EDITORIAL

As We See It

Both the President and the Vice-President have expressed the opinion that inflation will be one of the issues in the 1960 national elections. The President feels that the American people are now ready to support vigorous action, to prevent inflation. The sort of excessive expenditures that were so often a worry last year when the keynote of all songs was the stimulation of recovery and the reduction in unemployment are now looked upon with much less favor, he thinks. These sentiments on the part of high officials come to the voters accompanied by the news (if it is news) of a national deficit in the fiscal year just closed running to $12.5 billion. They are likewise closely related to a report of the so-called Nixon committee report on “Price-Stability for Economic Growth,” which warns of the dangers of inflation and cites the good things that may be ours if we avoid inflation. [See page 12 for text of report.—Ed.]

There can be no doubt that all these pronouncements by the powers that be are making a more favorable impression upon the rank and file of the voters than would have been the case a year or so earlier, when recession and unemployment were uppermost in the minds of so many. “The devil is sick; the devil a monk would be,” a cynic of many years ago remarked. When unemployment is large, and the economic outlook not particularly encouraging, the rank and file may have no particular yearning for the cloth but they are certain to be all too ready to take patent medicines in quantity on the advice of quacks or quacks. Continued on page 31.

THE BEAR MARKET IN BONDS WILL CONTINUE

BY WILLIAM M. B. BERGER

President, Great Western Banking Corp., Denver, Colo.

Mr. Berger’s cutting analysis of and advice to bankers who know investing rather than managing indicates his own interest in bank bond portfolios. The former banker deplores failure to discern the bear market trend from the rallies and doubts half market will return until private savings expand or debt declines. Until bonds become a better inflation hedge than stocks, Mr. Berger believes bank bond accounts should be: (1) cleaned out and reconstituted during 1959-60 excellent timing years, for which losses can be taken, to be ready for bond market low to lengthen maturities; (2) a true reserve account as liquid as levies; (3) Flexible and leveraged, and (4) cognizant that “less is included” that could have been earned by better management.

After 10 years or so we finally seem to be discovering that we have been in a bear market for bonds during the postwar period. Very few bankers would disagree with this statement, but there seems to have been, and there seems to be, still some semblance of a remarkable persistence in placing the burden of proof on the “bears,” and the strange lingering feeling persists that it just can’t happen. “They can’t let it happen.”

Most errors in the management of bond accounts in the postwar years can be attributed to not realizing that the long-term trend has been down, and not being mentally conditioned so as to understand that the rallies in the bond market during this period, such as November ’57 to April ’58, were merely rallies against this downward trend. Perhaps this reluctance to recognize that we are in a bear market is the reason why the bond market has not invested as much.

Continued on page 26

THE GOLD RUSH OF 1959

BY PETER L. BERSTEIN

Executive Vice-President, Bernstein Macaulay, Inc., Investment Counsel

Mr. Bernstein urges realistic conclusions be applied to the gold question. Maintains the prevalent concern over the decline in our exports is unwarranted since it is in good part based on temporary factors; while our imports are not abnormally high. Points out we still have a favorable trade balance, higher in 1958 than in four of last 10 years. Believes there is no indication of a flight from the dollar. Denying that gold outflow could threaten our credit structure or make the dollar a soft currency, he maintains our present gold stock is far in excess of current requirements, hence holding. Concludes that main cause of our excess of payments to foreigners is due to capital and government transactions which are helping to restore international liquidity.

In 1956, the United States lost more than 2,500 tons of gold to foreign countries. It doesn’t sound like much. The American steel industry pours that much tonnage in less than three minutes out of an eight-hour day. Two normal-size freight trains could carry it with ease. A large freighter would hardly notice that the water was as it was lowered aboard. Yet, this was more than one-tenth of our total gold stock and more than one out of every 17 tons of monetary gold in the whole free world. It was the largest loss of gold we have ever sustained in a year of our history. It had a value of more than $2 billion—the combined annual income of nearly 400,000 American families. Now, after a reprieve of a few months, the gold outflow started again at a rate almost as heavy as last year’s. Is this a fatal hemorrhage? Does it mean that the dollar is becoming weaker?

Continued on page 28
The Security I Like Best

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

(The articles contained in this forum are not intended to be, nor are they to be regarded as an offer to, or promotion of, any security.

The Security I Like Best for the Week of May 10, 1959

Oregon Metallurgical Corporation

May & Co., Portland, Oregon

Better missiles, more powerful rocket engines, faster airplanes and space vehicles— these methods and processes are making the world of today different from the world of tomorrow. In the production of these products, the key is better metals. In metallurgical words, the key is to develop new and produce better metals.

Oregon Metallurgical's only business is developing and producing better metals, and better methods and processes of working with better metals.

Organized in 1956, Oregon Metallurgical, Inc. incorporated back in the business which its President, Stephen E. Shilton, and his associates had been pursuing for a number of years. That was the start of the U. S. Bureau of Mines Laboratory in Oregon.

Addressing themselves to the toughest problem facing workers in pure metals, that of obtaining a product of extremely high purity, the Oregon metallurgists soon came to believe that a revolutionary—and highly successful—vacuum melting process was the help they needed. This process, backed by a strong titanium market, the company got off to a good start and was soon making money. This, together with the good profit from the vacuum melting process, pushed the price of the stock in the then very thin local market to a high of $75 a share, a price which produced a gain of $4 of a dollar from the Spring of 1958 to the Spring of 1959.

Having foreseen this break in the titanium market, however, Mr. Shilton quickly added the company years after by mid 1957 was not leaning on this transition, the nuclear reactor metal, thereby escaping the very costly grief suffered by the titanium giants.

By September of 1959, Mr. Shilton was back at the price of $10 a share by mid 1957 he was not leaning on this transition, the nuclear reactor metal, thereby escaping the very costly grief suffered by the titanium giants.

The Security I Like Best for the Week of May 17, 1959

Portable Electric Tool

John P. O'Rourke, Jr., Chicago, Ill.

Home workshop enthusiasts will appreciate the forthcoming Fall 1959 introduction of the Portable Electric Tool. In the past we have struggled with tinny miniature drills and clutches and attachment from our power tools, past and present. With the Portable Electric Tool, we have designed a drill for a few dollars, one that we can remove the drill and later, after electroplating, remove it from the saw or sander etc. The answer to this ever-vexing problem is PET's new trade market "TWISTLOCK." A patent is pending on the item, which by means of a snap-lock device, enables the "do-it-yourself" to instantly change tools on his power equipment.

The Portable Electric Tool exclusives include the 1/2-inch stationary radial arm saw with the option of portability ever offered. This machine provides all the flexibility of a portable saw and all the accuracy of a radial saw. Model UP-16, retailing at one-half the price of comparable machines now available, appears to be a major first in this industry.

(2) The only electric impact wrench with variable torque. By simplifying design and engineering and the elimination of excess parts, PET has marketed a tool retailing for 16% to 15% less than standard models, while being immeasurably easier and cheaper to repair.

(3) The only two-speed, sand- and 6-inch drill made today. This revolutionary and patented item enables the worker to select the speed of the drill without removing the bit. Actually, you obtain two drills for the price of one.

Portable Electric Tool was formed in 1946. The company makes the most reasonably priced, complete line of power tools available on the market, with line sander-polishers, saws, and ship, home, and industrial use. The Company has two lines, PET and SHOMATE, and also sells to large retailers.

The Company is shown as a significant tool. Recorded below are share earnings figures for the past six years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Earnings</th>
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<tbody>
<tr>
<td>1954</td>
<td>$0.37</td>
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<tr>
<td>1955</td>
<td>0.50</td>
</tr>
<tr>
<td>1956</td>
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<td>1957</td>
<td>0.75</td>
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<tr>
<td>1958</td>
<td>0.70</td>
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<tr>
<td>1959 (estimated)</td>
<td>2.23</td>
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At 20 the stock is selling at less than 9 times estimated earnings of $2.23 per share, for the year ending June 30, 1959, an unusually low ratio for a company with such strong growth characteristics. Most of the officers and other supervisory personnel have been with the company since its formation.
How Can We Improve Our Foreign Economic Policy?

By Walter H. Diamond*  

**Editor of special Hill-Industries Letter**  
Director, Foreign Economics Department,  
McGraw-Hill International Corp.

Ten facets of U. S. foreign economic policy said to demand  
consideration by Mr. Diamond: residual proposals ranging from countering Soviet dumping to revving up our foreign aid approach. Not at all upset by his prediction that our gold outflow in 1959 may reach $2.5 billion, the international economist also advises us not to turn ourselves out of the world market if we pursue aggressive sales and less restrictionism. He terms the “dollar scare” grossly exaggerated but adds this does not mean we cannot continue inflation and higher labor costs. Mr. Diamond finds himself overlooked by advocates of East-West, two-way trade with Russia; de-  

Needs to say, this artificial interference could get right at the Kremlin’s feet of faltering capacity by cutting off U. S. raw material sources and using employment schedules out of killer.

Success Now Seems Remote  
While the possibility of Soviet success may appear remote at the moment, the groundwork already has been firmly laid throughout a three-pronged program that is hurting our overseas sales of American industry and weakening the credit position of nations friendly to the U. S. Including the 40 bilateral trade pacts negotiated last year, Moscow now has arranged a total of nearly 200. By far the bulk of these were barter deals in Latin America. 

In Africa, the Far East and Middle East, Moscow’s main line of attack has been long-term loans of from 15 to 28 years. In most cases in intra-competitive interest rates no higher than 2 1/2%. In the past two years Russia has arranged a total of only 1.25 billion of these credits in contrast with the 386 billion of aid, loans and grants the U. S. has made to the Free World since the end of World War II. As is well known, the Kremlin made the most with propaganda by what it called “saving” Afghanistan through its $125 million loan to build roads and railways.

Factories in Iraq were beginning to require full production capacity after the 1958 revolution when the Communist-inspired uprisings again hit the country. Khrushchev now regards Iraq, with her 225 million barrels of oil shipments to the West each year, as a richer prize than Egypt. Moscow’s recent $137 million long-term loan to Iraq at 2 1/2% dispels all hopes American exporters have of regaining this market. Now that Egypt’s President Nasser really has decided to become a neutral, the Kremlin’s new target as an alternative foothold in North Africa is Libya. Already Soviet aid and arms to Libya are obli-
Observations...

By A. WILFRED MAY

BIBLE READING

FOR BOTH THE BARBER AND THE ANALYST

With purchases of investment company shares running at a $1 billion monthly rate, and with the investor's befuddlement over choosing a policy amidst the current "inflation" and the paradox of saving, main market scanning is the maximum of investment education called for. This is again supplied by the 18th annual edition of "INVESTMENT COMPANIES," a 416-page tome compiled and published by Arthur Wiesenberger & Co. (651). The volume is both a reference Bible covering mutuals and annuities and an overall guide to sound investing. For example, this 1958 edition has added new material on "Common Stocks and Inflation." The theory is advanced that what people really have in mind when they speak of "inflation" is "stealing speed of the wholly natural growth process." The text goes on to explain that while "inflation" calls for no change in the values of investments, although it may involve a change or modification of attitude on the part of the investor, . . . take the mansion under the influence of marijuana who will act normally, but is actually moving several times his normal speed, an economy, industry, corporation or individual under the influence of inflation is indeed to act with more than greater than normal tempo. So it is that this period of inflation a premium is placed on sound judgment and patience on the reserve. Our fund spokesman interprets this as enhancing the value of the professional service provided by investment company representatives in these periodic inflationary periods. (Omitted, unfortunately, is mention of the two-way course of dollar deprecation, as well as the overestimation of the "inflation" bugaboos as practiced by the paper-beaver fund peddlers at retail.)

Insurance and Investment

Also manifesting the broadening influence of the "inflation" effect is this year's expansion of the treatment accorded to the insurance area in the chapter on "Life Insurance and Your Investments" gives a thoughtful explanation of what life insurance really is, maintaining that it is thoroughly consistent with the investment company concept. Particularly excellent is placed upon the conclusion that "any type of life insurance policy should be under written once the single idea of an averging cost per $1,000 of pure insurance, at any given age, is grasped." It is pointed out that at any selected age, stock or endowment policy, health, the pure cost of insurance is exactly the same, regardless of the type of policy or the age at which it was taken out. Premiums differ in two types of policies, primarily because one man is building up his savings more rapidly than the other.

The Over-Irregular

Wiesenberger further shows the fallacies in certain types of reasoning that have been made possible by the "inflation" effect. These fallacies have probably led many people to pay for more insurance than they need, even to the point of less protection than their circumstances justify. And to have steered people away from putting money into common stocks.

Realistic observations regarding the true cost of insurance are also lacking in several cases. Wiesenberger states: "In a case of a man of 65 who has a gap-up in income, and still costing him something, in the form of interest which could be gotten on the same income, or in any event, at an advanced age, it is true that a dividend policy is preferable, but that is because . . ." Wiesenberger goes on that in meeting a columnist's minority's view that capital gains are fortuitous. Even the tax regulations of the past have occasioned saving, New York, et al. capital stock, and does not change. In any event, the Wiesenberger example is quoted to illustrate something of the fund's management abuses in deliberately "averaging" the apparent increase because of not unnecessarily generating capital gains, with the help of years of operations; and even more importantly, in delaying fund saleness' micro-manipulations regarding their fund's true yield (at 10% or so) in line with any actual real yield of 2 1/2%.

Full coverage is also given to accumulation plans, which are now being bought by more than 200,000 investors. There are now over 200 of these plans available, and 33 fund discounts are offered; plans for Jackie Plunkett Life Insurance. Another feature covered, concern- ing roll-over plans are withdrawal plans which are now offered by 67 different funds.

Truly the Wiesenberger upon usefulness that are of the barbershop-fund buyer as well as to the most proficient special.

MORE ON THE PERFORMANCE RECORD

A smaller, but highly valuable tome dealing with the investment performance of closed-end companies from the American Institute of Economic Research, "PER FORMANCE TRUSTS AND FUNDS—AN EXAMINATION OF THE PERFORMANCE OF INVESTMENT COMPANIES," by C. Russell Doane and Edward J. Hillery. American Institute for Economic Research, Arctic Bar- rington, Mass., 1959 ed.; 98 pp.; price $2.50. The book is destined bringing up to date com- prehensive charts, tables and in- formation concerning investment companies makes a highly valu- able contribution to the current research on investment performance records in evaluating trust management. The authors of this approach this nettle situation with a warning about the reliance on past performance (which we sometimes feel resembles poking the ponies from behind the map of the past performance records works out—we were so much at the frequent neglect to take into account the absolute and compar- ative amounts of the investment; the omission of allowance for the removal of the several major cyclical shifts in the market, other. The Requirements

Affirmatively, the following constructive requirements for general health and welfare are accomplished. Their remedial ability are emphasized:

The period is long enough to reflect the results experienced in both prosperity and depression. In order to reflect the investor's actual experience, the various purchases of closed-end companies, and the premium and the public's approval of the investments. The latter should represent a broad cross-section of the industry, including the different types of diversified, managed funds. This has been done by the Institute's researchers, who have combined 44 representative closed-end funds in a so-called American Average. The Realistic Results

A chart showing comparative performance of the American Average of funds with Moody's 125 since 1919. Economists 1924 shows quite equal performance, with no early decline. Considering such a relatively new, the Moody average index attributable to the many factors in line with the funds unfitted or showing ties in the Dow-Jones Average in the latter years. Interest also comes in the volume's compensation of the funds' performance with the results that would have obtained if similar amounts were invested in the same proportion as the American Average, 1924 to 1929 the results show that the American Average of representative funds for the 20% compound interest accumu- lation rate in the near period 1928-1932 it declined to a 6% interest rate level; and from 1947 on, has nearly paralleled the 10% interest rate line.

Another interesting table shows the comparative performance of each representative fund with others and with the composite of the selected group from June, 1946 to December, 1956. These are dates which encompass a complete major cycle; that is, from a market peak in 1946 to a trough to a succeeding peak.

Closed-End versus Open-End

Particularly interesting is the unmistakable evidence that the closed-end companies, both individuals and institutions have provided far more favorable results than the open-ends. Since each fund was selected for by the first day. Its shares were bought by the public, the closing charges which apply to most of the open-ends and the Exchange's commission charges for buying the closing-ends, would have been minimized in being amortized over long pe- riods.

Over a span of more than two decades, encompassing major cyclical movements, the study shows the profits of closed-end companies have provided on average substantially more favorable results than those obtained by the better known, and less costly, and the UN. S. Treasury obligations.

Stocks are important, inflation-adapted investment company distribution is a major element in the public's concept. He emphasizes that fund managers must take "hostile" or "signally different sources" one being from the "ethical" or "true" source of investment income; and the other, capital gains, as being unfunded, from capital gains, (i.e., "a less stable source of investment income."). In characterizing such profits as "a less stable source of investment income," one is being "averaged," Wiesenberger states: "Wiesenberger goes unaturally far in meeting your column-"Steady" as opposed to the Moody index which major top might be fortuitous. Even the tax regulations of the past have occasioned saving, New York, et al. capital stock, and does not change. In any event, the Wiesenberger example is quoted to illustrate something of the fund's management abuses in deliberately "averaging" the apparent increase because of not unnecessarily generating capital gains, with the help of years of operations; and even more importantly, in delaying fund saleness' micro-manipulations regarding their fund's true yield (at 10% or so) in line with any actual real yield of 2 1/2%.

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THE CONTROVERSY OVER FLEXIBILITY

The highly controversial issues involved in the currently proposed changes in the Investment Companies Act of 1940, will be clarified in this Thursday's (July 9) hearings before the Com- merce and Finance Subcommittee.

We are very pleased to announce that

JOSEPH A. COSENTINO has become associated with us
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Mr. Babson explores tomorrow’s possible replacement of high-cost irrigation making it commercially practical to farm much of the land that has heretofore required high-water pressure which will take the place of present irrigation; but it will be greatly simplified and accelerated. This new process can be used for all land, however, for agriculture is a process that may be carried on in this country or in any part of the entire world.

We all know that arid lands will produce the finest crops when they can be finally watered. Our most beautiful flowers and similar table vegetables grow from Califor¬nia which are grown from land which was absolutely sterile a few years ago. There is no question that there are lands which have had no rains during the past century, are very rich in vitamins A and minerals, while our nurseries in the few arid lands have had these washed away on the rivers and into the oceans. When I was in Africa I am told that five year ago, after hard Desert will “blossom like a rose” when it has water.

Present Irrigation Very Wasteful

The only way we are able to give these “no rain” lands sufficient water is by irrigation. The very process of building expensive dams, together with canals and ditches, is incredibly expensive. As a result, all present forms of irrigation are very wasteful, even if the irrigation is obtained. I believe that very few new irrigation systems are built.

The lands, however, must have some equivalent of water, but this may be in the form of “atmospheric” water. I am certain of this after my few weeks spent in New Mexico and Arizona from which states I have just returned. There you can buy “no rain” land for $10 an acre but find it has turned—so now is obtainable. I believe that very few new irrigation systems are built.

How Water May Be Manufactured

Those of us who have studied mineralogy know that we consist of two elements, hydrogen and oxygen. In the chemical laboratory we were taught how to decompose water into these two elements. But in fact, this is now being done in commercial way by means of a beam of light. I remember, however, a time when it was dangerous to reverse the process. It gave off so much heat and sometimes an explosion. In this rough, is the

Mr. Babson has resigned to become Mr. Badie succeeds on Aug. 1—announced today.

Laboradie Exec. V.P., Of Govt. Bev. Bank

Juan Laboradie Euirte has been appointed executive vice-president of the Government Development Bank of Puerto Rico, effective Aug. 1, it was announced today. Mr. Lab¬oradie succeeds Mr. Roberto Mo¬nate, who has resigned to go into private business.

Mr. Laboradie has been As¬sistant Secretary of the Treasury of Puerto Rico in charge of financial affairs since 1927. Mr. Laboradie was graduated from the College of Agriculture and Mechanical Arts of the Uni¬versity of Puerto Rico, following which he attended Cornell Uni¬versity where he received his master’s degree in agricultural economics. He was head of the so¬cial science department of the College of Agriculture and Me¬chanical Arts from 1941 to 1947, and head of the statistical division of the Bureau of the Census until 1951. He was appointed Commissioner of the Bureau of Tax Collection of the Treasury Department in 1953.

We are pleased to announce the association of Mr. James F. Clohessy with the Investment Research Department.

VILAS & HICKEY

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The business expansion that has carried economic activity to new records through the first half of 1959 is proceeding with no evidence of a slow-down in momentum, according to the July "Monthly Review" of the Federal Reserve Bank of New York. Measures of industrial production, personal income, and retail sales all set new highs in May and these levels appear to have been maintained through June. Employment, which lagged in the earlier stages of the business recovery, has risen briskly in the past several months while unemployment has been cut sharply. Looking ahead, a recent survey suggests a firmly rising trend of business capital expenditures over the balance of this year.

The "Monthly Review" article also notes that broad price aggregates have held steady in recent months, although it mentions the possibility of stronger upward pressures on price emerging in some lines as rapid reemployment of industrial facil¬ities and manpower strains against capacity. A second article, "Growth Without Inflation in Britain," suggests that Britain may well be on the threshold of a period of sustained growth without inflation. The article, one in a series that began in June with a study of "Creeping Inflation" surveys Britain’s problem of achieving a reconciliation of economic growth with price stability and the views of British observers as to how this reconciliation might better be achieved in the future.

To an American, the Bank observ¬ers, one of the most significant aspects of these views is the absence of any serious suggestion that creeping inflation holds any answer to the problem of economic growth. The pitfalls of a prolonged—even though gradual—rise in prices have become painfully clear to British observers. Price in¬flation contributed to the 1949 revolution of sterling, to the squeeze on pensioners and others on fixed incomes, to complications in the management of the government debt and consequently in the maintenance of monetary control and to periodic bouts of speculation against sterling.

Out of this experience, the "Review" states, have come poli¬cies that have been the key to stability in Sterling area. It is certain that, if Britain is not able to maintain an output that will go beyond the growth of its capacity, if it is not able to achieve a degree of price stability that has not been known in Britain since the 30s. Moreover, the British have for a long time been aware of the fact that an over-priced and over-expanded economy will cause the currency to deteriorate through increased both the capacity and the efficiency of British industry. Hence, there is room for a considerable total output and productivity per man, which would in turn act to maintain stability or perhaps even to reduce unit costs of production.

Having achieved the requisite price stability, the British Government, the "Review" says, has moved rapidly toward facilitating economic expansion. The lifting of controls on instal¬ment credit in the autumn of 1958 and the reduction in income and purchase taxes in the April budget have stimulated personal consumption. The Investment programs of the public authorities have been accelerated, and special tax incentives for private in¬vestment have been provided.

Nationwide Bank Clearings Up 23.7% Above 1958 Week

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the "Chronicle" based upon telegraphic and check items of the clearing organi¬zation, indicate that for the week ended Saturday, July 4, clearings for the first week of the United States were 23.7% above the comparable weekly clearings of 23.7% above those of the corresponding

Continued on page 34

We are pleased to announce that

M. GORDON Y. BILLARD
has this day been admitted to general partnership in our firm.

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New York 16, N. Y.

Members New York Stock Exchange American Stock Exchange
International Reconciliation Of Expansion Sans Inflation
By ION, DERICK HEATHCOAT AMORY
Chancellor of the Exchequer, Great Britain

British exchequer head credits world confidence in the dollar and the pound for aiding world recovery and making free working of international capital economic possible, and he outlines factors responsible for this including primary role played by U.S. A. Looking to the problems of the future, Mr. Amory averses continuation of world confidence in these two currencies and warns that a 'sombre prospect' lies ahead, as British and our country's ability to reconcile "economic expansion and price stability." Stressing the impetus given to inflation by wages outpacing productivity, the British official says no solution will be found unless the general public understands fully the problem.

It is one of the inescapable facts of life that those of us who are concerned with the conduct of economic and monetary affairs spend the greater part of our time wrestling with unanswerable problems and anxiously looking for new difficulties up over the horizon. doe I complain of this myself? My life would be dull indeed if it were full of nothing but problems. And Ministers of Finance are fortunate indeed in always getting a dull moment. But this occupational hazard carries with it the danger that we and all others will come to see the world as perhaps a more monotonous place, which more fraught with dangers of disaster, than in fact it is.

Emeuring, Rescuing Events

It is with that thought in mind that I want to begin by conveying some of the reassurance which I personally have drawn from the recent events of the free countries making up the Western world in the last few weeks. Emerging from a test of its stability with the onslaught of recessionary forces, it has so far emerged with success. Self-confidence permitting economic fluctuations and its future course, we pay, because we think it will worth paying for, maintaining the market economy as the foundation of our civilization.

The economic recovery of the United States production has now fully recovered and continues to expand. In Western Europe also, the trend is now upward. But this upturn in production has not amounted to more than what would appear natural on the trend. Primary product prices have continued to make strong gains, but they have been strengthened since the beginning of the year. In both industrial and primary producing countries, however, rising costs of living have continued to accelerate.

There has been an increased influx of new capital to promote and partly sustain the production increases.

It is worth reflecting for a moment on the reasons for the continuing good performance of the Western world. The United States economy appeared, on the evidence then available, fully capable of supporting an upturn in Western Europe production was also considered to be on an expansionary path. In both countries the reserves of primary producing countries were being expanded. In Western Europe, however, a substantial drawing in of gold and foreign exchange took place. In the United States, and fears were already being expressed that domestic activity would develop in the course of the year. More generally, it was feared that the Western world faced the danger of a renewed world-wide shortage of production and trade, accompanied by a intensification of trade restrictions, as primary producers were forced to reduce their imports to shore up their reserve losses; while this in turn would lower production further in the industrial countries.

Recovery Hand-in-Hand With Liberal Trade

In the face of these fears have proved to be shadows. The outlook has been one of a high rate throughout the recession in the United States. I am very conscious of the difference between paying my tribute to the courage of this Administration's policies which did so much to prevent the spread of serious recession throughout the world.

American Federal Reserve Bank of St. Louis

Deadline 9/15/56

International Reconciliation Of Expansion Sans Inflation
By ION, DERICK HEATHCOAT AMORY
Chancellor of the Exchequer, Great Britain

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Emeuring, Rescuing Events

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The economic recovery of the United States production has now fully recovered and continues to expand. In Western Europe also, the trend is now upward. But this upturn in production has not amounted to more than what would appear natural on the trend. Primary product prices have continued to make strong gains, but they have been strengthened since the beginning of the year. In both industrial and primary producing countries, however, rising costs of living have continued to accelerate.

There has been an increased influx of new capital to promote and partly sustain the production increases.

It is worth reflecting for a moment on the reasons for the continuing good performance of the Western world. The United States economy appeared, on the evidence then available, fully capable of supporting an upturn in Western Europe production was also considered to be on an expansionary path. In both countries the reserves of primary producing countries were being expanded. In Western Europe, however, a substantial drawing in of gold and foreign exchange took place. In the United States, and fears were already being expressed that domestic activity would develop in the course of the year. More generally, it was feared that the Western world faced the danger of a renewed world-wide shortage of production and trade, accompanied by a intensification of trade restrictions, as primary producers were forced to reduce their imports to shore up their reserve losses; while this in turn would lower production further in the industrial countries.

Recovery Hand-in-Hand With Liberal Trade

In the face of these fears have proved to be shadows. The outlook has been one of a high rate throughout the recession in the United States. I am very conscious of the difference between paying my tribute to the courage of this Administration's policies which did so much to prevent the spread of serious recession throughout the world.

American Federal Reserve Bank of St. Louis

Deadline 9/15/56

International Reconciliation Of Expansion Sans Inflation
By ION, DERICK HEATHCOAT AMORY
Chancellor of the Exchequer, Great Britain

British exchequer head credits world confidence in the dollar and the pound for aiding world recovery and making free working of international capital economic possible, and he outlines factors responsible for this including primary role played by U.S. A. Looking to the problems of the future, Mr. Amory averses continuation of world confidence in these two currencies and warns that a 'sombre prospect' lies ahead, as British and our country's ability to reconcile "economic expansion and price stability." Stressing the impetus given to inflation by wages outpacing productivity, the British official says no solution will be found unless the general public understands fully the problem.

It is one of the inescapable facts of life that those of us who are concerned with the conduct of economic and monetary affairs spend the greater part of our time wrestling with unanswerable problems and anxiously looking for new difficulties up over the horizon. do I complain of this myself? My life would be dull indeed if it were full of nothing but problems. And Ministers of Finance are fortunate indeed in always getting a dull moment. But this occupational hazard carries with it the danger that we and all others will come to see the world as perhaps a more monotonous place, which more fraught with dangers of disaster, than in fact it is.

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Marketing Department
Merrill Lynch, Pierce, Fenner & Smith
70 PINE STREET
INCORPORATED
NEW YORK 5, N. Y.
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6 (106)
most important not to exaggerate hopes or fears about the control of the level of demand. It is not true that we can, by the control of demand, solve all problems of the economy. It is not true that by such control we can prevent all wages and other incomes from being repressed. People nowadays expect their governments to maintain a high level of employment, and this demand is one which is honestly made. Avoiding boom-levels of demand in the United States for the time being would be quite another.

The existence and strength of these ideas about levels of unemployment and incomes that, in our control of demand, is likely to work within narrow limits. We cannot be sure that what is happening within these limits we can secure price stability by the control of demand alone. Even though we avoid the extremes of boom demand there may still be a tendency for wages to rise faster than productivity, and so generate an upward pressure on costs and prices.

Public Must Be Fully Informed

How is this to be done? Well, I have no magic solution. But I am quite sure that no solution will be found unless and until there is some degree of understanding by the general public of the nature of the problem and of what is involved in a solution. That is why we have in England laid a lot of stress on efforts to enlighten public opinion on the inter-relations of prices, incomes and employment. Another thing is why we welcome the new venture of the National Institute of Economic and Social Research, the production of authoritative reports every two months on which is actually going on in the economy—a venture made possible, by the way, by the generous help of the Ford Foundation.

And as for the government itself, quite apart from what it does in White Paper and other public statements, we have set up a special investigatory body—the Council on Prices, Productivity and Incomes—whose function is to report to the public from time to time on the state of the economy and on the policies resulting therefrom. Though the two reports they have published so far have not been free from controversy, I am sure they have done good service in bringing home to people the importance of these problems to the national economy.

The vital need is by some means to introduce into the process of wage negotiations a fuller appreciation of the broad social and economic consequences of the nation of decisions taken in a particular industrial sector and the harm to the whole nation in the long-term of continuing increases in this price level. This I fancy is easier to inculcate in some countries where we have known the tragic consequences of rampant inflation in an extreme form. Than it is in England, where we have only experienced it in a milder form. But if we shall succeed in making progress I am not going to try to forecast what I am sure that the more we can keep such questions out of the hurly-burly of party politics the better and the more lasting the progress will be.

It may be of interest if I conclude my remarks by giving an impression of the general economic prospect in England as it looks from our standpoint. The economy of this country is wide open to all the winds that blow, and so we take a great interest in economic conditions overseas. With our dependence on international trade our economy is very sensitive to fluctuations in economic activity and commodity prices. We are also the banker to a great many countries, especially those associated with us in the sterling area, and

IRVING TRUST COMPANY
NEW YORK

STATEMENT OF CONDITION, JUNE 30, 1959

**ASSETS**

<table>
<thead>
<tr>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Cash and Due from Banks</td>
<td>$470,618,970</td>
</tr>
<tr>
<td>Securities</td>
<td>412,635,951</td>
</tr>
<tr>
<td>U. S. Government Securities</td>
<td>342,682,839</td>
</tr>
<tr>
<td>Stock in Federal Reserve Bank</td>
<td>3,347,100</td>
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<td>Real Estate</td>
<td>17,145,373</td>
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<td>Banking Houses</td>
<td>16,535,073</td>
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<tr>
<td>Customers' Liabilities</td>
<td>43,822,806</td>
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<td>8,956,022</td>
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**CAPITAL ACCOUNTS**

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U. S. Government Securities pledged to secure deposits of public monies and for other purposes required by law; amounted to $899,341,399.

**MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION**

**STATEMENT OF conditions, JUNE 30, 1959**

**DIRECTORS**

RICHARD H. WEST
Chairman, The Board

THOMAS G. FOGARTY
President—The Bank of Coral Gables

J. E. HARVEY, JR.
Chairman, The First National Bank

GEORGE A. MURPHY
President

ROBERT C. KIRKWOOD
President—The First National Bank

W. G. MALCOLM
Chairman,

B. L. LAYNE
President, First National Bank

JOHN W. MCGOVERN
President, The First National Bank

MINOT K. MILLIKEN
President—The First National Bank

ROY W. MOORE
President, Continental Bank

PETER S. PAINE
President, First National Bank

DONALD C. PETERSON
President, First National Bank

RAYMOND H. REISS
Chairman, First National Bank

E. E. STEWART
Chairman, First National Bank

FRANCIS L. WHITMASH
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Dealer-Broker Investment Recommendations & Literature

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

Atomic Letter No. 48—Discussing four new projects with probable beneficiaries, Investment Securities Co., Inc., 1033 Thirtieth Street, N. W., Washington 7, D. C.

Automobile Industry—Discussion—Sherman, Hammill & Co., 14 Wall Street, New York 5, N. Y.


Burnham View—Monthly Investment letter—Burnham & Company, 15 Broad Street, New York 5, N. Y. Also available is a review in Foreign Looking.

Candiates for Stock Splits—In current “Market Review”—The Harris, Upham & Co., 129 Broadway, New York 5, N. Y. Also available are reports on America and Minerals & Chemicals Corp. of America, and on Foreign Looking.

Corporate Yield Gap—Discussion—New York Hazardite Corporation, 129 Broadway, New York 5, N. Y.

Equities for Investment—Suggested issues arranged according to industry—Toole, Wimill & Co., 1 Wall Street, New York 3, N. Y.

Europe and Latin America—Analysis to current issue of “Latin American Business Highlights”—Chee Manhattan Bank, 18 Pine Street, New York 15, N. Y.

Few Shares or Many?—Comparison of issues with many shareholders and a number of shares outstanding: In the July issue of "The Exchange"—Exchange Magazine, 11 Wall Street, New York 5, N. Y.—29 per cent, 53 per cent, 57 per cent. The study of the nation's shareholders and an article on capital gains tax policies of other countries.

Investment Issues—Stocks which appear attractive at current levels—Staley Heller & Co., 20 Pine Street, New York 3, N. Y.

Japanese Stock Market—Study of changes in postwar years—In current issue of "Nomura's Investors' Bulletin"—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is a review of the outlook for Plant and Equipment Expenditures of the Top 100 companies, the brief analyses of Mitsubishi Heavy Industries, Nippon Flour Mills Co., Iwaki Cement Co., and a survey of the Steel Industry.


New York City Banks—Comparative figures on 10 largest banks in New York City—First National City Bank, 16 Wall Street, New York 15, N. Y.

Over-the-Counter Stocks—Policies showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 50 over-the-counter industrial stocks used in the National Quotation Bureau Averages, illustrating the market yield and market performance over a 20-year period—National Quotation Bureau, Inc., 48 Front Street, New York 4, N. Y.

Power Progress from Petroleums—Review—National Securities & Research Corporation, 120 Broadway, New York 5, N. Y.


Railways—Discussion—Paul A. M. Kiddier & Co., Inc., 28 Wall Street, New York 5, N. Y.


Treasure Chest in the Growing West—Booklet on industrial companies in the area served—U. S. Power & Light Co., Box 889, Dept. K, Salt Lake City 10, Utah.


What is the Interest Rate for Long-Term Governments—Analysis—Saunders Cameron Limited, 53 Young Street, Toronto, Ont., Canada.

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


American Cement Corporation—Analysis—Reynolds, & Co., 120 Broadway, New York 5, N. Y. Also available are reports on W. T. Grant Company and Hollinger Consolidated Gold Mines and a list of interesting Convertible Preferred Stocks.


Art Metal Construction Company—Bulletin—Struhs, Ginsberg & Co., 129 Broadway, New York 5, N. Y. Also available is an analysis of Avondale Mills.

Bloomman Hydrasene Inc.—Analysis—S. D. Fuller & Co., 28 Broadway, New York 5, N. Y.

Detroit Harvey Company—Analysis—Hill Richards & Co., 621 South Dearborn Street, Chicago 11, Calif. Also available is a study of Tax Free Municipal Bonds.

Detroit Harvey Co.—Memorandum—R. W. Pressgrove & Co., 29 Broadway, New York 5, N. Y.

Ex-Cel-O Corp.—Memorandum—Green, Ellis & Anderson, 61 Broadway, New York 6, N. Y.

Ferro Corporation—Analysis—Schweickert & Co., 29 Broadway, New York 5, N. Y.

Gestetner Ltd.—Review—Alfred L. Vanden Broeck & Co., 55 Liberty Street, New York 5, N. Y.

Great Northern Power Corporation—Analysis—McLeod, Young Weir & Company Ltd., 50 King Street, West, Toronto, Ont.

Great Northern Railway Co.—Memorandum—J. A. Hogle & Co., 40 Wall Street, New York 5, N. Y.

Hanna Mining Company—Analysis—Harrison Bixley & Co., incorporated, 63 Wall Street, New York 5, N. Y.

Helene Curtis Industries, Inc.—Memorandum—Well & Co., 734 Broad Street, New York 5, N. Y.

Hove Sound—Review—Ina Haupt & Co., 111 Broadway, New York 6, N. Y.

Inland Cement Co.—Memorandum—W. C. Pitfield & Co., 33 Broad Street, New York 4, N. Y.

Inland Steel Company—Data in current issue of "ABC Investment Bankers' Research Bureau," Inland Steel Company, Pittsburgh, Pa., 85 Yonkers Avenue, New York 17, N. Y.

Inland Steel Company—Data in current issue of "ABC Investment Bankers' Research Bureau," Inland Steel Company, Pittsburgh, Pa., 85 Yonkers Avenue, New York 17, N. Y.

Koppers Company—Data in current issue of "ABC Investment Bankers' Research Bureau," (Philadelphia, Pa.) is available.

Koppers Company—Data in current issue of "ABC Investment Bankers' Research Bureau," (Philadelphia, Pa.) is available.

Leverett Trust Company—Report—Laird, Bisell & Meeds, 120 Broadway, New York 5, N. Y.

Kennametal Inc.—Memorandum—Humphrey, Noyes & Co., 15 Broad Street, New York 5, N. Y.

Keystone Custodian Funds, Inc.—Analysis—May & Garnon, Inc., 149 New Street, Kansas City 10, Mo.


Northwest Engineering Company—Analysis—The Milwaukee Journal, 315 West Wisconsin Avenue, Milwaukee 1, Wis.


Red Owl Stores Inc.—Memorandum—Pipe & Robertson, Inc., 307 South Broad Street, Minneapolis 2, Minn.


Stran Chemical Co.—Memorandum—A. C. Allen & Co., 122 South Broad Street, Philadelphia 2, Ill.


Vitro Corporation of America—Memorandum—Hayden, Stone & Co., 23 Broad Street, New York 5, N. Y. Also available is a broadside at American Scal Kap Corporation.

New York Savings Banks Association Resigns From ABA

The Savings Banks Association of the State of New York has resigned the membership in the American Bankers' Association, held in the name of its managing director, Edward J. Pierce, President of the Savings Banks Association, said the resignation results directly from ABA sponsorship and supports of the Mason Bill (H. R. 790), which would "discriminate against thrift institutions in favor of commercial banks in the field of federal taxation."

"I urge your support to the American Bankers Association lending its support to this bill with the hope that its passage will be favored by such groups as the Independent Bankers' Association of America, for its members of the Committee for Tax Equality, and the Arthur T. Roth Committee, all of which groups have expressed punitive taxation of mutual thrift institutions," Mr. Pierce said.

"These groups claim to be advocates of thrift, and as such, I urge your support," President Pierce continued. "Actually, they are doing no such thing.

"This bill would lower the taxation of commercial banks, and increase the taxation of mutual thrift institutions," the savings bank president added. "Those supporters of this bill are seeking competitive advantages for their institutions, and are ready to 'steal the savers' to gain those ends."
From Washington

By C. BARGERO

The old Supreme Court isn't what it used to be, either in its decisions and its personal conduct. Back in the days when Roosevelt was trying to purge the Court, and finally succeeded through death and retirement, there was no more austere group of citizens in the world. One never ran

in the presence of Justice Brandeis, as he and his colleagues were called then. On the other hand, the Court's members were not to be dismissed lightly.

The Chief Justice, Charles Evans Hughes, was the soul of dignity. Now you have one of the members, Justice Douglas, trying to go to China when he knows very well that it is against the policy of our government to grant passports to that country.

The Chief Justice, Charles E. Warren, became so aroused at a cocktail party given by a newspaperman and with other newspapermen guests, that he pulled the author of a book on Vice-President Nixon a damned lie and accused him of trying to build Nixon up for the Presidency over his body.

The dislike of Warren for Nixon has been long known, but it seems as though a man in his dignified position could have restrained himself. The feeling against Nixon began in the 1950 campaign when he was running for the Senate against Helen Gahagan Douglas.

After the campaign Nixon said that Warren had not helped him a bit. Nixon was raising the Communist association issue against Helen and this was something too controversial for Warren to get into.

It is commentary on something that when Warren became Chief Justice; he was instrumental in bringing about the non-controversial decision since the famous Dred Scott decision, but in politics, he was neither for nor against anything. He was a friend of everybody.

It is strange, however, that he should harbor such bitter feelings against Nixon. One of the first things Nixon did as Vice-President was to suggest Warren for the Supreme Court judgeship. His influence had no little to do with Warren getting the job.

Nixon undoubtedly had a purpose. He wanted to get him out of California politics, out of his way, so to speak. Nevertheless, it was a service rendered Warren.

The Supreme Court is less formal in a lot of ways than you might think. There were the Nine Old Men. Just before Pearl Harbor, President Roosevelt was sticking his nose into every branch of the government. As he grew older, he has become less accessible. Also, he has become more conservative in his opinions. In the New Deal he was here, there and everywhere.

All the justices, except the new ones on the bench, have their particular newspaper friends, except for Justice Black. He got badly turned with publicity shortly after his appointment, with the publicity that he had been a member of the Ku Klux Klan. He went into a shell and lives a most cloistered life. He has remained decidedly to the left in his opinions, too. And Justice Douglas will usually be found voting together. Douglas was divorced after becoming a member of the bench.

The Senate Foreign Relations Committee gave a luncheon for the Deputy Premier of the USSR when he was in Washington.

Senator Capper, of Indiana, was brush enough to ask him what the United States could do to convince the Russians that they should withdraw, had they become members of the United States would withdraw from Europe.

The Russian Deputy Minister was impressed and made no effort to disguise his attitude on the subject.

That is an unfair question, he replied, and should not have been asked.

Russia was in Rumania, Czechoslovakia, Poland, Bulgaria, and the other Eastern European countries because the people of those countries are Russian, he said.

It was none of the United States business. After all, Russia could take care of itself. Russia, he said, had everything, had all kinds of materials, is self-sustaining, self-supporting, and "we can support ourselves, we can defend ourselves, and we can protect ourselves."

Capper said his whole attitude was one of cockiness and overconfidence.

With Ohio Company

(EDITORIAL TO THE PRESS, Columbus)

COLUMBUS, Ohio — James H. Weikel is with the Ohio Company, 21 North High Street, members of the New York Stock Exchange, now is a member of the New York Stock Exchange.

With R. J. Steichen

(EDITORIAL TO THE PRESS, MINNEAPOLIS)

MINNEAPOLIS, Minn. — Jack C. Hanson, chairman R. J. Steichen & Company, Barker Building.

Now Inv. Planning Corp.

SACRAMENTO, Calif. — The firm name of Rudd & Company, Incorporated, 2008 El Paseo Lane, has been changed to Investment Planning Corporation.

Coast Correspondent

For Dominick Firm

Dominick & Dominick, 14 Wall Street, New York City, members of the New York Stock Exchange, is now a member of the New York Stock Exchange.

Name Officer of Nuclear Writers

At the annual meeting of the Nuclear Writers Association in New York, Friday, June 26, 1959, Stephen Hartwell, Treasurer, Atomic Development Mutual Fund, Inc, was elected Vice-President, Nuclear Energy Writers Association for the 1959-1960 Fiscal year.

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SARAS BALASAN

President, Paramount Pictures Corporation

EDWIN J. BENECKE

Chairman, The Sperry and Hutchinson Company

CLINTON R. BLACK, JR.

President, C. R. Black, Jr. Corporation

ALVIN G. BUSH

Chairman, American Home Products Corporation

LOU R. CRANDALL

Chairman, George F. Fuller Company

CHARLES A. DANA

Chairman, Dana Corporation

HORACE F. FLANAGAN

Chairman, Board of Directors

JOHN M. FRANKLIN

President, United States Lines Company

PAULING GERL

President, Geril & Co., Inc.

GAULD HAUGE

Chairman, Finance Committee

EUGENE S. HOOPER

President, Wilmar Corporation

ROY T. HURLEY

Chairman and President, Continental Corporation

OSWALD L. JOHNSTON

Simpson Theaker & Bartlett

BARRY T. LETHEAD

President, Chilton, Peabody & Co. Inc.

KENNETH F. McELHANNA

President, United Biscuit Company of America

JOHN T. MADDEN

Chairman, Independent Industrial Savings Bank

GEORGE V. MCLAUGHLIN

Vice Chairman, Triborough Bridge and Tunnel Authority

WILLIAM G. RABE

Chairman, Trust Committee

RICHARD S. REYNOLDS, JR.

President, Reynolds Metals Company

WILLIAM E. ROBINSON

Chairman of the Board, Coca-Cola Company

HENRY B. SARGENT

President, American & Foreign Power Company, Inc.

AROLD V. SMITH

Chairman, The Haroe Insurance Company

REESE E. TAYLOR

Chairman, Crawford-Gil Company of California

GEORGE G. WALKER

President, Electric Bond and Share Company

J. HUBER WETENHALL

President, National Dairy Products Corporation

HENRY C. VON ELIM

Honorary Chairman

manufacturers trust company

head office: 44 wall street, new york

114 Offices in Greater New York

Statement of Condition, June 30, 1959

RESOURCES

Cash and Due from Banks $935,870,289
U. S. Government Securities 767,451,259
U. S. Government Insured F. H. A. Mortgages 100,555,743
State, Municipal and Public Securities 259,909,528
Stock of Federal Reserve Bank 6,023,400
Other Securities 29,761,998
Loans, Bills Purchased and Bankers' Acceptances 1,249,341,916
Mortgages 28,507,750
Banking Houses and Equipment 23,402,796
Customers' Liability for Acceptances 54,832,510
Accrued Interest and Other Resources 13,523,110
$3,468,580,299

LIABILITIES

Deposits
Non-interest
Interest

$3,080,013,319
56,747,984
23,805,523
2,048,398
27,304,591
48,584,888
2,771,450

$3,468,580,299

Available to cover such future loan losses as may develop. None are at present known.

United States Government and Other Securities carried at $148,886,557 are pledged to secure public funds and trust deposits and for other purposes as required or permitted by law.

Representative Offices: London, Tokyo, Rome, Frankfurt a.M.,
Member Federal Deposit Insurance Corporation.
How Wall Street Affects Throgmorton Street

BY PAUL EINZIG

Dr. Einzig credits Wall Street for countering the upsetting factors occurring in England and, thus, keeping economies on Throgmorton Street steady, to firm. He notes less evidence of U. S. buying and selling than a few months ago, which are, an indication of the London Stock Exchange—albeit he finds there is no reason why this should be so. The columnist concludes that Wall Street will be more pronounced than the far-fallon, and Wall falls will be less pronounced until a new equilibrium is reached.

LONDON, Eng.—During the last week or two the London Stock Exchange was remarkably well in face of influences which were anything but encouraging to investors or speculators in the printers' strike, by itself, a state of affairs which might seriously affect the British economy. For one thing, the strike marked the reduction of advertising facilities through non-appearances of printed notices, it is probable to curtail consumer demand. What is more important, should the worst of things prolong the resulting shortage of tasks and various printed parcels, boxes, etc., in which commercial articles of most kind are packed for future use, it would be a blow to the London retail trading.

Any serious setback in retail trade would discourage capital expenditure which is just getting a foothold as a result of the recovery from the recent depression. For lack of evidence, the satisfactory position is likely to become involved as a result of the refusal of transport workers to handle newspapers, and further, the strikers display an increased desire to price themselves to an unusually high level. The staging of a number of violent scenes, the frequent recurrence of which the strike could easily become a large scale would not help Stock Exchange sentiment.

The International political outlook is not very encouraging. On the eve of the reopening of the Geneva discussions the prospects of an agreement were not viewed with optimism, and the possibility of a deadlock and war appeared during the week. The tenders to induce many investors to hoard their capital until more certain for departing for their holidays. The possibility of a second election in the early autumn seem to have increased, which again is a reason for uncertainty. The basic of the market, even though Conservative prospects are more hopeful than they were a few months ago.

London, E.C.4—In addition, there has been a recent turn of things to be steady firm tendency in Wall Street. The degree to which the buying and selling is lowering Wall Street is indeed remarkable. This is due to the fact that when all other influences operate in the opposite direction, the influence of Wall Street is decisive. The opening on the London Stock Exchange usually reflects the Wall Street tendency at closing time on the previous day. This is so even when the London sentiment is not in line with the Wall Street sentiment. Wall Street will well have changed since closing time on the previous day.

Not So Much, U. S. Activity

And yet, American buying and selling has not been so much more evidence labeled as Wall Street as it was a few months ago. Earlier this year it was reported that in the American financial commentators did not make reference to the influence of Wall Street on the American stock market. American economists never accounted for more than a fraction of the total of the London Stock Exchange, even though they were as well aware of the London's influence. There are numerous stocks, some half dozen to a dozen favor- able equities. A reviewer of the London prints and buyers tend to affect the markets psychologically rather than otherwise. It is not so much the material effect of the actual buying of selling orders, on the New York market in buying or selling British stocks. The next degree of prestige that Wall Street enjoys in Throgmorton Street is for some inestimable reason it is widely assumed in London that American operators know that they are doing, even though they are hundreds of miles away, while their British opposite numbers are on the spot. Or it is precisely the opposite of this, while the actual volume of orders from New York is small, potentialities for an increase in their volume are considerable.

Last but not least, the London Stock Exchange looks to an American business as a barometer indicating the business trend in the United States. In spite of the experience of recent years which proved that business trends in Britain need not necessarily follow those of the United States, it is likely that the United States, consider- able importance continues to be attached to any indication pointing towards expansion or contraction of the American business.

It is widely assumed that, should the United States plants, Britain would also experience a boom. On the other hand, the resulting diminishing disparities between the British and American economies, may be expected to affect British economy in a similar direction. The American volume seems to be greatly exaggerated. But the fact that it is rapidly expanding will be a measure to wards confirmating it.

Effects Change to Cross the Ocean

It is certain that, should a slump develop in Wall Street, there would be a slump also in London. The explanation for this reason is so obvious. After all, the influence of Wall Street in the United States, is so great, that a Wall Street influence of Wall Street in the United Kingdom is decisive.

The opening on the London Stock Exchange usually reflects the Wall Street tendency at closing time on the previous day. This is so even when the London sentiment is not in line with the Wall Street sentiment. Wall Street will well have changed since closing time on the previous day.

Henry Grady Wells, Jr., Forms Municipal Firm

Formation of Henry G. Wells & Co., Inc. 70 Pine Street, New York City, has been announced in Wall Street, in order to reduce the difference between yields on mortgage bonds and other securities of more normal proportions.

In practice, however, such a disparity between yields may narrow down sooner or later, but not through a systematic movement in either market unaccompanied by simultaneous movements in the other market. The adjustment will probably take place gradually over a long period, without preventing the basic tendency of the London Stock Exchange to follow the Wall Street. What will probably happen is that some bonds will be pronounced than those in Wall Street, and Wall falls will be less pronounced until a new equilibrium is reached.

Henry Grady Wells, Jr., who has joined the Jordanian staff of the old house of Wells, has been named as head of the new Municipal Firm.

Impact of Common Market on Latin America

Chase Manhattan Bank studies short-run gains and long-term effects of EEC on Latin America. It doubts Latin America chances, however, for evolving its own common market, when, for example, it has as yet been unable to set up a payments mechanism.

What effect will the development of the Common Market have on Latin-American trade and commerce?

"The short-run impact will be negligible in the long run Latin American trade and commerce—balance—from the new arrangements. The current impact of the EEC is the inability of Latin America to maintain its trade with the United States. The Common Market has increased its trade with other European countries and the potential profits have been shared.

"Business Highlights" reports that trade with Latin America will increase, particularly in the export of raw materials and industrial products. The amount of this trade will grow faster than the trade with the United States. This increase in trade will come in the next few years, and will last as long as the Common Market continues to operate.

"Business Highlights" suggests that the Common Market will not have a significant impact on the trade with Latin America. The Common Market will not provide a significant market for Latin American products, and will not provide a significant source of foreign exchange for Latin American countries.
Stewart-Warner Corporation: Diverse and Dynamic

By Dr. IRA U. COBLEIGH

"Enterprise Economics: How to Get Rich Buying Stocks"

A rapid review of a distinguished career, stressing particularly the development and broadening of operations through diversification on the automotive industry.

Many people today still think of Stewart-Warner Corp. as essentially a pure automotive company. But, in actuality, the first time we drove it at 65 miles an hour we got the reading from a Stewart-Warner speedometer. To understand that the early cyclical characteristics of the company and its major dependence on the motor trade, have disappeared, and that there are today few industries or corporations whose diversification is more complete.

To document this it might be a good idea to jot down some of the products of the company whose names are well known is the Alemité list widely advertised on television. And Alemité makes quality additions for modern cars for motors, transmission and air conditioning systems, including exceptional cooling pumps; air line lubricators; filters and control, automotive lubricants and a need of air filters. Alemité accounted for about 20% of Stewart-Warner's sales.

The Bussick division was fanned for decades. There is no doubt that the most complete line of rolling equipment for home and office furniture, but products include industrial heavy duty units, and carriers for business machines, hospital equipment, and wire and tubes.

Office Department, Bussick-Sauk division makes a variety of furniture trim and appliance hardware.

Stewart-Warner Instrument Division turns out not only the traditional speedometer but its own set of instrument panels, tractor instrument, instruments for household appliances, and pistol-grip-type electric furnaces.

Stewart-Warner Electronics does a considerable business in television, producers, as well complex electronic systems for use on railways and air lines, Dataphone facsimile systems, and electronic packaging solution systems.

The last three divisions just mentioned each accounts for roughly 10% of sales.

Rounding out the product line are gas and oil fired furnaces for small homes, and heating units and systems produced by Stewart-Warner Heat & Electrical Division; heat exchange products for aircraft and a new light weight using a high temperature Brinell steel (rumored to go into the new Corvair) made by Bussick-Sauk, and Stewart die cast products.

Thus you see in Stewart-Warner a panoramic product mix, and a diversification that for the first quarter of 1959 the furnishing of components to passenger car manufacturers accounted for but 9½% of sales; and for trucks, 8½%.

All of this sets the stage for new magnitudes and stability of earning power at Stewart-Warner. What is even more significant, however, is the improvement in cost control, bringing a substantially larger portion of net sales to net earnings. For example, in the first three months of this year the plantwide average of all-time high of $128.8 million and the first quarter of last year the net earnings were $85.1 million. Yet in 1957, on net sales of only $112 million, the net earnings were $89.1 million and in 1958, a depressed year in which sales fell to $814 million, net earnings were relatively well sustained at $81.4 million.

Obviously management here has been doing a good job, and the Chairman and President, Mr. Archambault exudes confidence: "For the longer term, I am most enthusiastic about our prospects... We have great opportunities for further expansion in every major field in which we are engaged and we shall continue to do our best to remain alert to opportunities in other segments of the business."

With such a record of corporate progress, and such managerial ability, what is it in store for Stewart-Warner (and its shareholders)? The year 1959 started well, with first quarter sales up 16% over the same period last year, and net up 4%. The first half is expected to show an improvement over 1958. For the year, we would expect a substantial rise from the $1.19 per common share reported last year. Our guess would be a share on the basis of which STX (The New York Stock Exchange symbol) was trading at only 13 times earnings — reasonable for an equity of this quality. An additional dividend, STX has paid, without interruption, for 20 years.

For the present rate is $2 per share, and the company's 1958 earnings were $775,000. Custom has been to pay out, in cash, about 54% of net. So, for this year we should expect maintenance of the $2 rate plus perhaps a 5% to 10% per share dividend... With a 5% dividend in stock (3% was paid in 1955-57), we would be $4 a share on the basis of which STX (The New York Stock Exchange symbol) was trading at only 13 times earnings — reasonable for an equity of this quality.

In addition, STX has paid, without interruption, for 20 years. The present rate is $2 in cash, and the company's earnings were $775,000 last year. Custom has been to pay out, in cash, about 54% of net. So, for this year we should expect maintenance of the $2 rate plus perhaps a 5% to 10% per share dividend... With a 5% dividend in stock (3% was paid in 1955-57), we would be $4 a share on the basis of which STX (The New York Stock Exchange symbol) was trading at only 13 times earnings — reasonable for an equity of this quality. An additional dividend, STX has paid, without interruption, for 20 years. The present rate is $2 per share, and the company's 1958 earnings were $775,000. Custom has been to pay out, in cash, about 54% of net. So, for this year we should expect maintenance of the $2 rate plus perhaps a 5% to 10% per share dividend... With a 5% dividend in stock (3% was paid in 1955-57), we would be $4 a share on the basis of which STX (The New York Stock Exchange symbol) was trading at only 13 times earnings — reasonable for an equity of this quality.
The Commercial and Financial Chronicle... Thursday, July 9, 1959

The Time of Decision Is Now
As to the Economy's Future

Interim report by Cabinet Committee on Price Stability, headed by Vice-President Nixon, finds that the continuing inflationary situation still leaves us with the "serious risk" of further price rise. Paul's several opinions of the current economic situation, the report singles out possibility that a steel wage increase might lead to boost in price of steel, and to Congressional sentiment disposed toward "irresponsible spending." Hitting hard against what it terms "wild inflation," the report states, "If inflation stimulates growth and a small amount offers no cause for concern, the report rejects price-wage control solution; endorses a three-fold general curative prescription already given to Congress and outlines the Committee's future study topics.

The Cabinet Committee on Price Stability for Economic Growth submitted to President Eisenhower an interim report on the subject. The report, submitted to Congress, President Eisenhower has asked the Committee to submit a "critical juncture," asks for proper decision to be made now as to our course, and holds that the proper attitude to inflation is increased efficiency and productivity of the economy.

The report is a summary of what the present Administration has decided Congress, Business, and Labor to do. In submitting it to Congress, the President asks that the recommendations be translated into statutory law. The terms of President Eisenhower's Letter of Transmittal to Congress and of the Committee's report follow:

President's Statement

The Interim Report submitted to me by the Cabinet Committee on Price Stability for Economic Growth, which Vice-President Nixon is Chairman, contains recommendations for checking inflation and sending copies of it to all members of the Cabinet of Cabinet Committee on Price STABILIZATION and ECONOMIC GROWTH

MEMBERS OF CABINET COMMITTEE ON PRICE STABILIZATION AND ECONOMIC GROWTH

Richard Nixon
Robert S. Anderson
A. E. Summerfield
Eva Taft Benson

Richard L. Strauss
James P. Mitchell

Dr. R. J. Saulnier
Dr. Allen Walls

Employment is rising sharply and unemployment is falling steadily.

Average weekly earnings, personal consumption expenditures, and private investment are at record levels and are continuing to rise.

Thread of Inflation

For more than a year the average prices of the things families buy have been remarkably stable, but the Committee has reached the conclusion that our ability to maintain reasonable price stability will be seriously threatened unless affirmative action is taken now. Danger signs that cannot be ignored are:

- Prices of industrial commodities and many other goods have been rising in wholesale markets and this is usually followed by rises at retail.
- While the average level of consumer prices has been relatively stable, prices of many consumer goods and services have continued to go up in the past year.
- The multi-billions-dollar Federal deficit of the budget year just ending (fiscal '59) is creating sizable inflationary pressure.
- While prospects for the next economic recovery are hopeful, the budget year just starting (fiscal '60) appear much brighter than they were before with wide and strong wage developments in the fight against deficit spending, there will remain strong pressures for irresponsible spending.

To yield to these pressures, either through appropriations for next year or through authorizations for later years, would create EXCEPTIONAL inflationary forces. The Committee voted adverse recommendations in the Congress to work toward only an illusory balance in the economic situation. The current appropriations Committee for next years which will make it exceedingly difficult to avoid future deficits.

There are strong pressures toward increased spending by State, local, and Federal governments.

Wage settlements have been made recently which raised wages substantially; wage agreements negotiated in earlier years provide for increases in rates this year, and wage agreements to be negotiated this summer or autumn in many industries (steel, aluminum, motor, metal, construction, rubber, steel, lumber, paper, clay, meat packing, mining, and others) which will result in wage increases of such magnitude as to lead to price increases.

The Choice: Before Us

We are confronted, in summary, with overwhelming evidence that we have no choice but to decide as to the future course of our economy.

The Committee's conclusions can be stated in two sentences:

- We face a serious risk of price increases which not only would be directly harmful to American families but would seriously endanger the healthy prosperity now developing.
- If, on the other hand, inflationary forces are not checked, we can move forward this fiscal year into a period of economic progress and prosperity in history—a period of sustained economic growth with reasonable price stability.

Effects of Inflation

The Committee rejects three misconceptions that too commonly are heard:

- That small amount of inflation is no cause for concern; that inflation will stimulate economic growth.
- That "a little inflation is inevitable, relax and enjoy it." Moderate price rises in the period of vigorous economic expansion would not be cause for alarm if these price rises were simply offsetting declines in the recent recession. In the recent recession, however, there was no decline in the overall average of prices. The recent experience shows that for the past quarter of a century the price increases which characterize periods of rising prosperity have not been offset at other times. If moderate increases even for short periods cumulate in the course of years to more severe increases in the cost of living.

- Influent unjust hardships on the many families whose incomes or spending are fixed in dollars, or do not rise in proportion to prices, or do not rise at all.

The Committee notes government actions as a method of controlling inflation. Such controls would not only have been worse, but are good but would do more harm than good. We have seen, however, that we have ever experienced or are likely to experience in peacetime.

The average level of prices is designated, variability of individual prices is essential, because that controls the efficiency and the productivity of the economy.

Differences in prices reflect the difficulties in the way of adjustment to different products; therefore, if the Committee is to do its best for the best for the effort, into useful activities. Differences in prices are a function of the diversity of different raw materials, machines, and personal skills, and thereby induce managers, who seek to produce at least cost, to allocate resources in the ways which are most abundant and to common to those which are the most scarce.

If prices are regulated they may increase the relative scarcity of various goods and services, or the relative scarcities of manpower, materials, goods and services. The result may be a reduction in the average productivity, which clearly that it has been—waste, inefficiency, and slowing the design of the economy.

Furthermore, price control inevitably leads to wage controls. The two together inevitably lead to reducing goods and regulating jobs and working conditions. The resulting loss of freedom would undoubtedly add to the already more disastrous than the loss in living standards.

Recommendations for Immediate Action

There is no panacea, no easy cure, no magic formula. As a minimum course of action to meet the problems the Committee recommends that the following steps be taken promptly:

1. The Congress should make it clear that the Federal Government intends to use all appropriate means to prevent the buying power of the dollar. Recognition by the banks of realizable price stability as an explicit goal of Federal economic policy was promulgated in the Union Message Jan recently and repeated in the Economic Report. The Congress should give this recognition the highest priority to this proposal.

By speaking out clearly on this issue during this session it can effectively support the Adminis-
tration and the public in the fight against inflation.

(2) Not only is it imperative that the budget be brought into balance in the fiscal year starting next month but it is equally imperative that the national debt be reduced to a level at which further effort to increase expenditures beyond the levels necessary to maintain your budget should be vigorously resisted. Holding the national debt and the deficit expenditures, together with improved revenues from prosperous business conditions, will make possible some reduction of the debt and should help to reduce the deficit on the total of next year's appropriations. It is important that the greatest of our national selectivity be exercised in authorizing new programs. Excessive authorizations, by making deficit financing not only a part of living in the future, could create permanent inflationary forces.

(3) Without funds of the quantity of money and credit, all other measures to check inflation will be futile. Sound monetary policy requires that the Federal Government avoid making its bonds, other than those of comparatively small denominations, designated for savings purposes, or the equivalent of money, Government bonds issued for that purpose or any attempt to change any of them into money at virtually face value, not only when they are due but perhaps not at any time before. This is the case if the Treasury is forced to issue only very short-term bonds, or if the Federal Reserve System stands ready to buy at a pegged price all government bonds offered to it in advance of the date when they are due to be paid by the Treasury.

There is only an imperceptible difference between the government's issuing bonds that are equivalent to money, and the government's just cancelling the printing presses and rolling out greenbacks. The former will be forced to continue issuing large additional amounts of such bonds that are the near-equivalent of money until the Congress allows the Treasury sufficient flexibility to achieve a balance in our debt structure. An attempt to seize people of their own free will to invest their savings in long-term government bonds for the purpose of checking inflation is essential that the present limitation on the interest rate on long-term government bonds be removed. The Administration has already recommended that issue. The issue is whether we want price stability. Whether we want, in a consensual way, to do the equivalent of that. Otherwise, inflation—something the American public would not stand for it done openly.

Actions Needed to Promote Economic Progress

The preceding three steps are direct defenses against the present danger of excessive price rises. The Administration has already recommended all of them to the Congress. We emphasize them in this Interim Report. The remaining actions are needed without further delay.

In the long run, however, the most effective antidote to inflation is increased efficiency and productivity of the economy. This is one of the reasons why the major part of our work is directed toward actions to promote sustained economic growth. New and better ways of improving such growth is necessary for maintaining our increasing standard of living and our national security.

Among the subjects on which we are working are the importance of efficiency and productivity of the economy itself.

Tax reform. The amount of revenue raised in one way may interfere far more with efficiency and productivity than the same amount raised in another way. Some taxes make it profitable for people to devote energy and ingenuity to avoiding tax liabilities, rather than to devote their efforts to doing the most useful things they can in the most efficient manner, and to promote economic growth. The time for that effort is now and the time when needed tax reforms can be accomplished, to which we have spoken to you in the Union Message, can perhaps be delayed. But if the structure of the Union tax, as a general fund, be held on the total of the anticipated market, the budget to the chief and necessary demand for anySuppressions, the economic growth will be caused by shifting rates to a slower basis, our improving incentives, will encourage the economy to grow. There is more to say about the future of this policy, and in view of the many factors that may change our tax laws at the appropriate time.

Our competitive position is essential to our future. A significant part of this total employment depends upon our economic growth. If we price ourselves out of foreign markets we will be hurt. Agricultural production in the future, we believe, will be hampered. Several government agencies are studying this problem, including the Department of State, Commerce, and Labor, the Federal Reserve Board and the Council of Economic Advisers. On the basis of these and other studies, the Committee will issue a report with recommendations.

Government regulations affecting industry. Many government regulations, formulated by regulatory agencies, or by legislation, were originally established under very different conditions to protect the public against exploitation. These regulations now virtually eliminate by technical developments, some of these regulations have caused significant effects, by seriously reducing productivity or causing inefficiencies. We believe that in these cases, we need to proceed with caution in removing them, and not to proceed with haste. There is need for a thorough review of the whole body of regulations which retard economic growth. Some studies have been initiated to explore these needs. The studies may also be modified to encourage economic growth.

Farm price support programs. Under existing obsolete laws, price supports on a few favored crops are inflationary through their enormous costs. They also contribute to raising the prices that consumers must pay for food and for goods made from agricultural raw materials. Our export subsidies required by law handicap our own industry by making American -grown raw materials available more cheaply to foreign competitors than to American manufacturers. The expediencies of the programs are too large to contemplate very short-term actions, and to industries only remotely connected with farming. The Committee will conduct a study leading to recommendations for changes designed to eliminate the major economic effects of existing programs.

Practices of labor and business. We have examined some of the practices of labor, which are contrary to the public interest. Such practices reduce efficiency and productivity, and increase, for instance, the inflationary pressures. Remedies for the practices should be sought through the public interest, rather than through the court or through collective bargaining. The Committee will examine such questions, and report on the extent to which it is desirable to exempt and business contribute to economic progress.

Public understanding. One of the functions assigned to this Committee in the State of the Union Message is to "strive to build a better public understanding of the conditions necessary for maintaining growth and price stability." As part of our work on that assignment we would like time to discuss reports on various facets of public understanding of economic growth and price stability.

Respectfully submitted,

CABINET COMMITTEE ON PRICE STABILITY FOR THE UNITED STATES

Richard M. Nixon (Chairman)
Robert B. Anderson
Robert M. Patrick
Ezra Taft Benson
James P. Miller
Raymond J. Saulnier

We, Allen Wallys (Executive Vice-President), Special Assistant to the President.

White adds to Staff

ST. LOUIS, Mo., July 27 — Floyd T. Taylor, Jr., is now with White & Company, Minneapolis-Minyon Valley Building, members of the Midwest Stock Exchange.

Goodbody & Co. Adds

(Osborne by the Princeton, New Jersey)

With Bishop-Wells

BOSTON, Mass., Harry S. Ross was added to the staff of Bishop-Wells Co., 105 Devonshire St.

The Chase Manhattan Bank

HEAD OFFICE: 18 Pine Street, New York 4

STATEMENT OF CONDITION, June 30, 1959

ASSETS

Cash and Due from Banks
U. S. Government Obligations
State, Municipal and Other Securities
Mortgages
Loans
Banking Houses
Customers' Acceptance Liability
Other Assets

$1,902,792,164
1,379,789,639
848,370,717
217,525,513
3,770,838,301
85,160,409
145,848,829
66,925,454

$8,051,250,556

LIABILITIES

Deposits
Foreign Exchange Deposits
Reserve for Taxes
Acceptances Outstanding
Loans to Dealers
Other Liabilities
Reserve for Contingencies
Capital Funds
Capital Stock
Surplus
United Profits

$7,134,234,194
22,774,900
86,335,637
$157,239,421
6,937,631
150,281,788
66,705,875
7,113,779
79,478,104
74,605,604

$8,051,250,556

*One of the above assets $28,417,509 are pledged to secure public deposits and for other purposes, and trust and certain other deposits are preferred as provided by law. The book value of $29,395,729 are loans granted against collateral. Assets are shown at book values less all reserves.

Member Federal Deposit Insurance Corporation

103 OFFICES IN GREAT NEW YORK — 22 OVERSEAS
Marketing's Job for the 1960s
By J. W. KEENER
President, The B. F. Goodrich Company, Akron, Ohio

In view of the likely impact of certain and probable changes in the 1960s, according to the Bureau of Labor Statistics, production, finance, research and development and, in fact, all other business functions must become totally market-minded if they are to be profitable marketing. In his hypothesized 1970 economy, Mr. Keener anticipates several competition and demand changes in the product-mix to make the most of a startling rise in consumer discretionary income reaching 260% above the 1957-58 average and an increase in real disposable income for the population more than 50% above the 1957-58 average. The B. F. Goodrich head sees the need for marketing to assume a much greater responsibility for adequate profits, He would rename Market Research to Market Research and Development to encompass the whole field of Research and Development more directly to the market place.

The first requirement of marketing is people, in their role as customers. By 1970, the U. S. population will be about 200 million. A conservative estimate of the average weekly earnings of the population will be $212 million. This would represent an increase of about $180,000,000,000, or 23% over the 1917,000,000 population level of 1957. It foretells an almost total construction in the United States in excess of the present total consumption of all England, a France, or a West Germany.

Importance of Population Structure
There are many kinds of people, however, and the kinds of people will compete for many more people. I have found predictions of a 1970 U.S. population ranging all the way from 200 million to 250 million. A fair and conservative average would be $212 million. A conservative estimate of the average weekly earnings of the population will be $212 million. This would represent an increase of about $180,000,000,000, or 23% over the 171,000,000 population level of 1957. It foretells an almost total construction in the United States in excess of the present total consumption of all England, a France, or a West Germany.


c) An estimate by Mr. Keener before the 42nd National Conference of the American Marketing Association, June 17, 1959

All these shares having been sold, this announcement appears as a matter of record only.

NEW ISSUE
July 9, 1959

100,000 Shares
Continental Tobacco Company
Incorporated

Common Stock
(Per Value 10c per Share)

Price $15 50 Per Share

BEST SECURITIES, INC.
135 Broadway, N. Y. 6, N. Y. CO 7-5411

This announcement is neither an offer to sell nor a solicitation of an offer to buy of any of the shares of the Company, nor is it an offer to sell or the solicitation of an offer to buy any of the shares of the Company in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful.

146,912 Shares
Isham Steamship & Salvage Co., Inc.
(A Delaware Corporation)

Common Voting Stock
(Par Value 50c Per Share)

Price $2.00 Per Share


c) Shares of the Offering Ocular may be obtained only by the Offering Dealer.

ROBERT EDELSTEIN Co., Inc.
52 Wall St., New York 5, N. Y.

Diby 4-2984
pronounced market trends and competitive pressures, which will have on the whole field of Research and Development. Improvements and innovations will play a major part in the success of many of these firms. Much Research and Development effort will be spent to gain market advantage. This means that much greater proportions of company assets will be spent on research and development efforts. To be successful in these efforts the companies will have to be able to get technological improvements to market quickly, applied directly to the needs of the marketplace.

It has also been proven time and again that a company that is first with a product or innovation has a tremendous advantage if its better or new product is in fact, superior. Hence, the setting of realistic, yet tight, targets for the completion of Research and Development projects will be essential in a company business program with the 'firsts' that can mean so much to it. Successful Research and Development work in the process, machinery, equipment, and fields will be just as vital to companies as the success of a company as it will be in the product field. This is so because we will find in the high-technology industries a more and more likely chance to see higher total physical output of goods and services of about 50% increment to its gross national product in the 1980's. The function we have traditionally called marketing, and, which is the life blood of the modern corporation, will, believe, be renamed Marketing Research and Development to emphasize its most important function to successful marketing planning and implementation.

Companies will experience the market intelligence that is now the access to information, and marketing to help an industry with information and market potential money to best advantage, and to the completion of targets that should be set for the Research and Development projects. They will be better able to cut back on production facilities that will be needed, at what rate, in what size production units, and in what locations. They will know better how to plan their product lines to maximize the optimum distribution of existing and new products, and the best locations and sales territories. These, and many other problems of marketing logistics and marketing services will be possible of reasonably accurate solutions, and will be on the charts of many companies having such superior market intelligence.

Marketing Responsibility for Profits

A fourth implication of the economic changes that are taking place in the world of Research and Development is that Research and Development personnel must take responsibility for the success of the organization. The role of Research and Development personnel in the growth of American business generally over the past decade. Hence they are setting out on assuming greater responsibility for assessing and selecting the most appropriate research projects, and the specific possible contributions these projects can make. To do this they all fall under three headings:

1. Through Planning
2. Through Production
3. Through Costs

We all recognize that, in most businesses, the profit picture must be realistic and competitive. Yet this often means that there is a need for discretion exercised in many lines of business. In too many cases the assumption is made that everyone has 10% or 15% discount that good salesmanship would make unnecessary. It is very easy for the marketing managers to give away, through unwise pricing, much more than manufacturing and financial control management can save in an entire year. Good Marketing management can be a significant factor in increasing returns or in reducing the overall pricing structure. Thus, good advertising, good sales promotion, and good salesmanship or sellers is in sound sales volume to cut down the pricing discrepancies.

Marketing can also do much to contribute to profitability through sales management. Marketing’s responsibility in sales is to be in the direction of overall selling seeking means of reducing ratios of cost to sales. Such reductions in rates can be achieved in the wise spending that brings sales increases of sufficient size, as well as in wise savings in the Marketing field and elsewhere. Marketing’s sales success will not only have its beneficial influence on unit cost reductions which be possible in manufacturing and through corporate financial control.

Article: "New Partners in Marketing"... will earn larger returns on investment than it did in the past. The trend of the last fourteen years cannot continue without a slowdown in economic growth. Such continued retrogression in the pull of industrial and commercial investments consumers could seriously sap our strength, would be almost certain the loss of the consumer market for a large and significant part of the entire American way of life to a disastrous end. Marketing can make a major contribution toward reversing this trend. Marketing can help improve our marketing responsibility for restoring adequate profits in all American profit and loss system.

Marketing Fundamental

I would like to mention other implications of the changes that concern the models of the 1960's to Marketing. I shall limit myself, however, to one major point. This is to say that the whole of all I have been saying, and the whole of this I was talking at, those product lines, those companies, and those industries that have the greatest economic growth in the coming decade will be those most dedicated to and successful in, profitable Marketing.

Everything starts with the needs and wants of the ultimate user of the manufacturing process of the product...—its specifications, its style, its color, its size, its quality, its price...all must be well suited to the ultimate user thinks he needs and wants. Those who are in tune with this Marketing fundamental...will be the growth leaders in the coming decade.

This means that everything that business must do must be directed toward the Market. It means that business function must be directed toward and be in tune with the Market, Research and Development, Production, Finance and Control. Personnel must...all have their eyes on the Marketing ball.

To accomplish this requires that each and every employee must be conscious of and interested in the fact that his interests lie in direct parallel with the customer's interests, and that on his on-and-off-the-job actions reflect to the credit or to the detriomp of his Company with its customers, present and potential. Thus, Marketing, along with Personnel, has a big selling job inside its corporate home, as well as out.

Some speak of this fact of business life as "The Marketing Concept." Some call it "Total Marketing." In B. F. Goodrich we merchandise it inside the organization by the phrase "every B. F. Goodrich man must be a B. F. Goodrich Customer's Man." Call it by any name you will, it adds up to the Market Oriented Organization that will be the winners in the exciting, risk-filled and opportunity-filled decade ahead. That is Marketing's job for the here and now...of every other function of business as well.

Lee Higginson Adds...Boston, Mass.—John H. Fin¬ley III has been added to the staff of Lee Higginson Corporation, 50 Federal St.

With Di Roma, Alexlex

SPRINGFIELD, Mass.—John F. Mc¬Conomy, president of the New York bank, has renamed its subsidiary, the Mone¬itary Bank and Trust Company.

Joins Keller Brothers

Boston, Mass. — Alfred S. Lindberg has been added to the staff of Keller Brothers Securi¬ties Co., Inc., Zero Court St.

Precon Electronics

Common Stock Being Offered to Investors

A total of 175,000 shares of Precon Electronics Corp., common stock, on July 9 by Charles P. Johnon & Co., Inc. priced at $5 per share.

The company proposes to use the proceeds of the sale for equipment, and for research and development and for working capital.

The company was organized in February 1959. In exchange for all of its outstanding capital stock it acquired from an established California company a patent, patent applications and inventions in the electrical-mechanical, electronic and photographic fields.

Upon completion of this sale the company will have 500,000 shares of common stock of $0.001 par value issued and outstanding.

Directors

Precon Electronics Corp.

FRANK K. LEROY, President.

Treas., de la Cruise (formerly of the Board of W. MILTON HUMPHREYS, Chairman, Executive Committee

W. MILTON HUMPHREYS, Chairman, Executive Committee.

ROSS McCAIN, President.

John P. Bower, Senior Partner, Drysdale & Co.

HARRY B. HELM, Chairman, National City Bank of New York.

JOSEPH A. BOWERS, President.

THOMAS W. WILLIAMS, President.

T. W. DAVIS, President.

DER W. BLACK, President, United States Rubber Co.

CAMERON J. CALLAHAN, President.

ROBERT J. METZ, President.

Murray & Son.

CARL BOWERS, President, American Bond Corporation.

MAURICE M. HOLLE, President, United States Steel Corporation.

JAMES BRICE, President.

BENJAMIN F. FURY, President.

Eugene & Miller Tobacco Co.

ROBERT G. GOLDBERG, President.

JAMES B. BLACK, President, Travelers Insurance Co.

CHARLES H. KELLEY, President, Travelers Insurance Co.

Dwight & Co.

EMILY R. HORSLEY, President, William Electric Company, Inc.

Helen L. Hilman, President,

Charles E. Keller, President, Sikorsky Aircraft Corporation.

John C. Ireland, Chairman, Consolidated Edison Company.

JOHN F. KELLY, Chairman, Pennsylvania Gas & Electric Co.

W. H. HUMPHREYS, President, telegram.

Real Estate.

GILBERT S. HEPSTEIN, President, Insurance Co.

PHILIP B. GERBER, President, Mercury Life Insurance Co.

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The unanticipated attractiveness of tax-exempt income for individuals’ taxable incomes over $15,000, as well as for many institutional and corporate investors, is one of the principal points in the story. In St. Louis, a recent survey of tax-exempt investments, the "Survey" says the continually growing financing volume may mean higher interest costs but the yields' attractiveness will offer a wider and wider appeal in the expected field. The Federal Reserve Bank of St. Louis, a recent survey finds that April's market reached a record high of $940 million, the first half of 1959 just barely missed last year's all-time high of $4.4 billion, and 20-year maturity bonds have been at or near the all-time high of 15%.

One of the largest underwriters of municipals is a major investor, which in terms of greater appeal to investors. In its "Mid-Year Survey of the Tax-Exempt Bond Market," the New York, St. Louis, and Kansas City, New York City, observes that the market has been falling by the wayside with almost monotonous regularity. In the first half of 1959, the market did its bit to maintain the high volume achieved in the first half of 1958, having reached a new high in the first quarter. This year's volume, however, is not likely to be surpassed beyond the first half of 1959, as the expectation is that the market will remain relatively narrow as compared with last year when the volume reached $2.2 billion, the highest ever recorded.

Large Issues in Market

The first six months saw several substantial issues go to market, including the $1.35 billion issue of the New York City Authority. peanut spread on the average of $2.24 million, financing in Chicago, $250 million, and the Massachusetts skyline issue of $142 million, and the market will have an average yield of $2.71 million, issue, County Public Utility District 2 and State, and total the first-half list with a $185 million issue of bonds, which will probably be the high point of the year.

The trend in recent years, the years of individual issues, have been characterized by several year's numbers of issues over 1000, the average size of the first five months of issues, 2954 last year, to 2,700 this year— but the average 1959 issue was 425 million in the same period of 1958. This year, 1959, the average size of the public utilities, barriers of tax-exempt financing, with school issues making up 31.9% of the total monthly. On previous performance, there was a very large number of issues and yields, but this year it did not average 20 years yields.

Investors of unusable tax-exempt issues have built up a rather consistently large pool of money that is an important pool, which was drawn for the Blue List count reached a peak of $340 million on April 24, mak

and the market had year—as usual drew its share of head shakings, but not too much, since this stock-like capacity, too, is an important pool, of money that is an important pool, which was drawn for the Blue List count reached a peak of $340 million on April 24, making 1959 the sixth straight year in which demand for tax-exempt bonds has been a little greater, however, and the market is a little sterner and inventories gradually increasing to $243 million at mid-year. Thus, in the first half of 1959, the market was relatively narrow as compared with last year when the market reached $2.2 billion, the highest ever recorded.

St. Louis, a recent survey finds that April's market reached a record high of $940 million, the first half of 1959 just barely missed last year's all-time high of $4.4 billion, and 20-year maturity bonds have been at or near the all-time high of 15%.

Notes

NATIONAL SECURITY TRADERS ASSOCIATION

The National Security Traders Association has announced a change in the dates of the Annual Convention to be held in Boca Raton, Florida, on November 3-5, 1960, as well as the New York, St. Louis, and Kansas City.

Special Pullmen will leave Chicago, Burlington and Pacific on Friday, Oct. 30, arriving in Washington Sunday morning. A special train will leave Washington at 1:00 p.m., leaving Capitoline Mount Vernon and other points of interest.

The train will leave New York and Philadelphia on Saturday morning Oct. 31, arriving in Washington at 1:00 p.m., leaving Washington at 4:00 p.m., and arriving in Philadelphia on Sunday morning.

The cost of the All Expense Trip, which will include Round Trip Rail and Pullman, meals on train, and all expenses to the convention in Boca Raton, Florida, is $250.00. A special Pullman is available at $150.00 per person.

The Special Train will leave Washington at 2:00 p.m., arriving in Boca Raton at 4:00 p.m.

The cost of the All Expense Trip, which will include Round Trip Rail and Pullman, meals on train, and all expenses to the convention in Boca Raton, Florida, is $250.00. A special Pullman is available at $150.00 per person.

Returning: Special Pullmen will leave Boca Raton Friday, evening, Nov. 6 for Chicago, New York, Philadelphia and the North. Special Pullmen will leave Jacksonville, Florida, on November 4, arriving in New York, for example, on November 6 and 7 for New York. The cost of this trip is $250.00 per person.

Local Pullmen will leave Miami, Florida, on November 4, arriving in New York, for example, on November 6 and 7 for New York. The cost of this trip is $250.00 per person.

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The market continued to dig in on this new strength this week, industrial stocks forged ahead steadily to levels never before seen in history, while the general market was all along in action to nudge their average to its best posting in about three years.

Ralls Come to Life
The rails, which had sat out earlier surges by the industrials, came to life when the industrials showed signs of strength. The need for one average to "confirm" a bull seller by the others has been in doubt in recent years as the sectic section went away its way without important help from the carrying business. But it was heartening in any event to see them in favor for a change. All that was needed to spark a new drive in the blue chips.

Up to here the rails have pretty consistently been a by product of the good carloading figures streaming along, the theory being that a long steel strike could cut drags into the carrier business. But their new show of strength came while odds still favor some kind of steel lags, and in fact, was in the face of a lagging demand for the steel shares themselves because of the strike implications. So the rail performance was doubly impressive.

Like the rails, General Motors has been the near-dormant item in the blue chips as American Motors, Ford and Chrysler have taken the spotlight. But GM worked away at the best price seen since the shares were split in 1958 and then that peak of '54 was breached, the stock leaped into action. There wasn't much in the news to bolster it except that its new model, the Chevrolet division claimed an all-time high for any monthly production by any auto maker in June. Ford also continued to post new highs—since the shares were sold publicly and its June production at a peak since then was the standing influence.

Well-Yielding Ignore Strike Threat
U. S. Steel was prominent at a new high in the general session, its faltering could normally be laid to the need for a rest. For steel generally, the outlook is relatively as good as for the economy generally despite a strike. They demonstrated superior earning power in the past operations through the recession. At the moment the possibility of a lag in orders as high inventories caught up with them there is no strike has been keeping some steel followings cautions but the overall pattern for at least a year and a half in the future seems to be one of expanding demand. Though in a year basis the steel is far from being as oversupplied as, say, some of the electronics or the chemicals. 

Acme Steel among lesser known companies was showing a yield of well past 3½% and the fact that the recently increased dividend could be boosted once more if, as expected, earnings over the background looked too high, the dividend is comparatively modest in view of earnings running well over twice the distribution requirement. And in an era when stock dividends, extras and such are the rage, Acme Steel has maintained the same rate for more than half a dozen years and hasn't changed the capitalization for a decade. This more or less automatically makes it a candidate for something extra this year.

A Recession Survivor
Typical of a rebound from last year's recession is Exxon, which had a consistently higher sales pattern for a dozen years until last year's recession caught up with it and trimmed sales by about a fourth. The stock had a quiet life this year until recently when it appeared that its services to the tool and metal-working industries would be hurt by the extensive changes in auto models this Fall. Until it broke out of its trading range on the upside, the stock had held in little better than a spread of half a dozen points. It has still to reach the peak of the present shares in 1957.

[Bibliography]

With Russell McConnell
(Employed in The Financial Chronicle)

DORSET, Ohio—William A. Porter is with Russell McConnell.
Business in Politics

By HON. ALLAN SHIVERS
Former Governor of the State of Texas, Austin, Texas

Business should not yield the spotlight to big labor and big government but should participate in politics. To batte this advice, former Governor Shivers brieves four areas he believes are of singular concern to business: a) All businesspeople have two fundamental concepts necessary to the nation's survival and of which our Founding Fathers envisioned as limited powers. To the more "practical-minded" businessman, with no time for intangibles, the Governor asks them if they are interested in the expense of government, our monetary policies, international economic position, and other problems requiring answers that do not go to cost or appear at the sound of high rounding resolutions. He lays down the ABC's of political action and wars against forming a "Businessman's Crusade" limited to pursuit of narrow self interest.

The businesses in politics has been an intriguing figure, to me many years. My own personal experience has been varied: first, business ownership, then part-time in business in politics; finally, for the last ten years, and a half business in politics and now, back in the business world, with only an interested citizen's stake in politics and governmental affairs. This experience has convinced me of the value of a whole-some association between business and politics.

Business should be alert in protecting legitimate interests— and equally alert to the best interests of the nation at large. These interests do not always excite in detail, but they surely will in substance.

Former Defense Secretary Charles E. Wilson was widely mis-called when he was quoted to "have said on that point. What he actually said was a great truth: "What is good for General Motors, is good for General Motors.""— that is, what is best for the nation is best for all of us. It might not be totally apparent what is of value to a whole-some association between business and politics.

Businessmen whose immediate predecessors were shockless in fighting for the great industrial baron who could and did tell the public—and the world—that the business was no good for General Motors, and vice versa,— that is, what is best for the nation is best for all of us, it might not be totally apparent what is of value to a whole-some association between business and politics.

As an example of the good sense that the business of building a small business is superior to any other, the President of the Ford Motor Company has been moved from a large position in the automobile industry outside the iron Curtain—and a beneficial future uncle to some of those behind it.

For avoiding "entangling alliances," we might recall, in our own country, that we have been harangued to keep out alliances all over the world. The United States is today, the, reknowned defender of our nation's independence, and fortified by the oceans of the world, our best protected against a growing conviction in this is bad, and the most profit of the new world, we have spent billions in defense establishment.

Time has changed, so that we face the task of getting personal and private alliances after the shooting starts. The making of permanent alliances has been, and will continue to be, an expensive if necessary task.

Our parties are perhaps to more than sixty periods. No, dear. We are, internationally. We must simply recognize that we are right, and try to bring our friends, the best—and the most—if it.

Government Economic

A second fact of economy to be recognized, if not cheerfully accepted, is that of greatly increased governmental control and regulation of business and industry.

Some of this increase has been inevitable, due to the growing complexities of the modern economy. Much of it has been due to the equally increased demands on government for more power—often with the acquiescence, or even at the invitation, of business leaders. In many instances, the Government has been in business today that there was a 50 years ago—20 years ago—or yesterday.

It is no longer true to argue that the economic life of our nation is, internationally. We must simply recognize that we are right, and try to bring our friends, the best—and the most—if it.

Federal-State Limited Powers

Properly functioning, this system eliminates the power of each level of government. The most important thing that one shall dominate.

Thus is preserved a system of checks and balances of the individual with a maximum of liberty and an optimum level of efficiency. In this way, in turn, are the basic elements of the Constitution. For conservation of this system offers a fundamental reason for avoiding further intrusion into government.

To the man who believes in the system, according to his own interpretation of its meaning, has a strong base for living like resisting such threatening facts.

(1) The progressive encroachment of the Federal upon the State. It may be well to note the result of this encroachment, the Supreme Court upon the legislative prerogatives of Congress.

(2) The progressive encroachment of the State governments upon the Federal. It may be well to note the result of this encroachment.

These fundamentals of the American government, which we call our American democracy—although it must be consistent with the precepts of our nation's survival and of which our Founding Fathers envisioned as limited powers. To the more "practical-minded" businessman, with no time for intangibles, the Governor asks them if they are interested in the expense of government, our monetary policies, international economic position, and other problems requiring answers that do not go to cost or appear at the sound of high rounding resolutions. He lays down the ABC's of political action and wars against forming a "Businessman's Crusade" limited to pursuit of narrow self interest.

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These fundamentals of the American government, which we call our American democracy—although it must be consistent with the precepts of
—one and a half times as much as its entire 1925 output. Yet—during those same ten years, our public debt has increased.

Does that worry you? It worries me.

Running deficits in times of prosperity is one of the ghastly ways in which governments wound up contributing to inflation. Does it concern you that this country will probably spend the one-trillion-dollar surplus this year, and it is not more than a couple of years off? Of course it does.

This is a political issue. It will be decided in the next election. It seems to me, for the businessman, to be an issue interesting to politics.

We should be interested in electing to Congress persons who are willing to look at the facts of our financial condition.

Redeemers of government debt exceeding purchases.

Gold flowing out of this country at an alarming rate.

Tax rates near the point of diminishing returns in many cases.

The Government is forced to set higher rates or see its bonds go begging on the open market.

Indeed, to quote Senator Harry Byrd, the United States seems to have nearly met the demand that it has the capacity to tax and its capacity to borrow.

"Of course there are heroes in the Congressional halls eager to step forward tomorrow to stop this...

"Spent more... keep money cheap... cut taxes... make money... make business in line with price controls..."

Proponents of this bill... philosophy usually demand an end to any government that is "hard money."

The complete answer to that was made by President Eisenhower when he said: "The human mind in America is not going to be promoted unless there are some means available to our fiscal policies."

A recent article in the "Walt Street Journal" reminds us that the user of our currency's "soft" that is, a decrease in the value of the dollar, is actually translatable into the money of other countries. This sentence caught my eye: "...This is something, then, that happens to the United States as well as to other countries, not ours. And yet...

In mid-May I happened to be in Paris, France. I talked to the bankkeepers there who were thinking of accept American currency except at a discount. This is the same thing. That happens to the United States as well as to other countries.

Then the "familiar story" of "depreciated currency" coming to be an American story, too.

Does this concern you, as businessmen? Of course it does.

Here is what The Secretary of the Treasury, my distinguished fellow Texan, Robert B. Anderson, says:

"If we run continuing large deficits in prosperity and so almost inevitably hold up prices, we may price ourselves off the world market. How are we to discharge our international obligations if our international economic position weakens considerably? And that brings us to the third question:

Our World Competitiveness (3) Are we not actually losing our international economic position?" (4)

Translate that into Bob Anderson's fear that "we may price ourselves out of the world market."

Actually, this is the fear. For example, in this recent statement by one of your prominent Californians, my good friend, Reese Taylor, Chairman of the Board of the Union Oil Company:

"The nation's recent losses in export markets are extremely disturbing. During 1958, for example, the United States recorded a deficit of $4.1 billion. Our own company had a first-half billion dollar deficit. We can purchase from other countries for the same price that we earn in Latin America."

"Our public statements could be made about a great many other products: turfed wires, bicycles, synthetic fibers, turbinominated you.

All this, you might say, in not the direct importation of foreign goods but the forces of international commerce at work. If this was ever entirely true, there is no longer true today. Operations involving international trade are political, as well as economic: Subsidies and taxes can be established for the protection of domestic industries. If the effect, then, on our relations with other countries in our Hartling and numerous alliances, the capacity of the national security being impaired by excessive im- portation? The President thought of this when he placed mandatory controls on our foreign trade. We do not have all the answers. Thus, we need, all the more, the political in political office who have the inclination and the capacity to find the best answers.

Other Problems That Do Not "Hard Money" Make

Not all of it will like the answer. We can remember in business and politics, as in the rest of life, our choice is rarely between the good and the bad. Often, the lesser evil.

The businessman, as a good citizen, must recognize that all tax and all of our many government management relations, the development of government services, the greatest good, the building of highways, hospitals, and schools; the creating of so much more jobs in the next 25 years—will not, of course, "just go away." They are with us, and we are with them.

Before the end of this century the present population of the United States will be doubled. Then our annual deficits will increase to an estimated 100 billion. The demands on our resources will be great. As we have often said, the government's demand on us cannot be met, unless we reduce.

Summ Up Suggestions

To the American business man in politics, I offer these suggestions:

(1) Keep informed about your Federal, state, and local levels.

(2) Have the courage to take a stand on important issues in your own community, and make your views known on legislative matters. The Arena is broader than the issues involved...the result more conclusive for all of us.

(3) Participate personally in public affairs in your community. Many times a man may improve his own office by doing what he would advise the employees to do the same.

(4) Make an effort to see that you are one of the informed of the fundamental issues in politics.

(5) Cooperate with the National Republican Party in keeping the circle, in public action.

(6) And finally—remember that the election of good Congressmen, State Legislators, Aldermen, and City Council members is quite likely to be more important to you than the election of Governors and Presidents.

Political action—even the choice of his candidates—is an important part of his own ward or precinct. Doing your part for the candidates in the issues which you believe, in your own neighborhood, is a genuine contribution to good government,xciting.

Even if you can do no more, you can hardly do to less.

Elected Director

Paul Mazur, a partner of Leh- man Brothers, has been elected a member of the Board of Directors and of the Executive Committee of Federal Deposit Banks. It was announced by Fred Lazar- rose, chairman of the Board. Mr. Mazur is also a Director of Radio Corporation of America, A. L. T. L., Collins & Alabina Corp., The One William Street, and National Broadcasting Company, Inc. He has written many articles and several books, and he contributed to a number of anthologies.

White, Weld Forms International Subsidiary

White, Weld & Co. announces that it has organized a wholly owned subsidiary, White, Weld Interna- tional Inc., a Panamanian corpo- ration, for the purpose of coordinating their foreign activities.

Fires Citizens, Chairman; Dimitri Yasukovich, President, Ray G. Cranin, Vice-Presi- ident, and John Raschke, G. T. Yuan, and Fred Schwartzkopf, Vice-Presi- dent.

Directors are: Alexander M. T. White, Francis Kernan, Jean Cattier, Dimitri Yasukovich, Benjamin G. Green, David Wein, Henry W. Meers, Ogden White, Jacques Appelmann, Robert L. Friend, and Harold Blumenthal.

Form Samson Assoc.

BRACIFICCLANOR, N. Y., Samson, Inc., is engaging in a securities business from the offices of its parent. Mr. White, Warden, and Milton Circle, Officers are Mirk J. Stevenson, president; Charles H. Tuvens, vice president; and Lorraine C. Stevens, vice president and treasurer; Gerald B. Groesus, secretary; and John R., Berger, assistant secreta-

Commercial Bank of North America

STATEMENT OF CONDITION

June 30, 1959

RESOURCES

Cash on Hand and Due from Banks... $ 24,112,032.31
U. S. Government Obligations 47,301,450.79
Other Bonds and Securities 10,119,737.66
Loans and Discounts... 28,079,175.95
Real Estate Mortgages... 1,911,161.44
Accrued Interest Receivable 334,883.53
Customers' Liabilities for Letters of 2,884,785.77
Credit and Acceptances
Bank Building Owned 46,607.97
Furniture, Fixtures and Improvements 1,318,329.18
Other Resources 701,531.62

$17,812,129.42

LIABILITIES

Deposits... $152,418,228.29
Unearned Discount 1,395,219.01
Liabilities for Letters of 2,884,785.77
Credit and Acceptances
Reserve for Taxes and Interest... $314,435.49
Other Liabilities 925,643.68
Reserve for Bond Investments 111,213.38
Reserve for Possible Loan Losses 2,156,403.18

Capital Funds:

Capital Stock $459,975.00
Income Debitors 3,750,000.00
Surplus and Undivided Profits 4,636,028.44
Reserves 825,100.00

16,171,003.44

$17,812,129.42

No losses adversely affecting this reserve are known of as of.
### Statement of Condition as of close of business June 30, 1959

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>Deposits</td>
</tr>
<tr>
<td>51,417,507</td>
<td>52,872,881</td>
</tr>
<tr>
<td>Members and non-Members</td>
<td>Members and non-Members</td>
</tr>
<tr>
<td>4,117,761</td>
<td>2,936,069</td>
</tr>
<tr>
<td>Total deposits</td>
<td>Total deposits</td>
</tr>
<tr>
<td>55,535,268</td>
<td>55,808,950</td>
</tr>
<tr>
<td>Other assets and liabilities</td>
<td>Other assets and liabilities</td>
</tr>
<tr>
<td>2,936,069</td>
<td>2,936,069</td>
</tr>
<tr>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td>58,471,337</td>
<td>58,745,019</td>
</tr>
</tbody>
</table>

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**World Shipping Prospects For American Flag Operators**

By SOLON B. TURMAN

President, Lykes Bros. Steamship Co., Inc.

Prominent Texan shipping head covers the not too favorable near term foreign commerce and the favorable long term market prospects, particularly, as he sees it, affecting shipping in the Gulf Coast area. Noting that the U. S. competitive position in world commerce is serious, and that maintenance and expansion of the present markets will not be easy, Mr. Turman believes we should make our capacity to compete in world trade a paramount objective since economic growth and full employment depends on our success here. The current world economic depression threat decline in commodities from 1955 to 1959 was in raw cotton and he looks to return to competitive cotton pricing and diverse Gulf Coast growth to recoup exports to historical markets.

As I summarized to our stockholders on April 15th, last, we are faced with an imbalance in world shipping due to the continuing effects of an excess supply of ships coupled with reduction in the tonnage orders.

*Scraps Ship Tonnage* As a consequence of the great shipbuilding effort in world history, the devastation which World War II inflicted on the merchant fleets of the world has been compensated for in recent years and the world today has more merchant ships than at any time in history.

Intensified first by the Korean war and then by the Suez crisis and the free-world ships, and particularly those in Japan and West Germany, has accomplished prodigious feats of production. The year 1959 will probably be the third largest year in worldwide shipbuilding, being surpassed only by the year 1959 and 1956.

Shipbuilding has proceeded in spite of the present or near-term world tonnage market.

At the present time the excess of the free-world’s ship capacity over our available cargo tonnage to between 5 and 7.5 million deadweight tonnage is the basis for the new surge in dry and tanker tonnages. This imbalance in supply and demand for shipping is expected to be aggravated by (1) the reluctance on our part to carry our coal, crude, and cotton exports, and (2) to a part, a combination of continued hopefulness as to future prospects and a relatively low rate of world steel scrap, and (2) the continued high production of new ships.

While most of this idle tonnage is in the tendency of the bulk carriers, that does have a demping effect on the balance rates of cargo available to liner companies.

A common carrier in the foreign trade is distinct from a transit carrier.

Ships waiting to be loaded are expected to reach 14 billion bushels by the end of 1959, or at about the level of 1958. About 8 billion bushels are expected to be recorded for raw cotton.

As an indication of the volume of cotton exported from the United States and from the Gulf area is shown by the following figures:

<table>
<thead>
<tr>
<th>Year</th>
<th>Exported (Metric Tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954-55</td>
<td>9,050,000</td>
</tr>
<tr>
<td>1955-56</td>
<td>8,563,000</td>
</tr>
<tr>
<td>1956-57</td>
<td>7,694,000</td>
</tr>
<tr>
<td>1957-58</td>
<td>7,250,000</td>
</tr>
<tr>
<td>1958-59</td>
<td>6,000,000</td>
</tr>
</tbody>
</table>

Most of the leading export commodities have been surpassed by cotton.

**Bale Export of Cotton From Ports in the United States**

- **Crop Year** | **Gulf Ports** | **Total** |
- 1951-55 | 39,050,000 | 9,050,000 |
- 1955-56 | 8,563,000 | 8,563,000 |
- 1956-57 | 7,694,000 | 7,694,000 |
- 1957-58 | 7,250,000 | 7,250,000 |
- 1958-59 (Projected) | 6,000,000 | 6,000,000 |

In the last six years ending July, 31, 1959, the Gulf ports have exported about 9 billion bales of cotton, including about 6% million bales in the 1956-57 season or the present crop year, and the second lowest in this period.

*In 1958, the Department of Commerce, beginning with the August, 1959 crop, reported the decline of U. S. Cotton competitive in world markets. Representative of this was the fact that this new policy should include a maximum reduction of about $15 million, a reduction in cotton to about 5 to 6 million bales.

Chafing Patterns in World Trade
date of 1959 into the present world market situation. For one thing, one of the principal concerns of the United States was for the maintenance of our allies and friends in the United States, particularly our European allies who are sort of a buffer in the world.

During the last quarter of 1958 the United States exported cotton to the amount of 2,337,000,000 tons.

For 1958, the export of cotton represented 2,337,000,000 tons. The United States export tonnage of cotton for the year to about 5 to 6 million bales or about twice the current level.

### Conclusion

There are indications that foreign labor, particularly in the United States, is quite close to our men. The American ship operator is going to have to be more efficient and more responsive to the demands of the market if he is to maintain his competitive position in world trade.
Our Reporter on Governments

BY JOHN T. CHIPPENDALE, JR.

The Treasury has been able to meet its current money needs through a relatively small issue of short-term obligations. The heavy demand for funds had to pay the going rate of return, which is as high as 8 1/2 percent. As was expected, the commercial banks because of the increase in the cost of funds. Account accommodations were the principal underwriters of the Treasury’s offerings. However, the large demand for funds in the open market pushed the return on new obligations in the lowest yielding ranges that are attractive to short-term buyers, namely corporations.

The long-term government market still has more sellers than buyers, as evidence of which Treasury bonds in amounts ranging from $1,000 to new all-time highs. However, when the interest rate level on demand bonds is finally settled, the market may well be able to meet competitive conditions and thus will attract the attention of investors.

Liquidation by Commercial Banks

The commercial banks of the Midwest market have been on the uncertain and defensive side, not only because of the supply of short-term loans of the Treasury have increased but also because of the desire of the commercial banks to define their distance obligations. There evidently seems to be a rather persistent liquidation of nearly all Government issues with a majority of more than three years by the commercial banks. This is because those liquidations are not only taking tax losses, but they are also obtaining yields which can be loaned at a rate of interest than was the case with the Government securities that have been depressed.

Due to these dispositions, some of the intermediate-term Government obligations which have been selling at prices which would mean that a new long-term Treasury issue was very

It’s Only a Question of Time

The question as to whether there will be a complete abolishment of the long-term interest rate selling for Government bonds by the end of the year is a question not of conjecture. Nonetheless, it appears to be the current opinion for most quarters of the financial district that the future will develop in a manner which will get the Treasury to define their distance obligations, for even though there may not be a permanent lifting of the long-term interest rate level for Government bonds, the Treasury has developed a policy that it will have to come one of these days because the Government cannot sell for a long-term debt.

Long Government Bond in the Offing

The use of long-term Government bonds as part of the refinancing operation by the Treasury before the year is over appears to be very much of a possibility. It is very likely by many market followers that the Treasury will use either both intermediate and long Government obligations in some way, in its refinancing as soon as the Treasury is ready for a long-term interest rate level for such securities. There appears to be a little evidence that what the Treasury is anxious to make some kind of showing on its debt extension ideas, and the sizable refinancing that are coming along afford just such an opportunity.

IDAC Investment Courses Completed

TOKYO, Canada — 365 employees of members of the investment companies in Canada have successfully completed courses in Investment Finance in the first half of the year, according to reports. The students, employed by leading investment companies in Canada and in London, England, Brussels, and New York City, have studied various aspects of the Investment business, under the direction of the Association’s Education Committee.

James Richardson & Sons, Winnipeg won the silver medal for top standing while P. W. Speiller of Equitable Securities Canada Limited, Toronto was bronze medalist for second standing.

Now a Corporation

LEXINGTON, Ky. — Security National Company, creators of the Security National Building, is continuing to grow, as a corporation. Officers are Roger Bringson, Jr., president; W. Roger Bringson, Jr., vice-president; and Mrs. Katherine I. Youmans, secretary.

With Gaston Roberson

LEWISTON, Maine — Maynard P. Piper, Alfred G. Bernier, Maurice D. LeBlanc, Paul P. Grimmel, Roland A. Rodrigue, and John G. Marcoux, Jr., have joined the staff of Gaston J. Williston & Co., 124 Lisbon Street.

Billard, Partner

In Carreau & Co.

Carreau & Co., members of the New York Stock Exchange, have announced the admission of Gordon Y. Billard to general partnership in the investment business. He announced the removal of his office to new and larger quarters at 115 Broadway, New York.

Mr. Billard was formerly a general partner in the member firm of J. R. Williston & Co., New York.

Brown Bros. Harriman

Appoints Farley

The appointment of Terence M. Farley as an assistant manager of the banking firm of Brown Brothers Harriman & Co., 20 Wall St., New York City, members of the New York Stock Exchange, Mr. Farley, a graduate of the College of the City of New York, has been with the bank since 1951 and is in charge of the Credit Department. He is a member of the Bank Credit Association of New York as well as the New York Council of The Robert Morris Associates, the national organization of bank loan officers and credit men.

Gloessy Mgr. of Dept.

For Vilas & Hickey

Vilas & Hickey, 28 Broadway, New York City, members of the New York Stock Exchange, announced that James P. Cline has now associated with them as member of the council and chairman of the Committee on Development and the purchase of the prospective $20 million dollar Science Center to be located in New York City.

Condensed Statement of Condition

As of June 30, 1959

FIRST

NATIONAL

BANK

of

Passea& County

NEW JERSEY

Assets

Cash and Due from Banks $29,189,991.40

Government Bonds 62,361,140.79

State and Municipal Bonds 30,488,942.10

Other First National Bank Stocks 724,900.00

Demand Loans, Secured 17,219,680.81

Demand Loans, Unsecured 671,179,272.29

Time Loans, Secured 3,000,305.00

Loans and Discounts 35,070,175.46

Real Estate Mortgages 23,375,792.93

F. H. A. Insured 15,950,811.66

V. A. Insured 22,160,717.88

Other First Mortgages 16,000.00

Federal Reserve Bank Stock 2,585,189.94

Banking House 1,300,000.00

Furniture and Fixtures 408,937.80

Accounts Receivable 1,017,721.28

Other Assets 316,005.07

TOTAL ASSETS $378,011,221.99

Liabilities

Deposits

Checks $10,722,177.02

Demand 

Time 7,078,152.17

U. S. Government 

Reserve for Depositors Income 2,739,519.42

Reserve for Losses and Discounts 1,241,787.45

Reserve for Interest, Taxes, etc. 2,294,753.04

Reserve for Loan and Discount Losses 11,000.00

Common Stock (0000,000 sh.25 par) 5,000,000.00

Unpaid Dividends 4,159,517.79

TOTAL LIABILITIES $378,011,221.99

Sized for FRASER

frasier.stanford.edu
The Chase Manhattan Bank, New York, announced plans July 8 for building a new branch in Brooklyn at Basin Terminal.

The new branch, the ninth to be located in Brooklyn, is expected to be open about March of 1960 at Second Avenue.

At present Chase Manhattan has 10 offices in the city.

CHASE MANHATTAN BANK.


Field Kennedy is the chairman of the bank's executive board and in charge of the administration of its pension and profit sharing accounts.

Field Kennedy, with James P. King, Consul General of the United States in New York, and Thomas Purcell, former Assistant Superintendents of Bank of the State of New York.

The Gothenburg, New York, has announced the appointment of a new executive vice president. Mr. Chapman has been elected Executive Vice President and Treasurer, and vice president. It is planned to continue as president of the bank.

Mr. Chapman is former vice president of the bank and Mr. Chapman was formerly vice president of Citizens National Bank of New York.


Mr. Kennedy, former director of the Federal Reserve Board, New York, has been appointed a non-executive director of Chemical Bank and Trust Co., New York. Mr. Kennedy will assume the position on Aug. 7.

Mr. Kennedy is the chairman of the bank's executive board and in charge of the administration of its pension and profit sharing accounts.

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Field Kennedy, with James P. King, Consul General of the United States in New York, and Thomas Purcell, former Assistant Superintendents of Bank of the State of New York.
The First National Bank of St. Joseph, St. Joseph, Mo., has increased its common stock from $250,000 to $1,000,000 by a stock dividend. Effective June 22, (Number of shares outstanding—10,000 shares, par value $100).

CITIZENS FIDELITY BANK AND TRUST COMPANY, LOUISVILLE, KY.

First National Bank of Dunedin, Fla., increased its common capital stock from $425,000 to $450,000 by a stock dividend and from $450,000 to $600,000 by the sale of new stock, effective June 22. (Number of shares outstanding—24,603 shares, par value $25). The common capital stock of The Colonists-Marine National Bank of Lake Charles, La., was increased from $2,550,000 to $7,500,000 by a stock dividend, effective June 22. (Number of shares outstanding—25,000 shares, par value $100).

Vice-President Ben F. Edwards, Jr., has been selected as President's Assistant-Personnel at Bank of America's Calif. head office, which was announced in San Francisco, July 2. As a member of President Beiser's personal staff Edwards will represent his office. He will represent as assistant personnel counsel, particularly with senior branch and administrative officers, and as his personnel liaison officer.

Mr. Edwards joined Bank of America in 1917 and during the 1920s filled many positions in several San Francisco branches. He was named a Vice-President in 1931 at the bank's Los Angeles headquarters, returning to San Francisco the next year, as Vice-President and Manager of the Loan Administration Division. In 1940 he was placed in charge of the Loan Supervision department.

Dallas Analysts Elect New Officers

DALLAS, Tex. — New officers elected by the Dallas Association of Investment Analysts for the coming year include R. Bruce Thomas, Jr., Dallas Hupe & Son president; J. C. McCormack, Episcopal Guaranty & Turner, vice-president and program chairman; Harold Achtzheimer, Fort Worth National Bank, vice-president; and James R. Crews, New York Life Insurance Co., secretary-treasurer.

The Dallas association which includes more than 60 members in Dallas, Fort Worth, San Antonio, Oklahoma City, and Tulsa is affiliated with the National Federation of Financial Analysts' Societies of New York City.

Word has been received that Dallas has been selected as the 1964 site for the group's national convention, which is expected to attract more than 2,000 financial analysts to the city.

Frank Russell Branch

CENTRALIA, Wash. — Frank Russell Co., Inc., has opened a branch office at 111 West Magnolia under the direction of George Brownson.

MORE FOR YOU

with a Dime Bank Book!

You'll find everything you want at the Billion Dollar Dime. More ways to save, more hours to save in, more conveniences, more services to help you and your family get ahead faster. See for yourself.

MORE BANKING HOURS... From as early as 7:30 A.M. to as late as 9:30 P.M. There are extra banking hours at all 4 offices. Check by phone with your neighborhood office.

MORE CONVENIENCES... Banking by mail, superspeed, with postage paid both ways. Side¬walking Banking. Walk-up Banking. Drive-in and Curbside Service. Subway Banking. Downtown at the BMT DeKalb Avenue Station.

MORE SERVICES... Mortgage Loans, all kinds, featuring long terms and easy payments. Life Insurance, all standard policies at low cost. Money Orders: Safe Deposit Boxes, $4.50 a year and up.

LATEST DIVIDEND

3⅓ %
A YEAR


MORE DIVIDENDS... The highest bank rate in New York State, paid from day of deposit, compounded quarterly, on all your balance.

Extra! Deposits made during the first 10 business days in July will earn dividends from July 1st.

NO TIME LIKE NOW to open a Dime Savings Account. Start with as little as $5—up to $10,000 in an Individual Account... $20,000 in a Joint or Trust Account. You're more than welcome at the Billion Dollar Dime.
NAM Opposes TVA Bond Issue Proposal

Industrialist group explains opposition to allowing government agency to borrow money "for the market in a recently issued study."

Enactment of pending proposals to authorize the Tennessee Valley Authority to issue and sell $750 million of its own bonds would be a long step toward nationalization of all American industry, according to the National Association of Manufacturers.

In a report—"TVA—Full Steam Ahead!"—prepared by its Economic Problem Department, the association warns that the manner in which Congress disposes of the issues raised in those proposals "will have profound and far-reaching effects on the future conduct of governmental affairs and on the future character of our economic system."

Says It Frees TVA from Control

As drawn, the report asserts, the proposals would free the TVA from any effective Congressional or Executive control and would authorize and encourage the uncontrolled expansion of the agency at the expense of taxpayers and of privately owned electric utilities.

The association emphasizes that the TVA, originally created in 1933 as a Tennessee River flood control and navigation project with hydro-electric power a by-product, is now "the largest generator of electrical energy in the Free World and the largest industrial producer of coal in the world, and in fact, 75% of the electricity newly generated by TVA is produced by steam-powered plants."

Authorization to issue its own bonds—by passing the Congressional appropriations committees—would probably be interpreted by TVA as a "green light" for a 20% expansion of its power service area with obvious consequences on privately owned and operated electric utilities.

Questions Posed

The issues posed in the legislation which may be faced by the Congress, according to the NAM, are:

Should Federal Government ownership and operation of productive facilities be expanded? Should a governmental agency be permitted to act as its own Treasury Department and create its own money?

Should a governmental agency be permitted to engage in large-scale construction of productive facilities without prior exercise of the historic law-making power of Congress?

Should a governmental agency be permitted to make large-scale expenditures independent of the President's budget?

Should a governmental agency engaged in competition with investor-owned business enterprises be permitted to operate without effective territorial limitations on its potential expansion?

Should Congress create in a governmental agency a special group interest that is adverse to the interest of the people of the United States as a whole?

The NAM report quotes extensively from reports submitted to the Congress by the Comptroller-General of the United States and by the minority members of the House Public Works Committee opposing the legislation.

Quotes Comptroller General

"We do not think," wrote the Comptroller General on July 26, 1935, "that agencies of the government, other than the Treasury Department, should be authorized to borrow from the public treasury. Such an arrangement would not only involve the dangers involved in this legislation, nor do we believe that the fiscal and credit management responsibilities of the department should be weakened by authorizing other government agencies to enter a field which is a normal function of the Treasury Department..."

"The only limit on expansion would be its (TVA) ability to borrow. We do not believe that any agency of the government should be granted such freedom from the normal controls exercised over government activities..."

Similar opposition was voiced by the Comptroller General in 1936 and 1937 when the TVA proposals were reintroduced.

Last August minority members of the House Public Works Committee, attacking the proposals, said:

"Refer to Minority Report"

"Annual Congressional scrutiny through the appropriations process is essential to promote responsibility, efficiency and honesty... The American system of government is one of laws and not of men. This leaves the Congress with little choice. It cannot avoid its obligation to the people of the nation and regulate its authority over every executive agency. The authority sought for TVA in this legislation could easily make any group of men drunk with power and lead to serious abuses. Whether we like it or not, we have an obligation which we cannot fail to assume..."

"...Congress should be the only body empowered to create a new service which is not restricted to public..."

"...The Congress has no power to delegate any function of government to the Tennessee Valley Authority to enable it to operate without restraint."

"To authorize the creation of a fourth function of government would be to authorize the creation of an executive department..."

"The only limit on expansion would be its (TVA) ability to borrow. We do not believe that any agency of the government should be granted such freedom from the normal controls exercised over government activities..."

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO

P. O. Box 4591
San Juan, Puerto Rico

37 Wall Street
New York 5, N. Y.

bank loans
keep pace with
Puerto Rico's progress

Only when underlying conditions assure ample capacity to repay loans do Puerto Rican money lenders and businessmen borrow it. Thus, a definite sign of prosperity in any area is a consistently rising trend in bank loans.

The soundness of Puerto Rico's economy will be measured by a substantial advance in commercial bank loans from less than $120 million in 1950 to more than $350 million in 1959. Puerto Rico's economic growth and fluctuation in the Federal Reserve Board's production index has also risen during the same impressive rate.

Innovators who seek good values should consult their own banks or security dealers regarding the tax-exempt bonds of Puerto Rico and of its Authorities and Municipalities.

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO

The Commercial and Financial Chronicle — Thursday, July 10, 1958

Public Utility Securities

By OWEN ELI

Gas Service Company

Gas Service Company, with annual revenues of $71 million, distributes natural gas in 295,000 square miles in Missouri, Kansas, Oklahoma, Nebraska—an area termed "The Heart of the Nation."

The company, which is in greater Kansas City, other major cities include Wichita, Joplin, St. Louis, and Independence. The company competes with others in the use of gas utilities in Hutchinson and Wichita, in municipal systems in two other small communities.

The company is diversified, but includes oil and gas production and oil facilities as well as a lead and zinc mining section (The Gotham, Minn., mining operation) and gas utilities in Hutchinson and Wichita, in municipal systems in two other small communities.

The following are four-fifths residential and commercial, and one-fifth industrial—and one-third of the latter is boiler fuel for plants. The heating load in Kansas City is of primary importance. The average sale price of gas in 1959 was around 36c per 100 cu. ft. The company buys nearly all of its gas requirements from Cities Service Company, which has reserves of about 2.5 trillion cu. ft., in Kansas, Oklahoma and Texas, together with eight underground storage fields.

Gas Service Company has enjoyed a good rate of growth, revenues increasing steadily from $38 million in 1949 to $71 million recently. Total customers last year were 560,000 a gain of nearly 13,000 during the year, and the company is expected to take on another 1,000 customers a year for the next few years. These gains reflect regular growth, plus new franchises which are being obtained, and four municipalities voted service franchise to the company and new distribution systems are being built in these communities. Also, the company bought from the Utility Co., a wholly owned subsidiary, a portion of the service distribution system at Excelsior Springs, a famous health resort visited by over a quarter million visitors a year.

Plant additions and acquisitions last year cost nearly $8 million, and the company will continue this year to take care of the large number of new houses being built. Construction of service center facilities and remodeling of some existing buildings are also planned. The new service center facilities occupy three entire city blocks and consolidate all service operations for the city of Excelsior Springs.

The company initiated a residential sales organization in all but one of its operating divisions and also cooperates extensively with gas and oil companies in promoting the sale of their products to these, these implemenes, the sale of gas clothes dryers by dealers and the company's own electric water heaters are up to 14% cheaper than similar goods in 1953. With emphasis on use of gas in kitchen, home laundry, water heating, and summer air conditioning, a substantial increase was realized. The business of competing with gas and water utilities, has increased over the past year, with the company being able to call on gas-conscious consumers through relationships with gas utilities. Outdoor gas lighting is enjoying a new vogue, not only for business lighting, swimming pool, tennis courts, drives, motels and other commercial establishments.

Air conditioning facilities at hotels, department stores, and commercial and industrial buildings are also operated, and one-million of air conditioning equipment was sold through all channels last year. Sales of domestic air conditioning has increased during the past few years, with an increase of approximately 400% over the preceding year. Commercial has 50 offices and 100 offices in one city, 900 House buildings and new facilities at the Kansas City municipal airport.

Capitalization at the end of 1959 consisted of 64% long-term debt, and 36% common stock equity. The company's outstanding bond issues range from $2.5 million to $4.15 million and carry an average interest rate of 4.15%. Last year the company paid $1 million 4.15% 20-year bonds (non-callable for five years) with interest.

Since the company has only one distribution system, it is not subject to regulation by the Federal Power Commission. In November 1959 the states of Kansas, Illinois, and Missouri approved a rate increase equivalent to about 30c a share. In order to offset a pending increase, the company's residential rates Service (Gas in a filing with the FPC) the company is giving the regulatory authorities in Missouri, Kansas and Oklahoma for $6 million rate increase.

The company's earnings record was rather unfavorable during the period 1940-1953, when it was under control of Cities Service Company. However, in 1954, with the stock in the hands of the public, earnings increased to $1.10 vs. $1.41 in the previous year. There was a further increase of $2.21 in 1952, and this year with the help of cold weather during the heating season, $2.30 a share was reported for the first nine months. The first quarter contributors most of the company's annual earnings, it appears likely that calendar 1959 will make a similar showing.

The dividend was increased from $1.50 to $2.32 per share about a year ago and the current yield is nearly 3%. The stock is selling at only about 25% of its book value, or 62c a share, the lowest rate in the group of retail gas distributors, comparing with the recent average for that group of 15.3.

M. A. Kirschenbaum Opens

Marvin A. Kirschenbaum is conducting a securities business office in the New York City block of the company's headquarters in Kansas City. Mr. Kirschenbaum is a member of the company's executive committee, under the presidency of Joseph E. McKenzie & Co.

Nationwide Family Plans

Nationwide Family Plans, Inc., is conducting a securities business office in the New York City block of the company's headquarters in Kansas City. Mr. Kirschenbaum is a member of the company's executive committee, under the presidency of Joseph E. McKenzie & Co.

Form Monarch Secs.

HEMPSTEAD, NY—Monarch Securities Corporation has been established at 362 Washington Street in a securities office in Hempstead, N. Y. Formed are Monarch Securities Corporation, formed by Mayer Pollack, president; Fred Toto, vice president, and Mr. Toto, secretary-treasurer.

War. Rayne Forms Co.

GREENLAWN, N. Y.—William G. Rayne is engaging in a securities business office from offices in New York City under the firm name of William Rayne Company.
ALMOST 20 MILES PER GALLON—ON LOW-COST DIESEL FUEL!

In a recent road test, Chrysler Corporation's experimental Gas Turbine Engine averaged 19.39 mpg on diesel fuel. Simple, lightweight, almost vibration-free, the Gas Turbine is the only true multi-fuel engine. While it "likes" some fuels better than others, it will run on almost any liquid that will flow through a pipe and burn with air. The big question: can the Gas Turbine be mass-produced at competitive costs? Our engineers are working hard to find the answer. They're making sure that... You get the good things first from

CHRYSLER CORPORATION
Bear Bond Market Will Continue

were in a long-term bear market in bonds items from the natural\n
businessman and bankier to build up \n
to be accumulated and to assure itself of capital, the value of collateral . . . all growing, due to the fact that because very few bankers and in\n
vestors know what to do with anything but a bull market, or a \n
pegged market in bonds. After all, for the greater part of the bond account during a previous bear market, he would now have \n
to be over 65 or 70 years of age today, standing or sitting in \n
the way 1999 to 1920. And, unfortunately, most of these men \n
have no idea of what the conditions of a bond market \n
understandable that with only the short bear \n
markets in bonds in 1933 and 1958, 1960, and 1962, \n
at the rise of a stable bond market, it is hard for many to \n
their thinking and to understand the role of bond accounts \n
which we should be in a period of rising interest rates, and that there \n
is no need to panic about it. After all, why \n
have severe? But there are the problems of bond accounts \n
money in the hands of the public, even when the bond market \n
is not strong, and this is especially true if the holders of \n
$4 billion, or so, in the bond market. It is greatly about the \n
on the President's request yesterday the Bond market on \n
in the fact, if the technologi\n
ing to go back to the new Frontier that they foresee, \n
should not be a capital-hungry nation, just as we \n
in a condition of land to open. \n
Secondary Reserve Account \n
At the beginning of the postwar period, the \n
account, providing opportunity at a loss of \n
is 24 percent, which is below record high of the last few years, however, the \n
account has become again a much smaller part of the portfolio. As the present time, in \n
of increased demand for bonds, in the last part of its \n
can be a useful measure of the \n
Portfolios and Management of the Federal Reserve System. The \n
the only one for the bears that \n
as 1959 and 1960 Loss Years \n
In 1959, and probably in 1960, most banks will have to report \n
in excellent operating earnings, 1959 will be a loss year for most banks, and 1960 will be a loss year for \n
and the common sense for them to make 1959 a loss year as well. But, the record of good operating earnings, they can \n
is not the same as a year of good operating earnings to the Federal Reserve and the income needs of 1959, and not those \n
1959 and 1960. Their losses will be caused by the highly depressed mood of the banks of the bond market, in the bonds is high and thus \n
the bond portfolio.

The Market

The long-term bear market in bonds has ended at any time that the public \n
then and save more. But, at the mo\n
ment, no matter how long they do not want to buy bonds. The long-term trend may reverse itself, but the burden of proof still \n
on the bulls. Bond market cycles are usually of substantial duration, but the last two years of \n
1959 and 1960. Their losses will be caused by the highly depressed mood of the banks of the bond market, in the bonds is high and thus \n
the bond portfolio.
Taft Broadcasting
Common Stock
Offered to Investors

Harriman Blythe & Co., Inc., has opened an underwriting group which on July 8 offered publicly 410,322 shares of common stock of Taft Broadcasting Co. at a price of $15 per share.

This is the first public offering of stock of the company, which owns and operates television and FM radio stations in both Cincinnati, Ohio and Birmingham, Ala., a TV and AM station in Columbus, Ohio, and a TV station in Lexington, Ky. Taft Broadcasting also holds a 30% interest in a company which operates TV and AM-FM broadcasting facilities in Knoxville, Tenn.

Taft Broadcasting was formed last month to acquire by merger the business operated by Radio Cincinnati, Inc. and its subsidiaries, the latter company and its predecessor has been in the broadcasting business since 1931.

All of the net proceeds from the sale will be received by a group of selling stockholders, who, following the sale, will continue to own 46% of the 1,449,972 outstanding shares. The majority of the selling stockholders are members of the Taft and Ingalls families, all of whom are descendants of, or related to, the late Charles P. Taft, founder of the former Cincinnati Times Star Company.

Directors of the company have declared a quarterly dividend of 10c per share on the common stock, payable Sept. 1, 1959 to stockholders of record, August 15.

A stock dividend will be paid on March 1, 1960 in the ratio of one additional share for each 20 shares held of record on Feb. 15, 1960.

Directors have expressed their intention, over the next several years, to supplement cash dividends with an annual stock dividend.

Net revenue of Radio Cincinnati and subsidiaries for the year ended March 31, 1959 amounted to $9,972,000 and pro forma net earnings to $1,137,000, equal to 86c per share, compared with $7,673,000 and $1,559,000, or 76c per share, in the preceding fiscal year.

Fred Lange 40 Years
With Mitchell Hutchins

CHICAGO, III. — An office boy back in 1919 when Mitchell Hutchins & Co. 221 South LaSalle Street, was founded, Fred E. Lange is celebrating his 40th anniversary with the firm.

Mr. Lange has been a registered representative since 1938.

With B. C. Christopher

G. Ryle has become affiliated with B. C. Christopher & Co., Board of Trade Building, members of the New York Stock Exchange.

the world turns on an idea

Simple idea... the wheel.

By turning it with water, man made it produce power.

Today we harness energy... and far more of it... by pipeline.

Through this great underground highway, natural gas is carried thousands of miles. Lifted over mountains, forced under rivers to give homes and industry heat and energy never available before.

Simple idea... the pipeline.

But the wheel, revolutionary.

From natural gas and oil... heat, power, petrochemicals that mean ever wider service to man.
The Gold Rush of 1959

by a "soft" currency? Or is it
only a temporary phenomenon
which will soon have to be
addressed? Its importance! What should we
be thinking about going back to high
interests? What could it mean to
ourselves out of world markets?

And, as usual, Mr. Hayman says him-
self baffled by the debate. What
is the debate about? This article is about
questions over the issues he has in mind.

1. Why are we losing gold to for-
ign countries?

One possible answer is that gold is lost to
two other countries, all of whom have
international indebtedness.

Thus, if France sells us more goods and
services than we sell them, we shall have to
pay the French in gold. The French Embassy
in Washington spends more than the American
Embassy in Paris, and the French will end up owning us
money.

Another possible answer is that more
Frenchly in French countries than French inveters are putting
into London than is brought back to
France. We do not know how much they will also have to manage that
difficulty.

One way of settling these differ-
cences is by sending gold from</p>
of a camera, we can spend more on film; if we can buy an automobile, perhaps we can then afford a better dishwasher or television set. By this process, the cutbacks in consumption help to offset the painful effects that financial operations may have on American businessmen and workers who cannot meet the foreign competition.

7. What—if anything—should we do?

The first and most important thing is to hold our hands. There has been a lot of advice, often conflicting; most of it has been based on the fallacy that the trade dollar remains a hard currency and that we can therefore impose it on the world. American goods are still highly priced; our imports are still_specially important and fundamental facts and through fact, take hasty action to curtail our payments to foreigners we might indeed cause the rest of the world to lose confidence in our dollar and our foreign currencies. Should we reduce our foreign aid program? The answer to this is that it is probably wise if such payments are not to be continued to our friends in the area of development, the much larger surplus in our account with the Middle East and Asia will be simultaneously affected by a drop in our receipts from this source; our payments to them.

There is some question as to whether the dollar is a strong and solvent currency, or whether it is just a speculative bubble. If the dollar is more a Samantha plan aid, and, for the first time in history, it is not the small countries, but the European countries for goods and services we are selling them, to our goods and services to them. This suggests that we should shift all our exports to those Western countries, and, in fact, that Western Europe is now in a position to share more fully with us the burden of building up thestruggling, weak European industries. Parenthetically, it is to be hoped that our industrial countries, having already paid for the financial assistance—should they wish to continue in this way, will not insist on a large military establishment.

Should we then attempt to curtail our imports through tariffs? The answer is no. It would seem to be very strongly in the interest of American consumers and the textile industry to the United States. In cutting our tariffs, we would not only maintain the cost of living, but also maintain a higher level of employment.

8. The present policies in the United States and abroad could be of little help to us if we do not improve the conditions under which we sell our goods. The American worker loses his job if we buy more than the foreign worker. We need to do more to help the American worker and to do so, there are other businesses and their employees will benefit accordingly. This was a point made by Reginald H. Worthington, president of Talmage Wilcher, Inc., in his address to the American Bankers Association in Chicago.

FROM THE ANALYSTS

Notes of interest on the New York City banks could well start the new year. The American Bankers Association has announced that there will be a major increase in the cost of living, and that the banks will have to cut back on their lending. This is a good thing, but it is important to keep in mind that the banks are not the only ones who will be affected by this policy.

In short, if the loss of gold has so far helped to meet some of our problems, our increased awareness must be all to the good. But if it is to help deprecate the fundamental weakness of our economy, we must lose through panic and the increased number of bankruptcies through common sense and truth.

H. C. Russell With Talmage Wilcher, Inc.

WEST PALM BEACH, Florida (Special to The Financial Chronicle) — H. C. Russell has been elected a vice president of Talmage Wilcher, Inc., in a move that will be “wise to remember that although the proposed loan rates to borrowers other than prime candidates are scaled upward from the prime loan rate, the average rates at this juncture are probably well above the prime figure. Quite a volume of canned loans, for example, is done in the bank of a branch system, at rates well above the prime.

So it is probable that the loan business of the banks will make their necessary steps toward curtailment the total award figures as we shall have to deal with the costs of the New York and London dollar run off. Also, volume should be sustained with the general concurrence of the market.

In a word—don’t get bearish on bank shares yet.

One cannot but wonder at the reaction by those members of the Congress who oppose increasing the rate of interest on the longer-term loans. Do they fight higher interest rates when we are losing money, and heavy demand for loan accommodation? Historically we have never been in a more prosperous business.

The Federal Reserve Bank has been in general business so far is concerned, that the banks in a country, which have been working in chronological order, whether the “liberals” recognize the fact or not, and when they do not, to refuse to be associated and on keeping money cheap, they may have the money for the Treasury to finance the debt. There is a difference in the proportion of the Federal budget due within a year or two, therefore, the portion of what is ought to be funded.

And what if interest rates re- main stable? And what if the President of New York City’s largest bank was recently quoted as follows: "A higher prime rate, a possibility if, as I expect, business activities historically lead to increased business borrowing.

At present it is not possible for the Treasury to issue a bond of over five years’ maturity bearing 4% in 1959. Yet present markets give a certain amount of 4% to that, the circumstance, will pay an offer price to yield only 4% when the bond goes to market and buy a like bond at 100. One wonders to what extent would be placed at the 4.4% figure when the 4.4% is as easily available to them. The alternative seems to be, among the soft money fraternity, some method of adding to the inflationary trend. It has been proposed that the new issues of Treasury bonds bought up by the Federal Reserve.

A move that may well be quite helpful to the New York and the Chicago area, to take the worst out of the “Central Reserve City Bank” category. The large banks in both cities, have right along together the exacting character, that the possibility of determining the amount of deposit reserves required to be held as a result of widespread aceticity in the central reserve city banks and the reserve banks. It is only 0.5% of de- posit volume, those being put in the hundred reserve city banks. Openings of reserves of the large New York and Chicago city banks that have been released, these banks will have more funds to work with. The bill under consideration by Congress provides with only a few minor new differences to be resolved.

Join Field & Co. (Special to The Financial Chronicle)

PORTLAND, Ore. — Doris Seinieg is now affiliated with Field & Co., Cascade Building.

With Dean Witter (Special to The Financial Chronicle)

PORTLAND, Ore., — Robert L. Hilker has joined the staff of Deane Witter & Co., Equitable Building.

Sample, Jacobs Adds (Special to The Financial Chronicle)

ST. LOUIS, Mo. — Dale L. Meyer has joined the staff of Sample, Jacobs & Co., Inc., 711 St. Charles, members of the New York and Midwest Stock Exchanges.

Now With Weber, Mitchell & Olson (Special to The Financial Chronicle)

ST. LOUIS, Mo. — Frank O. Wilding has joined the staff of Weber, Mitchell & Olson, Inc., 411 North Seventh Street. He was formerly with Ase, Kase, Roger & Co. of Chicago.

Irving Trust Company (Special to The Financial Chronicle)

New York.

Laird & Russell, Inc. (Special to The Financial Chronicle)


Irving Trust Company of New York
Mutual Funds

Problems Create Opportunities

During much of the spring the stock market was, in the ver-

mouscul of Wall Street, "sluggish." Day after day lows were

setting in the cottons, and the majority of stocks declined to new

lows. The failure of pivotal stocks (used in the various indexes) to

attain new peaks stirred widespread anxiety over the future of equity

markets.

But with the summer less than a fortnight old the share list

took on a firmer and more powerful base. Aside from the

preferred issues (interest-rate stocks), there were few stocks bobbing up among the new

1959 lows, advances were being made with a sharpness and a uniformity of

gains that on the indexes were setting all-time peaks.

Still, the ragged nature of the advance scored thus far in 1959 must be

appreciated in the light of the cautionary record of 1938. In a

year in which the odds were 41 to 1 that you held a stock in the

plus column, this year has marked a decided change (in growth-rate stocks); a moderate advance for

railroads (by no means uniform) and buoyancy in the industrial segment (the

oil has started.

If the problem of spotting market trends has become a more

difficult chore for professional investment managers, entrusted with

over $9,000,000,000 in accounts and $275,000 closed-end issues,

it is extremely hazardous for the individual who must stake his fortune on one

two or even three selections. More

small investors who bought conservative, well-managed, dividend-

paying equities now are taking themselves why these issues have

failed to reflect the strength manifested in other sections of the

list. Many of these people have no understanding of money rates,

credit trends, powers of the Federal Reserve Board and the rest of

the chain of "financial" apparatus that often govern market

movements.

Yet there is much glint talk that "the public" has done even

better than "the professionals" in this stock market. While there is

no doubt that some people have gained quick profits the year

closed, it is also a fact that, for most small investors the

changing pattern of the market has been frustrating and a good

deal less than satisfactory. And, in this, there is something to

show the number of people, noting the changed nature of the market,

who have withdrawn from the field altogether.

It is interesting to note that, had the investor market manager can hardly be oblivious to these

phenomena. Redemptions among the mutual funds in the first half of

1959 totaled $400,000,000 compared with $309,161,000 in the

last half of 1958 and $290,000,000 in the initial six months of last year.

At the same time, a well-heeled public has been buying up

more shares of the average stock, the first half of 1959, up

from $922,390,000 in the prior six months and $897,570,000 in the

first half of 1958.

From here to the end of 1959, and beyond for that matter, the

gains could be even sharper, regardless of the trend in the

stock market. For the public has large sums of money to invest

and wants to invest, so dictating the factor must be the zest

with which investment management communicates with the people.

Thereby, to be sure, will hibernate when adversity strikes,

but they are not representative of the 4,000,000 holders of mutual-

fund shares. Unlike the generation several years before the last,

they try today want investment management that gives promise of steady

growth of invested capital. There is a lot of talk about problems for fund

managers to solve, but there may well be more unpremeditated opportunities, not least for the trustees of the people's capital.

With First Cleveland

KINGSTON, Tenn. — William E. Kilber has joined the Sales

Staff of McCrary & Company, Inc., members of the New York

Stock Exchange, in their Kings-

port, Tennessee Office, 129 East

New Street. He was formerly with


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The Commercial and Financial Chronicle . . . . July 9, 1959

The Lazard Fund, Inc.

Report for the six months ended

June 30, 1959

Available upon request

633,788, equal to $13.63 a share, $6,306,401 shares on February
28, 1959. On May 31, 1958 assets were $76,321,770, equal to $12.15 a

$6,440,698 shares.

Massachusetts Investors Growth

Stock reports net realized

value of each of its shares gained more

than 74% in the first half of 1959. Net assets were

a new high on that date, according to its quarterly report. The report placed

assets on May 31 at $272,765, equal to $14.14 a share in 19,206,501 shares outstanding. This compares with $178,240,112, or

$10.9 a share in 19,814,500 shares outstanding a year earlier. Main additions to investments during the last 12 months were in

electronics, insurance, drugs and business

machines. New positions were taken

RICH ELLIOTT
In the past quarter in Gulf States Utilities, Roberts-Hoffman Cotton Co., Inc., and Pacific Life Insurance Co. were eliminated.

Group Securities, Inc., representing five separate funds and 15 individual accounts, reported as of May 31 net assets of $2,764,496 in the six months ended May 31, up from $3,681,831 in the year-earlier period. Underwriting net income for the period, after investments of $2,764,496 in the six months ended May 31, up from $3,681,831 in the year-earlier period, was $24,611,831, a record for the firm.

Managed Funds, Inc., of St. Louis reports that it now owns $3,771,726 against assets of $919,000, according to the latest reporting period ended May 31, 1959, compared with $1,676,637, against $145,996, in the year-earlier period. The net income for the period, after investments of $919,000, was $26.26.

Investor Selective Fund, Inc. reported net assets of $31,195,700 on May 31, compared with $30,430,000 as of March 31, 1959, and $29,681,631 on November 30, 1958. The latest reporting period was 2,002,690, compared with 2,001,758 outstanding during the year-earlier period.

Managed Funds, Inc., of St. Louis reports that it now owns $3,771,726 against assets of $919,000, according to the latest reporting period ended May 31, 1959, compared with $1,676,637, against $145,996, in the year-earlier period. The net income for the period, after investments of $919,000, was $26.26.

Continued from first page

As We See It

less pressure now

But now the devil is well, and the pressure for various costly nostrums is weaker—somewhat to the dismay of those whose business depends on persistent publicity. But the subject vases, some of which now approach dilution and dangerous, even possibly to their former advocates.

The answer of unemployment has largely vanished. Wage expectation of a day ago has been so valorous in its demand for wild spending programs by governments are now occupying themselves for most part in taking advantage of the budding boom to get them from their employers and the public.

The politicians who have been planning to use bad times as campaign material next year are hastily and somewhat forcibly looking around for other issues which may be more useful next year. But the necessary and logical business climate is what it now appears likely to be.

It would be heartening if the situation could safely be described as favorable to a political philosophy. Such, however, does not seem to be the fact. There are forces at work which not only threaten inflation but definitely would limit the life span of the prosperity that is ours at this moment, and they are often forces which are amenable to governmental action but which no one sees that could undertake or initiate. Obviously, the labor monopoly is out to get whatever it can out of the situation, and is particularly disposed to defer to what appears to be the wishes of the Washington authorities. There is a broad freedom of financial recklessness which is always likely to accompany prosperity and which is also likely to bring it to a precipitous fall. The real danger is that the reckless spending at Washington and to various other endeavors which tend to stimulate such a psychology. While the Administration is now working toward a balanced budget (and surplus) for the current fiscal year, all too much of its hope is based upon expectation of business improvement and consequent higher tax receipts.

The real question is: Has the government reached the point where it is willing to take the drastic steps necessary to make sure that the inflation fears will not come upon us, and that the market is file ready to support the government in such vigorous action as might be necessary to avoid those things which bring us into danger? The Administration talks vigorously if somewhat vaguely about balancing the budget and going further to obtain a surplus; it would have Congress pass the budget bill, one of its goals in the so-called full employment act; and it avows determination to maintain a sound money policy even if it was not so ready to do when the recession was upon us.

Ready to do the Needful?

So far so good, but there is little evidence that the Administration or either of the major political parties is ready even to make a beginning in eliminating the major items on its agenda. Some, at least, continue to keep up their present-peace time preparations prior to World War II. True, of course, it is that the President has complained about the utter abandon with which Congress has been dealing with the budget this year, and the President's budget message to Congress, his Harris & Co., of Honolulu has joined the Hawaiian Island division (who was admitted to the Hawaiian Island division) Richard F. Guard, general partner of the firm of Ross & Co., and its predecessor firm, Ross & Co., from 1951, 1956. Ross & Co., was formed after World War II, 1956, as successor to Andrade Co., and its predecessor firm, Ross & Co., from 1941, 1946. Ross & Co., was formed after World War II, 1946, as successor to Andrade Co., and its predecessor firm, Ross & Co., from 1941, 1946.

It is the question of our day. How can we have a government in which the President is ready to do the needful?

Economic Growth

Several months ago, when I was discussing the new monetary conditions in Germany with several business experts, both German and foreign, with world-wide reputation and extensive experience declared that with the 1-Schilling mark we had virtually no prospects of ever becoming a hard currency. That these well-manned opinions proved wrong, as time has shown, is no doubt in part due to a good deal of luck and favorable circumstances. But it was also due to the fact that Germany's remarkable economic recovery and expansion over the past decade was closely linked to the restoration and preservation of our economy's former international position with regard to foreign trade. With Dr. Vocke, President of the Deutsche Bundesbank in a recent address in this country.

Of course it is essential. Who But Keynesians, Neo-Keynesians and New Dealers ever doubted it? But how does that seem for many of us to accept the notion now.
How Can We Improve Our Foreign Economic Policy?

1. How to Cope With Dumping

To cope with the hazards of dumping, government economists recommend that the administration be prepared to bring cases of unfair trade to the World Trade Organization for arbitration. If the dumping is found to be illegal, the exporter will have to pay a dumping margin on its imports into the U.S. market.

2. How to Cope with Discrimination

To cope with discrimination, the administration recommends that the U.S. pursue a policy of "most-favored-nation" treatment, which provides for the lowest possible tariffs and other trade barriers.

3. How to Cope with Governmental Interference

To cope with governmental interference, the administration recommends that the U.S. pursue a policy of "national treatment," which provides for the same treatment for domestic and foreign goods.

4. How to Cope with Unfair Labor Practices

To cope with unfair labor practices, the administration recommends that the U.S. pursue a policy of "worker rights," which provides for the protection of workers' rights.

5. How to Cope with Environmental Regulations

To cope with environmental regulations, the administration recommends that the U.S. pursue a policy of "environmental standards," which provides for the same level of environmental protection for domestic and foreign goods.

6. How to Cope with Intellectual Property Infringement

To cope with intellectual property infringement, the administration recommends that the U.S. pursue a policy of "intellectual property rights," which provides for the protection of intellectual property.

7. How to Cope with Currency Manipulation

To cope with currency manipulation, the administration recommends that the U.S. pursue a policy of "stability," which provides for the maintenance of stable exchange rates.

In conclusion, the administration believes that the U.S. should pursue a policy of "trade liberalization," which provides for the elimination of trade barriers and the promotion of free trade. This policy would allow the U.S. to benefit from the division of labor and specialization, which are the basis of economic growth.
policies were manifested just a year ago with the appointment of Charles L. E. Gutting as president of the Federal Reserve Bank of St. Louis. Gutting had been vice president of the bank, and it was widely expected that he would be named to the position.

In sharp contrast are the events that have taken place with the Bank for International Settlements. The BIS has been a leader in the development of international financial institutions and has been instrumental in the creation of the European Union. Despite this, the Bank for International Settlements remains a relatively unknown entity to most Americans.

The BIS' main role is to serve as a forum for central banks and international financial institutions to discuss issues related to international monetary and financial matters. It also serves as a place to negotiate and agree on policies and standards for the global financial system. These policies and standards are then implemented by national governments and international organizations.

In addition, the BIS is responsible for the administration of several international financial instruments, such as the Special Drawing Right (SDR), which is used as a reserve asset by many central banks and international organizations.

Despite its important role, the BIS remains a mystery to most Americans, who are more familiar with institutions like the Federal Reserve System. This lack of awareness may be due to the fact that the BIS is not open to the public and does not provide information about its activities to the general public.

The BIS' close ties with central banks and international financial institutions mean that its decisions can have a significant impact on the global financial system. However, the lack of transparency and public information about the BIS' activities means that it is difficult for the general public to understand the implications of its decisions.

As such, it is essential that the BIS continues to work towards greater transparency and public engagement to ensure that its actions are aligned with the goals of the wider public, and that its role in the global financial system is fully understood and appreciated.
Continental Tobacco Ofrg, Oversubscribed

The company was organized on Jan. 15, 1868, under Delaware law. Its principal office is at 697 Twelfth Ave., Huntington, W. Va. The company was organized to engage, primarily, in the business of selling cigarettes by mail.

Continental company » Send your office The Delaware W. quick ly post New mail. business at • York national a which what ate point accepting “He week break for not’tho June mills smaller lies in the which 2,378,000 ahead future history, already operating rate of accepting would the two-week extension. Because this week ended July 4, some stocks were running out as they came into the market. The above argument was based on the model that is expected to be built in August. Down in the late July 4 for scheduling adjustments, according to Ward’s, were Chevrolets’ Atlantas, Ca, plant and truck-Oldsmobile-Ford factories in Atlanta and Framingham, Massachusetts.

In keeping with the model year junkout plant Oldsmobile’s Lansing, Mich plant ran only-7.600-tonnes week. Four days were worked by Studebaker in South Bend, Ind., Dodge Min in Detroit, Plymouth-Dodge-DeSoto in Flint, Calif), in Detroit, Pond in Dallas, Kansas City and Los Angeles, Mercury in Metuchen, N.J., Wayne, Mich, and Los Angeles and Chevrolet in Baltimore, Md., N.J., Norewood, Ohio, Oakland, Calif., and Tarrytown, N.Y.

Ward’s said truck production was programmed at 23,661 units in week ended July 4, down 8,721 or 27.21% total.

Plastics Use in Cars Abroad Growing Faster Than in U.S.

Plastics are replacing steel and other conventional materials at a faster pace in European cars than they are in U.S.-designed cars. But even armed, acceptance-of-cars abroad is slow, and is determined by economic conditions, consumer tastes, status of the plastics industry, and even national temperament.

“Product Engineering” magazine, in a July 10 issue, asked its overseas editors in seven key countries to make a survey of automakers in their respective countries and why and how they use plastics. The Big Three auto plants were not able to respond, nor were the manufacturers in certain smaller countries. The survey was done by weeks and the results are shown in the accompanying chart.

Electric Output 17.8% Above 1958 Week

The amount of electric energy distributed by the electric light and power industry for the week ended July 4, was estimated at 12,900,099,000 kw, according to the American Electric Power Institute.

For the week ended July 4, output decreased by 549 million kw, below that of the previous week. This was a decrease of 1,300,000,000 kw or 1.78% above that of the comparable 1958 week.

Car Loadings 11.2% Above Corresponding 1958 Week

Receipts of revenue freight for the week ended June 27 totaled 670,635,000 tons, an increase of 70,445 cars or 11.2% above the corresponding week in 1958, the American Trucking Associations, Inc., announced. This was an increase of 70,445 cars or 11.2% above the corresponding week in 1958, but a decrease of 25,100 cars or 4.5% below the corresponding week in 1957.

Loadings in the week of June 27 were 28,106 cars, or 3.6% below the preceding week.

InterCity Truck Tonnage 12.2% Above 1958 Week

InterCity truck tonnage in the week ended June 27 was 12.2% ahead of the corresponding week of 1958, the American Trucking Associations, Inc., announced. This was an increase of 70,445 cars or 11.2% above the corresponding week in 1958, but a decrease of 25,100 cars or 4.5% below the corresponding week in 1957.

Loadings in the week of June 27 were 28,106 cars, or 3.6% below the preceding week.

Lumber Shipments Were 0.1% Above Production

Lumber shipments of 467 mills reported to the National Lumber Trade Barometer were 0.1% above production for the week ended June 27. Receipts of fighting mills were 4.6% above the comparable week, which was 62% below production. Unfilled orders of reporting mills amounted to 41% of stocks. For reporting softwood mills, unfilled orders at the current rate were equivalent to 18 days’ production, and gross stocks were equivalent to 41 days’ production.

For the year-to-date, shipments of reporting identical mills

Continued from page 5

The State of the Trade and Industry

week last year. Our preliminary totals stand at 23,461,344,573 against 23,387,637,850 for the same week in 1958. Our comparative summary for leading centers follows.

<table>
<thead>
<tr>
<th>Location</th>
<th>1959 Total</th>
<th>1958 Total</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>$1,340,314,427</td>
<td>$1,651,499,923</td>
<td>-22.5%</td>
</tr>
<tr>
<td>Chicago</td>
<td>$1,411,878,139</td>
<td>$1,601,251,790</td>
<td>-11.9%</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>$1,206,090,000</td>
<td>$1,390,000,000</td>
<td>-9.8%</td>
</tr>
<tr>
<td>Boston</td>
<td>$822,641,697</td>
<td>$925,939,000</td>
<td>-11.0%</td>
</tr>
</tbody>
</table>

Steel Output Based on 83.2% of Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average 86.7% of steel capacity for the week beginning July 6, equivalent to 2,283,000 tons of ingot and steel castings (based on average weekly pro-

duction of 1947-49) as compared with an actual rate of 137.9% of capacity 2 weeks ago. Actual output for the week beginning June 29, was equal to 78.2% of the utilization of the Jan. 1, 1959, rate.

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

Changeover to 1960 Car Models Near at Hand

The auto makers, in rapid-fire order, will begin to phase-out the present 1959 models on July 15. Steel industry contract deadline and will have built the last such car by Aug. 20.

Ward’s Automotive Reports said on July 3 that Chrysler Corp. will lead off the industry’s 1959 model run with DeSoto and Chrysler models at its Cleveland plant, along with Plymouth and Dodge sites by July 31. Ford Motor Corp. will wind up its 1958s Aug. 12-16 and GM Computations will end its full range of models Aug. 15.

Ward’s said Detroit will be the first area to feel the brunt of the industry’s model changeover slowdown, but will also be the largest. The model changeover period will range from late July to early August. It will mark the earliest 1960 model “start-up” date for any of the manufacturers. Ward’s forecast a month as a forum for new model activity and high level auto employment, barring complications on the steel front. It added that all of the industry’s 17 auto manufacturers are scheduled to be in production by Sept. 16, or 60 days. Last year this was not expected until Oct. 15.

In order to work the week ending July 4 car scheduling 16% to 20% above the week’s 12.75%, Ward’s said. The first full week of 1959 model production took place when Chrysler Corp. announced its first assembly plant July 1 to begin a model changeover that is expected to extend into August.

Down in the late July 4 for scheduling adjustments, according to Ward’s, were Chevrolets’ Atlantas, Ga, plant and truck-Oldsmobile-Ford factories in Atlanta and Framingham, Massachusetts.

As of July 7, there were 745,000 tons of steel in the mills and 829,000 tons in the warehouses.

Steel output based on 83.2% of capacity.
were 2.9% above production; new orders were 2.7% above production.

Compared with the previous week ended June 26, production of reporting mills was 1.6% above, but new orders were 3.2% above. Compared with the corresponding week in 1932, production of reporting mills was 7.3% above; shipments were 2.9% below; and new orders were 1.5% below.

Business Failures Continue Decline

Commercial and industrial failures continued down to 244 in the week ended July 2 from 256 in the preceding week, reported by the Dun & Bradstreet Research Division of this year. Failures are moderately below the 262 in the comparable week in 1932. While a few failures occurred among industrial concerns, failures in the construction, retail, wholesale, and transportation lines decreased.

Liabilities of 85,000 or more were incurred by 215 of the week's failures as against 223 in the previous week and 238 a year ago. Failures of concerns with liabilities between 10,000 and 50,000 were reported down to 39 from 40 and from 43 in the comparable weeks in 1932 and 1931, respectively.

Most of the week's failures occurred in the East North Central States, where 103 were reported, and in the Middle Atlantic States, where 61 failures occurred. The week's failures of firms with liabilities of 50,000 or more noted in the South Atlantic States were 42, against 45 in the previous week and 47 in the comparable week in 1932. The failures of concerns with liabilities between 10,000 and 50,000 were reported down to 86 from 88 and from 97 in the comparable weeks in 1932 and 1931, respectively.

Wholesale Food Price Index Down Moderately

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., decreased 1.8 in the week to stand at 86.00 on June 30, down 0.5% from the 86.11 of the comparable index reported in the week ended June 27, down 0.66 on the corresponding date a year ago for a decrease of 3.47%.

Higher in wholesale prices this week were flour, oats, and milk, and eggs. Lower in price were rice, hogs, beans, butter, eucalyptus oil, coffee, steers, and hogs.

The Index represents the sum total of the price per pound of 31 raw foodstuffs, each considered to be representative of a class of living necessities. Its chief function is to show the general trend of food prices to the consuming public.

Wholesale Commodity Price Index Up Moderately in Late August

There was a moderate rise in the general commodity price level this week, with increases in some grains, flour, hogs, and steel as well as in a number of industrial commodities. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., increased 1.99 on the week to stand at 106.10 on July 6 from 104.17 the week before, and remained below the 107.11 of the comparable index reported in the week ended July 6, 1932.

Slight increase in liberal stocks at the end of the week and finished moderately higher than the prior week. Offers were light and often refused, although prices were substantially lower. Although trading in eye was steady, prices moved fractionally lower.

Supplies of corn moved up during the week, but domestic and export purchases remained at the levels of a week earlier; corn prices also increased. A number of purchases by railroads were reported due to reports of some crop damage, light offerings and increased buying by exchange. Supplies of cotton increased and occurred in a marked degree. Supplies of wheat were also slightly increased.

There was a noticeable rise in flour prices as trading picked up and some millers reported sales of 35,000 bushels, down from 30,000 bushels just prior to the week. Purchases of rice were limited during the week, having moved up moderately in late August. Prices of rice were sluggish. Purchases of rice were limited during the week, having moved up moderately in late August. Prices of rice were sluggish.

Sugars wholesaler reported little change in sugar trading from the prior week, and prices were steady. Sugar deliveries in the week were down 1,000 from the prior week to 172,162 in the prior week and 183,959 in the comparable week a year ago; deliveries for the year to date were 4,189,000 tons, as against 4,402,000 in the similar period last year.

Coffee prices moved up moderately, reflecting increased trading. January coffee rose $1.25 per 100 pounds to stand at $18.75, compared with 1,153 in the similar period last year. There was a slight decline in the prices of other coffee products.

Hog receipts slipped somewhat in Chicago and buying remained relatively low at the end of the prior week. Hog prices were slightly higher. Prices on all hog markets were somewhat higher and traded moderately.

Commodity prices on the New York Cotton Exchange rose slightly, but continued the marked decline in May. United States exports of cotton for the week ended Monday, July 7, were 72,160 bales compared with 50,000 a week earlier and 206,000 in the similar period last year. The cotton market was weak and lacked support, with about 2,533,000 bales, according to 5,248,000 during the corresponding period a year ago.

Mid-Year Commodity Trading Volume Up 168%!

Commodity Exchange, Inc. reported that trading volume for the fiscal six months from Dec. 1, 1935 to May 31, 1936 was 163% higher than the comparable period of 1935-36. During the first half of the current year, trading volume was 234,500 bales compared with 89,865 in the prior year.

The total of 33,963 contracts traded was the largest recorded for any six-month period since record began. The record trading volume of World War II. Previous record was 94,601 contracts which changed hands in the second half of the 1935 fiscal year.

In the individual commodities, copper and lead futures showed the largest increase in turnover, with both jumping 34%. Trading in the red metal totalled 35,782 contracts (84,550) in the 1936 period, versus 16,341 in the similar period last year; in the first half of 1937-38, Lead showed 2,690 contracts (79,000 tons) (9,099 long tons); rubber increased 150 contracts (9,999 long tons), compared with 7,807 (76,070 long tons); hogs were up 90%, or 2,594 contracts (317,760,000 lbs.) against 1,162 contracts (135,125 long tons), against 1,442, contracts (43,250 tons).

Retail Trade Moderately Up Over Year Ago

Although consumer buying slackened in the post-Fajl's Day period, the week's retail trade was up moderately, exceeded that of a year ago. The most noticeable year-to-year increases were in building materials, women's clothing, and air conditioners. Scattered reports indicated that sales of new passenger cars matched those of the prior week, and remained substantial.

The total dollar volume of retail trade in the week ended this July was 3% to 5% higher than a year ago, according to the Commerce Department's latest report. The figures: Men's and Women's Sport Goods rose 9% from the comparable period of 1933; Moderate Southern California and Pacific Coast 3.4 to 4.8; Mountain 3.3 to 7.7; Middle Atlantic and New England 4.8 to 5.5; and South Central East and West South Central to 1- to 1.5; South Central West

Purchases of women's cotton dresses, sportswear, and fashion accessories were sustained at the high levels of the prior week, and overall sales of women's apparel noticeably exceeded a year ago. While interest in men's apparel fell from the prior Father's Day week, sales of sport shirts and furnishings showed marked year-to-year gains. The call for straw hats and lightweight suits was close to a year ago. Volume in children's summer merchandise advanced from both the prior week end a year ago.

Sales promotions helped volume in Summer metal outdoor tables, chairs and chaises during both a week earlier and the similar 1938 week; there were slight increases over a year ago in upholstered chairs, which were on the rise in the current week, and the buying of air conditioners and fans remained approximately the same. And interest in television sets, laundry equipment, and dishwashers moved higher, while a moderate rise over last year occurred in floor coverings and draperies, while volume in lamps was up as well.

Grocers reported moderate increases from the prior week in sales of canned goods, fresh produce, and some dairy products, while the call for fresh meat, dairy products, and baked goods was sluggish.

Nationalwide Department Store Sales Up 7%!

For June 27 Week

Department stores sales on a country-wide basis as taken from the Federal Reserve Board's Index for the week ended June 27, 1936, were 7% higher than a year ago. In the preceding week, for June 20, an increase of 22% was recorded. For the two-week period, according to the Federal Reserve System department store sales jumped 20%. On a national scale, the increase of 1% from that of the like period last year. In the preceding week, June 20, a 14% gain was reported. June 6 was 19% higher than the 1936 week. June 13 showed no change. Four weeks ending June 27 a 6% gain over 1935 was recorded and Jan, 1 showed a 7% increase.

Mayer Makes Gift To Penn. University

PHILADELPHIA, Pa.—The Union National Bank of Philadelphia, in which Mr. Mayer held a substantial part of the cost, is creating a new million dollar dormitory for students in the Graduate Division of the University of Pennsylvania School of Finance and Commerce. It has been announced by President Gaylord P. Harnwell, the new building, named for the honor of the donor, a graduate of the University's Class of 1915, will be located on the University's campus in the building. The opening of the cost will be met through a ten-year-endowment, which can be amortized out of profits, it was pointed out.

The new dormitory, which will accommodate approximately 125 students, will be constructed on a site at the northeast corner of 39th and Spruce Streets, and will be designed by the firm of Ebbach, Pailleur, Stevens and Bruder, Architects. The Graduate Division of the University has an enrollment of 1,750 students representing 25 countries and 250 under-
Urges Steel Industry to Arrest Wage-Price Spiral

The ominous pattern of non-steel wage increases that have already occurred in the steel industry is indicated by the First National City Bank in a strong appeal to labor, business and government to restrain upward climb in wages, prices and spending, respectively. Turning specifically to the crucial problem of steel, the bank warned that if the price rise here would knock the main prop holding out against the danger of inflation from the wage-cost side.

The July issue of Monthly Bank Letter, published by the First National City Bank in New York, warns that there has been a distinct weakening of the recent gains in the stock market and the business recovery. The nation's economic situation now also exhibits a number of weaknesses that have been developing for some time. "The position of prices and wages still represents a serious threat to national prosperity," the letter says.

The Letter points out "the threat of high and rising prices has become even more acute since the middle of the year..." and that "the price situation is of such a nature that the nation is facing a tremendous test of will, and there is no time to be lost in decisive action."

"The strain is particularly severe in the steel industry," the letter says. "Steel wages are the highest in the country and the highest in the world. The industry is also the largest employer of the American labor force, and the steel wage situation is of particular importance because of the country's industrial needs." The letter states that the steel industry is "already in a critical situation, with the possibility of a wage-price spiral developing."

"The steel industry is having a good year and it would seem wise to avoid the temptation to expand production and employment, both in the interest of the country and the industry," the letter says. "Steel companies should be willing to negotiate a reasonable settlement. But even if a settlement is not reached, other steps should be taken to prevent a wage-price spiral."

"The iron and steel industry is a major component of the American economy," the letter states. "It is important for the nation's prosperity that we avoid a wage-price spiral in this industry."

"The government can play a major role in preventing a wage-price spiral," the letter says. "The government has the power to regulate wages and prices, and it should do so to prevent a wage-price spiral." The letter states that the government should consider taking action to prevent a wage-price spiral in the steel industry.

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

### Indications of Current Business Activity

#### American Iron and Steel Industry

- **Shipments**
  - July 11
  - 3,823,800

- **Shipments in the United States**
  - July 11
  - 3,823,800

- **Total sales**
  - July 11
  - 3,823,800

#### American Petroleum Industry

- **Prudential average daily output—May**
  - June 26
  - 7,952,976

- **Natural gasoline output—May**
  - June 26
  - 8,716,635

- **Distillate oil output—May**
  - June 26
  - 5,957,091

#### Coal Output

- **Total round-lot sales (tons)**
  - June 27
  - 10,246,000

- **Total round-lot sales (tons)**
  - June 27
  - 10,246,000

- **Total round-lot sales (tons)**
  - June 27
  - 10,246,000

#### Moody's Bond Prices Daily Averages

- **U. S. Government Bonds**
  - June 27
  - 3.47

- **Average corporates**
  - June 27
  - 3.60

- **Average municipals**
  - June 27
  - 3.57

#### Oil and Paint Daily Averages

- **Paint**
  - June 27
  - 3.05

- **.gallon of prime (per ton)**
  - June 27
  - 3.05

#### Round-Lot Transactions for Account of Members, Dealers, and Speculators on N. Y. Stock Exchange

- **Total sales**
  - June 27
  - 2,435,870

- **Total purchases**
  - June 27
  - 2,083,760

#### Stock Transactions for Odd-Lot Accounts of Odd-Lot Dealers, Commission Men, and Speculators

- **Total sales**
  - June 27
  - 2,948,473

- **Total purchases**
  - June 27
  - 2,297,111

#### Personal Involved in the United States

- **Total personal income**
  - June 27
  - 29,767,000,000

- **Total personal income**
  - June 27
  - 29,767,000,000

#### Real Estate

- **Sales of houses and lots**
  - June 27
  - 2,000,000

- **Sales of houses and lots**
  - June 27
  - 2,000,000
Advanced Research Associates, Inc.
Dec. 1 filed 400,000 shares of common stock (par five cents). Price—$6 per share; Proceeds—To research and development for equipment and working capital. Office—410 Howard Ave., Kensington, N.D. Underwriters—Dee & Co., Minneapolis, Minn.; and Williams, Widmer & Co., Washington, D. C. Stop order; proceeds to be used for working capital.

Airwork Corp., Millville, N. J. (3-17-17)
July 8 filed 175,000 shares of common stock (par $1). Price—$1 per share; Proceeds—To pay outstanding bank loans and for working capital. Underwriter—A. W. Austin & Co., New York.

Alabama Gas Corp. (8-5)

Equitable Securities Corp. (jointly). Bids—Expected to be received on or before 3 p.m. Aug. 10.

Alabama Metal & Metals Inc.
Feb. 25 filed 1,431,200 shares of common stock (par $1), plus 25,000 shares of preferred stock (par $100), and 10,000 warrants evidencing rights to purchase for cash 10,000 shares of common stock at $3.50 per share. Proceeds—To build expansion. Underwriters—J. A. Wicker & Co., New York; First National Bank of New York, Birmingham, Ala. Offering—Price has been set by market. Proceeds—For cash, for use in expansion.

Aiden Electronic & Impulse Recording Equipment Co. Inc., June 12 (letter of notification) 650 shares of convertible preferred stock and 225,000 shares of class A common stock (par $5 per share) offered for sale. Proceeds—To be used for working capital. Underwriter—None.


Creme Laboratories Inc., June 19 (letter of notification) 75,000 shares of common stock (par $1) to be offered for subscription by subscribers to the shares of the corporation. Proceeds—$1.50 per share. Underwriter—None.

AlSCO Exploitations Ltd., March 26 filed 1,000,000 shares of capital stock, of which 700,000 shares are to be offered publicly in the United States, and 300,000 shares in Canada. Price—To be determined. Proceeds—To build stockholders. Underwriter—None.

Rainbow Distilling Co., Aug. 1 filed $22,500,000 of convertible junior debentures, due 1982. Proceeds—To be used in part to repay the outstanding bank loans and the balance will be used to supply the junior debentures for subsidiaries, to aid in their construction programs. Underwriter—Bache & Co., New York; offering—Price has been set by the market.

American Investors Syndicate, Inc., June 23 filed 5,000,000 shares of common stock (par $1), plus 5,000,000 warrants, evidenced by right to purchase 5,000,000 shares of common stock at $4.50 per share. Proceeds—To be used for working capital. Underwriter—Chas. B. Fendt & Co., New York. Offering—Late this summer.

American Saint Gobain Corp. (7-26)
June 26 filed $121,250,000 of subordinated convertible debentures, due 1988, and 544,314 shares of common stock. The debentures are to be offered to common stockholders of the company, and the common stock will be sold in 8 share units. Proceeds—To be used by the company. Underwriter—None. Proceeds—For cash, to be used by the company.

Amican Petroleum & Natural Gas Corp., Ltd.
March 23 filed 425,000 shares of capital stock (no par), plus 300,000 shares of preferred stock, of which 90,000 are to be redeemed. Proceeds—To pay accounts payable. Underwriter—Price—$2 per share.

Athena Gold & Silver Co., Inc., June 26 filed 666,667 shares of common stock (par $1). Price—$3 per share. Proceeds—To be used in the development of the company's mining operations. Underwriter—Belmont Securities Ltd., Toronto, Ont. Offering—Price has been set by the market.

Apache Oil Corp. May 25 filed 250 units of participation in the Apache Oil Corp. (1921) Inc., 245,000 shares of common stock (par $1.25). Proceeds—To pay accounts payable. Underwriter—None.


Bard-Atomic, Inc., Cambridge, Mass. (7-14-17)
July 17 filed 180,000 shares of common stock (par $2). Price—$1 per share. Proceeds—To be used in the development of the company. Underwriter—White, Weld & Co., New York. Offering—Price has been set by the market.


Bankers Preferred Life Insurance Co., June 5 filed 45,000 shares of common stock (par $1.65). Price—$3 per share. Proceeds—For expenses incidental to operation of an insurance company. Underwriter—Ringby Underwriters Inc., Denver, Col. Offering—Price has been set by the market.

Barton Distilling Co. (7-29)
June 7 filed $2,900,000 of 6% secured notes due July 1, 1985, to be sold to 25 holders of the company. Proceeds—To be used for working capital. Underwriter—Hyder, Rosenthal & Co., Albuquerque, N. Mex.

Big Apple Supermarkets, Inc. (8-10)

Bostic Concrete Co., Inc. (7-14)
July 8 filed 4,500,000 shares of common stock (par $1) of the company. Proceeds—To be used for working capital. Underwriter—Syle & Co., New York, N. Y.

Brew (Richard D.) & Co., Inc., Concord, N. H.
June 3 filed 110,000 shares of common stock (par $1). Price—$2 per share. Proceeds—To be used for working capital and for the remaining 70,000 shares for the company's account. Underwriter—To be determined by Indebtedness Underwriter—Lee Higginson Corp., New York.

British Industries Corp.
June 24 filed 75,000 shares of common stock (par $1), of which 27,500 shares will be offered for the account of the company and 27,500 shares will be offered for the account of certain selling stockholders. Price—To be set by amendment. Proceeds—To be used in developing and in working capital. Underwriter—Dexter & Co., New York, N. Y.

Brockton Taunton Gas Co. (7-29)
July 12 filed 3,000,000 shares of common stock (par $1), to be offered for subscription by common stockholders of record July 16, 1959, on the basis of one new share for each 50 shares held. Proceeds—To be used in the development of the company, and for pensions. Price—$2 per share. Underwriter—None. Proceeds—For cash, to be used by the company.

Central American Mineral Resources, S. A.
May 27 filed 620,000 shares of common stock, of which 400,000 shares are to be offered to account holders of the company and 200,000 shares for the account of certain selling stockholders. Price—$1 per share. Proceeds—To be used for the acquisition and for increasing working capital. Office—161 East 42nd St., New York, N. Y. Underwriter—None.

Central Telephone Co. (7-10)
July 24 filed 1,000,000 shares of common stock (par $1), evidenced by right to purchase 100,000 shares by holders of Preferred A stock (par $5). Proceeds—$25 per share. Proceeds—To be used in the development of the company. Underwriter—None. Proceeds—To be used in the development of the company.

Citizens Acceptance Corp.
Aug. 14 filed 5,000,000 shares of common stock (par $1), evidenced by right to purchase 5,000,000 shares by holders of Preferred A stock (par $5). Proceeds—$25 per share. Proceeds—To be used in the development of the company. Underwriter—None. Proceeds—To be used in the development of the company.

DeCoursey-Brewis Corp., June 12 filed 4,000,000 shares of common stock, of which 1,000,000 shares will be offered for the account of the company. Proceeds—$2 per share. Underwriter—None. Proceeds—To be used for working capital. Underwriter—To be determined by Indebtedness.

Forbes Co., Inc., Aug. 15 filed 10,000 shares of common stock (par $1), evidenced by right to purchase 10,000 shares by holders of Preferred A stock (par $5). Price—$25 per share. Proceeds—To be used for working capital. Underwriter—None. Proceeds—To be used for working capital.

Indications add new registrations.
NEW ISSUE CALENDAR

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<td>Elion Instruments, Inc.</td>
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<td>Ideal Precision Meter Co., Inc.</td>
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<td>Jefferson Wire &amp; Cable Co.</td>
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<td>Rehls Co., Inc.</td>
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<td>Standard Aircraft Equipment Co. Inc.</td>
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<td>Wellington Electronics, Inc.</td>
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<td>July 14</td>
<td>Azalea Mobile Homes, Inc.</td>
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<td>International Recreation Corp.</td>
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<td>Jersey Central Power &amp; Light Co.</td>
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<td>Microline Electronic Medical Products Corp.</td>
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<td>Reading Tube Corp.</td>
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<td>Dodge Hotel Corp.</td>
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<td>Faxon Electronics Industries Inc.</td>
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<td>First Charter Finance Corp.</td>
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<td>Trans-Sonic, Inc.</td>
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<td>Nordish &amp; Capital Fund, Inc.</td>
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American-Saint Gobain Corp. | Debentures

Consolidated Cigar Corp. | Debentures

Colonial Energy Shares, Inc. | Common

Consolidated Properties Corp. | Debentures

Endicott & Co., Inc. | Debentures

Lyons Estates Co. | Debentures

Magnuson Properties, Inc. | Common

National Citrus Corp. | Common

Pan American World Airways, Inc. | Debentures

Pennsylvania Electric Co. | Common

Alabama Gas Co. | Common

Pacific Power & Light Co. | Debentures

Alabama Gas Co. | Preferred

Big Apple Supermarkets, Inc. | Common

Consumers Power Co. | Bonds

Republic Resources & Development Corp. | Common

Consolidated Cigar Corp. | Debentures

Colonial Energy Shares, Inc. | Common

Consolidated Properties Corp. | Debentures

United States Plywood Corp. | Common

Continental Illinois National Bank | Common

Barton Distilling Co. | Notes

Brockton Taunton Gas Co. | Common

Dow Chemical Co. | Common

Dunbar & Co. | Common

Eliott, Brothers & Co. | Common

Ferro Corporation | Common

International Telephone Corp. | Common

Pan American World Airways, Inc. | Debentures

Plymouth & Barwise Co. | Common

Superior National Bank | Common

Hillman Bros. Truck Co., Inc. | Common

International Tuna Corp. | Common

Pennsylvania Electric Co. | Common

August 4 | Pennsylvania Electric Co. | Common

August 5 | Pennsylvania Electric Co. | Common

August 6 | Pennsylvania Electric Co. | Common

August 8 | Pennsylvania Electric Co. | Common

August 9 | Pennsylvania Electric Co. | Common


August 26 | Pennsylvania Electric Co. | Common

August 28 | Pennsylvania Electric Co. | Common

September 5 | Pennsylvania Electric Co. | Common

Georgia Power Co. | Common
Continued from page 29

**Controls Co. of America**

June 8 filed 191,760 shares of common stock. Offer- ing will be made after a market for the stock is established by stockholders at a meeting on July 21. Of the total, 50,000 shares will be for the account of 1,100 persons for the account of a group of selling stockholders. Price—To be supplied by any underwriter or of the stockholders. Proceedings—For acquisition of undeveloped real estate, for organization or acquisition of a new business. Underwriter—Simmons & Co., New York.

**Douglas Microwave, Inc.** (8/25)

July 2 filed 100,000 shares of common stock (par $1), for sale to underwriters at $3 each for purchase of equipment royalty and for working capital. Proceeds—For working capital underwriter—Simmons & Co., New York.

**Dover Hotel Corp., Dover, Del.** (7/15)

Junior bond offer by $14,500,000, of which $1,040,000 to be sold to underwriters at $100 each for purchase of equipment and to add to working capital. Proceeds—For working capital underwriter—Lard, New York.

**Drexel Bank Aktiengesellschaft**


**Drexelbrook Association**

Offered by a partnership interest, to be offered in units. Price—$10 each. Proceeds—For working capital and to retire loans. Underwriter—Lard, New York.

**Electrical Industries, Inc.** (7/28)


**Fenner Corp.**


**Flintkote Development Corp.** —Lifton and Horton, a«d Gilbert's Controls Corp. in recent consummation of a 17,125,559 share offering for common stock at $5. Proceeds—For the purchase of machinery and equipment for the Portville plant, to pay interest on the company's outstanding debentures, and to add to working capital underwriter—-F & L North, Inc., New York.

**Florida Water & Utilities Co., Miami.**

June 30 filed 220,000 shares of common stock (par five) to be sold to underwriters at $1 each for the purchase and construction of machinery and equipment. Underwriters—Charles Pfeil & Co. and Nettleton Securities, Inc., both of New York.

**Farmers Mutual Telephone Co. of Clarinda**

May 10 notified of registration of volume of common stock offered by a stockholders for a period of 60 days at book value as reflected by the company's balance sheet at May 20. Proceeds—To pay outstanding bank loan and to add working capital. The company has agreed to issue to the organizers 300,000 shares of common stock, and 10,000 shares of preferred stock, which has been set aside for issuance of preference to the organizers. Proceeds—To pay $1.50 per share. Proceeds—To purchase public properties, and underwriter—Maltz, New York.

**Faraday Electronics Corp., Newark, N. J.**

June 3 filed 1,799,186 shares of common stock (par $1) to be offered by the company for $1.00 per share. Proceeds—For payment of working capital, underwriter—Maltz, New York.

**Farmers' Co-Op. Bank, Dallas, Tex.**


**Estra-Duro-Film Corp.**

July 2 filed 175,000 shares of common stock (par $10) to be offered by the company to the public at $15 per share. Proceeds—For purchase of machinery and equipment for the Portville plant, to pay interest on the company's outstanding debentures, and to add to working capital underwriter—F & L North, Inc., New York.

**Eurasia Communications, Inc.** (7/5)

May 29 filed 150,000 shares of common stock (par $5) to be sold by the company to the public at a price of 10% on the outstanding bank loan and to add working capital. The proceeds will be available for general corporate purposes. Proceeds—To sell to stockholders. Underwriter—Maltz, Greenwald & Co., New York.

**Esso Service Corp., New York.**

June 23 filed 250,000 shares of common stock (par five) to be offered by the company to the public at $3.50 per share. Proceeds—For purchase and construction of machinery and equipment. Underwriter—Charles Pfeil & Co. and Nettleton Securities, Inc., both of New York.

**Fess Parker's Inc.**

June 23 filed 3,000,000 shares of common stock (par five) to be offered by the company to the public at $3.75 per share. Proceeds—For the purchase of machinery and equipment, and underwriter—Charles Pfeil & Co. and Nettleton Securities, Inc., both of New York.
**Fluorspar Corp. of America**

Feb. 5 (letter of notification—as amended) 300,000 shares of common stock, for issuance at $24 per share, for 152,910 shares of debentures and $55,000.00 note payable.

**Foundation Balanced Fund, Inc.**

June 12 filed 100,000 shares of common stock (par $1). Price—At market. Proceeds—For investment.

**Futtermann-Dupont Hotel Co.**

May 21 filed 6,000,000 shares of preferred stock (par $1) and 2,000,000 shares of common stock (par $1). Price—For working capital.

**Great Western Life Insurance Co. (8/28)**

June 29 filed 5,000,000 shares of common stock and options for 5,000,000 shares. Proceeds to be used in connection with the acquisition of the company by Hadley Life Insurance Co., Chicago, Ill.

**Griggs Equipment Inc., Berwyn, Ill.**

June 12 filed 300,000 shares of common stock. Price—At the market (estimated $8 per share).

**Hancock (J. W.) Inc.**

June 11 filed shares of convertible preferred stock (par $2) and 100,000 shares of common stock (par $10). Proceeds used for working capital.

**Hathaway Industries, Inc.**

July 5 filed 375,000 shares of common stock. These shares are part of the 672,992 shares (35.43%) held by the Hathaway family. The company wishes to offer to purchase 100,000 shares of the common stock at $25 per share.

**Heartland Development Corp.**

July 16 filed 1,000,000 shares convertible preference stock (par $12). Price—For general corporate purposes.

**Helgen Products, Inc.**

Oct. 14 (letter of notification) 20,000 shares of common stock (par $1). Price—$5 per share. Proceeds—For payment of past due accounts and loans.

**Heller (Walter E.) & Co.**

Aug. 27 filed 500,000 shares of common stock, for issuance to persons having claims against the company under the company's stricken credit.

**Hemisphere Gas & Oil Corp.**

April 27 (letter of notification) 200,000 shares of common stock, for issuance at $2 per share, for working capital.

**Hillman & Co., Denver, Colo.**

June 26 filed 10,000 shares of common stock. Price—To be amended by amendment. Proceeds—For working capital.

**Hickerson Bros. Truck Co., Inc.** (7/30)

March 11 (letter of notification) 235,000 shares of common stock, for issuance at $2 per share, for working capital; to pay existing liabilities; for additional equipment; and for working capital. Proceeds—East Tenth Street, P. O. Box 810, Denver, Colo. Underwriter—F. S. Smithers & Co., San Francisco, Calif.

**Hoxie Manufacturing Co., Inc.**

June 9 filed 1,155,294 shares of common stock to be offered for subscription by present stockholders at the rate of one share for each five shares held (with an oversubscription privilege).

**Hudson Radio & Television Corp.** (7/27-31)

June 29 filed 125,000 shares of common stock, for issuance at $2 per share, for the acquisition of the company and the 75,000 shares for the account of a selling stockholder.

**Hunter Mountain Development Corp., Hunter, N. Y.** (7/15)

May 21 filed 6,000,000 shares of preferred stock (par $1) to be issued at $10 per share. Proceeds—For par value.

**Independent Telephone Corp.**

June 18 filed 572,500 shares of common stock (par one cent), and 50,000 common stock purchase warrants. Of the shares 400,000 will be sold for the account of the company for the payment of outstanding accounts receivable; and the remaining 50,000 shares are purchasable upon exercise of the warrants. Price—$21.25 per share. Proceeds—For general corporate purposes; to acquire equipment and facilities and other general corporate purposes. Proceeds—Portland, Ore. Underwriter—Mortimer B. Burnside & Co., New York. Name change—Effective April 26.

**Government Employees Variable Annuity Life Insurance Co.**

May 20 filed 40,000 shares of common stock (par $1). Proceeds to be used for the payment of premium lien surrendered to former underwriter; and the remaining 50,000 shares are purchasable upon exercise of the warrants. Price—$2.50 per share. Proceeds—For general corporate purposes.

**Georgia International Life Insurance Co., Atlanta, Ga.**

June 30 filed 1,000,000 shares of common stock (par $1). Price—$5 per share. Proceeds—To increase capital and surplus.

**Gold Medal Packing Corp.**

June 18 filed 572,500 shares of common stock (par one cent), and 50,000 common stock purchase warrants. Of the shares 400,000 will be sold for the account of the company for the payment of outstanding accounts receivable; and the remaining 50,000 shares are purchasable upon exercise of the warrants. Price—$21.25 per share. Proceeds—For general corporate purposes; to acquire equipment and facilities and other general corporate purposes. Proceeds—Portland, Ore. Underwriter—Mortimer B. Burnside & Co., New York. Name change—Effective April 26.

**General Electric Co., Schenectady, N. Y.**

July 2 filed 200,000 shares of common stock (par $1) and 200,000 shares of preferred stock (par $50). Price—For working capital.

**General Electric Co., Schenectady, N. Y.**

July 2 filed 200,000 shares of common stock (par $1) and 200,000 shares of preferred stock (par $50). Price—For working capital.

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**General Electric Co., Schenectady, N. Y.**

July 2 filed 200,000 shares of common stock (par $1) and 200,000 shares of preferred stock (par $50). Price—For working capital.

**General Electric Co., Schenectady, N. Y.**

July 2 filed 200,000 shares of common stock (par $1) and 200,000 shares of preferred stock (par $50). Price—For working capital.
Continued from page 41

of $6.25 per share. The 13,000 preferred shares and 3,757 common shares are to be offered in exchange for certain securities of Republic Union Telephone Co., a New York corporation, on the basis of 40 shares of preferred and 25 shares of common for each share of Republic Union Stock. The Republic Union Stock is to be held by the Underwriters for $40 per share until June 29, 1969, subscription for $6.25 per share on the basis of one new share for each two shares held by the Underwriters. Offer—25 South St., Dryden, N. Y. Underwriter—None.


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Northrop Corp. (7/21)
Junction of 30-day delayed convertible subordinated debentures due July 1, 1979. Price—To be supplied by underwriters for information purposes.

Ohio Oil Co (6/24)
Issue of $574,424,225 of common stock capital stock (without par value). The initial public offering of holders of the outstanding shares of Aurora Gasoline Co, to be distributed for investment in real estate syndicates and other real estate investments.

New Pacific Oil & Gas Ltd. (7/14)
June 19 filed 1,255,000 shares of common stock, of which 500,000 shares are to be offered for the account of the company, and 100,000 shares will be offered for the account of certain selling stockholders. Proceeds—For working capital.

Newport Electric Co. (7/28)
July 10, 1969, filed 13,818 shares of common stock (par $10) to be offered first to stockholders on the basis of one share for every three shares held from the company; 100,000 shares will be offered for the account of certain selling stockholders. Proceeds—For general corporate purposes.

North Hills Electric Co., Inc. (7/27-31)
July 1 (letter of notification) 150,000 shares of common stock (par one cent). Price—To be supplied by amendment.

Northrop Corp. (7/21)
Junction of 30-day delayed convertible subordinated debentures due July 1, 1979. Price—To be supplied by underwriters for information purposes.

Office Buildings of America, Inc. (7/14)
Filed 91,996 shares of class A stock (par $1) and 18,200 shares of common stock, to be offered in units of nine class A shares and one class B share each. Price—To be used for investment in real estate syndicates and other real estate investments.

Office—R. Clinton Smith, Newark, N. J. Underwriter—None.

Ohio Oil Co (7/24)
Issue of $574,424,225 of common stock capital stock (without par value). The initial public offering of holders of the outstanding shares of Aurora Gasoline Co, to be distributed for investment in real estate syndicates and other real estate investments.

Office—R. Clinton Smith, Newark, N. J. Underwriter—None.

Office Buildings of America, Inc. (7/14)
Filed 91,996 shares of class A stock (par $1) and 18,200 shares of common stock, to be offered in units of nine class A shares and one class B share each. Price—To be used for investment in real estate syndicates and other real estate investments.

Office—R. Clinton Smith, Newark, N. J. Underwriter—None.

Ohio Oil Co (7/24)
Issue of $574,424,225 of common stock capital stock (without par value). The initial public offering of holders of the outstanding shares of Aurora Gasoline Co, to be distributed for investment in real estate syndicates and other real estate investments.

Office—R. Clinton Smith, Newark, N. J. Underwriter—None.

Office Buildings of America, Inc. (7/14)
Filed 91,996 shares of class A stock (par $1) and 18,200 shares of common stock, to be offered in units of nine class A shares and one class B share each. Price—To be used for investment in real estate syndicates and other real estate investments.

Office—R. Clinton Smith, Newark, N. J. Underwriter—None.
**Tang Industries, Inc.**

June 4 filed 21,000 shares of common stock (par 10 cents). Price—$3 per share. Proceeds—to purchase machinery and equipment; for research and development; and for general corporate purposes.

**Tape Cable Electronics Co., Inc.**

May 13 filed 225,000 shares of common stock (par $.01). Price—$4 per share. Proceeds—to be used for general corporate purposes.

**Triax Investments, Inc.**

May 17 filed 19,000 shares of common stock (par $.01). Price—$10 per share. Proceeds—to purchase machinery and equipment; for research and development; and for general corporate purposes.

**Trinity Small Business Investment Co.**

April 17 filed 230,000 shares of common stock (par $.10). Price—$5 per share. Proceeds—to purchase machinery and equipment; for research and development; and for general corporate purposes.

**Tuboscope Co.**

June 26 filed 200,000 outstanding shares of common stock (par $.01). Price—$10 per share. Proceeds—to be used for general corporate purposes.

**United Electric Insulating Co.**

May 5 filed 27,000 shares of common stock (par $.01). Price—$2 per share. Proceeds—to purchase machinery and equipment; for research and development; and for general corporate purposes.

**United Electric Insulators, Inc.**

May 17 filed 100,000 shares of common stock (par $.01). Price—$2 per share. Proceeds—to purchase machinery and equipment; for research and development; and for general corporate purposes.

**United States Glass & Chemical Corp.**

Nov. 26 filed 708,759 outstanding shares of common stock Price—$3 per share. Proceeds—to be used for general corporate purposes.

**United States Plywood Corp.**

July 26 filed 50,000 shares of common stock (par $.01). Price—$5 per share. Proceeds—to purchase machinery and equipment; for research and development; and for general corporate purposes.

**U. S. Polymeric Chemicals, Inc.**

June 11 filed 2,500,000 shares of common stock (par $.01). Price—$5 per share. Proceeds—to purchase machinery and equipment; for research and development; and for general corporate purposes.

**Utah Minerals Co.**


**Varian Associates**

June 24 filed 20,000 shares of capital stock (par $.10). Price—$4 per share. Proceeds—to be used for general corporate purposes. Office—New Haven, Conn.; Underwriter—Dean Witter & Co., San Francisco and New York.

**Voss Oil Co.**

July 20-24 filed 11,778 shares of class A common stock of which 23,179 shares will be issued to creditors. Price—$1 per share. Proceeds—to be used for a waterfowl development program and for working capital and other corporate purposes. Office—211 South Seneca St., Newastle, Wyo. Underwriter—Dean Witter & Co., New York.

**Vulcan Materials Co., Mountain Brook, Ala.**

May 7 filed 225,528 shares of common stock of which 142,528 shares represent the balance of 250,000 shares originally filed on March 6, 1963. Proceeds to the company's employees Stock Option Plan. Proceeds to be used by the company to purchase and issue to the company's employees Stock Option Plan. Underwriter—Dean Witter & Co., Inc., both North Carolina corporations, and to certain other employees and retired employees of the company. Proceeds—to be used for general corporate purposes. Office—Mountain Brook, Ala.

**Wade Drug Corp., Shreveport, La.**

April 30 filed 15,000 shares of class B common stock to be sold privately to retail drugstores through James D. Voss, President. Proceeds—to purchase and develop additional stores. Underwriter—Dean Witter & Co., Inc., both North Carolina corporations, and to certain other employees and retired employees of the company. Office—Mountain Brook, Ala.

**Washington Land Developers, Inc.**

June 3 filed 100,000 shares of class A common stock. Price—$3 per share. Proceeds—to purchase land; for development of land; and for general corporate purposes. Office—214 W. Monument St., Baltimore, Md. Underwriter—None.

**West End Bowl-A-Drome, Inc.**

May 26 (letter of notification) preferred stock. For repayment of a bank note; to complete the automation of the etch-a-sketch equipment; and for general corporate purposes. Underwriter—Charles Plon & Co., New York.

**West-Wood Processing Corp.**

June 26 filed 100,000 shares of common stock (par $.01). Proceeds—to be used for acquisition of additional equipment. Proceeds—to be used for working capital. Office—6030 Troxtl Blvd., North Hollywood, Calif. Underwriter—None.

**White Electric, Inc.**

June 4 filed 1,000,000 shares of common stock (par one cent). Price—$1 per share. Proceeds—for salvage op-
**Federal Reserve Bank of St. Louis**

June 29, 1959

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**San**

**Central & Southwest Corp.**

May 30, 1959, the company in view of generally favorable market conditions, is now considering the granting of additional stock.

**Consolidated Natural Gas Co.**

May 19, 1959, the company has been issued for the account of the company's stockholders.

**Community Public Service Co. (N. C. S.)**

July 7, 1959, the company was incorporated, by competitive bidding. Probable bidders: Kidder, Peabody & Co. and White, Weld & Co. (jointly); Eaton Dillon, Union Securities & Co. Bids—Expected to be received on Sept. 9.

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Hardly a year ago the company bought the 10,000 ton iron ore at a rate of 4 1/2%. In 1956, when money firmed, it put out a similar iron ore issue at this same bid, but sold previously with a 4 1/4% rate priced at 102.75.

Purchasing Agents Report
Brisk Business Continues

There are no displeasing trends in the N.A.P.A. business outlook, survey showing production is still very good with most members remaining "inventory conscious." Latest pulling Real members are not increasing inventory investments as a hedge against inflation: expect a normal seasonal summer leveling; and anticipate continued good employment in the next few months. In answer to a special question, 30% of the respondents state they are buying more from abroad than they did 5 years ago and the rest report on purchases or no change.

Close students of that segment of the market, it is myf or less, the "keystones," they generally, are disposed to look back away for the present, being unable to figure the situation which they anticipate in the money market.

They do know, however, that the Treasury must raise additional funds and with banks being able to lend at rather profitable rates, the latter naturally are ready to sell Government bonds in order to increase their lending base.

Accordingly, it is not surprising that dealers who specialize in Government bonds, etc., are being dropped a hint at a precautionary measure. In a word, the Treasury market has not been plagued by any heavy selling pressure but rather by a disposition of dealers and buyers to knock away.

A great banks, being able to make profitable loans, are mentioned before, not only are disposed to reduce their residential portfolios but, in addition, are not in any rush to take in any new commitments in such issues.

The only saving feature for the moment seems to be found in the fact that the majority of writers and dealers have pretty well cleared their shelves of reminders of recent rates.

Added to the weight of things bearing on the current Treasury and corporate bond market, is the apparent changed attitude of prospective buyers. Dealers figure it is now time to get what they want, but are not in any rush to think of new commitments in such issues.

A while back, they, like some operating in the tax exempt field said the New York Stock Exchange Authority, were disposed to balk at if they figured the money market was too high. But that attitude seems to have softened considerably.

Industry, evidently, has learned that it needs funds to finance expansion and is willing to recognize the change that has come about. They, figure the money picture and pay the going cost of funds for the time being. The tendency is to look for a firmer adjustment in the interest rate situation as new issues offer somewhat better than current yields.

The new issue calendar remains slender for the near-term with next week's offerings to be topped by $30 million of debentures slated for the Que- nes Hydro Electric Commission on Wednesday.

Monday has potential in a long list of small prospects and Tuesday will bring to market for bids Jersey Central Power & Light Co.'s $8 million of new bonds.

On Wednesday, in addition to the Quebec offering, Jersey Central Power & Light Co.'s $8 million of debentures for U.S. Plywood Co. while Thursday brings a $10 million. So far, customers have scheduled $5 million of debentures.

The cost of money to corporations has risen sharply within the past year, as shown by the raising of the rate by the banks. The result of the bidding yesterday for Long Island Lighting Co.'s $23 million of 30-year bonds.

Carrying a single A rating this issue drew a bid top of 101.489 for a 7 1/2% coupon rate and the successful group settled for a bid price of 102.291 for a yield of 5 1/2%.

Jacks Nelson Burbank
(See Previous Financial Statement)

BOSTON, Mass. - Robert L. Loresn has joined the staff of Nelson Burbank Co., 80 Federal St.

Jacks Bache Staff
(See Previous Financial Statement)

CELEDON, Ohio-James H. Baun has joined the staff of Livingston, Williams & Co., Inc., Building.

With Hill & Co.
(See Previous Financial Statement)

CINCINNATI, Ohio-Rogene R. Henninger is with Hill & Co., Carew Tower, members of the Cincinnati and Connecticut Stock Exchanges.

L. J. Lazarus Opens

Louis J. Lazarus is conducting a second business of Sunflower & Sunflower at 92 Leonard Street, New York City.

DIVIDEND NOTICES


The Board of Directors has declared a dividend of Thirty Four 1/2 cents per share on the Common Stock of the Company for July 10, 1959. It is payable for record on the close of business on August 14, 1959.

The Common Stock & Preferred Co., by Alden E. Firestone, Secretary.

IBM

"17th Consecutive QUARTERLY DIVIDEND"

The Board of Directors of International Business Machines Corporation has today declared a quarterly cash dividend of 30 cents per share, payable Sept. 10, 1959, for holders of record at the close of business on August 11, 1959.

C. V. Boulton,
Treasurer
WASHINGTON, D. C. — Although it will not be a wholly pleasant thing from a strictly political standpoint because of the already existent Democratic majority in Congress, it appears Hawaii is preparing for the increase in its Big July 3 general election.

The 25th State is going to send three Congressmen — two Senators and one representative to Washington. The Democrats are favored in both the Senate and House races, and the party of Jefferson and Jackson now has such a political stronghold on Oahu that it may take years and years for the Republicans to regain control.

While Hawaiians voted nearly 18 to one for statehood June 30, it will not be until the fall general election or sometime in August in the special election pending here will the issue statements proclaimed. Then formalities will be completed and the group of "far away" islands 2,200 miles off the California coast, will have equal footing with her sister 49 states.

Race for Governor

Besides the contest for the three Congressmen, the people will elect a Governor. Because of the lack of a worthy candidate, the Republicans and the Democrats are pitting the best of their political figures.

John A. Burns, 30, won the nomination of the Republicans in 1933 as Hawaii's non-voting delegate to the House of Representatives, and the Territory's leading newspaper, the Honolulu Star-Bulletin, says that John F. Quinn, 39, is the Republican standard-bearer.

Quinn, the Republican candidate, is an experienced lawyer, and the Republicans on Capitol Hill and everywhere else are pulling for Mr. Quinn. Mr. Eisenhower appointed him Territorial Governor of Hawaii in 1952.

In Hawaii predict that the race between Quinn and Burns will be the closest of the upcoming contests.

Elections will be held in November. Quinn will head the Hawaii delegation as chief executive to one of the Federal Reserve Banks, an important convention a year from now. Hawaii was received as a Republican stronghold until 1954. Then when Democrats captured control of the territorial legislature for the first time in history.

However, Democratic strength had been growing in the islands since World War II. Incidentally, Hawaii will be the only state with a non-white majority. Of the more than 600,000 people, approximately one-fourth of the number are Caucasians.

There is an important political change in next year's big Presidential campaign. This time candidates for President and Vice-President or their representatives will be flying more than 2,000 miles over Pacific waters to do some oratory. Of course, it is not a must that Presidential or Vice-Presidential candidates will be flying, this time, more than 2,000 miles over Pacific waters to do some public speaking in every state.

For years neither the political party Presidential nominees campaigned in the South Pacific nor the political cliques that it would be in the Democratic Party in the South. However, that has not been true in the last two nationwide elections in the region long-time described as the Solid South.

Relatively Large Population

The population of the "Baby State" is larger than Delaware, Nevada, Wyoming and Alaska, and almost equal to Montana or Idaho.

When the occasional census is taken, inhabitants may show the City of Honolulu, the territory's capital, of perhaps more people than Alaska and Nevada combined. Honolulu and nearby Pearl Harbor were the jumping off points for military and Army men in the war against Japan.

Hawaii is already important politically, even before it officially became a State. With 58 stars over the islands, Sen. John F. Kennedy, of Massachusetts, was a frequent candidate for the Democratic Presidential nomination. He was able to do so in recent years, theoretically to help the Democrats in the campaign. At the same time, however, he is hopeful the basecals delegate from Hawaii will go to Los Angeles next April 22 and agree to their votes for his nomination.

Brigades a Powerhouse

Travelers have always loved the beautiful Hawaiian islands and more and more Americans will be traveling there from now on. But Hawaii has an entirely different atmosphere. That biggest single individual enemy of the island is the radcal leader of the International Workers Union. Harold Bridges. He is so powerful that he can tie up the island shipping for weeks.

You could put all the Communists in the State of Mississippi in a couple of telephone booths. Not so in Hawaii. Here they are in the committees in the past few years. Not so far as is shown, probably Hawaii has many Communists.

Hawaii has other problems like those of every island. One of all it has an acute shortage of land. It will grow worse as the years pass.

U. S. Largest Employer

Uncle Sam is the No. 1 employer in Hawaii with its military forces, Pearl Harbor, one of the greatest naval harbors of the world, is the center of the Navy's Pacific operations. This far-flung defense stretches from the West Coast United States Mainland to the Aleutians and around the Pacific basin.

Operations of the United States Air Force in Okinawa, Japan, the Philippines and other islands are extensions from Hawaii. From Schofield Barracks, 90 miles west of Honolulu, there is a direct drive from Pearl Harbor and Honolulu the Army keeps in readiness some hard-fighting, hard-riding, hard-flying troops.

With a number of military operations or defense activities cost a lot of money. That is why the Federal Government is the foremost employer on the islands. There is also war sentiment on the mainland for Hawaii. Many thousands of citizens in other states, such as Pearl Harbor, the Pacific headquarters of the Army Air Forces. There are few burials in Punchbowl National Cemetery.

Island's Economy

Despite Hawaii's economy is tied closely with the sugar and pineapple industries. See-

BICYCLES

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