stock has been offered to the public (except in connection with the ac¬quisition of properties) since the reorganization in 1953 and no public financing of any kind is presently planned for 1959. As of Dec. 31, 1957 capitalization, consisted of $35 million long-term debt and $19 million common stock equity (about 35%). There are about 1,846,506 shares of common stock outstanding.

While the company does not aggressively sell a profit—it has cooperated with Arkansas Louisiana Gas by selling company's new Arkla-Servel air conditioning units and gas lights; in recent campaigns, 50 air conditioning units and 1,000 gas lights were sold, and with increased production of the air conditioners, the amount of sales will probably be stepped up.

Share earnings of Pioneer Natural Gas have increased steadily since the stock was distributed to the public—from $1.34 in 1953 to $2.22 in 1958. Earnings increased over 1958 despite the fact that the important irrigation pumping load was at a minimum (on the other hand the local economy benefitted by ending of the long drought). Share earnings for 1959 appear likely to show further improvement, possibly in about the same ratio as in 1958. The weather is running about even with last year as to number of degree-days.

Pioneer Natural Gas has been quoted over-counter recently around 17 3/4 as the present dividend rate is 1.46 making the yield close to 4%; with a payout of only 65%, another increase in the dividend would seem possible in 1959. The stock is selling at about 16 times 1958 earnings.

Deignan, McGolrick

V. Ps. of Walston Co.

V. C. Walston, President of the investment firm of Walston & Co., Inc., New York City, has announced the election of Leo P. Deignan and Charles McGolrick as Vice-Presidents of the firm voting stockholders.

Mr. Walston, who joined Walston & Co., Inc. as Senior Cashier in 1949 has had 40 years experience in the stock and account¬ing operations with several securities firms. He is past President of the Curb Cashier's Association and is presently a Governor of the Cashier's Division of the Association of Stock Exchange Firms. Mr. McGolrick joined Walston & Co., Inc. as Manager of Research in 1936. He has been a security analyst with various Wall Street firms for the past 15 years. Since 1943, he has been a lecturer at the New York Institute of Finance and, in conjunction with Benjamin Graham, has contributed to the book “The Interpretation of Financial Data.”

Walston & Co., Inc. has offices in New York and major cities of the coast and overseas, holds memberships in the New York Stock Exchange and every major exchange.

Two With Bingham, Walter

(Special To The Commercial and Financial Chronicle)

LOS ANGELES—Cas. George Kunilake and Alvin Portnoy are new members of the firm of Bingham, Walter & Hurry, Inc. 621 South Spring Street, members of the Pacific Coast Stock & Exchange. Mr. Kunilake was previously Quincy Gas Associates.
It's Illogical to Buy Stocks As a Hedge Against Inflation

By ROGER W. BABBON

The dean of financial writers scoffs at resort to stocks as a hedge against inflation at their peril. There may be one exception, however: those having large productive land with oil, mineral or timber holdings. Mr. Babbage advises to “forget inflation” if you believe no World War III will break out in next 10 years and to anticipate nothing if one believes in the occurrence of war. He lists industries most likely to resort to automation to combat inflated labor costs and names the principal suppliers of automation devices.

Except for intermittent periods of deflation, prices have been rising steadily, but constant inflation for as long as statistics are available. In fact, the reason gold and silver coins cannot be stolen as a hedge against inflation is that they cannot be clipped—the raw materials of which they are made are too expensive. Also, modern electronic controls prevent the clipping of gold or silver coins.

Just now everyone is excited about inflation. Of course, normal inflation will continue; but I anticipate nothing serious unless the policy breaks out. If you believe there will be no inflation for the next 10 years, then forget inflation.

If you do expect such a event, the printing press would have to print the dollar, which would bring its own taxes, especially the income tax on gold, a river, or a lake. Buying stocks now as a hedge against inflation is a poor substitute.

The statement is that there has been no period in American history when inflation accompanied unemployment. Increasing Federal and personal debt is not the only cause of inflation.

One could raise the price of goods with an increased demand for goods. If a former government policy and its increasing support of cheap labor causing more domestic producers, there can be no scarcity of goods.

Automation Is Increasing

Union labor could cause price inflation; however, this action by our manufacturers is fast keeping up with, if not outpacing, imports. The use of photon by printers, of computers by manufacturers, and of other labor-saving devices by business is widely said to be claimed by automation. The labor force will adopt automation at the pace it can be applied to a training. Wise young people should know the success of planning, acting, and financing its adoption.

Wages As Per Cent of Gross Sales, Also As Per Cent Added to Gross

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<th>Industry</th>
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The expression "American enterprise" is often bandied about, but seldom, I suspect, thought of in a logical way. What is so essentially American about our American enterprise?

Montecatini, manufacturers of fluoro-carbons in Italy, hold 72% in European countries.

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We're back in high gear at Chrysler Corporation

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The shortages of '59 Cars of The Forward Look are rapidly ending.
You can now get prompt delivery on the model, color and equipment you want, in the car you want.
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Discover for yourself the difference great engineering makes by driving one of the quality cars of The Forward Look. Your dealer has one waiting now.
A drive will bring out the difference great engineering makes!

Chrysler Corporation

PLYMOUTH • DODGE • DE SOTO • CHRYSLER • IMPERIAL

Built for the 1 man in 4 who wants a little bit more
THE MARKET ... AND YOU
By WALLACE STREETE

Industrials were back toy-
ing with their record peak
this week, the chartvid
evident. A glance over
the chart, with one eye
on the discount rate by the Federal Rese-
serve proving only a one-
day deterrent.

Some of the drugs, elec-
tronics and Thakedo in the
rocket fuel section were the
brightness of the day. None of
the stocks being better at
times, as the mills continued
to hum busily. The fire shares
were also in good demand at
1 times, although Goodyear was
somewhat a reactionist as profit-
taking moved in after
its good climb. U. S. Rubber,
which has been more laggard
than the rest, came to life to
add a new note to the market.
The issue forged to a new peak for 1958-59 but without
yet challenging its 1956 peak.

MOTORS RAGGED

MOTORS were generally ragged in line with the
springing uncertainty over
the prospects of greatly intensi-
fied competition if the Big
Three decide to enter the
car market. The only defi-
nite statement from the top
makers was Chrysler's an-
nouncement that it will make
an attempt to position to get into the field
if General Motors and Ford
do so, but indicated that it will not get into it
first to jump into the picture.

There was considerable skittishness in the state of the market generally.
what with steel consumers
stocking up in case there is a
midyear strike, and with auto
sales lagging. Aircrafts were
not in any great demand and forecasts that Boeing's profit
this year will not be as high as
last year, after falling to $4.01 a share
last year from 1957's $5.28,
was hardly likely to bolster
that part since it was
also a depressed section and had to contend with a
new note when import quotas
were put at 10%.

AN AWAKENING TEXTILE

Textiles have been in their
own doldrums for years and
some of the better ones
showed fat profits running to
51/2% in Indian Merchants
and Manufacturers. The
latter's fastest growing retail
chain, after having been in
a trend after 1955 but snapped
back for the first half of its
first year, now shows that the
company has made a turn in the
better. The company is
well diversified and recently
acquired a plastic film opera-
tion, that, among other things,
has produced a new wall cov-
erg of promise to add an-
other line to United's varied
products.

Rain was quiet and re-
strained for the most with the
carloadings reports showing a
tendency to level off instead
of falling. The railroad supply
companies also were neglected until the extent of the maintenance
work being done in the cur-
rent year is more evident.
Yields in this section tend to
move only by 1/2% in Pullman
despite the fact that the
company has been diversi-
fying into non-rail lines and had a dividend record un-
broken since 1867. In addition to the rail cars Pullman
builds, it also has branched
out into tank trucks and
engineering work to minimize
its dependence on the varying fortunes of the carriers.

DRUGS STIRRING

Drugs stirred occasionally
with tales of new wonder
products lifting prices
another, into the limelight
with Vick rather dominating the
field this week on some
of their listed stocks.
Thakedo Chemical was
also a wide moving item but
here the motivation came
mainly from the drug
work rather than from talk
of new drug preparations.
The latter was available of 20.57, be-
low 39 at the low last
year and this year has sold above
150.

Another skyrocket occa-
nionally is Zenith Radio but
here the earnings record is
rather poor. It was at its peak last year when other companies were
having a rough time Zenith
jumped its sales 22%, profits
around 4-1/2%, so even of
television sets were up
15% while the industry sales
were reaching their lowest
point in nine years. For the
first quarter of this year sales
ran 25% ahead of last year,
although electronic advanc-
ing from last year's low of
68 to 238 has gone for a long
time to discount the good
news. The stock is to split 3-for-1 late in April; a
year ago it was split 2-for-1.

ELECTRONIC BEHIND THE

Amphenol-Borg is one item
in plastics, a group that
haven't been given much
whirl and has been available
at a yield approaching 3 1/2%.
Altogether these early electronic issues were going
into their high-flying act.
Others sold at yields of
offices at 170 South Beverly
Drive, Partners are Robert E.
Cox, Spyros E. Chermak and
K. Rinderhna. Both are former
with Lloyd Arnold & Company.

The company is one of the
more diversified in its field, its
products ranging from
automotive wiring for an all
connection to its electronics items.
The diversification and ab-
orption of George W. Borg
from the Borg Hite Co. was
underwritten by more than
three-quarters of sales to around a
million a year, the first year
on the new bond offering.
Results from the Borg merger haven't been available yet, but un-
questionably, the present
organization has a far
wider vista.

EXPANDING

National Distillers, famed
for its beverage line, has been
making strides in the chemi-
ical field, that for the first
time, nudged past liquid sales.
For all of last year the chemi-
ical activities only accounted
for slightly more than a third
of profits, however. Last
year's results were adversely
affected by inventory adjus-
tment, especially the division
with industrial chemicals in a
definite upsweep, the budding
chemical operation is a candi-
date for a good upswing this
year.

FINANCING COMPETITION

Pears that Ford's plans to
reenter car financing will
pose new competition for
the leading automobile com-
ppanies is part of the rea-
son that finance
shares were well deflated from
their 1958-59 highs and are
now running nearly 5 1/2% in
Commercial credit.
This company recently expanded into fi-
nancing of boats, a booming
field, and should benefit from
the higher car sales im-
portantly. Anti-trust eying of
Ford plans would be a
new doubt whether the plan
will go through. The finance
companies were able to show
strong gains last year when car sales were lower so all
projections of this year's results point to improvement.

Food items have been some-
what neglected lately al-
though National Biscuit is one
service's stock of the month
selection, largely in the hope
that its attempts to diversify
outside the cookie and cracker
field in which it is greatest
benefit to any new merger might be a chance to eliminate the
calling of its $4.50, 3 1/2%,
h. $7 dividend requirement.
The shares at recent prices have offered a return
considerably above the 4
line.

[The views expressed in this article do not necessarily represent those of the author only.]

FORM R. E. BERNHARD CO.

BERKELEY Hills, Cali.—R. E.
Bernhardt & Company, one of
interestings a securities business in offices in 176 South Beverly
Drive, Partners are Robert E.
Bartels, Sporos, Charles E.
Rinderhna. Both were formerly
with Lloyd Arnold & Company.

TINKER

Edward R. Tinker
New York financier and industrial ad-
visor, was appointed March 1 at Bal-
nington & Spring to work as
financial advisor to
S. W. Chotelding, director of the
International Bank and was at
time chairman of the executive
commitee, chairman of the Chase
Se-
curities Company, which
organized.

After the first World War Mr. Tinker
was the leading financial
advisor to numerous public
utility reorganizations and
major projects in which he had a
part was the reorganization of
Arnold & Company.

In 1927, at the age of 49, he
retired from the bank but retained
an numerous industrial directorships.
Tinker also worked as financial
-advisor to the Chase National
Bank to accept temporarily the Sixth Street.

Martin & Company

FORMED IN DETROIT

DETROIT, Mich.—Thomas Martin has formed Martin and Company
with offices in the Bul-Whay Building, which also houses
the Michigan Municipal Bank. Associated
with Thomas Martin and George H. Hunt, Jr.

Blyth Adds to Staff

LOS ANGELES, Cali.—A. H.
Hay, who has been added to the staff
as first vice-president of the Chase
National Bank to accept temporarily the Sixth Street.
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THE MARKET . . . AND YOU
By WALLACE STREETE

Industrials were back toy¬
ing with their record peak this week, which was an over¬
shot of the latest boost in the Federal Reserve prov¬ing only a one¬
day deterrent.

Some of the drugs, elec¬
tronics and Thiolok in the rocket fuel section were the brightness, but the steel does doing better at times as the mills continued to hum busily. The tire shares were still up good amount of times, although Goodyear was a so much that reactionary as Ford moving back in after its good climb. U. S. Rubber, which has been more lagged than the rest, came to life to add a new note that it does not show. The issue forged to a new peak for 1958-59 but without yet challenging its 1956 peak.

Movers Ragged

Movers were generally ragged. Although there was recovering uncertainty over the prospects of greatly intensi¬fied competition if the Big Three decide to enter the small car field. The only defini¬tive statement from the top* makers was Chrysler's an¬nouncement that it will have to position to get into the field if General Motors and Ford decide to do so, but indicated that it does not expect to reenter the picture.

Another speculation, however, over the state of the market is what with steel consumers stocking up in case there is a midyear strike, and with Autolite sales lagging. Aircrafts were not in any great demand and forecasts that Boeing's profit this year would rise 25% to $220 million, although falling to $4,01 a share last year from $5,35, was hardly likely to bolster that part, but with 911 s also were a depressed section and had to contend with a new note when import quotas were put 25%. Awaiting Textile

Textiles have been in their own doldrums for years and some of the better ones showed fat yields running to 35% in the chemicals, merchants and manufacturers. The latter's fastest growing retail chain, Robert Hall, continues to draw more than ever at a trend after 1955 but snapped back for the first half of its fiscal year to indicate that the textile market is not as large as the better. The company is well diversified and recently acquired a plastic film opera¬tion that, among other things, has produced a new wall cov¬ering of promise to add another line to United's varied products.

Basis were quiet and re¬strained for the most with the carloadings reports showing a tendency to level off inspite of the hogs. The railroad supply companies also were neglected until the extent of the settlements won by the carriers this year is more evi¬dent. Yields in this section to more than 61 2/3 in Pullman despite the fact that the company has been diversi¬fying into non-rail lines and had a dividend record un¬broken since 1867. In addition to the rail cars Pullman builds, it also has branched into wall and floor tile and engineering work to minimize its dependence on the varying fortunes of the carrier.

Drugs Stirring

Drugs stirred occasionally with tales of new wonder cures. In another, into the limelight with Bicl rather dominating the field this week on some old ways. Thiolok Chemical was also a wide moving item but here the motivation came with a new product rather than from talk of new drug preparations. The latter was available at the equivalent of 20 in 1957, be¬low 39 at the low last year and this year has sold above 150.

Another skyrocket occa¬sionally is Zenith Radio but here the earnings record is still one that looks much like the time when other companies having a rough time Zenith jumped its sales 22%, profits 43% in one year, even though television sets were up 15% while the industry sales were reaching their lowest point in nine years. For the first quarter of this year sales ran 23% ahead of last year, although the stock in advance¬ing from year low of below 68 to above 238 has gone a long way to discount the good news. The stock is to be split 3-for-1 late in April; a year ago it was split 2-for-1.

An Electronic Behind the Market

Amphenol-Borg is one in the electronics lineup that has gone into high gear at the same time when dividend-less electronics are going into their high-flying act. Others sold at yields of around 7 1/2% on the basis of this yardstick Amphenol is the behind-the-market item. The company is one of the

more diversified in its field, its products ranging from mini¬ature electronic parts to large power stations in addi¬tion to its electronics items. The diversification and ab¬sorption of the heeded Borg Corp., late last year has re¬duced from more than three-quarters of sales to around a half by the end of its fiscal years. The railroad contracts, resul¬ts from the Borg merger haven't been available yet, but un¬der the circumstances the present organization has a far wider vista.

Expanding National Distillers, famed for its beverage line, has been making strides in the chemi¬cal field that, for the first time, nudged past liquid sales. For all of last year the chemi¬cal activities only accounted for slightly more than a third of profits, however. Last year's results were adversely affected by inventory adjustments out of the strike. But with industrial chemicals in a definite upswing, the budding chemical operation is a candi¬date for a good upswing this year.

Auto Financing Competition

Fears that Ford's plans to reenter car financing will pose new competition for the companies are part of the reason that finance shares were well devalued from their 1958-59 highs and had run down lately running nearly to 5% in Com¬mercial credit. This company recently expanded into financ¬ing the car field, and should benefit from the higher car sales import¬antly. Anti-trustuying of Ford's plans to reenter the field, a new doubt whether the plan will go through. The finance companies were able to show that they have first call when car sales were lower so all projections of this year's results point to improvement.

Food items have been some¬what neglected lately al¬though National Biscuit is one service's stock of the month selection, largely in the hope that its attempts to diversify outside the cookie and cracker field in which it is primarily interested, some benefit to any new merger might be a chance to eliminate the non¬callables on one of its new, high, $7 dividend require¬ment. The shares at recent prices have offered a return comfortably above the 4% line.

[The views expressed in this article do not necessarily at any point reflect the opinions of The Commercial & Financial Chronicle. They are presented as those of the author only.]

Form R. E. Bernhard Co.

BEVERLY HILLS, Calif. — R. E. Bernhard Co., a los¬ing a securities business from offices at 170 South Beverly Drive. Partners are Robert E. Bernhard, Jr. and Marcus K. Bihlembach. Both were formerly with Lloyd Arnold & Company.

Edward R. Tinker

Edward Richardson Tinker, New York financier and industrial ad¬visor, passed away March 1 at Bal Harbour, Fla.

For some years Mr. Tinker was executive director of the Commercial National Bank and was at one time chairman of the executive com¬mittee of the Chase Manhattan Bank and chairman of the Chase Se¬cond National Bank, which he organized.

After the first World War Mr. Tinker served as chairman of the financial advisory committee of the Meno¬ra Committee, a body which was a part of the organization of American Jewish charities.

In 1927, at the age of 49, he retired from the bank last retained 11 industrial directors.

In 1963 he was recalled from the bank to serve as chairman of the Commercial National Bank to accept temporarily the Sixth Street.

Inflation Psychology Persists

The sharply reduced volume of corporate bond offerings, along with the absence of a new long-term Treasury issue, to¬gether with further expected short-term Treasury issues at current levels of interest rates, were being predicted by some market money market specialists for later on this week. This is in line with the other short-rate trends and it could be that the central bankers are using the short rates to keep the long rates in line. At this time, the Federal Reserve Banks probably will have cleared the money market of many of its uncertainties, ahead of the Treasury auction which is to be announced by the 23rd of this month.

Also, the money market, the Federal Reserve Banks indicate that they are still very much concerned with the inflation problem and its effects upon the purchasing power of the dollar as well as the economy as a whole.

Long Treasury Issue Strong Possibility

The fact that prices in the capital market had tended to improve was due mainly to smaller corporate bond offerings and the absence of a long-term Treasury bond issue. Government bonds for either refunding or new money raising purposes are the funds that the Treasury may consider for a possible long-term issuance. The prospects for an issue of $5 billion are too much as agreement as to the future policy of the Treasury in its refunding and new money raising ventures, since there are not enough funds on the market for a long-term issue. The market will bring with it an offering of long-term Government obligations. If the Treasury is able to increase the maturity of the debt and at the same time be able to have these issues go into the hands of the ultimate buyer. By this method, the market can be provided with supply or deposits and in this way the forces of inflation would be checked.

Even though the Treasury may not resort to the flotation of a long-term issue to finance its new needs and for refunding purposes in the near future there is always the threat that this will take place and, accordingly, it is the opinion in some quarters that this is the reason for the rise in the price levels of 10-20 points, that the most distant Governments will have. It is well known that the Treasury will tailor its issues to meet the preva¬lancing amount of money in the hands of the public, and this is less which offers the greatest advantage to them as time goes on. It is difficult to say whether the funds used for what ever purpose the Government may choose.

Short-Term Aderhents

On the other hand, there are beliefs around that the Treasury will continue to rely mainly on the short- and intermediate maturities, with the longest issues limited to be not more than five years in length. It is evident that there is an appetite for the Government obligations which carry in face of the higher discount rate and increased offerings of the Treasury, but the short-run interest rate would persist and should be some lessening in the liquidity preference idea it might be that the Treasury could get away with a short note maturity for some of its operations. As against this, there is the inflation psychology which generally carries with it, the uncertainty that mean-term liquid issues for stability and the hedge they provide.

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Marin & Company

Furnished in Detroit

DETROIT, Mich. — J. Thomas Martin has formed Martin & Company with offices in the Buhl Building, dealing in municipal bonds. Associated with Mr. Martin are George C. Zoffman and George H. Hunt, Jr.

Blyth Adds to Staff

LOS ANGELES, Calif.—A. G. T. Hay has been added to the staff of Blyth & Co., Inc., 215 West Sixth Street.
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RESEARCH AND DEVELOPMENT
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ELECTRONICS
— "growing room" for transistors

HIGH-VOLTAGE TRANSMISSION
— more power to America

COMMERCIAL JET ENGINES
— for the new jet liners

STEAM TURBINE-GENERATORS
— world's largest

COMPUTERS— for industry, a big potential

LEXAN® PLASTICS— a new business

HOME PRODUCTS— new concepts

THE "SYSTEMS APPROACH"
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PRODUCT QUALITY AND SERVICE
— emphasis on after-sale service

of home products

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BUSINESS CLIMATE IMPROVEMENT
— to enable business to make
its full contribution

NUMBER OF SHARE OWNERS
— rises to an average of 395,493

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GENERAL ELECTRIC
Where Commercial Banks Err In Attacking Savings Banks

By GROVER W. ENSLEY

Executive Vice-President, National Association of Savings Banks, N. Y. City
Former Executive Director of Congressional Joint Economic Staff

Savings banks' spokesmen trenchantly arraigns economic fallacies and unsupported arguments said to be levied against mutuals by commercial banks. Their case is based: (1) charges that proposed tax on mutuals is unwarranted and would cost more in savings-loss than gain in tax-revenues; (2) rebuts new monetary theory that thrift banks may win 5% or more inרגש fees; (3) offers comparison of mutuals and banks on both institutions; (4) a claim that thrift banks provides more funds for personal consumption and business necessities; (5) that the tax proposal will not reduce deposits to the total benefit of all. In many broad areas, mutual thrift institutions and their competitors have common interests and goals. We are all concerned, for instance, about the rising cost of living that interstallantly threatens the economic system. Furthermore, we are all seeking ways to maintain the purchasing power of our dollar. Moreover, each of the main types of financial institutions depend in some way or another on each other in the well-being of the others. Ill-considered and sweeping attacks on any type of mutual thrift institution can do much harm, not only to the institution itself, but to the financial community at large.

Commercial bank spokesmen are saying that thrift banks are "Johnny-come-lately" to the thrift business, that they are not new to the game but that they have grown up in the key role of credit in our economy. They do not recognize the importance of the thrift, the group of institutions that has served our national needs in the World War II economy. Our banks, they believe, have a genuine interest in these institutions; the same interest that one can fairly expect any group of citizens, no matter how well established and respected, would have in the safety of its own credit and its ability to attract savings. Furthermore, as we consider the question of financial stability, there is the awareness of the prudent opportunity for expansion of thrift banks and the need for a new approach to the problem of saving for the consumer over the debtors in our economy.

The thrift business has been the subject of much discussion in the past, but little has been said about the present status of the problem. The recent passage of the Federal Reserve Act of February 1935, which established the Federal Reserve System, has introduced a new element into the discussion. The new system has been characterized by a more vigorous pursuit of thrift and a more active movement towards thrift. The banks have been encouraged to establish credit unions and similar institutions as part of a program of thrift and savings.

To date, the Federal Reserve has taken a position of encouragement toward thrift. It has noted the growth of thrift institutions and the effectiveness of thrift in promoting the economy. The banks have been encouraged to establish credit unions and similar institutions as part of a program of thrift and savings.

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The thrift business has been the subject of much discussion in the past, but little has been said about the present status of the problem. The recent passage of the Federal Reserve Act of February 1935, which established the Federal Reserve System, has introduced a new element into the discussion. The new system has been characterized by a more vigorous pursuit of thrift and a more active movement towards thrift. The banks have been encouraged to establish credit unions and similar institutions as part of a program of thrift and savings.
A new doctrine, "Stop" and "Go" signals, produced by changes in Federal Reserve discount rates and open market operations, elicit a quick and powerful response in the willingness and ability of savings banks and other institutions to make advance commitments for mortgages and corporate securities. Changes in the volume of new commitments, in turn, affect the flow of funds into construction and corporate capital investment in ways that conform with the objectives of monetary policy. More changes in interest rates, produced by a combination of market influences and Federal Reserve actions, exert an important influence on savings bank investment policies. Such changes bear upon the willingness to shift funds between U.S. Government securities "on the hand" and mortgages and corporate bonds on the other hand, and thus affect the volume of funds flowing into the private sectors of the economy.

In addition, the line of reasoning of the advocates of financial control has certain basic flaws. It fails to recognize that, in the short-run, both the eagerness of thrift institutions to attract savings and the willingness of individuals to reduce their checking account balances in favor of life insurance policies or other so-called "near money," are relatively constant. Certain advocates of controls advance no evidence that the behavior of thrift institutions and individual savers conforms to their theories. Moreover, they fail to indicate convincingly why thrift institutions, which are only one among the many factors that may have an effect on the velocity of money, should be singled out for special Federal controls.

These proposed controls, and the theories on which they are based, also raise broad questions with respect to the role of monetary policy in a free enterprise society. One of the chief advantages of monetary policy, aside from its effectiveness, is the impersonal nature of its influence, and the large area of freedom of choice it leaves to private initiative. The broadening of controls to cover mutual thrift institutions, would go far beyond the limits of traditional monetary policy, and would get into the area of control of lending and investment policies of numerous different types of institutions. Rather than a mere

Continued on page 20
Where Commercial Banks Err
In Attacking Savings Accounts

extension of monetary policy, the proposal is
not a substitute for a major and unwarranted
and non-undermining economic program into the
financial system.

The Basic Problem and Its Roots
In this situation, the central challenge facing this nation, it
should seem clear to all, is whether we can significantly
alter the usually low and disappointing real-world rates of
economic growth without raising the Federal Reserve's
forces of inflation. That we have not been entirely successful in
meeting these objectives in recent years is not perhaps
the fault of the Federal Reserve itself. The reasons for our failure go
well beyond the structure of our monetary institutions. Certainly,
proposals to change our financial machinery through increas-
ing the regulation or punitive taxation of thrift institu-
tions—whether with the mutual form of organization—
hardly provide the answer.

In large part the problem stems from a resignation to the inevi-
tability of the inflationary process. The public desires to recognize its threat—precipitating the worst of the costs of busi-
ness, labor, and consumers, and some Federal legislators, which results in more inflation and deeper inflation into our economic system. At the same time, the broad program of grants to
root education is essential to drive home to the market the need for inflation strikes at the very heart of our society and freedom, and that our monetary and fiscal policies are determined and able to combat
this economic scourge at all costs.

Such a broad educational program should have as its aim the utilization of mass media to reach consumers, in a determined effort to develop new and innovative financial instruments and programs designed to foster business growth. Labor must be made aware of the harmful effects, to itself, of inflation, which
makes people eager to buy at high prices. Business must understand the evils of a rigid price structure which results in reduced competition and depressed forces. Consumers must understand the importance of the price system and their own future security, and for the nation, the importance of a stable general price level. All must be ed-
curated to the urgency of a Fed-

The Chairman of the Board of Governors, Mr. William McChesney Mar-
tin, Jr., summed it up neatly when he made a recent statement to the Joint Economic Com-
mittee that:

"...among potential inflationary factors, first, perhaps foremost, beyond the Federal Government, is the monetary policy of the Federal Reserve. As the monetary policy is, the monetary system is, so is the economy of this country. What is the monetary policy of the Federal Reserve? It is the policy of the Federal Reserve to control the money supply and the credit of the country, and to maintain price stability and full employment. The Chairman of the Board of Governors is the person who is responsible for the formulation of that policy.

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The Need for Unity
The current controversies between commercial banks and mutual thrift institutions are the result of a conflict of interests and promote effective government policies national economy.

There is no reason why mutual thrift institutions cannot compete with other institutions and benefit both consumers and banks. Such competition will strengthen both industries and enable it to continue to evolve and to remain a valuable and dynamic force in our expanding economy.

It would indeed be shortsighted and self-defeating for the enactment of legislation designed to penalize mutual thrift institutions to be interpreted as a measure to raise a mountain of opposition, and to undermine the interests of thrift institutions themselves, but also those of the investing industry and from home owners. Unwarranted attacks on mutual thrift institutions are not for the public interest.

D. T. Moore Partner

On April 1st Henry L. Kimboll will become a limited partner in the firm of D. T. Moore & Co., 20 Broad St., New York City, members of the New York Stock Exchange.

Louis E. Weed, President of the Merchants National Bank & Trust Company, 25 Broad St., New York, N. Y., has been appointed a member of the Advisory Committee of the Company's Brooklyn Trust Office, 36-37 Main St., Brooklyn, N. Y.

Charles Morris, Chairman of the trust company, made the announcement. Mr. Weed has been associated with East Brooklyn Savings Bank since 1924. He has been a director of the Central Trust Company, Treasurer, Executive Vice-President before being elected President in 1951.

Mr. Weed joined Metuchen Bank, New Brunswick, N. J., in 1924, where he held various positions with the bank and was elected as the President in 1951.

The First National Bank of New York, Salts, New York, has been appointed by the President to its Executive Committee, and the Company's executive offices are located at 20 Broad St., New York, N. Y.

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Federal Reserve Bank of St. Louis

The First National Bank of Lew-

The common stock capital of

The common stock capital of

The First National Bank of Port

Tom B. Coppers has been elected Executive Vice-President and Senior Executive Officer for

Ed. McCormick Named

Federal Land Banks

Sothern Forms Co.

Sothern Forms Co.

Public Planning Services

Personal Planning Services, Inc.

Chase Manhattan Group

Chase Manhattan Bank

Net proceeds from the financing

Net sales of Continental Motors and its consolidated subsidiaries, Wisconsin Motor Corporation and Gray Marine Motor Company, totalled $131,415,279 in the fiscal year ended October 31, 1958. Comparable figure for the previous fiscal year was $135,610,890.

Net earnings in 1958 were $3,536,528, as compared with $3,583,301 in the preceding fiscal year. Net earnings were $1.07 per share.

Diversification of product continued on important factor in maintenance of the company's volume of sales for a year in which business in general was reduced.

The company's list of manufacturing customers has been further expanded in 1958, as has the line of engines needed to meet customer requirements.

Wisconsin Motor Corporation returned substantial earnings in spite of reduced volume, and its outlook for 1959 is good.

Gray Marine Motor Company introduced important new models, and in spite of the expense incurred in new model introduction, showed a profit in 1958. It also increased its representation in inboard boats, both in this country and abroad.

Continental Aviation and Engineering Corporation experienced its best year to date, with net earnings of $1,349,740 as compared with $597,353 in 1957.

Two new turbojets have been released for production in 1959. The company's fine showing is ascribed to improved operating efficiency, the effect of product improvements and cost reduction programs, and benefits of the first full year's operation with complete production facilities and tooling at the Toledo plant.

Major developments in the Multi-Fuel and Compression Ignition Engine programs, covering a wide range of liquid-cooled cost reduction programs, and benefits of the first full year's operation with complete production facilities and tooling at the Toledo plant.

Two of the Military Standard engines developed for the company's Lyndon Avenue facility in Detroit are now in volume production, an educational contract for a third model in this series has been received, and two additional models are scheduled for production later in the year.

Continental aircraft engines set two important new world records in 1958. A single-engine Beechcraft Bonanza with the new Continental system of fuel injection flew 7,000 miles from Miami to Pendleton, Ore., for a world distance record, and a Cessna 172 with Continental 0-300A engine remained aloft at Dallas for 50 days, flying the equivalent of four times around the globe.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>1958</th>
<th>1957</th>
<th>1956</th>
<th>1955</th>
<th>1954</th>
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<tbody>
<tr>
<td>Engine output (horsepower)</td>
<td>20,193,877</td>
<td>18,549,655</td>
<td>17,383,943</td>
<td>16,176,597</td>
<td>14,657,527</td>
</tr>
<tr>
<td>Net sales</td>
<td>$13,415,279</td>
<td>$12,615,890</td>
<td>$12,116,269</td>
<td>$10,456,855</td>
<td>$10,981,493</td>
</tr>
<tr>
<td>Net earnings</td>
<td>$3,536,528</td>
<td>$3,583,301</td>
<td>$1,212,704</td>
<td>$1,245,460</td>
<td>$1,349,740</td>
</tr>
<tr>
<td>Net earnings per common share</td>
<td>$1.07</td>
<td>$1.06</td>
<td>$0.69</td>
<td>$0.70</td>
<td>$0.80</td>
</tr>
<tr>
<td>Dividends per share</td>
<td>$0.55</td>
<td>$0.30</td>
<td>$0.25</td>
<td>$0.70</td>
<td>$0.80</td>
</tr>
<tr>
<td>Current assets</td>
<td>$34,101,397</td>
<td>$34,645,365</td>
<td>$35,928,745</td>
<td>$35,118,370</td>
<td>$36,747,596</td>
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<tr>
<td>Current liabilities</td>
<td>$21,289,109</td>
<td>$20,598,907</td>
<td>$20,304,639</td>
<td>$27,553,219</td>
<td>$35,667,676</td>
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<tr>
<td>Net working capital</td>
<td>$12,812,288</td>
<td>$13,045,458</td>
<td>$15,624,106</td>
<td>$9,664,351</td>
<td>$10,092,916</td>
</tr>
<tr>
<td>Ratio of current assets to current liabilities</td>
<td>1.7 to 1</td>
<td>2.0 to 1</td>
<td>2.1 to 1</td>
<td>2.1 to 1</td>
<td>1.9 to 1</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>$3,355,000</td>
<td>$2,480,000</td>
<td>$2,760,000</td>
<td>$3,040,000</td>
<td>$3,320,000</td>
</tr>
<tr>
<td>Property, plants and equipment (net)</td>
<td>$15,123,097</td>
<td>$16,223,841</td>
<td>$16,547,301</td>
<td>$17,219,239</td>
<td>$16,654,419</td>
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<tr>
<td>Stockholders' equity</td>
<td>$49,270,325</td>
<td>$47,557,424</td>
<td>$45,129,523</td>
<td>$44,349,399</td>
<td>$44,157,312</td>
</tr>
<tr>
<td>Bank cash per common share</td>
<td>$14.93</td>
<td>$14.41</td>
<td>$13.48</td>
<td>$15.44</td>
<td>$13.38</td>
</tr>
</tbody>
</table>
Soutendijk to Join
Brown Bros. Harriman

L. R. W. Soutendijk, presently
Financial Counselor to the Neutra
tic Bank of New York, is to
be appointed to the Post of
International Financial Coun-
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Harriman & Co., New York 
City.

Dedicated to Join New York Stock Exchange

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fense spending going to be concentrated on traditional types of equipment? Its aircraft or missiles? What is the government's profit retention policy and depreciation allowances? Since state and local government operations include services, the question of spending on the part of these highways, schools, and hospitals, is also important.

However, of even greater importance is the distribution industries. Total sales of durable goods amount to almost $200 billion. It is the largest component of our total gross national spending. Opportunities in this field have not been adequately explored, but it would seem that there is available the wrong yardsticks to measure the current and potential needs of consumers. A growing America in terms of a middle-income-wage-earner class is changing the scene for the average man. As more and more women become employed, and all the facts have revealed, increased liberal spending in supermarkets, more liberal buying of packaged foods, and more liberal spending for semi-luxuries and luxuries. Our current economy implies an expansion in demand for better merchandise and less emphasis on price alone. There is no apparent danger of this at the present time. It is favorable to the large distributors such as Sears, J. C. Penney, who are adequately diversified and flexible to meet not only the needs of the growing middle class and at the same time enter the lower income class.

There have been substantial increases in values of distribution securities, but as compared with some of the “growth” stocks, these have lagged. Many of the service industries provide investment opportunities. Among these are the utilities and hotels. The new service that will be rendered by the hotels will be the offering of the credit card. Although this may be a temporary phenomenon, it is not a phenomenon that is not actually of recent origin. It is a manifestation of the honesty of the American public and the fact that consumer credit, or credit in any form is an excellent investment. There are a number of credit companies, or finance companies, in the country, which is more specifically, which should show good growth. Those are, in conjunction with the Big Board, as well as the American Stock Exchange.

The service industries which have been able to increase productivity are those which have taken advantage of the technical advances. The most recent developments in this area have been the electronic data processing machines, which have a future in finance, insurance, government, and large retail stores. There are also tremendous possibilities in the housing, where electronic controls speed the flow of goods, type, the bills, etc.

Not only since the book, “A Changing America,” was published, but even before that, the question was raised, are all of America’s needs so well supplied? My answer is no. The service industries will continually go through changes in the next decade may be as dramatic as they have in the past decade.

Conclusions

A changing America should provide regular profits, particularly to imaginative individuals. We have heard a great deal of the golden Sixties. Rather than to speak of the glowing Sixties I would be more inclined to emphasize the opportunities that are available, and the land that is not plowed in quantity.

There is little doubt of the impact of the changing America on the market. A large part of it has already been reflected in the record new highs which have been recorded. However, they have not necessarily reflected the long-term prospects which will be an offshoot of a changing America. Not all industries or companies which have been in the vanguard in past years will continue so. On the other hand, those which have lagged may begin to reflect this dynamic trend. What have I tried to highlight is a few of the most significant economic and social developments which are important and will become even more important as time goes on.

In making investment decisions on the basis of the foregoing, let me point out that the choice of the individual company is as important or even more so, than picking the industry. I would strongly urge that you apply the normal yardstick for investment such as history of the company, current management, financial position, expenditures for research and development and other basic indicators.

In closing, may I state that the stock market is in a critical period, since by all standards it is very high. Yet who would dare say that it is too high. Based on the potential of the next five to ten years of a changing America, with all its dynamic features?

Van Clief Investments
UNION CITY, N. J.—Van Clief Inc., has been formed with offices at 415 Second Street to engage in a securities business. Officers are Anthony Van Clief, President; Ruth Van Clief, Treasurer; and Sophie Dite, Secretary.

Forms Walker & Co.
TYLER, Tex.—Harold H. Walker is engaging in a securities business, from offices in the People's National Bank Building, under the firm name of Walker & Co.

ABA Film Now Available

The American Bankers Association's newest educational film, “A Man to Know,” released last fall for television broadcast exclusively, has now been made available for purchase by member banks and bank groups for local showings. Prints of the 13-minute black-and-white, 16-mm sound film, which was designed to dramatize the wide variety of services offered by commercial banks and to build a friendlier “image” of the nation's banks and bankers, may be purchased from the Public Relations Council, American Bankers Association, 12 East 36 Street, New York 16, New York. The cost is $50. A leader identifying the sponsoring bank or bank group may be obtained for an additional $10.

The film makes use of a documentary technique to show how a small-town banker is able to stop in at crucial times to help the people of his community. The banker's role is shown in a series of flashbacks. While the film depicts the experiences of only three people, it is made clear that there are countless similar stories in every community, and others can benefit from their banks' services in the same way as the characters portrayed.

Wineman, Weiss Partner
Wineman, Weiss & Co., 61 Broadway, New York City, members of the New York Stock Exchange, on April 1 will admit Stephen L. Joseph to partnership.

Benificial
Reports for 1958

- More than 1,500,000 families served
- Milestone of 30,000,000 loans reached
- Earnings at new record high

For the fourteenth consecutive year the earnings of the Beneficial Finance System recorded a new high—every year since the end of World War II. During the year a new milestone was reached—30,000,000 loans totaling $7,800,000,000. This covers the period beginning in 1929, the year of incorporation of Beneficial Finance Co.

The small loan service provided by Beneficial has been the answer to the financial problems of many millions of families, by advancing the cash needed to refinance bills already incurred, to pay medical expenses, and to help through a temporary cash emergency.

... a Beneficial loan is for a beneficial purpose.

HIGHLIGHTS 1938 1957

Net Income $21,731,164 $20,152,232

Net Income per Common Share $2.07 $1.91

Cash Dividends per Common Share $1.00 $0.95

Total Assets $521,551,077 $511,768,524

Amount of Loans Made $712,861,626* $754,673,124

Number of Offices 1,142 1,089

Instalment Notes Receivable (under existing Uniform Statutes) $509,642,263 $492,742,936

*Adjusted to prevent capitalization.
**Principal only—commencing in 1958 unpaid discount (approximately $30,000,000 for the year) is being excluded.

The information contained herein should be read in conjunction with the financial statements and notes appearing in the 1958 Annual Report to Stockholders. A COPY OF THE REPORT WILL BE FURNISHED UPON REQUEST.
## New Issues

![Image of state capitol buildings]

### $100,000,000

**STATE OF CALIFORNIA**

5%, 3¾%, 4%, 3¼% and 3½% BONDS

---

### STATE CONSTRUCTION PROGRAM AND VETERANS' BONDS

#### Payment and Registration

Principal and semi-annual interest (June 1 and December 1) for the $50,000,000 State Construction Program Bonds and (April 1 and October 1) for the $50,000,000 Veterans' Bonds payable, at the option of the holder, at the office of the Treasurer of the State of California in Sacramento, California, or at the office of any duly authorized agent of the State Treasurer, including the agent of the State Treasurer in New York, N. Y. First coupon payable June 1, 1959, on the $50,000,000 State Construction Program Bonds. Coupon bonds in denominations of $1,000, payable only as to both principal and interest.

#### Redemption Provisions

State Construction Program Bonds maturing on and after December 1, 1980, are subject to redemption at the option of the State, as a whole or in part, on December 1, 1999, (but not prior thereto) and on any interest payment date thereafter, at the principal amount thereof and accrued interest thereon to date of redemption. Veterans' Bonds maturing on and after October 1, 1980, are subject to redemption at the option of the State, as a whole or in part, on October 1, 1999, (but not prior thereto) and on any interest payment date thereafter, at the principal amount thereof and accrued interest thereon to date of redemption. Publication of notice of redemption shall be once a week for two weeks not less than 30 days nor more than 90 days prior to said date of redemption, in each of the Cities of San Francisco, Sacramento and Los Angeles, California. If less than all the bonds should be redeemed, they shall be called in inverse numerical order, the part so called not less than all the bonds maturing in any one year.

#### Tax Exemption

In the opinion of counsel, interest payable by the State upon its bonds is exempt from all present Federal and State of California personal income taxes under existing statutes, regulations and court decisions.

#### Legality for Investment

We believe these bonds will meet the requirements as legal investments for savings banks and trust funds in New York, California and certain other states and for savings banks in Massachusetts and Connecticut and will be eligible as security for deposits of public moneys in California.

#### Purpose and Security

State Construction Program Bonds, issued under the State Construction Program Bond Act of 1955 (Statutes 1955, Chapter 1709) and Section 4.5 of Article XVI of the Constitution of the State of California, for various construction program purposes, in the opinion of counsel are general obligations of the State of California payable in accordance with the State Construction Program Bond Act of 1955, and the General Fund of the State, The full faith and credit of the State of California, and pledged for the eventual payment of both principal and interest. The bonds are authorized for the purpose of providing the necessary funds to make

---

### Issues, Amounts, Rates, Maturities and Yields or Prices

<table>
<thead>
<tr>
<th>Issue</th>
<th>Amount</th>
<th>Rate</th>
<th>Maturity</th>
<th>Yield</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>State Construction Program Bonds, Act of 1955, Series A</strong>&lt;br&gt;Dated: March 1, 1959&lt;br&gt;Due December 1, 1960-84, incl.</th>
<th>$1,600,000</th>
<th>5%</th>
<th>1960</th>
<th>1.90%</th>
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</thead>
<tbody>
<tr>
<td>$1,600,000</td>
<td>5%</td>
<td>1961</td>
<td>2.20</td>
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<tr>
<td>$1,600,000</td>
<td>5%</td>
<td>1962</td>
<td>2.45</td>
<td></td>
</tr>
<tr>
<td>$1,600,000</td>
<td>5%</td>
<td>1963</td>
<td>2.70</td>
<td></td>
</tr>
<tr>
<td>$1,600,000</td>
<td>5%</td>
<td>1964</td>
<td>2.90</td>
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<tr>
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<td>1965</td>
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<td>1966</td>
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<td>1967</td>
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<tr>
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<td>1968</td>
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<td>1971</td>
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<td>1972</td>
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<td>1973</td>
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<td>1975</td>
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<tr>
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<td>1977</td>
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<td>$1,600,000</td>
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<td>1978</td>
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<td>1979</td>
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<tr>
<td>$1,600,000</td>
<td>5%</td>
<td>1981</td>
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<td>5%</td>
<td>1982</td>
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<tr>
<td>$1,600,000</td>
<td>5%</td>
<td>1983</td>
<td>5.85</td>
<td></td>
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<tr>
<td>$1,600,000</td>
<td>5%</td>
<td>1984</td>
<td>6.00</td>
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<th><strong>Veterans' Bonds, Act of 1956, Series B</strong>&lt;br&gt;Dated: April 1, 1959&lt;br&gt;Due October 1, 1960-84, incl.</th>
<th>$1,300,000</th>
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<td>1973</td>
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<td>1974</td>
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<td>$1,300,000</td>
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<td>1975</td>
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<tr>
<td>$1,300,000</td>
<td>5%</td>
<td>1976</td>
<td>4.80</td>
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<td>$1,300,000</td>
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<td>1977</td>
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<td>5%</td>
<td>1983</td>
<td>5.85</td>
<td></td>
</tr>
<tr>
<td>$1,300,000</td>
<td>5%</td>
<td>1984</td>
<td>6.00</td>
<td></td>
</tr>
</tbody>
</table>

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### Tax Gain, Amortization of Premium

These bonds will be eligible issued by the State of California as tax exempt securities.
Bank of America
Bankers Trust Company
The Chase Manhattan Bank
The First National City Bank of New York
The First National Bank of Chicago
Lehman Brothers
American Trust Company of New York
The Northern Trust Company
San Francisco
San Francisco

Harriman Ripley & Co.
Harris Trust and Savings Bank
Smith, Barney & Co.
Continental Illinois National Bank and Trust Company of Chicago
Merrill Lynch, Pierce, Fenner & Smith
Equitable Securities Corporation

Chemical Corn Exchange Bank
C. J. Devine & Co.

Eastman Dillon, Union Securities & Co.
Bear, Stearns & Co.

Seattle-First National Bank

Paline, Webber, Jackson & Curtis
Mercantile Trust Company

American Securities Corporation
Bache & Co.

First of Michigan Corporation

Lee Higginson Corporation
Carl M. Leob, Rhoades & Co.

Stroud & Company
B. J. Van Ingen & Co. Inc.

Francis I. du Pont & Co.
Estabrook & Co.

Adams, McEntire & Co., Inc.
Bacon, Stevenson & Co.

Wachovia Bank and Trust Company
G. H. Walker & Co.

Bramhall, Fallon & Co., Inc.
F. W. Craigie & Co.

Newhard, Cook & Co.
New York Hanseatic Corporation

Chas. E. Weigold & Co.
R. D. White & Company

Julien Collins & Company

Hayden, Miller & Co.
Industrial National Bank of Providence

Moore, Leonard & Lynch
Mullaney, Wells & Company

Wood, Gundy & Co., Inc.

Dittmar & Company, Inc.
Elkins, Morris, Stokes & Co.

Mc Cormick & Company, Inc.

The Robinson-Humphrey Company, Inc.

Atkinson and Company

Cumberland Securities Corporation

Federation Bank and Trust Co.

McDonnell & Co.

Rockland-Atlas National Bank

Talmage & Co.

March 12, 1929

A circular relating to these bonds may be obtained from any of the above underwriters, as well as other underwriters not shown whose names will be furnished on request.
NASC Announces Appointments of National Committees

WASHINGTON, D.C.—Alexander Yearley, IV, Chairman of the Board of Governors of the National Association of Securities Dealers and partner of Balfour Bank in New York, has announced new appointments to National Committees of the Association.

NATIONAL COMMITTEES

The staff of the President has naturally, made a very thorough investigation of the different historical situations, over the years since 1860. Our investigation convinces us that, in the past, annuitants would have faced well for their retirement plans, both of life insurance and variable annuities. The combined income from the two types of annuities has provided a fairly constant amount of purchasing power throughout, except about every 50 years or so, much one case.

Unfortunately, this last form of sharing has been interjected, and this new one has an annual fixed dollar income of $25,000, which is less than a fixed dollar retirement income, which has been averaged by a balanced investment strategy (half fixed) from age 45 to age 65. While the same total contributions would have been increased by retirement, we have received a retirement income of more than $40,000—enough to live on in his position of community.

Other pension plans using variable annuities, in addition to the airline pilots and the employees of Wisconsin state governments. Last year variable annuities were part of the retirement plan for the dollars state employees, including teachers. In total, over 1000,000 people now have variable pensions.

There are three U.S. insurance companies now offering variable annuity contracts in the District of Columbia, Maryland, Delaware, Arkansas, and North Dakota.

But the natural development of this idea has been hampered by the variable annuity debate.

What is the Variable Annuity Debate?

Undoubtedly, some have heard something about the variable annuity. They may have come in such matters, the real issues may have been not understood, interpersonally or otherwise.

One issue—principally in the New Jersey Legislature—is about the question of whether an annuity should be able to offer variable annuity contracts. In this case, the state's insurance commissioner, which was recently argued before the New Jersey Superior Court, held in the case of a number of life insurance companies, involving life continuation contracts, including life continuation contracts, to the state, the matter of the existence of such contracts, should, in addition, be under the jurisdiction of the Securities Exchange Commission.

The legislation we seek to enable any New Jersey life insurer to enter into a separate Variable Contract Account, which we would require for the operation of variable annuity contracts, and (2) provide for the operation of variable annuities contracts, under

Continued from page 14

Variable Annuities' Opponents Oppose Sharing U.S. Growth

poses, let us say that this might result in total variable annuity payments of $10,000 a year for 30 years, or $300,000, in the second year $1,000, in the third year $300, etc. The important point is that the annuity's payments reflect the investment results of the Account, both before and after retirement.

The only modern form of annuity contract is similar in many respects, and will provide essentially the basic one here—providing a lifetime income. They differ primarily in respect to the amount of the annuity: a life insurance contract provides a life income expected to be paid in any of the forms of a fixed number of dollars; the variable annuity provides a life income expressed in terms of a fixed number of units of, and the dollar amount of which will fluctuate with the economy, depending upon the investment experience, including capital gains and losses, realized and unrealized, of the Variable Contract Account. Each annuity is quoted primarily in common stocks.

Why Was the Variable Annuity Developed?

Retirement plans over very long periods of time: is it prudent to establish such plans on the basis of annuity income? A more certain income of a certain fixed number of dollars, against which is reserved the variable income from investments, provides a more certain retirement income for periods of 30 years or more.

There are, however, some easily confused, economic forces to the effect that, when the retirement plan is widely discussed is the increasing cost of living or price inflation. From 1880 to 1960, the dollar over 75% of its purchasing power. From 1860 to 1970, the dollar over 75% of its purchasing power. How much longer will the dollar be? How much longer will it be? How much longer will we have the stability that I think we should have? Or must be for the future, and we do not know whether we will have price increases or decreases or alternating periods of price inflation. Perhaps one approach is to consider the point of view of the consideration of the picture, but I do not know whether we will have price increases or decreases or alternating periods of each.

I believe that we have the stability that I think we should have. Or must be for the future, and we do not know whether we will have price increases or decreases or alternating periods of price increases or decreases or alternating periods of each.

Another approach is consider the point of view of the consideration of the picture, but I do not know whether we will have price increases or decreases or alternating periods of price increases or decreases or alternating periods of each.

I believe that we have the stability that I think we should have. Or must be for the future, and we do not know whether we will have price increases or decreases or alternating periods of price increases or decreases or alternating periods of each.

The second economic force is that retirement plans are not going to be inflationary. The continuation of this inflation is not only not to be expected, but is to be desired. As I have said, we believe that a continuing increase in produc-

The commercial and financial chronicles . . . Thursday, March 12, 1959

The Commercial and Financial chronicles . . . Thursday, March 12, 1959
The net earnings of American Viscose Corporation and its equity in those of 50 percent owned companies in 1958 amounted to $14,459,000 or $2.83 per share as compared with $18,369,000 or $3.60 per share for 1957.

Earnings from American Viscose's own operations were $1.36 per share, including Chemstrand's first dividend, compared with $1.65 in 1957. These earnings were depressed by non-recurring expenses equal to $2.1 per share incident to closing the Roanoke rayon textile plant. Sales declined about 5% to $217 million from $229 million in 1957.

During the year a significant change took place. Earnings during the first six months were sharply decreased by a recession which affected our primary market. Rayon staple and the production of automobiles: 4,200,000, compared with 6,100,000 for 1957; another was a slowdown in home-furnishing and redecoration field of which normally demand huge quantities of Avisco fibers.

But earnings varied sharply in the last six months of 1958, so strongly that records were posted by the companies in which we have a 50% ownership—The Chemstrand Corporation and American Viscose. And this high rate is continuing in 1959.

**RECORD CELLOPHANE YEAR**

During 1958 the Corporation sold the greatest volume of cellulose in its history, most of it used by the packaging industry. The introduction in 1958 of a new polymer coated cellophane for wrapping food was successful beyond all expectations.

**NEW PRODUCTS KEY FUTURE**

New and improved products were brought forth in 1958. These are looked upon with confidence as insurance for the future.
As We See It

Continued from first page

By the time the author of "The Steel Industry and the $1 Billion Dollar Bundle" finished his talk at the American Economic Association's annual meeting in Chicago last December, he had gathered an audience of 250 economists and businessmen, some of whom had waited since last fall for his appearance. His talk, which was given last December, was published in "The Commercial and Financial Chronicle," a weekly business newspaper.

In his paper, the author argued that the steel industry was one of the most important in the United States, and that its future was uncertain. He warned that the industry was facing a number of challenges, including a decrease in demand for steel, increased competition from abroad, and a lack of investment in new technology.

The author also discussed the difficulties that the steel industry was facing in trying to adjust to changes in the market. He noted that the industry had historically been very profitable, but that this was changing as a result of increased competition.

The author's conclusions were that the steel industry was in a difficult position, and that it would be wise for the government to take action to help the industry. He suggested that the government could provide financial assistance to the steel industry, and that it could also encourage the industry to invest in new technology.

The author's paper was well-received, and it received widespread coverage in the business press. It was also cited by other economists in their research and writings.

The author of the paper was a well-known economist, and his work was widely respected. He had written numerous papers on a variety of topics, including macroeconomics, international trade, and the history of the American economy. He was also a long-time member of the American Economic Association, and he had served on its executive committee.

The author's paper was published in "The Commercial and Financial Chronicle," which was a respected business newspaper at the time. It was well-received by readers, and it received widespread coverage in the business press.

In conclusion, the author of the paper "The Steel Industry and the $1 Billion Dollar Bundle" made a compelling case for the need to support the steel industry, and his arguments were well-received by readers and economists alike. His work was widely respected, and it continues to be cited by historians and economists today.
The Railroad Securities

Great Northern Railway

Great Northern Railway was able in 1938 to show an earnings gain over the preceding year due primarily to a spurt in income in the final months of the year. A large part of the improvement in final figures was from improved cost control.

The road's traffic fell 21% under 1937 but revenues were only 8%. Most of the decline in freight traffic was caused by a drop of 46% in low-rated iron ore. Operating expenses were cut 10.1%, absorbing 96% of the decline in revenue. Equipment rental charges were lower but Federal income taxes and fixed interest costs were higher. Despite these factors, Great Northern was able to show net income of $4.52 a share as compared with $4.35 in 1937.

The strict control over expenses demonstrated in the closing months of last year indicate that in at least the first half of this year should make excellent progress with a year ahead. Costs are not expected to rise as rapidly as the increase in traffic. As a further move to reduce maintenance expenses, the road's program of recent years will now be stretched out for a period of the year. This spurt will be forthcoming for some time, but the road has the facilities to handle this additional traffic.

The net railroad traffic, which probably does not eventuate in a large carryover, will not be in the form of a long barrow. The road had, as usual, other earnings of $61,937,000, which in 1938 amounted to $11,021,000 or more than any fixed interest requirem ents. Dividends of $8,200,000 were received from the Burlington, B&O, 48% controlled, and approximately $1, 200,000 interest income from the Spokane, Portland & Seattle, which is jointly owned with Northern Pacific. No dividends have been received from the Great Northern Western Fruit Express since 1943, even though the latter's operations are profitable and continue to expand.

On Dec. 31, 1938 cash and cash equivalents totaled $18,357,000, while total debt was $23, 672,000. Net working capital was $8,037,000 against $6,350,000 at the end of 1937. Depreciation charges will exceed total debt due in one year, plus sinking fund requirements by some $4,000,000. In view of these factors, plus improved earnings, observers are of the opinion the 73 cents quarterly dividend will continue to be maintained.

New A. C. Allyn Branch

DE PEPE, Wis.—A. C. Allyn Company has opened a branch office at 1106 Ridgeway Boulevard under the management of Calvin L. McIntyre.

Brown, Madeira Office

ARLINGTON, Va.—Brown, Madeira & Company has opened a branch office at 1107 18th Street, S. W., Washington, under the direction of Robert C. Sibley.

Joints Dempsey-Tegeler

LOS ANGELES, Calif.—Ray W. Caldwell has joined the staff of Dempsey-Tegeler & Co., 210 West Seventh Street. He was formerly with Hill Richards & Co.

May we send you a copy of the

CENTRAL HUDSON

Annual Report for 1958

showing

Earnings per share 
Net Income 
Operating Revenues 
Dividends paid for

Up 5% 
Up 5% 
Up 7% 
55 consecutive years

Central Hudson Gas & Electric Corp.

Principal Office

Poughkeepsie, New York
**1959 — A Year of Restraint**

**Bank and Insurance Stocks**

By ARTHUR B. WALLACE

This Week — Insurance Stocks

One of the better ways of investing for the person of modest means is the buying of whole-life insurance, and one of the main misnomers of this has been a unit that specializes in insurance stocks, life, and casualty, fire and life, namely, the Insurance Stocks Trust Fund. Let us see how this trust of 1953 has fared or suffered in the California, where it is domiciled. But its success has been so outstanding that it could serve quite as a model.

The trust was set up in 1953, and has confined its portfolio to insurance stocks on the theory that if the general economy were to grow, insurance company profits would go up and dividends. In its recent growth data is impressive.

A management policy of the trust is that of the all-time banner year organization, with net assets increasing from $232 million to $386 million, for a gain of $154 million, or about 68 per cent, giving it the status of the largest of the specialized investment trusts. This is an outstanding showing, for it must be remembered that a foundation is very easily undermined by the fire-casualty portions of the industry. Life operations were quite favorable.

Mr. Stevens has been managing Shearson, Hammill & Co., in New York, and prior to that he served as president of the firm's investment advisory department.

Prior to joining Shearson, Hammill & Co., Mr. Stevens has served in the New York syndicate department of B. L. Day & Co. and as a bond specialist for the firm of Charles M. Newcombe & Company.

Open Two Branches

MAPLEWOOD, N. J. — Mutual Fund Associates has a branch office at 28 West State Street, Trenton, N. J., under the management of J. Stuart Hood, and at 41 North Eighth Street, Allentown, Pa., under the direction of Mr. McDonald.

National and Grindlay Bank Limited

Banknotes

26 BISHOPSgate, London, E.C.3

London Branch:

13, 14, 15, 16, 17, 18, 19

44 Parliament Street, W.1

Shipments under Fauci, Pluckebaum, Menk & Co., and other London Houses.


21 Leading Bank Stocks Outside NYC

Bulletin on Request

Laird, Bissell & Meads Members American Stock Exchange

20 BROADWAY, NEW YORK 3, N. Y.

Telephone: Monday 7-2546

L. A. & A. Stock Exchange Trading Dept.

*Bank Stocks outside NYC*

Earnings Comparison

<table>
<thead>
<tr>
<th>Bank</th>
<th>Date</th>
<th>Earnings per Share</th>
<th>Dividend per Share</th>
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</thead>
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<tr>
<td>Bank of America</td>
<td>Jan 31</td>
<td>0.47</td>
<td>0.15</td>
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<tr>
<td>Chase Manhattan Bank</td>
<td>Jan 31</td>
<td>0.55</td>
<td>0.20</td>
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<tr>
<td>Citicorp</td>
<td>Jan 31</td>
<td>0.60</td>
<td>0.23</td>
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The portfolio is indeed an impressive aggregate of stocks. There are 30 stocks in the trust's list and among the largest amounts are the following:

<table>
<thead>
<tr>
<th>Stock</th>
<th>Price</th>
<th>Dividend</th>
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<tbody>
<tr>
<td>General Motors</td>
<td>$87.15</td>
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<tr>
<td>International Harvester</td>
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<tr>
<td>General Electric</td>
<td>$123.00</td>
<td>3.20</td>
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<tr>
<td>Americanień</td>
<td>$87.15</td>
<td>1.60</td>
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<tr>
<td>Aetna Casualty &amp; Surety</td>
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<tr>
<td>Aetna</td>
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<tr>
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</tr>
<tr>
<td>20th Century-Fox</td>
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<td>Fireman's Fund Insurance</td>
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<td>Fireman's Fund</td>
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<td>Travelers Insurance</td>
<td>$87.13</td>
<td>1.60</td>
</tr>
<tr>
<td>Travelers</td>
<td>$87.13</td>
<td>1.60</td>
</tr>
</tbody>
</table>

While, of course, these are among the larger holdings, they are but 23 of a total list of 88 companies.

Now here is a growth investment vehicle in an essential industry.

Continued from page 9

**Profit-Making Companies**

How do these exceptional profits margins? We see the evidence in the fact that 20% push button refining processes 75,000 barrels of crude daily with the help of the US Senate's battle to cut the twin's refining labor refiners with their 840,000 employees. The new refining process is a 244-mile route by air, the costs of which are $15.3 million, and it is to be a refinery at Bridgport, New York.

This year's oil refinery should be sweated down to not more than 10 intercontinental refineries.

For some, we know advancing technology makes the oil industry a single spark plug and minus water system, and plowtow. Do domestic crude oil producers, excluding those whose reserves emphasize water, have any future life? Is the demand for gasoline in any significant? Will the dual carburetor or gas turbine engine, burning a new oil, outstrip the old? Improve the lot of non-integrated refiners in the stock? Can they make a go of it and no stable price structure? The white crude prices favoring the oil industry, and the new oil pipelines and connections of oil fuel — the oil price they will benefit their business? MAN F O L D problems other than exorbitant prices and fuel interruptions.

Federal taxes aside from Social Security do go uncharged, and about taxes at State level have been improved. New York requires $200 million corporate income tax. The new seeks a matching amount. This trend is established. It is national-wide. Taxes, direct or
Securities Salesman's Corner

By John Dutton

Some Suggestions for Handling "Bull Market" Temptations

There is no asset any salesman can acquire that is worth more than the salesmen themselves. Many investment firms over the years have become so impressed with the fine qualities of their customers that they are leaning heavily on them and obtaining overwhelming and overwhelming their latest interest, yielding approximately 4.40% on Northern Indiana Public Service Co. is to apply the proceeds from the sale of it to the purchase of additional. It is true that some of the more creditable firms may be redeemed with funds borrowed at an interest cost to the company of less than 4.40%.

The Study of Oil Industry

CHICAGO, III. — The Investment Analyst's Society of Chicago, Inc., announces a course of study on the oil industry, planned for security analysts by the Socony Mobil Oil Company.

The course consists of five sessions on Wednesday, April 1 through 5 p.m. to 9:45 and 6:15 p.m. at the Board of the Midland Hotel. Subjects to be covered will be: storage, access, price, and other factors involved in the sale of electricity and 4% from the sale of gas. Among the cities covered will be: New York, St. Louis, Chicago, San Francisco, Los Angeles, and New Orleans.

Reservations may be made with: Harold F. M. Finley, Chicago Title and Trust Co., Chicago, Ill.

Clarence E. Torrey, Jr., A. G. Beck Corp., Chicago, is President of the Investment Analysts Society of Chicago, Inc.

Zuckerman, Smith Branch

BEVERLY HILLS, Calif. — Zuckerman, Smith & Co. has opened a branch office at 360 Wilshire Blvd., Beverly Hills, under the management of Herbert H. Maas, Jr.

Three With Peters, Writer

(Special to The Financial Chronicle)

D. Driscoll, H. Gerall, Everett W. Steele and John A. Thompson have been associated with Peters, Writer & Christensen, Inc., 724 Seventeenth Street, Des Moines, Iowa, with Charles Purvis & Co.; Mr. Gerall was with Robert J. Connell Co.

Columbus and Southern Ohio Electric Co.

Reports on:

ANOTHER YEAR OF SERVICE AND INVESTMENT IN OHIO'S MOST PROGRESSIVE AREA

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The Columbus and Southern Ohio Electric Co.
215 North Front Street • Columbus, Ohio
Taking a Real Look Ahead

Continued from first page

Continued from first page

Continuation of recent growth trends alone, for example, would be sufficient to put a lot of new families into the market for labor. The economic growth of the postwar period has created a demand for labor which has been greater than the supply. The demand for labor has been so great that it has forced prices up, and the result has been an increase in the amount of money spent for labor.

In order to maintain this trend of economic growth, there must be an increase in the amount of money available for labor. This increase in the amount of money available for labor will come about through the expansion of the money supply. The expansion of the money supply will be brought about through the Federal Reserve System, which is the central bank of the United States.

The Federal Reserve System is responsible for maintaining the stability of the nation's monetary system. It is also responsible for regulating the amount of money in circulation and for controlling the discount rate, which is the rate at which banks can borrow money from the Federal Reserve System.

The Federal Reserve System has the power to increase or decrease the money supply through the purchase or sale of government securities. When the Federal Reserve System purchases government securities, it pays for them by writing checks on its account at the Federal Reserve Bank. These checks are then deposited in the banks, increasing the amount of money in circulation.

Conversely, when the Federal Reserve System sells government securities, the checks are withdrawn from the banks, reducing the amount of money in circulation.

By increasing the money supply, the Federal Reserve System can stimulate economic growth. This is achieved by making it easier for businesses to borrow money, which in turn leads to increased investment and production.

The effects of increasing the money supply are felt throughout the economy. As the amount of money in circulation increases, the prices of goods and services also increase. This is known as inflation.

Inflation is a problem that has been present throughout history. It has been described as the "disease of the economy," and it has been the bane of many governments.

In order to combat inflation, governments have used a variety of techniques, such as rationing and price controls. However, these measures have often been ineffective or have resulted in other problems, such as shortages and black markets.

The Federal Reserve System has been the main tool in the fight against inflation. It has been used to reduce the amount of money in circulation, which has helped to bring down prices and reduce inflation.

In conclusion, the Federal Reserve System is a vital part of the economy. It plays a crucial role in maintaining the stability of the nation's monetary system and in stimulating economic growth.

The effects of the Federal Reserve System are felt throughout the economy, and it is important to understand how it works in order to effectively manage inflation and promote economic growth.
Will Good Economics Prove To Be Good Politics?

In theory, a primary problem of economic policy is to achieve a satisfactory stability of the price level in a free economy. To that end, we must need to resist the powerful tendency to become narrow specialists. We must not get our vi suettes to the whole picture. We have params to command a wide audience for our writings.

The Problem of Creeping Inflation

Unquestionably, a primary problem of economic policy is to achieve a satisfactory stability of the price level in a free economy. To that end, we must need to resist the powerful tendency to become narrow specialists. We must not get our vi suettes to the whole picture. We have params to command a wide audience for our writings.

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Will Good Economics Prove To Be Good Politics?

In recent years, there has been a call for more expansive monetary and fiscal policies to stimulate economic growth. However, the effectiveness of these policies is often debated in political contexts. This creates a challenge for policymakers who must balance economic theories with political considerations.

The implementation of such policies requires a deep understanding of economic dynamics and the potential impact on different stakeholders. It is crucial to address the structural rigidities and inefficiencies that may undermine the effectiveness of policy measures.

For policymakers, it is essential to consider the long-term implications of their decisions. Economic policies should not only focus on short-term gains but also aim to create sustainable growth and prosperity for future generations.

In conclusion, the relationship between good economics and good politics is complex. Effective economic policies require a holistic approach, taking into account both economic principles and political realities. 📚✨
The State of Trade and Industry

Continued from page 5

Steel Production Continues to Soar

The American Iron and Steel Institute has announced that the operating rate of the industry will average 191.6% of steel capacity for the week beginning March 9, equivalent to 2,600,000 tons per week. Roughly 10% of this production (440,000 tons) was for war production for 1947-49 as compared with an actual rate of 151.8% of capacity and 2,560,000 tons a week ago.

Actual steel production has risen to 93.0% of the utilization of the Jan. 1, 1959 annual capacity of 147,883,870 tons net. Estimated production for March 9 is 2,681,000 tons. For the March 9 week a month ago the rate was 147.6% and production 2,571,000 tons. A year ago the actual weekly production was placed at 1,463,000 tons, or 91.1%.

"Index of production is based on average weekly production for 1947-1949.

Car Output Up 19% From Year Ago

A 14% gain in new car sales marked Feb. 21-28 as the auto industry's best 10-day period since December, "War's Automotive Report" said.

The statistical service said the increase gave entire February 605,800 new car sales compared with only 512,000 in February last year, an increase of 183,800, or 35.9%. Last month 533,000, up 19% from last year.

The February increase will be 130,800 in the closing ten-day period that ended to 18,000 a day compared with 16,341 Feb. 11-20 when 147,100 were sold. Feb. 11-20 had two additional selling days.

"War's" said that car production in the U. S. in the week ended March 7 was near the 1959 peak set in mid-January. Estimated for the week were 160,800 automobiles, 4% above last week (127,783) and the best yield since Jan. 12-17 (135,953).

For example: American Motors Corp. last month reviewed its production schedules, added 40,000 units to its March, April, May production plans, the company said. The new orders set a two-year record in the coming weeks by the steel industry, the metallurgical weekly continued. Some steel makers are already ahead of the 1959 levels.

Output is expected to be up to 28,000,000 kwh. per week, a gain of 2,000,000. Accordingly, the mill operators are competing for steel and other orders.

Car Loadings 4.4% Above Corresponding 1958 Week

Car loadings were 4.4% above the corresponding week for the week ended Feb. 28, 1959, totaling 575,383 cars, the Association of American Railroads announced. This was an increase of 25,000 cars over the same week last year. During the corresponding week ending the second week of March 1959, a drop of 60,000 cars was reported, 2,000 higher than the corresponding week in 1958.

Loadings during the week of the Washington Birthday holiday were 7,566 cars, or 1.3% below the preceding week.

Lumber Shipments 5.7% Above Production

Lumber shipments of 479 mills reporting to the National Lumber Manufacturers Association were 5.7% above production for the week ended Feb. 28, 1959. In the same week new orders of these mills, shipments of 6.8% above production. United orders of reporting mills amounted to 43% of stocks. For reporting softwood mills, Continued on page 6
The State of Trade and Industry

unfilled orders were equivalent to 21 days' production at the current rate of 1.9% above in 1958, 1.4% above in 1959, and 2.8% above in 1960. For the year-to-date, shipments of reporting mill products were 1.1% above production; new orders were 4.3% above production.

For week ended Feb. 26, as compared with the previous week, production increased 1.3% above the previous week in 1958, 3.9% above the previous week in 1959, and 1.8% above the previous week in 1960. Production in cottonseed products was 5.7% above; shipments were 10.9% above; and new orders were 27.2% above.

Business Failures Continue Lower

From the end of March 1957 to the end of March 1958, the number of business failures in the United States decreased by about 15%. By the end of March 1958, the number of business failures was 15% below the previous year and the number of failures in the first quarter of 1958 was 25% below the first quarter of 1957.

Manufacturing and construction accounted primarily for the decrease in failures. Also, among manufacturers dropped 42% from 77% among construction companies. There were 15% fewer failures in the construction industry, which was 34% less than the previous year.

The Food Price Index at New 1959 Low

The food price index, compiled by Dun & Bradstreet, Inc., has dropped to a new low of 127.22 as of Feb. 26, 1960. This is the lowest reading since January 1953. The index is calculated based on a weighted average of food prices in 1959.

Wholesale Commodity Price Index Slips Fractionally

The wholesale price index for the week ending Feb. 26, 1960, showed a slight decline from the previous week's level of 155.7 to 155.4. The index is based on a weighted average of prices for various commodities, including food, fuel, and raw materials.

Large Smaller and lower prices were noted for corn and beans, but prices for cotton and wheat were unchanged. The index indicates a slight improvement in the overall price level.

Consumer Buying Exceeds Year Ago

Although consumer buying in January and February 1960 remained close to that of the same periods of 1959, it was still above the levels of the same periods last year. The most noticeable difference was in the purchase of furniture, automobiles, and appliances.
### Indications of Current Business Activity

#### AMERICAN IRON AND STEEL INSTITUTE:
- **Ingot and sheet: Mar. 15**
  - **Total net production**: 12,600,000 tons
  - **Imports**: 0.3
  - **Exports**: 2,500,000 tons
  - **Consumption**: 9,600,000 tons

#### AMERICAN PETROLEUM INSTITUTE:
- **First quarter (Jan. 1-Mar. 31)**
  - **Production**: 7,560,000,000 barrels
  - **Consumption**: 6,200,000,000 barrels
  - **Exports**: 600,000,000 barrels

#### COAL OUTPUT (U.S. BUREAU OF MINES):
- **January 1980**: 38,850,000 tons
- **February 1980**: 38,350,000 tons

#### DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM:
- **March 1980**: 118

#### FUEL AND ELECTRICITY:
- **Electric output (in 1,000 kw-hrs.): Mar. 7**
  - **Residential**: 335,000,000
  - **Commercial**: 315,000,000
  - **Industrial**: 200,000,000
  - **Total**: 850,000,000

#### MEAL PRICES (F. A. A. QUOTATIONS):
<table>
<thead>
<tr>
<th>Commodity</th>
<th>Mar. 10</th>
<th>Apr. 10</th>
<th>May 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>5.75</td>
<td>5.90</td>
<td>6.00</td>
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<tr>
<td>Corn</td>
<td>1.95</td>
<td>1.90</td>
<td>1.85</td>
</tr>
<tr>
<td>Soybeans</td>
<td>3.20</td>
<td>3.25</td>
<td>3.30</td>
</tr>
</tbody>
</table>

#### NOVEMBER SCHEDULES INDEX:
- **Public utility revenues**: 1000
- **Public utilities**: 950

#### PAINT AND DRUG REPORTER INDEX:
- **April 1980**: 114.72
- **May 1980**: 110.10

#### ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES)
<table>
<thead>
<tr>
<th>Date</th>
<th>Gross value (in dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar. 10</td>
<td>3,353,119</td>
</tr>
<tr>
<td>Mar. 11</td>
<td>2,972,125</td>
</tr>
<tr>
<td>Mar. 12</td>
<td>3,460,363</td>
</tr>
</tbody>
</table>

#### STOCK TRANSACTIONS FOR ORD-LOT ACCOUNTS OF COMMODITY EXCHANGES—SECURITIES EXCHANGE COMMISSION

#### WHOLESALE PRICES, NEW U.S. DEPT. OF COMMERCE
<table>
<thead>
<tr>
<th>Commodity</th>
<th>Mar. 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>1.95</td>
</tr>
<tr>
<td>Corn</td>
<td>1.95</td>
</tr>
</tbody>
</table>

**Note:** Figures include 900,000 barrels of foreign crude and 1,000,000 barrels of domestic crude.
**Puritan Fund At Record High**

Puritan Fund’s quarterly report as of Jan. 31, 1959, shows total net assets, net asset value per share, shares outstanding, and number of shareholders all established new highs. Net assets totaled $62,085,500 compared with $54,019,406 on Oct. 31, 1958—an increase of 15%. Number of shares outstanding increased to 6,075,226 from 5,468,760. Number of shareholders increased to 19,500 from 18,800. Net asset value per share as of Jan. 31, 1959, was $7.69 compared with $6.96 on Oct. 31, 1958, and $6.33 on July 31, 1958.

New securities added to the portfolio during the quarter included J. P. Stevens Company: Interlake Iron Corporation and Greyhound Corporation. Eliminated from the Fund during the quarter were Walworth Company, United Fruit, and General Outdoor Advertising.

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**Mutual Funds**

**by ROBERT K. RICH**

**Boston Fund Rises To New Highs in All Categories**

Boston Fund, one of the nation’s largest and oldest mutual funds, reported its shareholders’ investment value, total net assets, shareholders’ and sales during the fiscal year ended Jan. 31.

The fund’s 27th annual report reveals three key levels:

1. **The asset value a share, when adjusted for capital gains paid out, increased 23% to $7.83 from $6.31.**

2. **Net assets showed a 39% rise to $107,094,544 from $77,253,000.**

3. **The number of shareholders climbed to 32,965 from 29,238.**

Purchases of new shares in the fund exceeded $25 million, which represents by far the largest amount authorized by shareholders during any one-year period in the fund’s history.

Henry T. Vance, President of the large balanced fund, told shareholders that new assets of $2,983,742 were acquired last November when the Bond Fund of Boston was merged into the fund.

He attributed the sharp rise in net assets chiefly to higher prices of common stocks and the fund’s convertible issues and partly to the merger and the record flow of new cash into the fund.

Commenting on portfolio action taken by the fund, he observed that the common stock portfolio, which a year ago was reduced to 57.2% and the bond and preferred stocks and preferred stocks was at 42.8%.

"The fund," he explained, "continued to jet-hedged investment position during the early part of last year but as the year progressed and an improvement in business became evident, investments were made in additional convertible bonds and convertible preferreds. Important increases were made in equity commitments in areas which management deemed interesting under the circumstances."

"The fund has in part of the year as the bond market improved, we disposed of a substantial amount of bonds, substituting an increased investment in the common stock of American Telephone & Telegraph Company which became our single equity investment. By mid-year we had increased our common stock position to 63.5%."

The program of somewhat heavier equity purchases was continued throughout the balance of the year and at Jan. 31 the common stock position was at 57.3% with the record of bonds and preferreds representing 21.1% of the portfolio.

New equity commitments in the final quarter of the year were made in U. S. Plywood, Walter E. Heller, Glidden, Inland Steel, James Tudor, Owens, Illinois Glass, Libby, Ford Glass, and Texas Gas Transmission. The common holdings in Grand Union were substantially reduced, and those in Safeway Stores, A & P and Atlas Powder were eliminated.

**National Crosses $100 Million Mark**

Net assets of National Investors Corporation, the 22-year-old growth stock fund of the Broad Street Group of Mutual Funds, have crossed the $100,000,000 mark. It was announced by Francis C. Randolph, chairman of the board.

Net assets reached a record high of $100,205,335 on Feb. 27, for a gain of more than $6 million over the $94,001,772 at the start of the year.

According to Mr. Randolph, growth through the sale of new shares accounted for $2,583,000 of this rise in assets. The balance of the gain was the result of market appreciation and the fund’s portfolio securities.

**Putnam Fund Assets at All-Time High of $180 Mil.**

The George Putnam Fund of Boston, “balanced” mutual investment, has an all-time high of $180,400,000 on December 31, 1958, with $321,500,000 a year ago, the largest dollar gain in the history of the Fund. For the second month in a row, the Fund’s total assets surpassed the $177,000,000 mark.

The Fund’s share price jumped 21% to a new high of $34.08, and at the close of business on Dec. 31, 1958, the Fund’s total assets were $171,000,000 more than the same period of the previous year.

Putnam shares were trading at $34.08 on Dec. 31, 1958, for a gain of more than $65 million since Jan. 1, 1958, which was the Fund’s all-time high.

**American Mutual Now Above the $100 Million Mark**

Total net assets of American Mutual, the oldest of the Broad Street Group of Mutual Funds, have crossed the $100 Million Dollar mark and stood at $103,500,000 on December 31, 1958, with $80,500,000 a year ago, and $121,100,000 two years ago. American Mutual has an all-time high of $103,500,000.

"The Fund has had a very good year," said President Sir John Lovelace, "and is one of the three largest mutual funds in the country."

**Associated Bank**

Associated Bank, a member of the American Bankers Association, has been serving the public since 1927. Associated Bank is known for its outstanding service and its commitment to the communities it serves. The bank offers a wide range of financial services, including banking, lending, and investment products. For more information, visit the Associated Bank website or contact them through their customer service line.

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**Broad Street’s Feb. Sales 1958**

**Above Last Year’s**

Sales gross of $3,787,000 for new shares of the Board Street Group of Mutual Funds during February were 1958 higher than the $1,303,000 of February a year ago, according to Mr. Fox-Martin, President of William R. Broad Street Corporation of Mutual Funds, national distributor of the Board Street Group of Mutual Funds.

Mr. Fox-Martin also brought out the point that the new share sales of the three funds for the first two months of 1958 were nearly three times greater than the $2,834,000 for the same period of 1957.

In contrast to the $3,413,000 increase in sales during the first two months of 1959, redemptions of all mutual funds were increased only $400,000 to $1,847,000 from $1,450,000 a year earlier.

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A Common Stock Investment Fund

Investments are in growth stocks. Portfolios are possible long-term capital gains. Prospects on request for information.
General Investors Had 91.4% Assets Up Sharply

Net assets of New York Capital Funds, Inc., were $49,311,040, an increase of $3,211,401 in the first quarter, bringing the total asset value for the fiscal year, Hugh Bullock, president, reported accompanying the fund's 10th quarterly dividend. It was declared on March 14 and is payable 60 cents per share to shareholders of record on April 1.

At market close, Dec. 31, net assets of the Boston-based investment fund were $23,223,032 as compared with $22,333,032 on Dec. 31, 1957.

At the end of the fiscal year, total net assets of the fund were $47,551,041, as compared with $44,939,041, shown at the end of the preceding year.

The increase in the assets of the fund, which is the "growth fund" of the Canadian group, does not affect the net income of its investors, Mr. Bullock said, because the fund pays dividends.

"The selection of investments with attractive future growth potential in the Canadian Research, Electronics, and Transport group, among others, are expanding. Some appear to grow at an accelerating rate, and others are relatively more mature — and to offer profitable opportunities for the investor. Here are a few: aluminum, chemical, pharmaceutical, electronics, textiles, health, oil and gas, paper, research, special metals, and petroleum. Bullock Fund, as well as Canadian Research, has sought to invest in companies engaged in every phase of these industries — and many more."

Dreyfus Fund Hits New Records

All time highs were reached by the Dreyfus Fund for $15,437,000 in net assets, net asset value per share and total net assets outstanding. The total net asset value reached $36,025,420 on Dec. 31, 1958, as compared with $31,231,324 and net asset value $12,566 from $8,494 per share. Total number of shares increased to 3,715,791,784 as compared with 3,709,856,200 at the close of 1957.

Of the total purchases of the fund, $7,000,000 was for Canadian Research, $1,400,000 for Kerr-Addison, Inc., and $1,400,000 for Kerr-Addison, the largest purchase of any one fund since the inception of the fund, Mr. Bullock said. The fund, he said, paid 3,715 shareholders 36.69 cents per share.

National Stock Report Reaches All-Time High in Assets

National Stock Report accompanying the 298th monthly report shows that total assets of the fund stood at an all-time high of $114,573,324 on January 30, 1959. This represented a gain over the previous year's high of $114,573,324, 224 total a year earlier.

During the same 12 month period, 298th annual dividend and 1958 edition of the Financial Chronicle, the stock fund sponsored and managed by National Securities Corporation, rose from $96.90 to $96.99, a gain of 32%, including dividend income of $9.93 per share.

Total securities held as of December 31, 1958, were valued at $114,573,324, as compared with $100,496,393 total common and preferred stock in the National Stock Report, including subsidiary holdings in the portfolio on January 30, 1959.

U.S. Stock Buffs were 10 cents per share, on which stock and $100,496,393 total common and preferred stock in the National Stock Report, including subsidiary holdings in the portfolio on January 30, 1959.
Securities Now in Registration

Acme Oil Corp., Wichita, Kan.
Feb. 4 (letter of notification) 95,000 shares of common stock ($1 par), 95% of which are to be offered publicly and 5% of which are to be offered to the holders of record. Price—$1 per share. Proceeds—For research and development of oil and gas properties. Offices—O’Shea-Bell, 3502 S. Broadway, St. Louis, Mo.

Advanced Research Associates, Inc.
Dec. 29 filed 40,000 outstanding shares of common stock (par $1) for sale at $1.50 per share. Proceeds—For working capital. Offices—810 International Trade Mart, New Orleans, La.

Alaska Juneau Gold Mining Co.
Dec. 29 filed 640,000 outstanding shares of common stock (par $1), of which 160,000 shares are to be offered to the holders of record. Price—$1 per share. Proceeds—For engineering, development and for working capital of the company’s properties. Offices—c/o M. Underwriters—Wesley Zaugay & Co., Reno, Nev., and 201 South Fifth Street, St. Louis, Mo.

Alaska Mines & Metals Inc.
Feb. 25 filed 1,431,200 shares of common stock (par $1), of which 350,000 shares are to be offered publicly and 3,000,000 shares are to be offered by option. Price—$1 per share. Proceeds—For working capital. Offices—c/o M. Underwriters—Lester, Rysons & Willoughby, Inc., St. Louis, Mo.

American Telemail Service, Inc.

American Vitrified Products Co.

Ampex Corp. (4-6)
Feb. 4 $20,000,000 of 6% first mortgage debentures due March 15, 1974. Price—To be determined by underwriters. Proceeds—For general corporate purposes. Offices—Office—605 S. Anstery St., Cleveland, Ohio; M. Underwriter—First Pacific Investment Corp., Portland, Ore.

Ampex Corp. (4-6)
Feb. 25 filed 500,000 shares of common stock. Price—To be determined by underwriters. Proceeds—For general corporate purposes. Offices—Office—500 S. Broadway, St. Louis, Mo.; 423 Fourth Ave., Anchorage, Alaska; Underwriter—to be named by amendment.

Armco Steel Corp. (4-1)
March 11 filed 575,000 shares of common stock. Price—To be determined by underwriters. Proceeds—For general corporate purposes. Offices—Office—8822 Kedro Avenue, Chicago, Ill.; Underwriter—Hornblower & Weeks, New York, N. Y.

Associated Bowling Centers, Inc.
Feb. 24 filed 300,000 shares of common stock. Price—To be determined by underwriters. Proceeds—For general corporate purposes. Offices—Office—P. O. Box 650, Bridgeport, L. I., N. Y.; Underwriter—None. Offering—None.

Athena Investment Corp.
Feb. 17 filed 50,000 shares of common stock to be offered to the investing public. The company provides services and merchandise to Ben Franklin Stores. Underwriters—None.

Bank of Hawaii Corp. (3-31)

Bonnier Corp.
Jan. 26 filed 816,721 shares of common stock (par $1) being offered in exchange for common and preferred stock held by the Bonnier Corp. and for each of which 4 1/2% Series A Preferred Stock of the Company was issued. Offices—Office—450 S. Broadway, Los Angeles, Calif.; Underwriter—None.

Brooke-Flint Development Corp.

Butler Brothers Co.
Feb. 25 filed 100,000 shares of capital stock to be offered to the investing public. The company provides services and merchandise to Ben Franklin Stores. Underwriters—None.

Cahill Randolph Corp. (3-15)
Feb. 27 filed 300,000 shares of common stock (par $1). Price—To be determined by underwriters. Offices—Office—247 Nassau Street, New York, N. Y.; Underwriter—M. Underwriter—R. Stairs & Co. and, and for general corporate purposes. Offices—Office—70 S. Broadway, Los Angeles, Calif.

Cowen & Co. Ltd.
Feb. 27 filed 100,000 shares of capital stock (par $1). Price—To be determined by underwriters. Proceeds—For working capital. Offices—Office—201 Bay State Building, Boston, Mass.; Underwriter—None.

The Commercial and Financial Chronicle . . . Thursday, March 12, 1959

* INDICATES ADDITIONS SINCE PREVIOUS ISSUE
* ITEMS REVISED
Volume 19 Number 5633... The Commercial and Financial Chronicle

NEW ISSUE CALENDAR

March 12 (Thursday)
Illinois Central RR...Equip, Trust Cts.

Hite Corporation...Common

Glass-Tite Industries, Inc...Common

Research Specialties Co. (Myron A. Lemenay & Co.)...$300,000

Standard Security Life Insurance Co. of N. Y. Common

March 16 (Monday)
Aloe (A. S.) Co...Debentures

California Financial Corporation...Common

Chesapeake Life Insurance Co...Common B

Consumer Acceptance Corporation...Preferred

Electro-Auto Trans Co. of America (Arno Trex & Co. & Smith-Lencoln) $300,000

March 17 (Tuesday)
American Fidelity Life Insurance Co. (Alex Brown & Son, and R. B. Dickson & Co., Inc.)

Foster-Forbush Glass Co. Inc., Inc. 30,000 Common

General Telephone Co. of the Southwest...Preferred

Simplex Wire & Cable Co. (Paine, Webber, Jackson & Curtis) 20,000 shares

March 18 (Wednesday)
Standard Sign & Signal Co...Common

White Stag Manufacturing Co. Common

March 19 (Thursday)

Indiana Steel Producers Co. (Offering to stockholders—underwritten by Morgan & Co., Inc.)

Texas Eastern Transmission Corp...Preferred

March 20 (Friday)
General Builders Corporation...Common $1,312,000

Thorthandlings Co., Inc. Debentures & Common

March 21 (Saturday)
Amphenol-Borg Electronics Co. Corporation (Falkner & Whiteside) 100,000 shares

Cormac Chemical & Manufacturing Co. (Offered to stockholders of Cormac Fissionery Co.—underwritten by Rosen, Loew, & Co., Inc.)

Food Processors, Inc., Debentures (Offered to stockholders—underwritten by Morgan & Co., Inc.)

Investors Research Fund, Inc., Debentures

March 22 (Sunday)
Thistle Co., Inc. Preferred

Waste King Corp, Preferred

March 24 (Tuesday)
Chicago Aerial Insurance Co...Common

Cleveland Electric Illuminating Co., Bonds

Montana Power Co., Bonds

Upper Peninsular Power Co., Common

Montreal (Edward & Bulkley & Co.) Preferred

Ohio Edison Co., Bonds

March 25 (Wednesday)
Eurofund, Inc., Bonds

F X, Inc., Preferred

General Transistor Corp...Common

Great Atlantic & Pacific Tea Co., Inc. (Kaiser, Pickering & Co.) Preferred

Miami Window Corp, Debentures

Ohio Edison Co., Bonds

March 26 (Thursday)
Texas & Pacific Ry Co. Preferred, Trust Cts.

March 27 (Friday)
Gray Drug Stores, Inc...Debentures

Inter-Mountain Telephone Co., Common

Ohio Gold Corporation...Preferred

Gold Seal Products Corp...Common

Hoffman Motors Corp., Common

March 30 (Monday)
Gold Seal Products Corp...Preferred

Ohio Power Co., Bonds

Public Service Co. of New Mexico...Preferred

Scranton-Spring Brook Water Service Co., Debentures

March 31 (Tuesday)
California Electric Power Co., Common

Monongahela Power Co., Bonds

Patterson Dental Supply Co. of Delaware, Common

April 1 (Wednesday)
Alco Oil & Chemical Corp...Common

AMP, Inc. (Kehler, Peabody & Co. and Hylton & Co., Inc.) 100,000 shares

Arango Steel Corp. (Wednesday) Common

April 2 (Thursday)
Gulf Power Co., Common

April 6 (Monday)
Ampco Corp., Common

April 7 (Tuesday)
Pittsburgh & Lake Erie RR...Equip. Tr. Cts.

April 10 (Friday)
Erdman, Snook, Hosley & Reed, Common

April 14 (Tuesday)
Louisiana Power & Light Co., Preferred

Wisconsin Power & Light Co., Bonds

April 22 (Wednesday)
Brockton Edwards & Co., Preferred

April 24 (Friday)
Maine Public Service Co., Bonds

April 28 (Tuesday)
Public Service Co. of Colorado, Bonds

April 30 (Thursday)
Alabama Power Co., Bonds

May 12 (Tuesday)
El Paso Electric Co., Common

May 19 (Tuesday)
El Paso Electric Co., Preferred

May 25 (Monday)
West Penn Power Co., Common

May 28 (Thursday)
Southern Electric Generating Co., Bonds

June 2 (Tuesday)
Public Service Electric & Gas Co., Debentures

Virginia Electric & Power Co., Bonds

June 23 (Tuesday)
Consolidated Edison Co. of New York, Inc., Bonds

June 25 (Thursday)
Mississippi Power Co., Bonds

September 10 (Thursday)
Georgia Power Co., Bonds

Cryogenic Engineering Co.


Daltine Finance Co.


Federated Corp. of Delaware

Dec. 9 filed $181,000 of 6% convertible subordinated debentures due Feb. 1, 1990, in a principal amount of $1,000,000, to be offered to holders of its outstanding common stock and its outstanding convertible stock, under a plan to be filed with the SEC. The company proposes to offer to purchase for each of 100 shares of $3 per share at any time beginning Oct. 30, 1990 and including a maximum of $600,000 of debentures to be sold to existing stockholders. Underwriter—Franke & Co., Cincinnati, Ohio. Underwriter—Franke & Co., Cincinnati, Ohio.

Federated Finance Co.

Dec. 17 (letter of notification) 25,000 of 6% convertible subordinated debentures due Apr. 15, 1990, of which 50,000 will be offered to holders of its outstanding common stock and 10,000 to existing stockholders. Proceeds—For general corporate purposes. Underwriter— bounced, University of Illinois, Champaign, Ill. Underwriter—bounced, University of Illinois, Champaign, Ill.


Diversified Inc., Amarillo, Texas

Jan. 8 filed 200,000 shares of common stock (par $100 each). Proceeds—To acquire additional land; for development of undeveloped real estate, for organization or acquisition of consumer finance business, and to balance the company's capitalization. Proceeds—To underwrite and sell through Securities Service Co., Denver, Colo., on a best efforts basis. Underwriter—Securities Service Co., Denver, Colo. Underwriter—Securities Service Co., Denver, Colo.

Drum Asset Co., Ltd.

Feb. 10 filed 95,000 of 5 1/2% subordinated sinking fund debentures due March 1, 1974 (with warrants attached to purchase up to 50,000 shares of preferred stock) (par $100 each). Proceeds—To purchase and to retire $50,000 of outstanding 8% debentures. Office—Arlington, Va. Underwriter—Auchincloss, Parker & Bennett, Washington, D. C. Offering—Expected to be filed March 15.

Eagle-Picher Co.

March 4 (letter of notification) 6,501 shares of common stock (par $100 each). Proceeds—To purchase and to retire $50,000 of outstanding debentures. Proceeds—To underwrite and sell through the company's stockholders. Office—New York, Nev., Underwriter—Eagle-Picher Co.

Drug Store Community Drug Co., Inc.


First Investors Corp. of New York

Mar. 1 filed 1,154,750 shares of common stock (par $1). Proceeds—For the purpose of conversion to preferred stock (par $10 per share) and to purchase subordinated debentures of $681,250 of Old Dominion Bank at the rate of 36% of book value. Proceeds—To provide funds for working capital. Office—To be filed March 21, 1972. Underwriter—The First National Bank of New York, New York. Underwriter—The First National Bank of New York, New York.

Florida builders, Inc.

Sec. 15 filing of $4,600,000 of 15-year sinking fund subordinated debentures and 40,000 shares of common stock to be offered to the public. Proceeds—For working capital and for the acquisition of additional $100,000 of 1,000 of 8% preferred stock for each one share of Old Dominion common stock. Underwriter—J. P. Morgan Co., New York, N. Y. Underwriter—J. P. Morgan Co., New York, N. Y.


Foster & Porter, Inc.


Food Fair Stores, Inc. (3/23)


Foster-Forbes Glass Co., Marion, Ind.

Jan. 23 (letter of notification) 10,000 shares of common stock (par $1). Proceeds—To be offered for subscription by stockholders; unpled stockholders to be offered preference. Proceeds—To purchase and to sell through Underwriters. Office—201 South Main St. South, St. Petersburgh, Fla. Underwriter—None. Underwriter—None.

Fram Electronics, Inc.

Feb. 25 (by amendment) 2,000,000 shares of capital stock. Price—At market. Proceeds—For investment.

Electric Assistance Corp. (3/16)

Feb. 18 (letter of notification) 100,000 shares of common stock of record March 15, 1972, at $2 per share for sale to directors, at $2.70 per share. The offering of $20,000 of the stock will be offered 24 hours after being extended. If not accepted such stock will be offered to the public. Office—3 per share. Proceeds—For real property, for manufacturing, and for working capital. Office—200 Bridge Ave., Red Bank, N. J. Underwriter—Raffensperger, Hughes & Co., Indianapolis, Ind. Underwriter—Raffensperger, Hughes & Co., Indianapolis, Ind.

Emerite Corp.

Jan. 19 (letter of notification) 250,000 shares of series 3 6% convertible notes due March 1, 1972, at $100. Proceeds—To be offered for subscription by stockholders on the basis of one share of stock for each 10,000 shares of common stock held, unless each stockholder shall own more than 10,000 shares of common stock held; unpled stockholders to be offered preference. Rights expire 30 days from date of offering. Proceeds—To be offered in units of shares of stock and one warrant. Price—$50 per unit. Proceeds—For general corporate purposes. Office—1908 Sixth St., N. W., Washington, D. C. Underwriter—Chesapeake & Co., New York.

Eurofund, Inc. (3/25)


Evans Grocery Co., Gallup, N. M.

Feb. 9 (letter of notification) 30,027 shares of common stock. Proceeds—To purchase 160.5 million shares of common stock at $3 per share at any time beginning Oct. 30, 1990 and including a maximum of $600,000 of debentures to be sold to existing stockholders. Underwriter—Franke & Co., Cincinnati, Ohio. Underwriter—Franke & Co., Cincinnati, Ohio.
Great Atlantic & Pacific Tea Co., Inc. (3/25)  

Great Lakes Natural Gas Co., Inc.  

Home Telephone & Telegraph Co. of Virginia  
Feb. 19 filed 52,100 shares of common stock (par $5) to be offered for subscription by stockholders or on record Feb. 27, 1959, but the subscription right may be exercised within 30 days after the record date or the offer may be extended until March 10, 1959, in which case the subscription right expires on April 3. Price—At par ($5 per share). Proceeds—To re-apply short-term bank loans. Underwriter—None.

Hudson Bay Mining & Smelting Co., Ltd. (4/1)  
Feb. 22 filed 7,000,000 shares of common stock (par $1) to be offered for subscription by stockholders at the rate of one share for each four shares held on the basis of Feb. 16, 1959, and for sale to the public at the rate of $1.50 per share. Price—To be supplied by amendment. Proceeds to be used in connection with the extension of operations. Offered by Underwriter—Whitel, Cold, & Co., New York. Underwriter—None.

Indiana Steel Products Co. (3/19)  
Feb. 16 filed 50,000 shares of common stock (par $1) to be offered for subscription by stockholders at the rate of one share for each share held on the basis of Feb. 15, 1959, and for sale to the public at the rate of $8 per share. Price—To be supplied by amendment. Proceeds—To be used for working capital and other corporate purposes. Offered by Underwriter—White, Cold, & Co., New York. Underwriter—None.

Industrials, Inc., Philadelphia  
March 3 filed 1,000,000 shares of common stock (par $1) to be offered for subscription by stockholders of the record date of March 8, 1959. Price—To be supplied by amendment. Proceeds—To provide funds for working capital and other corporate purposes. Offered by Underwriter—White, Cold, & Co., New York. Underwriter—None.

Iron & Steel, Inc., Atlanta  
March 24 filed 4,000,000 shares of common stock (par $1). Price—At par ($10 per share). Proceeds—To pay outstanding notes and for working capital. Offered by D. R. Goode & Co., White, Cold & Co., New York. Underwriter—None.

International Minerals Corp., Washington, D. C.  
July 31 filed 300,000 shares of common stock (par $1) to be offered for subscription by stockholders at the rate of one share for each 10 shares held on the basis of June 16, 1959, and for sale to the public at the rate of $10 per share. Price—To be supplied by amendment. Proceeds—To be used for working capital and other corporate purposes. Offered by Underwriter—White, Cold, & Co., New York. Underwriter—None.

International Mining & Smelting Corp., New York  
March 4 filed 10,000 certificates in the amount of $75,000 each, at par ($750 per certificate). Price—At par ($750 per certificate). Proceeds—To be applied to the General Improvement Fund of the company. Offered by Underwriter—White, Cold, & Co., New York. Underwriter—None.

Iron Workers Union, Inc., New York  
March 14 filed 1,000,000 shares of common stock (par $1). Price—At par. Proceeds—To pay obligations of the union and to distribute $30 per share to membership. Offered by Underwriter—White, Cold, & Co., New York. Underwriter—None.

Iron Workers Union Pension Fund, Inc., New York  
March 14 filed 3,000,000 shares of common stock (par $1). Price—At par. Proceeds—To pay obligations of the union and to distribute $10 per share to membership. Offered by Underwriter—White, Cold, & Co., New York. Underwriter—None.

Iron Works, Inc.  

Irons, Inc., New York  
March 3 filed 5,000,000 shares of common stock (par $1). Price—At par (80 per share). Proceeds—To be used for working capital and general corporate purposes. Underwriter—Kinder, Peabody & Co., New York. Underwriter—None.

Irons, Inc., New York  
March 16 filed 1,000,000 shares of common stock (par $1). Price—At par ($25 per share). Proceeds—To pay outstanding notes and for working capital. Offered by Underwriter—Sterne Brothers & Co., Kansas City, Mo. Underwriter—None.

Herndon, Inc., New York  
March 11 filed 10,000,000 shares of common stock (par $1). Price—$1 to $1.50 per share. Proceeds—For payment of past due accounts and loans and general working purposes. Offered by Underwriter—Herndon, Inc., New York. Underwriter—None.

Heartland Development Corp.  
Oct. 23 (letter of notification) 23,000 shares of common stock (par $1). Price—To be supplied by amendment. Proceeds—For the purchase of land and for construction purposes. Underwriter—Underwriter—None.

Heartland Development Corp.  
March 11 filed 10,000,000 shares of common stock (par $1). Price—$1 to $1.50 per share. Proceeds—For payment of past due accounts and loans and general working purposes. Offered by Underwriter—Heartland Development Corp., Kansas City, Mo. Underwriter—None.

Heartland Development Corp.  
March 11 filed 10,000,000 shares of common stock (par $1). Price—$1 to $1.50 per share. Proceeds—For payment of past due accounts and loans and general working purposes. Offered by Underwriter—Heartland Development Corp., Kansas City, Mo. Underwriter—None.

Heartland Development Corp.  
March 11 filed 10,000,000 shares of common stock (par $1). Price—$1 to $1.50 per share. Proceeds—For payment of past due accounts and loans and general working purposes. Offered by Underwriter—Heartland Development Corp., Kansas City, Mo. Underwriter—None.

Heartland Development Corp.  
March 11 filed 10,000,000 shares of common stock (par $1). Price—$1 to $1.50 per share. Proceeds—For payment of past due accounts and loans and general working purposes. Offered by Underwriter—Heartland Development Corp., Kansas City, Mo. Underwriter—None.

Heartland Development Corp.  
March 11 filed 10,000,000 shares of common stock (par $1). Price—$1 to $1.50 per share. Proceeds—For payment of past due accounts and loans and general working purposes. Offered by Underwriter—Heartland Development Corp., Kansas City, Mo. Underwriter—None.

Heartland Development Corp.  
March 11 filed 10,000,000 shares of common stock (par $1). Price—$1 to $1.50 per share. Proceeds—For payment of past due accounts and loans and general working purposes. Offered by Underwriter—Heartland Development Corp., Kansas City, Mo. Underwriter—None.

Heartland Development Corp.  
March 11 filed 10,000,000 shares of common stock (par $1). Price—$1 to $1.50 per share. Proceeds—For payment of past due accounts and loans and general working purposes. Offered by Underwriter—Heartland Development Corp., Kansas City, Mo. Underwriter—None.

Heartland Development Corp.  
March 11 filed 10,000,000 shares of common stock (par $1). Price—$1 to $1.50 per share. Proceeds—For payment of past due accounts and loans and general working purposes. Offered by Underwriter—Heartland Development Corp., Kansas City, Mo. Underwriter—None.

Heartland Development Corp.  
March 11 filed 10,000,000 shares of common stock (par $1). Price—$1 to $1.50 per share. Proceeds—For payment of past due accounts and loans and general working purposes. Offered by Underwriter—Heartland Development Corp., Kansas City, Mo. Underwriter—None.

Heartland Development Corp.  
March 11 filed 10,000,000 shares of common stock (par $1). Price—$1 to $1.50 per share. Proceeds—For payment of past due accounts and loans and general working purposes. Offered by Underwriter—Heartland Development Corp., Kansas City, Mo. Underwriter—None.

Heartland Development Corp.  
March 11 filed 10,000,000 shares of common stock (par $1). Price—$1 to $1.50 per share. Proceeds—For payment of past due accounts and loans and general working purposes. Offered by Underwriter—Heartland Development Corp., Kansas City, Mo. Underwriter—None.

Heartland Development Corp.  
March 11 filed 10,000,000 shares of common stock (par $1). Price—$1 to $1.50 per share. Proceeds—For payment of past due accounts and loans and general working purposes. Offered by Underwriter—Heartland Development Corp., Kansas City, Mo. Underwriter—None.

Heartland Development Corp.  
March 11 filed 10,000,000 shares of common stock (par $1). Price—$1 to $1.50 per share. Proceeds—For payment of past due accounts and loans and general working purposes. Offered by Underwriter—Heartland Development Corp., Kansas City, Mo. Underwriter—None.

Heartland Development Corp.  
March 11 filed 10,000,000 shares of common stock (par $1). Price—$1 to $1.50 per share. Proceeds—For payment of past due accounts and loans and general working purposes. Offered by Underwriter—Heartland Development Corp., Kansas City, Mo. Underwriter—None.

Heartland Development Corp.  
March 11 filed 10,000,000 shares of common stock (par $1). Price—$1 to $1.50 per share. Proceeds—For payment of past due accounts and loans and general working purposes. Offered by Underwriter—Heartland Development Corp., Kansas City, Mo. Underwriter—None.
**Naylor Engineering & Research Corp.**

Sept. 29 (letter of notification) 200,000 shares of cumu-
lative preferred stock at par ($1 per share). Proceeds—For organizational expenses and first three months' operational expenses. Offer—By Standard Investment Corp., Inc., New York, N. Y.

**Nease Chemical Co., Inc., Lock Haven, Pa.**

May 4 (letter of receipt of cash) 100,000 shares of common stock (no par) to be sold to the general public at $5 per share. Proceeds—For capital stock purchase warrants. Underwriter—C. H. Hudson & Co., Inc., New York, N. Y.

**Nedow Oil Tool Co.**

May 5 (letter of notification) 150,000 shares of common stock at par ($1 per share). Proceeds—For working capital. Offer—By 100,000 shares of common stock of Phillips-Foucette Corp. Underwriter—None. Statement effective Feb. 27.

**Muskegon Power Co. (3/31)**

Feb. 26 filed $16,000,000 of first mortgage bonds due April 1, 1981. Proceeds—For construction program. Underwriters—Potter & Co., New York, N. Y.

**New York American Exploration Co., Inc.**

Feb. 1, 1965, filed 200,000 shares of common stock at par ($1 per share). Proceeds—For working capital. Offer—By investment bankers, 35 East 42nd St., New York, N. Y.

**Northwest Lumber Co., Inc.**

Feb. 1, 1965 (letter of notification) 1,600 shares of common stock. Proceeds—At par ($100 per share). Proceeds—To purchase equipment. Offer—By investment bankers, 35 East 42nd St., New York, N. Y.

**Ohio Edison Co. (3/25)**


**Ohio Gas & Minerals, Inc.**


**Piedmont Natural Gas Co., Inc.**

Feb. 26 (letter of notification) 28,200 shares of common stock to be offered for subscription by stockholders on a pro-rata basis. Proceeds—In 15 days. Price—at par ($10 per share). Proceeds—For accounts receivable and other funds. Offer—By investment bankers, 1303 Alamo Ave., Charlotte, N. C.

**Pioneer Hydroelectric Industries, Inc.**


**Pioneer State Bankshares, Inc.**


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Proceeds—To pay off demand note, to pay other indebtedness, and for working capital. Underwriter—Pacific Securities Ltd., Vancouver, Canada.

• Ritter Fund Co. Mar. 5 filed 23,000 shares of class B common stock (at $4 per share, proceeds to be used for working capital of business. Underwriter—Stroud & Co., Inc.

• Routh Retirement Income Corp. Jan. 29 filed 750,000 shares of common stock (at $1 per share). Proceeds—To be used for working capital of business. Underwriter—New York.

• Routh Retirement Income Corp. Feb. 17 (letter of notification) 300,000 shares of common stock. Price—At par (at $1 per share). Proceeds—To be used for working capital of business. Underwriter—Chas. H. Francis.

• Scranton-Spring Brook Water Service Co. Mar. 2 filed $8,000,000 of sinking fund debentures due April 1, 1984 and common stock warrants to purchase 80,000 shares of common stock at a price of 111 1/3% of par value. Proceeds—To be used for working capital of business. Underwriter—Allen & Co., New York.

• Selected Risks Insurance Co. Jan. 27 filed 40,000,000 shares of common capital stock (at $10 per share) to be offered to stockholders of record Feb. 16, 1959 on the basis of one share for each 12 shares held. Proceeds—To be used for working capital of business. Underwriter—New York.


• Sir Henry's Imports, Inc. Nov. 19 filed 256,000 of 6% 10-year debentures and 5,000 shares of 6% participating preferred stock (at $50 per share) to be sold by the corporation on a direct basis. Proceeds—To be used to expand the present business. Underwriter—New York.

• Southwestern Electric Service Co. Mar. 3 filed 2,000,000 shares of common stock (at $25 per share) to be offered for subscription by stockholders of record Feb. 15, 1959. Proceeds—To be used for expand new plant. Underwriter—Scrip Plan Foundation, Inc., New York.

• Sports Arena (Delaware) Inc. Apr. 30 filed 1,150,000 shares of common stock (at $1 per share). Proceeds—To be used to complete construction, to develop and for expansion purposes. Underwriter—To be named by company.

Graham Albert Griswold of Portland, Ore., is President.


Utah Oil Co. of New York, Inc. May 29 filed 100,000 shares of common stock. Price—At par (at $1 per share). Proceeds—For development of oil and gas lands. Underwriter—Frank P. Hunt & Co., Rochester, N.Y.

V雄 County. Mar. 4 filed 348,394 shares of capital stock (at $1 per share) to be offered for subscription by holders of common stock at the rate of one new share for each four shares held. Proceeds—To be used for working capital. Underwriter—None.

Wabash Corp. (3/23-27) Feb. 4 filed 150,000 shares of common stock (at $5 per share) to be offered for subscription by holders of common stock at the rate of one new share for each five shares held. Proceeds—To retire all of the company’s outstanding bank indebtedness. Underwriter—De Forest & Co., New York.

Western Casualty & Surety Co. Apr. 14 filed 25,000 shares of common stock (at $5 per share) to be offered for subscription by holders of outstanding common stock at the rate of one new share for each five shares held. Proceeds—To pay off bank indebtedness. Underwriter—None.

Western Window Fibre Co. Mar. 5 filed 100,000 shares of common stock (at $10 per share) for cash. Proceeds—To be used for working capital of business. Underwriter—None.

Western Stag Manufacturing Co. (3/18) Feb. 2 filed 152,750 shares of common stock (at $1 per share) to be offered for sale to the public. Proceeds—To increase capital and working capital of business. Underwriter—Bancroft & O’Donnel, New York.

Western Wood Fibre Corp. Mar. 5 filed 100,000 shares of common stock (at $10 per share) for cash. Proceeds—To be used for working capital of business. Underwriter—None.

Wisconsin Power & Light Co. Apr. 18 filed 100,000 shares of common stock (at $25 per share) to be offered for subscription by members of the club and of the Utica & Syracuse Public Service Co. Proceeds—To pay off debt. Underwriter—Randolph, Utica.

Wyoming County Co., Wilmington, Del. Oct. 27 filed $500,000 of debentures due 1991 (non-interest bearing) and 300 shares of common stock (at $23 per share) to be offered to members of this club and of the Utica & Syracuse Public Service Co. Proceeds—To pay off debt and for working capital purposes. Underwriter—Randolph, Utica.

• Wyoming Co. (3/20) Feb. 2 filed 197,857 shares of capital stock (at $1 per share). Proceeds—To be used for working capital purposes. Underwriter—None.

Prospective Offerings

Alabama Power Co. (4/30) Dec. 10 it was announced that the company plans to issue 630,000 shares of preferred stock, $150,000 of 6% bonds. Proceeds—For construction program. Underwriter—to be determined by competitive bidding. Preferred: Halsey, Stuart & Co.; New York, and Cushman & Wakefield, Inc.; New York.

Yale & Towne Manufacturing Co. (4/13) Apr. 30 filed 1,150,000 shares of common stock, to be offered to certain of the company’s officers and key employees. Underwriter to be named by company.

Prospective Offerings

Continued on page 46
ed in the latter part of March. Offering—Expected some time in April.

**Illinois Central RR. (3/12)**

March 9 it was announced that the company plans to sell $3,500,000 of first mortgage bonds due 1989. Proceeds—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Blyth & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Lehman Brothers; Kidder, Peabody & Co.; and Smith, Barney & Co. (jointly). Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Blyth & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Lehman Brothers; Kidder, Peabody & Co.; and Smith, Barney & Co. (jointly). Bids—Expected to be received some time in May.

**Interstate Power Co.**

March 9 it was announced that the company is planning the issuance of $75,000,000 of preferred stock. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Blyth & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Lehman Brothers; Kidder, Peabody & Co.; and Smith, Barney & Co. (jointly). Offering—Expected in May.

**Kansas City Power & Light Co.**

February 19 it was announced that the company plans to issue and sell $20,000,000 of first mortgage bonds. Proceeds—For construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Lehman Brothers; Kidder, Peabody & Co.; and Smith, Barney & Co. (jointly). Bids—Expected to be received in April.

**Maine Public Service Co. (2/24)**

February 19 it was announced that the company plans to issue $5,000,000 of additional common stock. Proceeds—To enable the company to purchase new equipment. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Lehman Brothers; Kidder, Peabody & Co.; and Smith, Barney & Co. (jointly). Bids—Expected to be received in afternoon.

**Mississippi Power Co. (6/25)**

February 19 it was announced that the company plans to issue and sell $5,000,000 of preferred stock. Proceeds—For construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Lehman Brothers; Kidder, Peabody & Co.; and Smith, Barney & Co. (jointly). Registration—Expected to be filed on May 28.

**Northern Illinois Gas Co.**

March 19 it was announced that 9,800,000 shares will be sold on April 23 to common stockholders on the basis of $1.50 per new share, for each 15 shares held as of May 11, 1959; rights to expire on May 28. Proceeds—To be used for general corporate purposes. Underwriter—Dean Witter & Co., New York, N. Y. Bids—Expected to be received in the afternoon.

**Northern Natural Gas Co.**

March 19 it was announced that the company plans to sell 23,500,000 shares of common stock. Proceeds—For construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Lehman Brothers; Kidder, Peabody & Co.; and Smith, Barney & Co. (jointly). Bids—Expected to be received by 11:00 a.m. (EST) on May 18.

**Penn-Texas Corp.**

February 19 it was announced that the company plans to receive bids sometime in April for the purchase from it of 2,000,000 shares of $5 par value preferred stock. Bids—Expected to be received on June 23.

**Pittsburgh & Lake Erie RR. (4/7)**

February 19 it was announced that the company plans to receive bids up to noon (EST) on April 7 for the purchase from it of $2,474,000 of equipment trust certificates. Probable bidders: Halsey, Stuart & Co.; Salmon Bros. & Hutzler.

**Public Service Co. of Colorado (4/28)**

March 9 it was announced that the company plans to sell mortgage 9% bonds. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Blyth & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Lehman Brothers; Kidder, Peabody & Co.; and Smith, Barney & Co. (jointly). Bids—Expected to be received by 11:00 a.m. (EST) on June 16.

**Public Service Electric & Gas Co. (6/2)**

January 30 it was reported that the company's plans sale of $20,000,000 of preferred stock will be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; The First Boston Corp.; Kuhn Loeb & Co. and Lehman Brothers; Kidder, Peabody & Co.; and White, Weld & Co. (jointly). Bids—Expected to be received some time in May.

**Puget Sound Power & Light Co.**

February 6 it was announced company plans to issue and sell $3,500,000 of preferred stock. Proceeds—For construction program. Underwriter—May be Merrill Loeb,什 Co. and Smith, Inc., New York.

**Ryder System, Inc.**

January 12 it was reported that the company's plans to sell $8,000,000 of equipment trust certificates. Proceedings—For acquisitions. Underwriter—Blyth & Co., New York. Offering—Expected in May.

**Southern Electric Generating Co. (5/28)**

December 10 it was announced that the company plans to issue and sell $5,000,000 of preferred stock. Proceeds—For construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Lehman Brothers; Kidder, Peabody & Co.; and White, Weld & Co. (jointly). Registration—Expected to be filed on April 17. Bids—Expected to be received in May.

**Southern Pacific Co. (4/1)**

March 20 it was announced that the company plans to sell $75,000,000 of equipment trust certificates. Proceedings—For acquisitions. Underwriter—May be Kidder, Peabody & Co., New York.

**Southwestern Gas & Electric Co.**

March 20 it was announced that the company plans to issue and sell $8,000,000 of preferred stock. Proceeds—For construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Lehman Brothers; Kidder, Peabody & Co.; and White, Weld & Co. (jointly). Registration—Expected to be filed on April 12.

**Spencer Flood Electric Power Co.**

February 16 this company filed with the SEC its ICC approval for issuance of 200,000 shares of $200,000,000 of equipment trust certificates. Proceeds—For construction program. Underwriter—A. G. Beck & Co., Inc., Chicago, III. Offering—Expected in April.

**Texas & Pacific Ry. (3/26)**

Bids will be received on March 26 for the purchase from the company of about $5,000,000 of equipment trust certificates. Proceedings—For construction program. Underwriter—Bear, Kraft & Co., Inc., Chicago, III. Offering—Expected in April.

**Virginia Electric & Power Co. (6/2)**

February 19 it was announced that the company plans to sell additional 710,000 shares of common stock to common stockholders. Proceeds—To pay outstanding loans, and for additional working capital. Underwriter—A. G. Beck & Co., Inc., Chicago, III. Offering—Expected to be filed on April 12.

**Washington Gas Light Co.**

March 20 it was announced that the company plans to issue and sell $12,000,000 of first mortgage bonds. Underwriter—Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; and Smith, Inc. (jointly); Kuhn Loeb & Co.; and Eastman Dillon, Union Securities & Co. (jointly). Bids—Expected to be received on April 12.

**Worth Fund, Inc.**

February 18 it was confirmed that the fund was planning the sale of about $5,000,000 of common stock at a price of $14.25 per share. Underwriters—Black & Co., Inc. and Blyth & Co., Inc., New York. Offering—Indefinitely postponed.
SECURITY TRADERS ASSOCIATION OF NEW YORK


Mr. Kenney, a former director of STANY, is Chairman of the Committee of the National Security Traders Association which consists of 32 affiliates throughout the United States.

Bank of America–Bankers Trust Group
Marketing $100 Million California Bonds

A Bank of America N.T. & S. A. underwriting syndicate merged with a Bankers Trust Co. syndicate to purchase $100 million of State of California bonds on March 21, 1959. It is reported that the syndicate is offering the Vulture's Bonds and $50 million of a $200 million bank Construction Bonds at competitive bidding.

The merged syndicate is made up of Bankers Trust Co. acting as joint lead manager, and the Bank of America syndicate includes American Trust Co., San Francisco, and Security-First National Bank, Los Angeles. The Bankers Trust is selling these bonds in the amount of $100 million for construction purposes.

The underwriting group bid a percentage of its net cost on $60 million of 4%, 3% and 3% of $100 million, or a dollar bid of $100,009, and net interest cost to the State a little under 3.23%.

Both bond issues were relented to investors by 1.20% to 1.25%, and at par. The Vulture's Bonds are due Oct. 1, 1960-64 and available to the State in 1959, with State Construction Bonds due Apr. 1, 1960-64.


The $50 million Veterans' Bonds sold today mark the final sale from a $500 million, authorization voted in 1956. Proceeds will be used to finance home and farm loans to California veterans under a program in operation since 1952. The program has been self-supporting since its inception.

Marcus C. to Admit
Marcus & Company, 61 Broadway, New York City members of the New York Stock Exchange, on March 19 will admit Walter N. Frank, Jr. to limited partnership.
WASHINGTON, D. C. — Not within the memory of some of the older political observers in Washington has there been as many Democratic Presidential hopefuls as of now. They are falling over each other on the Senate side of the Capitol.

But Capitol Hill does not include nearly all of them. There are several in the state capitals. The picture, as far as the Democrats are concerned, is extremely unclear.

On the Republican side, Vice-President Richard M. Nixon, who has had more training for the office of President than any man in the history of the United States, appears to be the front runner. Yet, it is not certain that he has the nomination in the bag.

Governor Nelson A. Rockefeller of New York, may or may not be a candidate for the Republican Presidential nomination, but it seems inevitable he is going to the Republican convention with some delegate strength.

The woods are going to be full of candidates. There are at least a dozen Democratic Presidential candidates, and probably the Republicans will have several. One thing is certain, however. If the delegates switch to the nominating process, there will be a surety of delegates. Many people, including astute politicians in Washington, believe that the first Stevenson was one more chance, down deep in his heart. The former state executive has considerable potential delegate strength in the future. It could grow stronger.

Governor Meyer will go to the Democratic National Convention in Los Angeles next year at least in the role of favorite son. Vermont's dynasty, Wilson, a Virginian by birth, has been a favorite son since he was nominated and elected to the White House.

Williams and Reuther have the asterisks of the convention. No doubt convention votes will be needed to capture the Presidential nominations. For this reason labor leader Walter Reuther, head of the United Automobile Workers, and his colleague, George Meany, are knocking at the bit for a place on the Democratic ticket.

Symington and Others

Senator Symington, called "Stu" by his close friends, has substantial strength in the Mid-West. For example, from Missouri, he could become the compromise candidate of the Democrats. He also represents a strategically important state. Some of the important industrial labor is away from Mr. Symington because he has had support of the Americans for Democratic Action, which is working but a middle-of-the-road group.

Should the Democrats nominate Symington or Reuther, a native of Wallace, South Dakota, for either President or Vice-President, they would be in one of the most articulate political classes in all the land. They could talk and talk. The Kremlin bosses realize that he is one of the foremost leaders in the party and as a result of the hours he spent with the Russians during his recent visit last year in Moscow.

A book was recently published called "Imperial Rockefeller," written by an avowed Chandler of one of the greatest in business circles of all time. Kentucky has had some famous native sons including Abraham Lincoln. Governor Chandler, who neither drinks nor smokes, but loves fried chicken, and loves to sing, has been a favorite son candidate before. He also received a few votes beyond the Kentucky borders.

Brown and the West

Governor Brown, a Catholic, who won the California governorship in 1954, has been an asset to Governor Rockefeller, and should it be held in Los Angeles it would aid Vice-President Nixon. The feeling in Washington is that he is as strong as Washington alone is wrong—that Mr. Rockefeller would gather substantial delegate strength from the Eastern states, while Mr. Nixon would triumph overwhelmingly in the Western states.

Some Republican strategists maintain that if the Convention would be held in New York it would be an asset to Governor Rockefeller, and should it be held in Los Angeles it would aid Vice-President Nixon. The feeling in Washington is that he is as strong as Washington alone is wrong—that Mr. Rockefeller would gather substantial delegate strength from the Eastern states, while Mr. Nixon would triumph overwhelmingly in the Western states.

Some Democratic bigwigs in the party are saying privately that they hope that Mr. Nixon gets the nomination over Mr. Rockefeller, because they believe the New York Governor would be harder to beat. That may be wishful thinking. Vice-President Nixon is a hard-hitting campaigner.

The Republicans are still up in the air over their convention site, but it appears strongly likely they will go to California. The 1956 pow-wow was held at San Francisco. Party leaders are meeting in Washington this month to make a final determination on the site.

Philadelphia seems to have a good chance of being the host city. The city of "brotherly love" was host for both Democrats and Republicans in 1948 when Harry S. Truman and Thomas E. Dewey were chosen their party nominees. In addition to Philadelphia, Chicago, New York, Miami Beach and Los Angeles are bidding for the convention. Each has offered a sizable sum of money, in an effort to attract the convention.

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Washington... And You

"When I said to put the zone on our letters, Miss Stupely, I didn't mean TEMPERATE Zone!"