As WE SEE IT

Much, to the displeasure of the labor leaders, and not very wisely, is the thing of the companies, the President has invoked the Taft-Hartley law in an effort to bring the maritian steel strike to at least a temporary end. The industry, of course, knows how expensive it would be to heat the furnaces only to have to cool them again in 80 days, and apparently is far from sure that it can come to an acceptable terms with their employees within the time limit set by the law that is now invoked. The leaders of the unions profess to believe that they have now so secured steel users that severe pressure is being exerted upon the steel makers to resume at whatever price they must pay—and hence the action taken by the President, is about the equivalent of strike breaking—for the purpose, of course, of lending a hand to Presidential cronies and their like according to Mr. Reuther, the loudspeaker for organized labor, or one of them.

So much has been said both here and elsewhere about the basic issues involved in this strike, and about the fallacies being uttered in its defense that it ought not to be necessary to go into the matter again. Yet certain of the arguments of the union leaders are so often reiterated—and with some superficial plausibility to the uninitiated—that it may not be amiss to analyze some of these more recent arguments in behalf of higher wages and other benefits for the steel workers. They are not, of course, but they once again repeat old, old fallacies which have found much nutriment in the New Deal and kindest notions of late years. The most telling point to the uninhibited in the arguments of the unions is probably the claim Continued on page 30

The Natural Gas Industry
Today and Tomorrow

By Hon. Fred A. Seaton, Secretary of the Interior

To help meet the problem created by seasonal fluctuations in demand, there have been developed techniques for underground storage. The industry is now supplementing the traditional pipeline method of transportation by reducing natural gas to liquid state so that it can be delivered by rail and tanker.

It is developing new and improved uses for gas. Through petroleum gas, natural gas has also been found to be an ideal raw material from which a countless number of valuable products are obtained.

This is far cry from a time not long ago when the smoke above the Nation's oil fields were nightly like night by burning gas flames. Such a waste of a great natural resource would be appalling to us now.

The American Gas Association is to be congratulated for the part played in making natural gas serve a useful purpose—a useful purpose as a dynamic force in the American economy, and as a convenience or necessity in the lives of so many individual Americans.

What of the Future?

Now, what is in store for the future? Making predictions, as you well know, can be a dangerous business.

The danger lies not so much in making the prediction or forecast, but in forgetting the subjective nature of the process and endorsing the forecast with a validity it does not or may not deserve. Yet it is not wrong, and however much we may poke at the man with a crystal ball, an attempt to judge where into the future the present may be leading us is a necessary function of every responsible policy-making official. This is true whether that official be in government or industry.

Three years ago the Congressional Panel on the Impact of the Peaceful Uses of Atomic Energy forecast that overall energy consumption in the United States would increase from 30,000 billion B. t. u.'s in 1954 to 74,900 billion B. t. u.'s by that time. Other authoritative estimates are in substantial agreement—Continued on page 20

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Editorial

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Government, Public Housing, State and Municipal Securities
The Security I Like Best

A continuous forum in which, each week, a different group of experts in the field of finance and advisory will offer their views to county participants and give their reasons for favoring a particular security.

(This is under no circumstance to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

ALBERT H. DEUBLE
President, York Exchange Co., Inc.
New York City

Members of N. A. D.

Allegany Corporation

Allegany Corporation is not a popular stock! For a number of years, it has had no great following. But popularity does not always mean desirability or profit possibilities. The public usually is very disinterested in a stock that is not popular. Allegany's status in the last few years, however, is much like that of a AAA bond which has, however, been bought at a very considerable price level in more than two decades.

Our favorable opinion is based upon the following considerations:

(1) Allegany Corporation common is selling at present around $125 a share as compared with the underlying asset value of about $22-$25 a share. 
(2) Its tie-up with Webb & Knapp qualifies Allegany as an inflation hedge.
(3) Allegany is holding a large block of New York Central stock. The stock is very active lately at high prices. It might earn $2.50 a share.
(4) Its big block of Investors Diversified Securities gives Allegany an important interest in one of the most profitable business opportunities discovered in the last few years, namely, the management of mutual funds.

What is the Allegany Corporation actually doing at the present time? It is the owner of a majority of holding company and investment trust. Its total investment exceeds $180 million. Debts and outstanding preferred shares give Allegany common an estimated capitalization of $250 million. The warrants are available for an exercise price of $25 a share. They are a very long-term factor in the underwriter.

About 307,000 shares of Investors Diversified Securities are held by the company, selling at $225 a share, or a total of about $38 million, represents Allegany's biggest single investment. It is expected that Investors Diversified will earn this year about $11 million, which would give each share a value of about $400 (if the usual 3 times rate of earnings is applicable), or an increase in the portfolio value of over $100 million over the last year. There is talk of a split in Investors and an increase in dividend payments.

Allegany is holding as its second biggest investment almost one million shares (actually 2,000,000 shares are held in joint ventures) of Canadian National Railways, which reduces the face holdings accordingly) of the New York Central Railroad. Central Railroad is worth over $400 million and not fully explained activity at the New York Stock Exchange a few days before the steel strike began Central Railway which they hoped to declare a dividend. This hope has not been fulfilled because of the financial position of this large Eastern railroad is more favorable than many belied possible. This railroad has paid its last cash dividend of 50 cents a share in June, 1957 (in December, 1957, some of the new deferred stock, equal to 41 cents a share, was sold for $125). Allegany carries also about 20,000 shares of the ocean liner, which at a total valuation of $2.8 million (actual value around $9 million) one of the largest liners in Webb & Knapp (one million shares at $2.50 a share). Allegany is also participating in the fortune of this enormous organization without being too heavily involved in any misfortune. People-people- accelerators. Allegany will receive for its share of $24.7 million title to a valuable Denver real estate development. The dealings with Webb & Knapp are involved and have been changed lately but should work out for this new diversified accelerator. Allegany has only 4.8 million common shares outstanding.

Considering the braches which the preferents and the warrants might yield, a capital gain of $250 million only is very fast and very soon if the conditions are right, and the rate of earnings on profits is not paved with green dreams; a few red ones must be expected before the destination is reached.

WALTER K. GUTMAN
President
Shields & Company, New York City

Members: New York Stock Exchange and American Exchange

High Voltage Engineering Corporation

In this dynamic age security analysts have received a big appeal of a great many stocks—saying which one I "like best" is not an easy task.

I don't say that I think High Voltage Engineering Corporation (H.V.E.) is "fascinating" or "racy" or "tasty" or anything else. I don't say that I say I like High Voltage Engineering Corporation best. I say I know it will well and like it a lot because I see considerable opportunities for growth and dynamic development. I am behind the possible dynamism of the company.

H.V.E. specializes in a type of equipment which is strange to many people. Particle accelerators are machines which take an electron or an ion and subject it to electrical and magnetic forces so that the particle gains speed and finally smashes against a target at very high velocities. The huge accelerators built by the U.S. Russian, and British Governments, but particles at energies which are measured in tens of millions of volts are now available to industry. These special purpose "atom smashers" are not built by any one company but are assembled by several parts made by numerous companies. H.V.E. C is equipped to make certain components but if it gets a "million electron linear accelerator" which may be built at Stanford University, California, its contribution will be of the order of 10 percent.

The sort of equipment made by H.V.E. is much smaller—its target is a thousand dollar range and the typical machine is in the hundred thousand dollar range. Up to date these relatively standardized machines have been used mainly for research. H.V.E. C has made almost 250 machines of various types and sizes and share is in the U.S. New York City.

This Week's Forum Participants and Their Selections

Allegany Corp.—Albert H. Deuble, President, York Exchange Co., Inc., New York City.

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Accepting the Discipline of The Balance of Payments

By Dr. Roy L. Hershon, Vice-President and Chief Economist, Bankers Trust Company, New York City

Banker returned from extended visit to business and financial leaders of many countries, both with a more extensive knowledge of the balance of payments in the U.S. dollar and with a more incisive appreciation of the nature of any weaknesses of the dollar. Foreign observers, however, are reported to be still uneasy about the condition of inflationary pressures abroad, and buyers have been conditioned to expect a appreciably lower price for the gold price. However, many Europeans now agree that the U.S. dollar is a strong dollar, with a good outlook for the balance of payments. The dollar has been strengthening for several years, and it appears to be more resilient to the types of pressures that have previously threatened it. The dollar has been growing in value because of the strong economic fundamentals in the United States and the continued growth in the United States' current account surplus. The dollar is also benefiting from the Federal Reserve's policy of accommodating inflationary pressures abroad, which has helped to contain inflationary pressures in the United States. In conclusion, the dollar appears to be in a strong position, and it is expected to continue to appreciate in value.

The outlook for the gold price and the condition of the United States dollar, as both related topics, have been under discussion for a number of years. The outlook for the gold price is likely to remain positive in the near term, due to the strong fundamentals in the United States and the continued growth in the United States' current account surplus. The dollar is also benefiting from the Federal Reserve's policy of accommodating inflationary pressures abroad, which has helped to contain inflationary pressures in the United States. In conclusion, the dollar appears to be in a strong position, and it is expected to continue to appreciate in value.

The State of Trade and Industry

Work stoppages in steel and other industries reverse the nation’s economic advance during the third quarter, says the Federal Reserve Bank of Chicago in its monthly review, “Business Conditions,” in July and August, comments the Bank, the index of industrial production, which retreats from a high of 155, and a further decline is indicated for September. Steel output, though not quite as large as in the third quarter, most domestic copper producers also were idle, and many production losses were reported. The outlook for the gold price and the condition of the United States dollar, as both related topics, have been under discussion for a number of years. The outlook for the gold price is likely to remain positive in the near term, due to the strong fundamentals in the United States and the continued growth in the United States' current account surplus. The dollar is also benefiting from the Federal Reserve's policy of accommodating inflationary pressures abroad, which has helped to contain inflationary pressures in the United States. In conclusion, the dollar appears to be in a strong position, and it is expected to continue to appreciate in value.

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Observations...

BY A WILFRED MAY

ON OUR POLICEMAN'S 25TH BIRTHDAY

WASHINGTON—In the early days of the Department of Justice, President Theodore Roosevelt told a group of Federal Marshals that the service occupied by their agency too often was unwarranted by the public as a whole.

Washington, D.C., April 1, 1934

THURSDAY: The Department of Justice is 25 years old. In the early days of the Department of Justice, President Theodore Roosevelt told a group of Federal Marshals that the service occupied by their agency too often was unwarranted by the public as a whole.

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Tax-Exempt Bond Market

BY DONALD D. MACKAY

The market for State and Municipal bonds has continued to flourish during the last year. New issue volume has been moderately high. Since these issues have been rather slow to be absorbed in the market, yields have generally been high and have attracted considerable interest. In the meantime, investors with tax problems are buying bids as long as yields remain sufficiently high. As a result, the market for tax-exempt bonds has been quite buoyant, and yields have remained generally high.

An average yield of 3.50% has been taken by those investors whose incomes are taxable. A few have Federal income tax problems, and are therefore interested in tax-exempt market offerings of moderate proportions (less than $200 million bonds according to the Blue List). The "Commercial and Financial Chronicle" of high grade State and Municipal Bond Index reflects the firm and strong demand for tax-exempt bonds at an average yield of 3.50%.

Low Supply Factor

The lack of supply continues as the major factor in the municipal market trend. The supply of bonds being offered to the market, dominated by the government world, has been in a far less technically desirable position for months and has to a large degree been accountable for the extreme bargain's obtainable by those investors whose incomes are taxable. With high Federal income tax problems, refocusing and refinancing a seemingly series of crises for some time, it appears likely that the general market level will maintain tax exempt yields at prices that will continue to attract the demand that has obtained for most of 1959. These yields, generally high and present, to moderate the demands of borrowers to the extent that supply will not outrun the market's broad demand. As has been pointed out in these columns previously, during 1959 with prices averaging higher than at present, investors have purchased more than 25% more tax exempt bonds than in the like 1958 period.

Municipal Market Flexible

Continued offerings of attractively priced Treasury issues should pose no real problem to the market during 1960 largely because of its inherent flexibility. In periods of market stress the sources of supply of a supply quickly reduce new issue offerings. As regards secondary market inventory, dealers, generally, either cut prices or decide to become involved in the market. The $3,497,000 bonds maturing in 1960-1979 and the $3,497,000 bonds maturing in 1961-1979 are available, as well as the $3,497,000 bonds maturing in 1977-1979. Thus, the market is quite well supplied with bonds maturing in December 1961 and 1962.

The larger issues scheduled for sale in the following tabulations list the bond issues of $1,000,000 or more for which specific sale dates have been set. Information, where available, includes name of borrower, amount of issue, maturity date, and hour at which bids will be opened.

October 15 (Thursday)
Chili Water Dist., New York
2,900,000 1960-1969 3:00 p.m.

October 16 (Friday)
Everett School District No. 2
1,600,000 1961-1979 3:00 p.m.

October 19 (Monday)
Atlanta, Georgia
2,000,000 1969-1979 Noon
Collier County, Fl.
20,000,000 1969-1979 Noon
Montreal, Quebec
20,000,000 1969-1979 Noon

October 20 (Tuesday)
Boardman Local S. D., Ohio...
1,890,000 1960-1979 2:00 p.m.
Carbondale, Ill...
1,480,000 1960-1979 7:30 p.m.
Hamilton Common S. D., Mich...
1,250,000 1960-1979 8:00 p.m.
Hondulau, Hawaii...
3,400,000 1960-1979 3:30 p.m.
Local Housing Authorities...
192,145,000 1960-1979 Noon

October 21 (Wednesday)
California (State of)...
7,500,000 1964-1963 10:00 a.m.
Hempstead Union School District, N.Y., 14, N. Y...
3,680,000 1960-1979 1:00 p.m.
Kentucky State Property and Building Commission...
1,650,000 1961-1979 1:00 p.m.
Reading School District, Pa...
1,300,000 1961-1979 8:00 p.m.
Salt Lake City, Utah...
5,800,000 1961-1979 3:30 p.m.

October 22 (Thursday)
Consumers Public Water Dist., Neb...
2,250,000 1963-1972 10:00 a.m.
Consumers Public Water Dist., Neb...
21,050,000 1972-1992 10:00 a.m.
Dayton, Ohio...
2,700,000 1961-1980 Noon
Lake Worth, Fl...
2,180,000 1961-1989 11:00 a.m.
Mcomb and Oakland Counties, Mich...
4,235,000 1960-1969 9:00 a.m.
Plaquemine, La...
1,000,000 1960-1969 3:00 p.m.

October 27 (Tuesday)
Cuyahoga Falls City S. D., Ohio Glendale United S. D., Calif...
3,350,000 1969-1979 Noon
Los Angeles County Flood Control Dist., Calif...
21,150,000 1961-1983 9:00 a.m.
Rowan, N. C...
2,125,000 1961-1977 11:00 a.m.
Warren Consol School Dist., Mich...
2,450,000 1961-1984 9:00 a.m.

October 28 (Wednesday)
Baltimore City, Md...
20,000,000 1960-1979 Noon
Hamilton, Ohio...
1,300,000 1961-1985 Noon
Hampton, Virginia...
2,500,000 1961-1988 Noon
Pennsylvania General State Auth...
25,000,000 1960-1978 Noon
St. Louis County, Mo...
2,100,000 1961-1979 11:00 a.m.

October 29 (Thursday)
Camden School District, N. J...
3,200,000 1960-1962 8:00 p.m.
Florida Development Commission (Polk County), Fla...
9,500,000 1961-1969 11:00 a.m.
Utica Cmmon School Dist., Mich...
2,896,000 1962-1989 8:00 p.m.

November 3 (Tuesday)
Cerritos Junior College Dist., Calif...
1,000,000 1960-1979 9:00 a.m.

November 4 (Wednesday)
Port Arthur, Texas...
2,950,000 1963-1989 11:00 a.m.

November 9 (Monday)
Enfield, Conn...
2,400,000 1960-1979 9:00 a.m.
St. Joseph School District, Mo...
2,800,000 1965-1969 4:00 p.m.
Santa Barbara High S. D., Calif...
1,000,000 1960-1976 10:00 a.m.

November 18 (Wednesday)
Poughkeepsie, N. Y...
2,290,000 1960-1979 Noon

December 1 (Tuesday)
Columbus, Ohio...
10,010,000 1962-1986 Noon
Recent World Improvements Have Yet to Be Fully Grasped

By Per Jacobsson, Managing Director and Chairman of the Executive Board, International Monetary Fund, Washington, D.C.

The enlargement of the Fund’s resources, which was proposed last year by the Board of Governors of the member countries and approved in March, has become effective on 1 January. It means that the countries now have access to additional gold and foreign exchange reserves and that they will be able to participate in the Fund’s operations to a much larger extent. The enlargement of the Fund’s resources has been made possible by the increase in the quota of each member country, which is now based on the country’s net gold and foreign exchange reserves, as well as on other factors.

The increase in the quota of each member country is achieved through the introduction of a new Article XIV of the Fund’s Articles of Agreement, which provides for the establishment of a new category of countries known as “key countries.” These countries will have the right to participate in the Fund’s operations to a much larger extent, and they will be able to draw on the Fund’s resources in case of balance of payments difficulties.

In conclusion, the enlargement of the Fund’s resources is a major step forward in the international monetary system. It will enable the Fund to provide greater support to its member countries and to play a more effective role in the stabilization of the international monetary system.
About Certain Uninflated Natural Gas Equities

By Dr. IRA U. COBLEIGH

A consideration of four natural gas companies, which because of gas reserves, territory served or diversity of operations, present investment values.

The enthusiasm for oil stocks in the recesses of recent memory stems not only from the present world-wide demand for crude oil, but on the North American Continent, from the aggregate of what was considered a practically inexhaustible supply of crude natural gas. In the early 1920's Texas, when there was a limit on the production or sale of crude, natural gas was ignored, and billions of cubic feet blew off into the air in a multiplicity of wells; then came the discovery of electric power generation; and in the Thirties the transportation and silently flared hundreds and later thousands of cubic feet of the food and the homes of millions of people of remote Mesopotamia. In the first long pipeline (900 miles) was built from Texas to Chicago and today natural gas is invisibly supplied in vast quantities to these states. Not to put too fine a point on it, Canada is completing a long pipeline bringing West Cana- da gas to Toronto and Quebec (Trans-Canada Pipeline), and sparking a dynamic upsurge of industrial expansion in the commun- ity along the pathway. And finally, unrelated to its usefulness as a fuel or source of energy, natural gas has become an important element for our huge new billion dollar defense program.

So while we are here to pay no disreputable attention to the rigid gas industry, we do think it proper to salute the commercial development of gas, as the means of bringing to market the great natural gas resources of this country. This year (1963) has already been a year in which a number of new long distance gas pipelines have been put into operation, and it is apparent that the demand for gas is expanding at a rate that has caused considerable activity in the industry. Indeed, the entire industry seems to be in a period of expansion, and it is probable that we will soon see a general increase in the price of natural gas, both wholesale and retail. This is due to the fact that the demand for gas is increasing rapidly, and that the supply of gas is limited. The production of gas is also increasing, but not at a rate that is sufficient to meet the demand. The result is that the price of gas is rising, and it is probable that this trend will continue in the future.

The Public Service Company of Colorado, a subsidiary of the Union Oil Company of California, has reached an agreement with the Federal Power Commission for the construction of a 150-mile natural gas pipeline to serve the Colorado Sprinkling Co., a subsidiary of the Union Pacific Railroad Company, which will supply gas to the Colorado Sprinkling Co. at a rate of 1.5 million cubic feet per day.

The Public Service Company of Colorado (PSC) has entered into an agreement with the Federal Power Commission (FPC) for the construction of a 150-mile natural gas pipeline to serve the Colorado Sprinkling Co., a subsidiary of the Union Pacific Railroad Company. The pipeline will supply gas to the Colorado Sprinkling Co. at a rate of 1.5 million cubic feet per day. The FPC has granted a certificate of public convenience and necessity for the construction of the pipeline, and the company expects to begin construction in the spring of 1964. The pipeline will consist of two lines, each having a capacity of 1.5 million cubic feet per day. The pipeline will be constructed entirely by the Public Service Company of Colorado, which will own and operate it. The company expects to have the pipeline in operation by 1965.

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

NEW ISSUE

October 5, 1959

80,000 Shares

Roto AMERICAN CORPORATION

Common Stock

(Par value $1 per Share)

Price $3.75 per Share

CコピーのOffering Circular は不要です。
Enhancing the Liquidity Of Mortgage Loans

By Deane C. Davis, President, National Life Insurance Company, Montpelier, Vt.

Insurance head would further enhance liquidity of mortgage loans by requiring greater uniformly superior mortgages.

No segment of the financial community in the United States has played a more significant part in the financing of real estate of all types during the past century than the nation's life insurance companies.

This statement can be made without equivocation and with the greatest pride by those of us privileged to be associated with this important industry, which supplies the only insurance protection to the American people and at the same time affords one of the largest pools of capital available to developers and other users of mortgage funds.

With equal pride, it can be said that no other category of savings institutions has as large and as steady an annual accumulation of funds available for investment throughout the entire country as the life insurance industry.

Furthermore, no similar group of institutional lenders can be so varied a portfolio over so great an area.

The assets of the life insurance companies in the United States at the end of 1950 totaled in excess of $196 billion, or $174.5 billion of which was held in the form of various types of mortgage loans.

Mortgage Holdings

Almost 35%, or $37.9 billion of the assets of life insurance companies were invested in mortgages of all types at the end of the year, and these investments represented 21.6% of the $171.3 billion of mortgage debt outstanding.

In 1945, at the end of World War II, life insurance companies held $60.6 billion, or 41.8% of their assets, representing 18.8% of the total mortgage debt outstanding.

The six-fold increase in mortgage holdings of life insurance companies during the past 15 years clearly indicates the important part which life insurance companies have played in the mortgage market since World War II, and particularly the important part which they have played in financing better housing for the American people.

While life insurance companies finance a large part of mortgages, their importance as an industry is probably greater as lenders on commercial properties. Of the $37.9 billion of mortgage loans owned by the companies at the end of last December, approximately 75% was held in FHLA loans, another one-fifth in VA loans, one fifteenth in FHA loans, and slightly more than one half in all other types of loans.

While this latter category of course, included unimpaired residential loans, the greater portion consisted of commercial and industrial properties, office buildings and apartment houses. It is well recognized that the financing of a portion of commercial and industrial properties has been a major source of funds for life insurance companies.

The National Life Insurance Company, now in its 110th year, long has been active in the mortgage field. Not only have we been substantial buyers of mortgages, but our Board of Directors has authorized us to acquire and to retain portions of assets in mortgage loans of all the life insurance companies in the country.

The end of June, our mortgage loan portfolio totaled $496,310,000, which represents 18.7% of our Company's assets, to say nothing of the additional 5.9% invested in both FHA and VA loans.

National Life takes great pride in the fact that it was the first institution to make FHA loans, and we are particularly proud that for a number of years we pioneered the first FHA loan on which insurance had been placed, and now are authorizing by assignment from a bank in New York.

The National Life Insurance Company was the first lender to enter the market for the mortgage loans in the United States, and the breadth of the extent to which our insurance companies' strength is reflected in the fact that over 80% of our available funds are mortgaged in mortgages.

Refers to Favorable Experience

In FHA and VA loans, now approximately 25% of the total mortgage loan figures relative to this experience to be of interest, the fact that in buying FHA loans in 1935, we have purchased approximately 31,000 loans at an average cost of $533,136.00, and on June 30, 1950, the outstanding balances of $290,748.00, or 92.9% of the original cost.

For the first 16 months of the year, we have acquired 15,000 loans involving $3,457,047, with losses aggregating $139.07, which is only 0.014% of the total loans after the cases had been closed.

Of course, a skeptic may argue, and with some justification, that the very favorable experience with mortgage loans during the past 23 years has been the result of inflationary trends in the United States economy, so that one must concede some validity to this argument. However, it is my belief that changes in the pattern of lending have been more related to the experience than inflationary trends.

In the United States, the type of mortgage lending today is almost identical to that which has been utilized so successfully for many years in the financing of such assets as office buildings and apartment houses. This pattern is essentially as follows:

1. Purchase of the mortgage portfolio for the borrower's loan charges;
2. Provision for a monthly debt service payment covering all the borrower's loan charges;
3. Provision that loan payments be made with the credit capacity of the borrower;
4. Provision that the lender possesses the capacity to take in place of the borrower the event of delinquency.

In addition to the favorable returns previously cited, we have seen several other characteristics of great regard for mortgages, particularly those in our mortgage portfolio. First, we are particularly anxious to make sure that the funds entrusted to us by our policyholders are contributing to the improvement of the commendable social and economic conditions of the people.

Second, mortgages have been attractive to us because they provided a favorable return. Na-
The gusher
that brought in
50,000,000
cars

NEWS ON TEXACO PROGRESS

YESTERDAY. When, in 1901, a great gusher blew in at Spindletop spouting its black geyser against the South Texas sky—the whole world learned for the first time that it could have petroleum in abundance. And it was at the Spindletop field that Texaco came into being—to obtain and market Spindletop oil.

TODAY. America's millions of motor cars have only been made possible by a petroleum industry that is the largest producer of domestic crude oil. Its integrated operations are worldwide in scope. And its laboratories are investigating not only petroleum's valuable energy, but also atomic energy. By keeping in step with the future . . . Texaco continues to grow.

So long as the Doctrine of Substantial Compliance is properly interpreted and applied, a company is likely to encounter little or no difficulty. But the moment a state abandons this doctrine and insists on literal compliance with the laws of that state, then those particular statutes become the basis not only of life insurance investment in that state but at the same time would be the basis for growing increasingly more acute during the next decade. During the last ten years there has been a tremendous increase in the formation of new life insurance companies. Ten years ago there were 500 legal reserve life insurance companies in this country, today there are 1,275. Thus, more than half of all life insurance companies now doing business in the United States were organized in the last ten years. The great majority of these recently-formed companies are not admitted to the State of New York and, hence, are not subject to the investment requirements of that state. While for the present a high percentage of life insurance assets (approximately 80%) is held by companies that are either domiciled or admitted to do business in the State of New York and, therefore, subject to the law of New York, these newly-formed companies will grow in assets and become an increasing factor in the investment field and the problem I have referred to will become increas¬ingly more acute.

The job of promoting more uniformity in investment authority is properly the job of the life insurance companies themselves, aided, as I am sure they will be, by the National Association of Insurance Commissioners of the 50 states and the District of Columbia together.

Continued on page 24
Over the last dozen years some $5 billion have been poured into exploration, development and facilities for transport and use of crude oil, natural gas, and gas products related to Western Canada—a region with some 600,000 square miles of sedimentary basins. From the effort and risk is being born the heart of a large economic system.

And the Canadian European—there has been built Canada's largest mineral industry in terms of investment and employment. There has emerged a new industry, the potential in Western Canada far outstrips the known potential in the United States. Canada could become an ever more important factor in North American gas supply.

My purpose is to tell something of the industry, with particular emphasis on the tremendous potential in the area and the broader use of Western Canadian gas over the next few years in making possible oil producing areas of North America.

The oil phase of Canada's Industry—which was relatively free to grow on an economic pattern in North America until the recent world-wide oil surplus developing in the United States—has a remarkably record. In a dozen years production has grown from 100 to 6,000 million barrels, a development of over one billion barrels. Productive potential has grown from 20,000 to 1,000,000 million barrels per year. In 1960, a great network of 8,000 miles of pipelines has been built to link Western Canadian oilfields with domestic and American refineries from the Pacific Ocean to the Great Lakes-St. Lawrence River region to the East.

What Held the Gas Phase Up

The gas has been much slower in developing, despite the facts that the gas resource for export from Alberta fields was proposed over a decade ago and the gas fields were a billion cubic feet by 1957—has a remarkable record. In a dozen years production has grown from 100 to 6,000 million barrels, a development of over one billion barrels. Productive potential has grown from 20,000 to 1,000,000 million barrels per year. In 1960, a great network of 8,000 miles of pipelines has been built to link Western Canadian oilfields with domestic and American refineries from the Pacific Ocean to the Great Lakes-St. Lawrence River region to the East.

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The significance of the $375,000,000 to be spent over the next 3 to 4 years can best be foreseen in these statements made by four of the corporation's top decision makers.

"The success of a company in the next decade will depend not only on its ability to produce, but, to an increasing degree, on its ability to sell. We have just completed a huge increase in capacity. The new program marks our intensified emphasis on customer service."  

CHARLES M. WHITE  
Chairman

"In this program we will be concentrating on changes and additions which will further raise the efficiency of the corporation. When you raise efficiency, you improve product quality. This will benefit our customers. Raise efficiency and you reduce operating costs. This benefits our shareholders."  

THOMAS F. PATTON  
President

"We are planning to use this money to replace, improve, and add to our rolling and finishing facilities. We will process steels in a greater variety of ways. This does not mean we will change our product mix. It means we realize customers will be more demanding, and therefore, closer control will be required in order to meet their needs and requirements in the future. With a steel mill operation, you have to start to plan two years before you build. We are building now to meet specifications which are advanced today but which, we are convinced, will become usual among our customers in 5 or 6 years."

ERNST R. JOHNSON  
Vice President in Charge of Operations

The Alberta-California Project is soon to be completed. It would provide a Canadian supplementary supply for P. G. & E.'s huge market, now 340 billion cubic feet yearly and increasing by 60 billion cubic feet annually. With large volume and a 95% load factor, the proposed system is ideally suited for the type of wet gas* fields which would be its prime source. Since there is a high capital investment for gas processing plants, paying initial field prices of about 334 cents per MCF—better than previously available to Canadian producers—the system will deliver gas to California terminals at about 45 cents per MCF.

In addition to an initial 414 million cubic feet daily for California delivery, Alberta & Southern will export 70 million cubic feet daily to Canadian Western subscribers. The Alberta-California system will also transport gas covered by an agreement between the companies, issued in March to Westcoast Transmission Company, for 1,500 billion cubic feet by 1964, with annual maximum 54 billion and daily maximum 165 million. This gas, to be drawn from southwest Alberta fields under contract to Westcoast, would be transported to the Spokane area for delivery to the existing Pacific-Northwest Pipeline Corporation line, supplementing American and Canadian gas now serving it. Westcoast's application for a Canadian export permit has been made, and will likely be heard by the National Energy Board early in the New Year.

Alberta Gas Trunk Line Limited is the agency chosen by the Alberta Government to transport gas from fields to the provincial boundary for the account of Trans-Canada, Alberta & Southern, Westcoast and others who serve or expect to serve markets outside the province. This unique company will operate an extensive pipeline network in Southern Alberta delivering gas to Trans-Canada, will extend this and also build a 406-mile 36-inch line down the Foot Hills Belt to serve new export projects when they are approved. Another 800-mile pipeline will include supplemental supplies to Alberta utilities, and getting gas to additional customers outside the province. Voting control is shared by Alberta gas producers, Alberta utilities, export companies, and directors representing the public at large. Bulk of stock, non-voting, was purchased by some 40,000 public shareholders.
1960 Sales Forecast

By FRED H. HOYT,* Vice-President, Carrier Corporation

Sales forecaster expects rising sales volumes in most consumer durable goods lines. The forecast is based on consumer demand to income and credit, despite higher interest rates, rising personal income and plenty of consumer credit for many products. The forecasts for homes are held by salesmen to have been based on the demand for durable goods in the 200-250 million population group.

The move is believed to be that of increasing consumer durables in general for 1960. The reason for this optimism is the realization that the long decline in sales of consumer durables has reached its limit.

While it is expected that the demand for consumer durable goods will continue to rise, there will be a general slowdown in the rate of increase. The growth in the rate of increase will probably be due to a combination of factors: the growth in the rate of increase of personal income, the growth in the rate of increase of consumer confidence, and the growth in the rate of increase of consumer credit.

The forecast shows that the demand for consumer durable goods will continue to rise, but at a slower rate than in the past. The increase in the rate of increase will probably be due to a combination of factors: the growth in the rate of increase of personal income, the growth in the rate of increase of consumer confidence, and the growth in the rate of increase of consumer credit.

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The Bank of England is in a position to bring about this situation by selling forward some of its holdings of dollars, thereby widening the discount on forward dollars. This could be done in full agreement with the United States authorities which have no desire to attract funds from abroad by means of their high interest rates.

The publication of the volume containing the evidence before the Radcliffe Committee is awaited with considerable interest, because it is expected to indicate the official British attitude towards the application of the device described above. I expect that the memoranda submitted to the Committee by the Bank of England and the Treasury, and also verbal evidence given by officials, will confirm my view that the authorities are in principle in favor of that device. It would be difficult to imagine a situation when the case for its application could be stronger than in the case of a drain on sterling resulting from high New York money rates in existing circumstances. It is, I think, quite possible to assume therefore that the forthcoming British boom is not threatened by high New York rates in the United States.

LONDON, Eng.—The extent of the Government's victory at the general election on Oct. 8 surpassed even the most optimistic expectations. The most the Conservatives were hoping for was that they would be returned with a reduced majority. Instead, Mr. Macmillan came back with a majority of nearly twice as large as in the last Parliament.

This means that for the next five years Britain will be safe from nationalizations, virtual taxation of profits and of higher incomes, and other anti-capitalist measures. It might even mean that another five years in opposition would lead to a disintegration of the Labor Party and that its moderate elements would form some sort of middle party with the Liberals, in which case the extremists would stand no chance of ever winning an election.

There is a widespread feeling that for the next few years at any rate the British nation can forget astringent taxes and concentrate on economic progress.

Stocks Held Underpriced

This optimism explains the violent reaction of the Stock Exchange to the election result on Oct. 9. The1958 rally recorded in many equities were exaggerated from the point of view of immediate prospects. In fact after a few hours of excited dealing a marked recovery set in as a result of profit-taking. But in the long run British equities are still relatively low in spite of their rise just before and immediately after the election. For all figures published during recent weeks indicate progress in production and consumption. The recovery from the recession of 1957-58 is now complete, and we are witnessing the beginnings of a boom which may well continue for a year or two.

In the foreign exchange market, sterling responded to the election result by a sharp rally. This firmness is likely to be further accentuated by the influx of American and continental capital to take advantage of the rising trend on the London market. Indeed the figures show that there is a short-term drain of capital from New York to London. The short-term drain is likely to increase the British gold reserve and to depress money rates low. The possibility of a reduction of the bank rate and of a further relaxation of exchange control may now be envisaged.

In such circumstances there appears to be no justification whatever for the discrepancy between the yields of equities in Britain and the United States. And since Wall Street appears to be reasonably steady the discrepancy is likely to disappear through a decline in the yields on British equities. This would mean an average rise of 2% and 2.5% in the London Stock Exchange. Of course the possibility of a further and more lasting time Wall Street might weaken, in which case a smaller rise will level out the yields, should not be overlooked. But, barring a setback in Wall Street, the next 12 months or so is likely to witness a very marked appreciation of British equities.

Admittedly, the British economic horizon is far from free of storm clouds. A number of important domestic and distant dangers are likely to arise in the near future. Some important wage claims are likely to be rejected, so that the possibility of major strikes even in 1959 must be envisaged. The Trade Unions, smarting under the defeat of the Labor Party, are likely to be very turbulent in the course of the coming wage negotiations. Moreover, the evidence of fortunes being made on the Stock Exchange considerably lessens the chances of an attitude of sweet reasonableness on the part of organized labor. But amidst boom-like conditions it seems on balance probable that most strikes will be averted or settled, even if this would mean inflationary wage increases. So chances are that the boom will not hinder unduly the progress of production, and that any setback will be purely temporary.

If the U. S. A. Interest Rate Goes Up

There is a widespread belief that a further rise in interest rates in the United States might interfere with the expansion of production and consumption in Britain, by possibly causing the Bank of England to protect sterling from the effects of higher interest rates in New York. According to this belief, if high Treasury Bill rates or time money rates in New York should attract large funds from London the resulting decline in the gold reserve might have to be met by means of high interest rates and credit squeeze in London, especially if as a result of a further relaxation of exchange control it should become easier for British funds to be transferred to New York, in addition to the transfer of non-British funds.

There is no reason to attach undue importance to such fears, but, with a view to lessening the probability that the British authorities may be induced to adopt a device by which they would be possible to protect sterling and the gold reserve against the effect of higher interest rates in New York, without resorting to the orthodox device of high interest rates and credit squeeze. This with official intervention in the forward exchange market to eliminate the profit on the exchange of funds from London to New York, and at a price predetermined by the exchange operation to cover the exchange risk on such transfers, by selling forward dollars at the same time as buying spot dollars. If the discount on forward dollars is at least equivalent to the difference between interest rates in London and New York, it wipes out the profit on the higher New York interest rates.

ECONOMIC CONSEQUENCES OF CONSERVATIVE PARTY VICTORY

By Paul Einzig

The Bank of England is in a position to bring about this situation by selling forward some of its holdings of dollars, thereby widening the discount on forward dollars. This could be done in full agreement with the United States authorities which have no desire to attract funds from abroad by means of their high interest rates. The publication of the volume containing the evidence before the Radcliffe Committee is awaited with considerable interest, because it is expected to indicate the official British attitude towards the application of the device described above. I expect that the memoranda submitted to the Committee by the Bank of England and the Treasury, and also verbal evidence given by officials, will confirm my view that the authorities are in principle in favor of that device. It would be difficult to imagine a situation when the case for its application could be stronger than in the case of a drain on sterling resulting from high New York money rates in existing circumstances. It is, I think, quite possible to assume therefore that the forthcoming British boom is not threatened by high New York rates in the United States.

NEW HIGH BY WIND-DIXIE

The Financial Chronicle)
The Market...and You

BY WALLACE STEGERE

Stocks dawnted during the past week, on reduced trading volume, of Chicago's 3,900 points on the Dow Jones Industrial Average more than offset continued gains in the S&P 500 index's day's set-back of 2.4 points. The averages remaind within a range of six-tenths of 1%.

The declining in the petroleum sector were generally reflected by the market's amateurs as well as professionals. Generally surpising, on the other hand, was the substantial recovery registered by many of the volatile "giblets" as U.S. with their recent drastic sinking spells Polaris has risen from 110 to 141, volatile the last 23 days. General Tire from 59 to 73.

But American Motors, with its share of coming of age, has been the outstanding performer both as to volume of trading, and the amplitude of its price swing—which is, from 52 to the 65 territory (it will be retuflited when, that the stock first got up to 12, one of the shrewdest market operators was caught in a substantial short position. We are ahead through the foreboding news of the actual introduction of their "compact" models by The Big Three, American has again confounded most market observers.

The Magic Fives and the Stock Market

With the steel industry's standing at a stalemate, a big move in the security markets was fur¬lashed by the Treasury's epochal offering of a four-year-and-ten-month note with a startling 5% coupon. So startling, in fact, that it immediately prompted queuing up by the country's real sav¬ers, pouring in the national income. This attractive "deal," supplies the answer to the obstacle habitually keeping the investor from taking advantage of it, "but what shall I do with the money?" Probably the in¬creasingly more to the bond market and the recent "slopiness" of the stock market's behavior are re¬flected in the lengthened holding found by the New York Stock Exchange survey.

Perhaps the political inde¬pendence shown by Secretary Anderson in establishing a realistic interest rate, coupled with the resounding victory in Great Britain by the Con¬servatives who have ventured to employ non-inflationary central bank policy, will spill over to the home front, and lessen the inflation spec¬ulator which has so long been guiding the American investor. Or, perhaps we will be torn between apparently changing alternatives of big business or "small fry" on the one hand, and retrenchment and a deflationary monetary policies on the other—with both courses being too greatly determined by political pressures.

Jumping on a Sick Patient

No doubt the greatest unana¬lysis of opinion evinced by the market community is the bearishness toward the usually-so-polly outlook. Reflecting in this as a hedge's privity to kick an industry when it's down, the commentators are hammering home the following:

(1) The speculative employment in oil stocks' recent and present market anguish: (a) They con¬stitute a relatively large share of mutual fund portfolios. (b) Supply of oil products above ground is a re¬serve. Oil price competition is on the increase, including that from the Soviet Union. (c) Increased petroleum consumption as a result of the surge of compact cars. (d) Doubts about their effective¬ness as a hedge against inflation, so long bitterly taken for granted. And (f) The $64-dol¬lar question: will the oilsulti¬mately stage a cyclical re¬covery, of their fair weather friends along with the indus¬try's?

What's Ahead for Automotive Industry?

Never before has the auto industry, or probably any industry, been as soamed as many of its current directions as does the American auto industry now. This is, of course, due to the introduction (relative¬ly) to the "compact car" by the Big Three along with all of the other domestic manufact¬urers. On the one hand, there is the tremendous unsatisfied demand for the smaller cars; but the benefits may at least profit-wise—go in larger measure to the inde¬pendent manufacturers. The Big Three may experience a reduction in their overall profit margin, both as a result of the lower average price per unit of sales. And some in¬vestor worry is being gener¬ally expressed. But the in¬dicated prices are only about $225 under the tags of the conventional six-cylinder cars of the same manufacturers, but at the same time a good $200-to-$300 higher than is asked for the most popular

Quarterly Earnings Comparison

NEW YORK CITY BANKS

Bulletin on Request

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NATIONAL AND GRIDLINES

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BANKERS' MAGAZINE

1500 Fourth Ave., Los Angeles, Calif.
What Does Big Business Do for Little Business?

It does a great deal.

The Bell System, for instance, buys from many small businesses.

In 1958, its manufacturing and supply unit, the Western Electric Company, did business with more than 50,000 other firms throughout the country. Nine out of ten of these suppliers had fewer than 500 employees.

Purchases totaled more than $1,000,000,000.

In addition, Bell System employees spent a large part of their $3,750,000,000 wages with hundreds of thousands of other businesses.

The Bell System also helps many a small business get started and grow by making its inventions and its product designs available to others on reasonable terms.

Nearly eighty companies, for example, have been licensed to make and sell transistors and thus extend the usefulness of this amazing Bell Telephone Laboratories invention.

There is no doubt that it has been one of the biggest factors in the electronics boom.

Bell Telephone System
The World, The National Outlook, And the Role of Businessmen

By Edwin C. Canham* , President, United States Chamber of Commerce

Businessmen and well known editor, Mr. Canham advises businessmen they are on the front line in the economic "cold war," and what their responsibilities are, after assessing the opportunities and difficulties they face. They also discuss the same imagination and enterprise as the past providing they act promptly and reject government red tape. "We must be out now trying to preserve." Other subjects discussed deal with trade with Russia, our relationship with less developed nations, and the relationship between interests and national interests in the light of today's international crisis.

Our foreign policy has a special significance for the businessman today. As perhaps it never has been before, the fate of our competitive, private enterprise system is hinged upon a successful foreign policy. So too, indeed, is the fate of our total society. Equally important, the vitality and success of foreign policy rely on the active enterprise of American businessmen.

Our challenge is to find the resources under the management and control of American businessmen. Can we minimize the chances of a thaw in the cold war as the Southern<br>of the United States sits down on the American and Soviet political leadership? We are asking ourselves what we may expect from these visits. What do they mean for American business?

And—in light of this graphic doctrine of détente, what are the relationships between the East and West, and through them, our responsibilities for businessmen?

Let us begin our quest for an understanding of the meaning behind these major points of foreign policy and its implications for our influence and vigour and imagination.

A variety of arguments have been put forward to support the expansive power of the USSR is being used to counteract American and external reasons. Briefly summarized, the arguments go something like this:

—Communism in Russia is losing its early momentum and dynamism. Soviet leaders today are practical men who pay only lip service to Marxist doctrine.

—Moscov needs stability, and a reduction of tensions so it can concentrate more on consumer goods production.

—The Russians are worried about Red China. It is possible that the slippage into a Western insurance policy against the possibilities of a Red China. It is behind its own eastern frontiers. We may hope there is some answer to this, but they are not based on wishful thinking.

But I fail to see how we can count on it. It makes me think of the horse race: because the horse is as we breed them. This is behind its own eastern frontiers. We may hope there is some answer to this, but they are not based on wishful thinking.

But I fail to see how we can count on it. It makes me think of the horse race: because the horse is as we breed them. This is behind its own eastern frontiers. We may hope there is some answer to this, but they are not based on wishful thinking.

There is no convincing evidence that the Soviet leaders have abandoned the idea of an international communist or the politico-economic, controlled world system.

It is true, however, that Soviet policy has changed. What has changed is the purpose motivating the Soviet re-

gime, but the techniques designed to achieve this purpose. You may ask if this means that we have nothing to gain from the<br>participating in the Soviet leaders not only the liberal East-West contacts.

I would answer that we have an abundance of gain. They are being the most likely to be the result of the situation.

But, for example, differences in the basic idea of the American and the Soviet systems are not likely to be the result of the situation.

Our challenge is to find the resources under the management and control of American businessmen. Can we minimize the chances of a thaw in the cold war as the Southern

The Second Amendment to the Constitution of this country guarantees the right of a person to keep a gun. This is a fundamental right, which is protected by the Bill of Rights. The Second Amendment provides that the people have a right to keep and bear arms, for the purpose of self-defense and the defense of the United States. The Second Amendment is a guarantee of individual liberty and a protection against government overreach.

The Amendment was adopted in 1791 and has been interpreted by courts ever since. The Supreme Court has ruled that the Second Amendment protects an individual right to keep and bear arms. The Court has also held that the Amendment applies to state governments through the Fourteenth Amendment.

The Court has interpreted the Amendment to mean that individuals have a right to own firearms for personal use. The Court has also held that the Amendment protects the right to keep and bear arms for self-defense, hunting, and other purposes.

The Court has held that the Second Amendment is a fundamental right and that governments cannot deprive individuals of this right without a compelling reason. The Court has also held that the government cannot regulate the ownership of firearms in a way that is not reasonably related to a legitimate government interest.

The Court has ruled that the Second Amendment protects the right to keep and bear arms in a number of cases. For example, in Dávila v. United States, the Court held that an individual has a right to keep and bear arms in the home, even if the individual is not a member of the clergy. In United States v. Miller, the Court held that the government cannot ban the possession of certain types of firearms, such as machine guns.

The Second Amendment is an important part of our constitutional law. It is a guarantee of individual liberty and a protection against government overreach. The Second Amendment is a fundamental right, and the Court has held that governments cannot deprive individuals of this right without a compelling reason.
FROM WASHINGTON

...Ahead of the News

BY CARLISLE BERGERON

This writer has just returned from Washington and during some of the 1111 days, politically, stand out. It was revealed that Nixon would win over Rockefeller in any potential con-

fessor in any Presidential con-
test next section. A re-

trip Mr. Nixon to New

Hampshire was a tremen-
dous success. And in that state one all the hearings. Nixon regard-

on the Primary polls show that Nixon would win over Rockefeller in that state by at least five to 1

If this mood of the voters keeps up, it may well lead to a change of administration. New Hampshire is the first state to hold a Presidential primary next year and the winner of that contest would likely be the candidate that statistic shows that Eisenhower ran

he could be considered to run back in 1952 and the man who had charge of his affairs later became

to the President. President,

Shaper Adams. As an assistant, Sherman Adams exercised more power in Washington than any man ever before in that capacity. In fact, the capacity itself was unique in that no one has ever before been delegated so much authority.

The next striking thing was Massachusetts' devotion to young John Kennedy. He is the fair-haired boy of that state. The State Federalization of Labor meeting in annual convention withdrew its support of organized labor by any means.

Massachusetts organized labor has taken him to its bosoms and to this end it has put the curse upon him of being labor's candidate. Yet elsewhere Kennedy does not appear to have the support of organized labor by any means.

Two minority known officials of the Federation roundly denounced him at a national meeting several weeks ago for his part in the labor bill recently passed by Congress. He was in the position of having to tell labor groups that he tried his best to soften up the bill which he undoubtedly did.

With the country in the mood for a strong labor bill this bill didn't set so well with the majority of voters while it is doubtful if organized labor, except in Massachusetts, enthusiastically accepts his explanation.

Kennedy—his appeal to or-

labor is rustled for it is the

Tart-Hartley act. This is sur-

He was one of the most

an influential member of the

in Congress and was a member of the

of Congress. His penetrative questions embar-

an influential member of the

appears to testify against any legis-

lative. As a matter of fact, it

to this charge that Mr. Nixon

and Dick Nixon both attracted

iment as new member of Congress.

It has always been a source of

an influential member of the

was the writer to this writer why young Kennedy wanted to become so closely identified with new labor legislation. He served on the Mc-

nennies racket committee which

influence of the system and the

was an overwhelming act of action in its effort to meet the requirements of growing St. Louis.

LACLEDE GAS COMPANY

SAINT LOUIS, MISSOURI

served by Laclede Gas Company is spreading out in all directions these days. New urban expressways, vast metropolitan developments and suburban subdivisions reflect a healthy population increase—20 per cent since 1950—and

Laclede Gas Company is blossoming too; working to match the community's growth with responsible planning to increase the supply and availability of gas to all of its customers. Through the successful development of underground storage facilities, the expansion of the system and the strengthening of all kinds of gas operations, Laclede is overrunning an average of action in its effort to meet the requirements of growing St. Louis.

Chicago Analysts

To Hold Meeting

CHICAGO, Ill. — The Investment

Analysts Society of Chicago will

hold a luncheon meeting Oct. 19th

at the Midland Hotel. James Hales,

Stein, Roe & Farnham, and

William Gray, Harris Trust & Sav-

ings Bank, will report to the group on

this year's Belt Seminar.

A field trip to the Kimberly-Clark

Corporation at Neenah, Wisconsin,

will be held on Nov. 16th. Reservations

should be made through the Milwaukee

Chapter of the Society, George L. Struck,

The Milwaukee Company, Chairman.

Goodbody Office

POMPAANO BEACH, Fla.—Good-

body & Co. has opened an office

at 2745 East Atlantic Boulevard,

under the direction of William J.

Eggleston, Jr.

Reed, Lear Branch

WASHINGTON, Pa.—Reed, Lear

& Co. has opened a branch office

in the Washington Trust Building

under the management of William

J. Neirynck.

Thomson, McKinnon Office

INDIANAPOLIS, Ind.—Thomson

& McKinnon has opened an office

at 601 North Keystone Avenue

under the management of J. Floyd

King.

With A. E. Aurb

CINCINNATI, Ohio — Bernard

Kashdan has been added to the

staff of A. E. Aurb & Co., PHS

Third Bank Building.
Monday, November 3rd

3:30 a.m. Past Officers-Breakfast
2:30 p.m. National Committee Meeting
6:30 p.m. Cocktails-Cabana Club
9:30 p.m. Water Show

Tuesday, November 4th

3:30 a.m. Breakfast for Presidents of Affiliates
9:30 a.m. Golf Tournament, Tennis, Deep Sea Fishing, Water Way
2:30 p.m. Trip on Island Waterway to Fort Lauderdale for Lunch
7:00 p.m. Cocktails
9:00 p.m. Dinner
Wednesday, November 5th

10:00 a.m. Flower Arrangement Demonstration for the Ladies
1:00 p.m. Luncheon for Mr. William C. Sullivan, F.B.I.
6:00 p.m. Cocktails
7:00 p.m. Dinner
9:00 p.m. Dinner and Presentation of Officers

There is much to do at Boca Raton and in addition to the usual Golf and Tennis Tournament the following sport facilities are available—Arboreta, Badminton, Bowling-on-the-Greens, Croquet, Deep Sea Fishing, Horse Shoe Pitching, Ping Pong, Shuffleboard and Water Skiing.

Daytime dress at Boca Raton is informal. Sports attire, including knitted Bermuda shorts, is acceptable in all areas.

Bathing suits and brief shorts must not be worn in hotel lounges or on buses. This also applies to the dining area at the Cabana Club.

After 6 p.m. gentlemen are required to wear jackets and ties in all hotel lounges and dining rooms.

During the Convention period warm weather is to be expected and numerous Tucker available. The nous and has be cool even though the days are warm and light winds are suggested.

The program for the NSA 26th Annual Convention at Boca Raton Hotel and Club Nov. 1-5, 1959, has been announced as follows:

The Natural Gas Industry—Today and Tomorrow

Continued from page 1
industry. Thus the professional consensus is that by 1975 the United States will be under supply, even as much as in 1955, and some 75% more than the liquid.

110% Increase of Natural Gas

For natural gas this would mean an increase of 110% over actual production for the year 1959. The remaining increase would be 85%; and for coal, 70%.

Hydro power is expected to increase by 1975 only about 10%.

During the different rates of growth projected for the several components, the overall pattern of growth is anticipated to be much the same in 1975. The gas industry is expected to provide two-fifths of the energy used; natural gas and coal, with hydro power and natural gas liquid providing the remainder.

This projection is made without regard to the possible effects of the Atomic Energy. But the gross relationships are highly likely to change much, for nuclear power is not now expected to become a major contributor as early as 1975.

According to estimates made by the Gas Association, the natural gas industry expects to add about 12 million customers during the next 15 years—an expansion which will require additional capital investment on the order of $2 billion.

To meet current, consumption, the energy of energy has come to be recognized as one of the most important tasks of the nation's growth. Consumption of energy has increased at a measurable rate, and technological progress, for it likewise, reflects our ability to produce the energy necessary for our progress.

Within our energy-conscious civilization, the dreams and hopes that we dream for the future of 100 years are big dreams and appear to us to be within our reach to feel that if we were privileged to live in 1950, we could make a contribution to our antipathies by the history of the 1990s and find them very productive by comparison. For it is already, by our standards, a much slower and less emotionally intense century. To me, the natural gas industry is a major factor in the basis of our rate of progress over the years.

For living in the 1850s, when hand-cast and hand-fired fuel wood supplied most of our energy requirements, a blanket of power grates and a procession of pipelines over the United States would have been incomprehensible. Only 20 years ago the idea of practical utilization of atomic energy was comprehensible, and already we have atomic submarine, and atomic and some small atomic power plants generating electricity.

Assuming nations can find some other way than world wars to settle their international problems, we may look forward to the future with more hope.

Just how abundant that future will be, however, will depend upon the manner in which we solve certain problems which are facing us now.

Conserving Helium Gas

The first one involves, at least indirectly, many natural gas companies. This problem is one in which we all have a vested interest, and we all have a vested interest in not losing the helium reserves of the United States. Helium is well known, is a limited natural resource, the only one found in only a few natural gas fields and most of the new sources of it have been discovered since 1950. The need for helium is so great that it is now being produced rapidly for use in the nation's atomic energy and missile programs and in other industries.

Yet most of our helium now goes to market with commercially produced fuel gas and is lost to the atmosphere.

The helium conservation program which the Eisenhower Administration has proposed to Congress to provide for construction of up to 12 new extraction plants and for the collection of helium-bearing gas pipelines. Under the Act, extraction systems would be stored underground in the Government-owned Cliffside gas field near Bellows, Ill.

Under the proposed legislation, private companies would have an opportunity to participate in the program of extraction, building, and operating the plants.

This Bill would provide a basis for the future of the Eisenhower Administration's teamwork policy, namely, that the Federal Government will form a new company to extract gas for the Federal Government. The company will be formed only if necessary, and the private industry or State and local governments may buy or lease the company and control the development of the project at their own expense.

In the event the Congress acts favorably on the suggested helium legislation, as it has repeatedly urged it to do, we hope that pri-
Federal Reserve Bank of St. Louis

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is one principle of forms. The use of small energy sources to produce energy is entirely consistent with our American private enterprise philosophy.

A thriving industry in each case is certainly desirable from the individual standpoint, and it is a function of government preference and control to contain an economic environment within which efficient and successful businesses may prosper and contribute to national economic strength. It is not the proper role of government to carve out "free zones" or portions of the total energy market for each competing fuel.

I cannot believe that it would be appropriate or just for the government to act as if it were the owner of the entire energy supply. There must be some control and direction in the use of energy, but the main problem is to find the most efficient and least expensive way to use this energy. The government should be the facilitator of the energy market, not the direct provider of energy.

Conservation of Resources

But as we engage in this competition, I think it important to keep in mind that the rate of development in this country is very rapid. We must ensure that we do not need all the energy, from whatever sources, that is available. It is necessary that we work together to make sure that we use all the natural resources that are available to us.

Over the long run, there are some clear limits on the electric power that we can produce. There are also limits on the use of oil and gas for many purposes. For the foreseeable future, it is necessary that we continue to make energy available to us in a reliable way.

In absolute figures, the resources for the future are much greater than what we have available now. Therefore, it is necessary that we work together to make sure that we use all the natural resources that are available to us.

With Mitchum, Jones

SAN FRANCISCO. - Robert J. Woodruff has become associated with Mitchum, Jones & Templeton. His former associates include J. W. Jenkins, Cyrus J. Lawrence & Sons, and the New York Stock Exchange.

Philips, Rosen to Admit

Philips, Rosen & Appel, 55 Liberty Street, members of the New York Stock Exchange, have been admitted by the New York Stock Exchange to full membership.

Dean Witter Adds

Dean Witter Reynolds, Inc., has added a new member to its board of directors. The new member is a lawyer with expertise in corporate law.

A Blessing in Disguise

By Roger W. Babson

Financial writer now touring Europe predicts our present tariff system will cause more unemployment in the U.S. than the depression caused by the government.

San Francisco Injury

A new injury has hit the San Francisco area. A large building has collapsed, causing damages to the surrounding area.

What About Tariffs?

All these U.S. manufacturers who are visiting Europe—especially those who are dealing with the Europeans—are finding that the present tariff system is making it more difficult for them to operate.

What Are the Benefits of Free Trade?

The benefits of free trade are numerous. They include increased competition, lower prices, and greater innovation. In addition, free trade allows countries to specialize in the production of goods and services in which they have a comparative advantage.

With Stone & Youngberg

SAN FRANCISCO, Calif.—Peter A. Stone, chairman of the Pacific Coast Stock Exchange, has announced the appointment of Messrs. Stone & Youngberg to the board of directors.

With Shillinglaw, Bolger

CHICAGO, Ill.—Erlene J. Thompson, a member of Shillinglaw, Bolger & Co., has been named to the board of directors of the MidWest Stock Exchange.

AMERICAN NATURAL GAS COMPANY

A NEW JERSEY CORPORATION

MICHIGAN CONSOLIDATED GAS COMPANY • MILWAUKEE GAS LIGHT COMPANY • MICHIGAN WISCONSIN PIPE LINE COMPANY • AMERICAN LOUISIANA PIPE LINE COMPANY • AMERICAN NATURAL GAS PRODUCTION COMPANY

AN INTEGRATED NATURAL GAS TRANSMISSION AND DISTRIBUTION SYSTEM

WITH MORE THAN HALF A CENTURY OF SUCCESSFUL OPERATION—SERVING MORE THAN A MILLION CUSTOMERS—CONTINUING ITS EXPANSION PROGRAM
Violent Housing Swings

Do Not Help the Economy

By Walter C. Nelson, *Outgoing President, Mortgage Bankers Association of America and President, Eastern Federal Savings and Loan Association*

Mr. Nelson relates theory that housebuilding activity of recent years displays a cyclical pattern which may have had a useful cyclical effect in blunting business recessions and booms. In fact he shows the opposite to be true, and that this tendency has diminished. The mortgage banker opposes "free-wheeling FNMA credit" when housing starts decline, artificially set FHA-VA rates above the discount and Federal bills that FHA's basic functions a hostage for welfare and inflationary programs. Parting advice to follow mortgage banking tradition of a more passive policy and forego the notion that an omnipotent government is omnipotent.

The end of a stewardship is unavoidably — and I hope expansively — a moment to examine our business. What has happened to our business, what this has meant to the country, and what direction we might advise follow in the years to come?

During the past two years, the economy has recovered from a peak in postwar expansion, followed by another recession, a postwar recession and into an accelerated recovery. The storms of prosperity and depression, the height of which we cannot yet foresee. What do we do? Can we possibly plan any point previously attained? The momentum is still carrying us vigorously, but may be temporarily slowed down by the steel strike.

During this period, mortgage lending and the building that depends upon it, like other activities, were affected by the government's cyclical movement, but with distinct differences. These differences are mainly characteristics of the area of home building and home finance, an area so large that it probably broadly influences what happens everywhere very much. The momentum is still carrying us vigorously, but may be temporarily slowed down by the steel strike.

The differences are readily recognizable.

After emerging from the recession of 1953 and 1954, a 48-month activity in general rose with remarkable speed, as measured by the gross national product, into the third quarter of 1957. It then flagged until the Spring of 1958 and since then has resumed its upward trend. The peak was reached in early March of 1959, and since then has flattened and then declined. The Spring of 1957. Then, after a brief lull, the activity took another climb which lasted into the Spring of 1958. Since then, the peak of new housing was reached in late 1958 and the first half of 1959. Now another peak has been reached and the trend of business generally is still upward.

In short, economic activity as a whole had about a 32-month rise from the spring of 1955 to the third quarter of 1958. A four- to nine-month drop from the peak to the spring of 1959. A five- to eight-month expansion since, except for the steel strike, and a probable recovery this fall. What constitutes a major recession as may be caused by the government's protectionism, residential building had about a 48-month rise from its low in the Fall of 1955, then a 32-month rise to a peak during the period of the building industry in virtually a continuous upturn with substantial and real gains foreseen for further to the violence of the momentum.

Cities Specific Experience

Let me illustrate this progression from recession to recovery with the recent experiences. As we came out of the recession of 1957, private house building was approaching its peak. By the end of 1951, after the long slide I have referred to, General building activity was at a rate of 1.083 a decline. From the beginning of 1957 to the end of 1961, builders are still building at about the same rate. By the end of 1959, however, they had stopped or slowed to an unprofitable level. This change, which was hoped to get easier terms for FHA insurance and other mortgage policies. The result was the typical pattern of a mortgage rate collapse. The mortgage rate got the. The expected was nullified by for the recovery of the previous expected years. Now the mortgage rate collapse was the abrupt tipping of the mortgage building that got underway in the waiting period, so severe a slide in FHA and VA secondary mortgage market, which is evidence that the housing market in the recovery process, had a useful role in the recovery process, and that this was supposed to have softened the recovery process in the business generally.

What is the meaning of this view? It seems to me that just the opposite has happened. The situation of free-wheeling FNMA credit movements of house building, in real estate, have contributed to this process. As a result, the economy, have added to its difficulty and the situation, and have had a useful role in the recovery process. Of course, we are supposed to have softened the recovery process in the business generally.

The situation of free-wheeling FNMA credit movements of house building, in real estate, have contributed to this process. As a result, the economy, have added to its difficulty and the situation, and have had a useful role in the recovery process. Of course, we are supposed to have softened the recovery process in the business generally.

Second, these sudden stimulus moves are generally good if the over-pressure still lagging mortgage market relative to the level of real estate, has been given an artificial stimulus. It gets this panel of home mortgage lending, that traumatic effect of the increasing acutely rising mortgage rates on insured and guaranteed mortgages in face of a general mortgage rate rise, and gets it partly from various forms of action. The situation was intervention in home finance.

Third, the increase in interest rates, and in the housing market, has been part of the overstrain and omen of economic depression, and results in an exaggerated tightening of home mortgage credit. The shortage of mortgage funds may well affect the recovery of some of the excess credit and the previous expansion. The consequence is a prolonged decline in building activity that will be focused on the whole economy and on the home mortgage system to the extent of an ominous recession.

As a fourth point, I may add that we have seen a trend of the recession of 1957, which has sometimes fell in their intended stride. In Pennsylvania, in a study of cases, it may have effects that legislators were not fully aware of in the actions were taken. I may note further that the repeated recommendations of Congress with ominous housing bills practically throughout each session keeps the rate of legislative fiat, in spite of the fact that more and more could be accomplished without a resort to the regal. There will be efforts, through changes in FNMA or the creation of another housing corporation, to cover the required source of funds. The restraint of monetary policy. There is nothing to be gained by an outright inflation of the money supply. I am sure we shall have to be forewarned, and that means of such measures.

There will be another ominous housing bill, in which the continuation of the basic functions of FHA will be used for the passage and approval of worse and new loan programs, and new subsidy programs. In other words, will be used for the passage and approval of worse and new subsidy programs. In other words, to cover all the expected. I hope that we shall not be pressured to take up the whole in order to get the part. Some may be more easily and will have greater confidence in the economy to provide a continuity of policy, and that will give us a great desire to unleash these forces to their fullest strength.

Praesidium Statement of Policy

We have been concerned about a slowdown in the housing market, which was forecasted by the President in his address of this year. The Federal Reserve Board, which was issued by President John J. Kennedy in his address of this year and reaffirmed this year, the Mortgage Bankers Association has offered a program to this end. This forward looking document has stood well the test of time.

It recognizes the essential contribution that mortgage insurance makes to the mortgage market, and suggests the basic elements of a national mortgage system, by giving greater flexibility to the mortgage market and by insulating it from transient political influences, for making it less dependent on the more restrictive instrument to meet the housing needs of the people.

It proposes ways for further broadening the market for home ownership, for releasing the limitations that must be placed upon such an institution to assist in the financing of a mortgage. It alternates a mortgage to a sound mortgage and debt, and proposes the safe- guards necessary for these purposes.

It approves vigorous programs of urban renewal, at the same time stressing the desirability of keeping a steady flow of private investment in urban areas and of reducing the pro- portions of various governmental intervention in these essentially local operations.

It emphasizes at every point the necessity of allowing mortgage financing to play its role in the full potential within the limitation of the Federal Reserve Board, and the most secure and public shelter from the impact of monetary policy but also with the special competitive disadvantage of the imposition of restrictively administered interest rates.

While the details of our policy may be modified from time to time, and may be adjusted to changing conditions, I am confident that the principles on which our Federal Reserve Board remain valid and that we can stand by them, whatever may happen in the past. I believe that the expectation of the public publication of the statement offers the best argument we could have for the continuation of our program. And I am sure all our objectives have not yet been attained, I feel assured that we have exerted a greater influence on the course of events than has been realized. I see no reason to retreat. On the contrary, we should continue to contribute to the best of our abilities the times we have laid for ourselves.
News About Banks and Bankers

The Chase Manhattan Bank, New York, New York, recently opened its new major banking office here in the Chase Park Plaza, 10th floor. A member of the Bank’s 104th location in New York City, it is located at 419 Park Avenue. 

M. H. Chase, who heads a 14-member official staff at the new location, said complete banking services will be offered and that representatives of the Bank’s international loan and international departments will be included among the officers and some 50 other employees at the office.

John H. Kohler, an Assistant Vice-President of the First National City Bank of New York, died Oct. 5 in New York City.

Mr. Kohler was an Assistant Vice-President of the trust department of the Bank and a member of the New York bank’s research department at 22 Hanover Street, New York City.

He joined the First National City Bank in 1923 as an Assistant Cashier.

The Chase City Bank National City Bank of New York.

At 7:30 p.m., total resources, $1,754,884,108 2,715,114,229.

Cash and due from banks, $1,545,306,271 1,381,136,288.

U. S. Government securities, $55,726,000 35,353,000.

Loans & discounts, $43,121,873,955 47,643,293,945.

Due from Federal Reserve Banks, $361,359,774 430,321,308.

First National City Bank Trust Co. of New York.

Sept. 29, 1923 June 26, 1923.

Total resources, $397,472,598 419,382,474.

Cash and due from banks, $363,913,719 315,869,480.

U. S. Government securities, $23,069,100 24,566,725.

Loans & discounts, $18,445,432 19,317,575.

Due from Federal Reserve Banks, $2,335,431 2,556,701.

Chemical Bank New York Trust Company.

New York, New York.

George O. Davies and Howard C. Hanson, who is to be its Rockefeller Center Advisory Board, Harold H. Helm, Chairman, announced Oct. 10. Mr. Davies and Mr. Hanson will be joint managers in charge of Chemical’s new New York office at 20 Rockefeller Center, November 1. Mr. Davies went through the training program of First Boston Corporation in New York in 1922.

He was a Vice-President of the Corn Exchange Bank before it merged in 1923 into the Chemical Corn Exchange Bank.

Mr. Hanson was a Vice-President of the New York Trust Company Bank of Manhattan as its London representative in 1923, and when that Bank was merged into Chase Manhattan in 1925, he was appointed an Assistant Vice-President. He has continued in London in that capacity.

Mr. Wickenden began his banking career with the National Bank of Maryland Limited, Overseas Branch, New York, in 1922, and has been with the Bank since that time. He was appointed Assistant Vice-President of the Bank in New York in 1924, and he has recently been appointed a Vice-President.

Mr. Wickenden is a graduate of the University of Wisconsin and holds a degree in economics.

The Chase Manhattan Bank, New York, New York, has acquired the additional offices in New York from August 1923 to 1925 as an Assistant Representative of this Bank in New York City. The Bank’s new office is located at the southeast corner of the Chase Park Plaza, 10th floor.

The Chase Manhattan Bank, New York, New York, is the third largest bank in the United States in terms of deposits and wholly owned subsidiaries.

The Chase Manhattan Bank, New York, New York, is owned by a group of individuals and is operated under the direction and under the supervision of a board of directors.

The Chase Manhattan Bank, New York, New York, is a member of the Federal Reserve System and is subject to the supervision of the Federal Reserve Board.

The Chase Manhattan Bank, New York, New York, is a member of the New York Stock Exchange and is a member of the American Stock Exchange.
Enhancing Mortgage Liquidity

Continued from page 11

with the National Conference of Commissioners on Uniform State Laws.

It is more acceptable to institutional lenders, mortgages must partake as fully as possible of the characteristics of those more familiar and similar prime securities their appraisers understand, e.g., certificates of storage and sale, and standard and well-established forms. Mortgages, of course, cannot be fitted into this class completely, but a great deal has been done and yet remains to be done to enhance their marketability, so to speak, in the general investment market.

Foreclosure Obstacle Remains

In the past, two formidable obstacles have tended to militate against mortgages — the nature of title deeds and the matter of foreclosure. The former, as every lawyer knows, is the matter of title deeds, and the other, foreclosure, has virtually disappeared, thanks to state enactments. We second only to challenge us.

Obviously, the ideal solution would be a complete overhauling of the mortgage "laws of every state. All local courts would have a uniform enactment of a uniform code. The breadth and scope of such an effort, however, renders it unattainable within any reasonable time schedule, as every lawyer knows, I believe we could, nevertheless, within the framework of existing laws and customs peculiar to each state, apply, to a large extent, the principle of simplicity, yet still maintain an adequate legal philosophy as to the nature and purpose of a lien to secure a debt and the method of enforcing it. Through this, too, would be a long and complete struggle of time and effort spent in it would be worthwhile, indeed, and by thus narrowing the scope of the program, offer practical hope of success.

What would we seek to achieve? In essence, we would seek to achieve a situation where in all states, a lender and borrower and borrower to contract with each other under circumstances whereby a lien deed of trust would be fair to each: where the lender would not be forced to make money available abundantly and at reasonable rates; where the borrower would be protected in the enjoyment and salvage of his property; and where the lender would be relieved of unnecessary risks and expenses and could be enforced of his lien. All this is not impossible.

It would not be in the public interest to encourage laws that sumptuously deprive a man of his home upon either a trivial or a serious default, nor, on the other hand, to encourage laws that befit a lender with burdensome technicalities and unreasonable delays in possessing and liquidating the pledged property. The latter, in a very real sense, tends to work against the borrower, to the extent at least that, other things being equal, the lender instinctively will shun those areas where foreclosure is long drawn out by a series of trust enforcements to a more appealing climate.

It is not right to impose upon all mortgagors a tax beyond the fair cost of the service, and an extra cost for their money due solely to unnecessary complexities of legal remedy in event of default. In most states current foreclosure law was conceived many years ago in an economic environment which no longer prevails. The real purpose of a redemption provision in foreclosure law is to

How Lockheed-built satellites are
Making space travel safe for man

Before man can be sent into the emptiness of space, we must know how to protect him against the hazards of weightlessness and cosmic radiation — and how to bring him safely back to earth.

The United States is using every scientific means to solve these problems. The satellites in the Discoverer program of the Advanced Research Projects Agency — Lockheed-built Agena vehicles — are one of the means to achieve this end.

APRA's Discoverer program is being executed by the Air Force's Ballistic Missile Division, ARDC. Lockheed's Missiles and Space Division is prime contractor, and system manager of a team that includes Douglas, General Electric and Bell. Agena's "black" is a four-man, one-ton vehicle.

The Agena is by far the nation's largest satellite now in orbit — 19 feet long, 5 feet in diameter. It weighs almost a ton when in orbit. It was designed to be put into polar orbit — the most difficult of all to achieve. Four Agena satellites have been placed in completely successful polar orbits more are on the way.

As it circles the globe every 90-odd minutes, the Agena radios home to its tracking stations more than a hundred measurements of the space phenomena it encounters and monitors its own performance.

The keystone of this job is recovering the space capsule. Most satellites tumble and twist as they hurtle through their orbits at about 18,000 miles an hour. The Agena can stabilize itself on orbit and position itself at the exact 60° angle to earth's that's necessary to separate the re-entry capsule.

The capsule's retro-rocket slows it to safe speed for re-entry, then drops away. A parachute floats the capsule earthward for aerial recovery by specially modified planes.

Each time an Agena satellite is launched, manned space travel comes closer to reality.

Agena satellite is America's most advanced orbital vehicle today. It carries two people to and from a polar orbit. Agena's nose section contains a combined re-entry vehicle and recovery capsule.
any realistic distinction made on the basis of loan ratio. Is there not good reason to treat commercial mortgages differently from purchase-money home mortgages? Is there not good reason to treat a 30% loan rate differently from a 90%, 10% or even a 0% equity, in this matter of redemption? Is it fair or just to let a defaulter on a virtually 100% purchase-money mortgage remain in possession rent free a year or more? All too often the lender, in such cases, has to resort to a forcible eviction just to recover a sadley-beaten house.

Start Somewhere

We have to start somewhere. Let's begin with simplification and standardization of these foreclosure practices. This will mean, at the outset, a comprehensive study and then the development of a proposed uniform code. Such a code should distinguish between farm property, home property, and commercial or income producing property. Foreclosure should be pursuant to a statutory power of sale, when reasonable notice served, recorded, and published. Redemption periods after sale might well be, for example, one year for farms and less for homes and for commercial properties, subject to further reduction in the case of farm and home mortgages if the debt has not been reduced by a specified percentage. The right to a deficiency judgment should be preserved, based on fair market value at the time of sale; and of real importance should be provisions for the expedient disposition of Federal liens.

The safety, liquidity, and favorable yield of a mortgage loan portfolio are now well recognized. Lack of marketability, however, is a drawback which affects their desirability as a medium for investment. Could we not reasonably look forward to the day when a seasoned FHA loan and other loans with good payment records would be just as marketable and salable as a government bond of the same amount? Every step taken in the direction of a uniform code brings us closer to such an objective, and we may be closer to it than is commonly thought.

For M. B. A.

I would like to raise the question as to whether the attainment of more uniformity in foreclosure laws would not be an appropriate enterprise for the Mortgage Bankers Association. After all, you directly serve the interest of both the borrower and the lender, and are competent to fairly appraise the needs of both and to determine where the public interest lies. You would speak with authority in a field in which your competence is widely respected. You would have the assistance of many other distinguished groups. In addition to the National Conference of Commissioners on Uniform State Laws, the American Bar Association has for many years been active in the field of uniformity of state legislation, and endeavoring to do the same. Also, many states have special commissions on uniform laws, appointed by legislative act. They secure concert of action through the assistance of these commissions, and in effect, act as a national committee on uniform state legislation. The Uniform Negotiable Instruments Act is one of commendable efforts in various fields toward a greater degree of uniformity on interstate transactions. The Uniform Code is another example of success in this field. Other activities of this committee, together with those already cited, serve to demonstrate that we have already a mechanism devoted to the task of promoting uniform laws.

Much assistance could be expected from these established groups. However, leadership must be taken by some group interested in and competent to speak on the subject. Would not the Mortgage Bankers Association be the appropriate one to assume that leadership?

*An address by Mr. Davis at the 46th Annual Convention, Mortgage Bankers Association of America, New York City, Sept. 23, 1959.

Once in orbit, the Agena satellite radios back to its tracking stations more than a hundred measurements of its performance and of the conditions it encounters as it circles the earth at 18,000 mph.

Boosted into space by the 150,000-pound thrust of an Air Force Thor missile, the second-stage Agena satellite is powered into orbit by its own liquid-fuel rocket engine of 15,000 pounds thrust.

American Stock Exch. To Receive Nominees

The Nominating Committee of the American Stock Exchange will hold open meetings on Nov. 4 and Nov. 11 to receive nominees for offices to be filled at the annual election on Monday, Feb. 9, 1960. In addition the Committee will hold prior meetings on Oct. 21 and Oct. 28, if members desiring to appear at such meetings will request an appointment from the Secretary.

Vacancies to be filled at the election are for Chairman of the Board; members of the Board of Governors, and Trustees of the Greenwich Farmers Bank.

Form No. Ind. Inv.

GARY, Ind.—Northern Indiana Investment Co., Inc. has been formed with offices at 504 Broadway to engage in a securities business. Officers are J. H. Kriegshauer, Jr., George A. Snyder and Robert M. Sterling. They have added to the staff of A. G. Edwards & Sons, 409 North Eighth Street, members of the New York and Midwest Stock Exchanges.

Irizarry Garcia Opens

HATO REY, PUERTO RICO—A. F. Irizarry Garcia is engaging in a securities business from offices at 506 Carlota Matienzo Street Urbanizacion Los Mastros.

Griffith & Co. Formed

CLARKSVILLE, Ind.—J. C. Griffith & Co., Inc. is conducting a securities business from offices at 608 Johnson. Officers are Henry Griffith, President; Charles L. McCauley, Vice-President; and Iris M. Reed, Secretary-Treasurer.

Joins Hess Inv.

QUINCY, Ill.—Lyman D. Slagleman has joined the staff of Hess Investment Company, 1111 North State Bank Building.
Funds Report

Abacus Fund reports that at Sept. 30 net assets totaled $25,584,906, equal to $41.96 a share. This compares with $36,942,224 and $36.04 a share at Sept. 30, 1958.

American European Securities reports as of Sept. 30 net assets of $8,544,335 against $33.80 a year earlier.

* * *

Energy Fund announced on Sept. 30 net assets were $7,662,636, or $41.58 a share, compared with $4,808,765 and $15.76 a share a year ago. The fund's capital outstand rose to 403,206 from 305,140.

General American Investors had net assets of $63,890,455 and $22.60 a share on Sept. 30. A year earlier the figures were $60,477,214 and $35.67.

National Aviation Corp. had net assets of Sept. 30, 1959, of $36,532,183 valued at $28.69 a share. This compares with $25,001,826 and $28.29 on Sept. 30, 1958.

Penn Square Mutual Fund reports as of Sept. 30 assets of $31,675,253, or $10.19 a share. This compares with $30,896,688 and $10.33 a share on Sept. 30, 1958.

Texas Fund announced on Sept. 30 net assets of $19,256,180, or $37.32 a share. This compares with $20,628,032 and $39.12 a year earlier.

Founders Mutual Fund asset valuation as of Sept. 30, 1959, was $167,126,632, or $22.60 a share. The total amount to be invested under outstanding endowment accounts was $182,660,460, an increase of 21% from the year-earlier period.

Florida Growth Fund, Inc. reports sales of its shares for the year ended Sept. 30, 1959, totaling $3,298,808, an increase of 213% from the year-earlier period.

A third-quarter volume of $31,276,000, raising the total to about $100,000,000, was reported by Investors Planning Corporation of America. At $39,935,000, business written by the company's 3,000 mutual syndicates and 1,200 exchange funds during the nine months ended Sept. 30 was the highest in the company's history, according to a statement of Mr. Benedick, business written during the Summer quarter just ended was 71% greater than the 1958 third-period total of $72,700,000, and 25% above the $37,700,000 record total for the first three quarters of 1958.

"So far this year," said L. P. C. President Walter Benedick, "our sales volume is running at the rate of over $11,000,000 a month, compared with about $8,000,000 through Sept. 30, 1958. According to the statement, Mr. Benedick, business written during the Summer quarter just ended was 71% greater than the 1958 third-period total of $72,700,000, and 25% above the $37,700,000 record total for the first three quarters of 1958.

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Accepting the Discipline of The Balance of Payments

Continued from page 4

Continued from page 4

gold; that is only to "hold" gold, which is the beginning of an answer to the question of what the role of gold will be in the future, which may in turn lead to a similar question of what will happen to the role of gold in the future. In the past, the United States Government officials, as well as many other political officials, have been quite willing to accept the discipline of the balance of payments, but this does not mean that they are not aware of the potential problems that may arise from accepting this discipline. The discipline of the balance of payments is a complex one, and it is important that we understand it in order to make the best possible decisions regarding our economic policies.

A more substantial body of opinion, however, stresses that the United States Government officials of both political parties are firmly committed to the discipline of the balance of payments, and that any changes in this policy must be made only after careful consideration of all possible consequences. It is this group of opinion that forces a realistic assessment of the implications of accepting the discipline of the balance of payments.

One of the key points of the discipline of the balance of payments is that the United States Government must be willing to accept the consequences of its policies. This means that if the United States Government decides to increase its spending on defense, it must be willing to pay the price in terms of its balance of payments. This discipline is particularly important in the current economic environment, where the United States Government is facing a number of important decisions, including its response to the current financial crisis.

The discipline of the balance of payments is not easy to accept, but it is essential if we are to make the best possible decisions for the future of the United States economy. It is important that we understand the implications of accepting this discipline, and that we are willing to accept the consequences of our policies.
Current Business Trends And the Overall Outlook

Continued from page 3 though I would fully expect it to exceed the $14.6 billion of 1958 by a considerable margin.

Industrial capacity is now more adequately utilized than it was in 1955 and 1956, and in many industries it is being used quite closely, and consequently there is now less urgency for new construction programs.

On the other hand, increasing a tention is being given to modernization and the question of increasing efficiency. Including this, the construction industry is therefore facing a new and potentially larger demand for new construction equipment, and this demand is likely to grow even more vigorous in the future as the expansion of the economy continues. This expansion has been particularly evident in the consumer goods sector, where housing, construction, and durables have been major contributors to economic growth. The rate of new home construction has been particularly strong, and this has driven up the prices of housing materials and equipment.

New Housing and Residential Construction

Next comes a state-of-the-art report on the state of the residential construction industry. The government reports that the rate of new home construction is currently running at a high level and is expected to continue to rise in the near future. This is due to a combination of factors, including low interest rates, a growing population, and a strong demand for housing.

The report also notes that the quality of new homes is improving, with more homes being built with modern features and materials. However, there are concerns that the rate of new home construction could slow down if interest rates increase or if there is a downturn in the economy.

The government also notes that the rate of investment in durable goods is currently running at a high level, with consumers spending on things like appliances, furniture, and electronics. This is driving up the prices of these goods, and it is expected to continue in the near future.

In summary, the report is optimistic about the state of the residential construction and durable goods sectors, but it also notes some potential risks to growth, including rising interest rates and a possible economic downturn.

Rapid economic growth is expected to continue in the next few years, driven by a strong consumer demand for housing and durable goods. However, the report notes that there are some potential risks to this growth, including rising interest rates and a possible economic downturn. It is important to monitor these factors closely to ensure that the economy continues to grow in a sustainable manner.
Our Reporter on Governments

BY JOHN T. CHIFFEPADE, JR.

The tremendously favorable reception which was given to the sale of the 6% note due Aug. 15, 1964, indicates that the Treasury can still meet part of its new money needs through the sale of government securities in the bond and savings bank market. Also, it is evident that when issues are priced right they are readily salable to investors. This is an important development since one of the ways in which the force of inflation are dealt with effectively is through the sale of Government obligations to investors, other than the commercial banks. Thus, there is no increase in deposits or purchasing power in the hands of the public.

The successful sale of the "magic fives" by the Treasury not only indicates this note to a sizable price premium above the issue price, but it is an indication of the greater rest of the Government market. Issues which were sold down when the $2 of new money 5s were announced, rallied with the new obligation.

Demand From Small Investors

The natural new money operation of the Treasury, particularly the intermediate term issue, the 5% note due Aug. 15, 1964, really caught the imagination of the investing public. The demand for the obligation brought money to the Treasury from small investors like of which has not been witnessed in many a moon. It was evident from the start that the 5% coupon was high enough to attract the savings type investor, people who have been going into savings banks and Government savings bonds. There is doubt, however, that very substantial amount of money was taken out of savings banks and savings and loan associations, as well as out of other banks from savings accounts, and these funds were used to purchase the 5% note due Aug. 1964. The yield that was available in the 5% note at the subscription price of 100 was considerably better than the return which is obtainable in savings accounts and Government savings bonds. Accordingly, the purchase of Treasury issues by the ultimate investor or individual investors results only in a shift in deposits and not the creation of new deposits as is the case when commercial banks are buyers of Government obligations.

Lessening of Inflation Fear Indicated

The market for the Treasury notes received for the foreign bond "fives" was indicative of what the investing public will do when they believe the return is satisfactory. In many cases the purchase of an individual investor was the obligation in such a big way is considered by many money market experts to mean that there will be a greater increase in the market for inflation, even though the rate of coupon and time to maturity which has been suggested. They believe that the money of the small investor would not enter into Treasury securities, even though the rate or coupon may be low. If this money is to be further ravaged by the forces of inflation.

William H. Gray

William Henry Gray moved Oct. 2 at the age of 69. Mrs. Gray was a partner in the law firm of Blank, Pollock & Co. and had formerly been a member of the New York Stock Exchange.

C. L. Butler Opens

(Special to The Providence Journal)

WALNUT CREEK, Calif.—Charles L. Butler, owner of the Los Angeles Securities business, Paul H. Small, is dead in Los Angeles.

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Our Reporter on Governments

BY JOHN T. CHIFFEPADE, JR.

The tremendously favorable reception which was given to the sale of the 6% note due Aug. 15, 1964, indicates that the Treasury can still meet part of its new money needs through the sale of government securities in the bond and savings bank market. Also, it is evident that when issues are priced right they are readily salable to investors. This is an important development since one of the ways in which the force of inflation are dealt with effectively is through the sale of Government obligations to investors, other than the commercial banks. Thus, there is no increase in deposits or purchasing power in the hands of the public.

The successful sale of the "magic fives" by the Treasury not only indicates this note to a sizable price premium above the issue price, but it is an indication of the greater rest of the Government market. Issues which were sold down when the $2 of new money 5s were announced, rallied with the new obligation.

Demand From Small Investors

The natural new money operation of the Treasury, particularly the intermediate term issue, the 5% note due Aug. 15, 1964, really caught the imagination of the investing public. The demand for the obligation brought money to the Treasury from small investors like of which has not been witnessed in many a moon. It was evident from the start that the 5% coupon was high enough to attract the savings type investor, people who have been going into savings banks and Government savings bonds. There is doubt, however, that very substantial amount of money was taken out of savings banks and savings and loan associations, as well as out of other banks from savings accounts, and these funds were used to purchase the 5% note due Aug. 1964. The yield that was available in the 5% note at the subscription price of 100 was considerably better than the return which is obtainable in savings accounts and Government savings bonds. Accordingly, the purchase of Treasury issues by the ultimate investor or individual investors results only in a shift in deposits and not the creation of new deposits as is the case when commercial banks are buyers of Government obligations.

Lessening of Inflation Fear Indicated

The market for the Treasury notes received for the foreign bond "fives" was indicative of what the investing public will do when they believe the return is satisfactory. In many cases the purchase of an individual investor was the obligation in such a big way is considered by many money market experts to mean that there will be a greater increase in the market for inflation, even though the rate of coupon and time to maturity which has been suggested. They believe that the money of the small investor would not enter into Treasury securities, even though the rate or coupon may be low. If this money is to be further ravaged by the forces of inflation.

William H. Gray

William Henry Gray moved Oct. 2 at the age of 69. Mrs. Gray was a partner in the law firm of Blank, Pollock & Co. and had formerly been a member of the New York Stock Exchange.
Recent World Improvements Have Yet To Be Fully Grasped

Continued from page 7

Fund for the maintenance and regulation of the foreign exchange rate. The restrictions on payments and transactions, it was felt, should be extended to include in the Fund's operation a larger number of countries. The 1950 agreement was extended to over 33 countries. As a result, the Fund was able to undertake a larger operation. New problems arose, however, and the difficulties of overcoming existing weaknesses and achieving external equilibrium turned out to be more than the Fund could handle.

The concept of fixed exchange rates was introduced in 1967, and the Fund was given a role in maintaining the stability of the exchange rate. The Fund's programs were designed to help member countries achieve external balance, and to assist them in overcoming the difficulties they faced in achieving this goal.

The Fund's role in maintaining the stability of the exchange rate was enhanced by the Floating Rate System of 1973, which allowed countries to adjust their exchange rates more easily. The Fund continued to play a significant role in the world's monetary system, and its programs were designed to assist member countries in dealing with the problems they faced in maintaining external balance.

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The improvement in Mexico’s position is part of a trend in Latin America to reduce the rate at which the country has to make its foreign payments. This trend has been facilitated by the intervention of the Fund and by the countries themselves in the Amsterdams operation (O.E.C.), a comprehensive stabilization program designed to establish a stable exchange rate, reduce the rate of inflation, and bring about an improvement in the balance of payments. The program, sponsored largely by the Fund, was designed to facilitate the return of confidence in the currency and to bring about a reduction in the rate of inflation. The program has been successful in achieving these objectives, and the country has made significant progress in reducing its external obligations.
Recent World Improvements Have Yet to Be Fully Grasped

Continued from page 21

the primary producing countries, and neither can it be. As a matter of fact, every country, whatever its position, needs to develop in a way that will make full use of the opportunities opened up by the renewed increase in production and the general upturn in economic activity. Such a development presupposes an effective financial structure.

The credit for interest on construction last year was $121,000 compared with about double that in the preceding three years—partly accounting for the moderate decline in equity earnings in 1958. However, with the present construction of the 100 kw unit (to be completed about a year from now) the interest charge may rise to a good level until the new unit is installed.

The company obtained rate increases of about $1 million in 1954, $165,000 in 1956, and $500,000 late in 1958, the latter amount being enough to more than offset the dilution of equity earnings resulting from the recent financing.

First Philadelphia Corp. Stock Offered

The First Philadelphia Corp., a holding company, announced that it had publicly offered 100,000 shares of its class A stock at $32 per share to a maximum of 400 holders. The price for the issue was $2 per share (gross 30 cents per share to brokers selling 2,500 shares or more) and 30 cents per share to brokers selling less than 2,500 shares.

The net proceeds will be used for working capital; general corporate purposes, and to expand and develop broker-dealer relations.

Customer Brokers

To Hold Meeting

The Association of Customer Brokers of New York will hold an education meeting on Wednesday, November 9, at 8:30 p.m. at the New York Hilton Hotel, Ernest Henderson, President of the Sheraton Corporation, will be speaker.
Securities Salesman's Corner

BY JOHN DUTTON

Want Some New Accounts — What's Wrong With Selling Some New Treasury 5% Notes

There must be thousands of professional clients who are nursing their $5,000, $10,000, $20,000 or more三千美金以上的账户，很多人可能知道。没有理由花钱在这些账户上，因为政府债券在利率方面提供了更好的收益。事实上，政府债券的收益率通常比银行储蓄账户要高得多。理由

Rothman American Corp.

Common Stock Offered

Marti Cohen & Co., of New York City, is offering today (Oct. 15) 80,000 shares of Rothman American Corp. common stock (par $1) at $3.75 per share. The offer will be made under the provisions of the Regulation A, as issued by the Federal Reserve Board, at 2 to 3% below par.

The company is engaged in the production and sale of chemicals. It is owned by several large corporations, including the Chemical Corporation of America. The stock will be sold through members of the New York Stock Exchange.

Bridgeport Gas has decided to issue 800,000 shares of its common stock at $1.25 per share. The stock will be sold through member firms of the New York Stock Exchange.

The keel for the Ethan Allen — a new one of the class of Patrician' ongating atomic submarines — was laid in September at Electric Boat Division of General Dy namics in Groton, Conn. The ship will be 410 feet long, 30 feet larger than the George Washington a nd the Patrick Henry (two earlier models of the fleet ballistic missile submarine).

The Ethan Allen will be the 10th ship to be built at Electric Boat.

Stockholders of Stanley Works, New Britain, will vote Nov. 9 on a proposed two and one-half million dollar expansion for one splendid. The company recently increased its quarterly dividend from $0.60 to $0.70, making an annual dividend of $2.80.

The Carwin Company, North Haven, has announced a change in structure. The Securities & Commodities Corporation, under which 46,080 shares of common stock were registered, will be liquidated and merged in the parent corporation. The new stock will be offered to stockholders at a price of $5.25 per share.

The company will use the net proceeds to liquidate and write off outstanding loans, to assist in financing the company's 1961 and 1962 capital expenditures program, and for working capital and other purposes.

The company produces a variety of specialty chemicals, including benzamides and other dyestuff raw materials, inorganic and other specialty chemicals.

With Brown, Madeira

WILMINGTON, Del. — John G. Kinnard & Co., 80 South Right Street, Wilmington, Del., has announced the addition of Paul A. Brown to the firm.

Underwood Corporation has announced that Z. C. Olivetti & Co., S.P.A., Italy, maker of the widely used Underwood typewriter, will acquire 40,000 shares of Underwood's authorized but unissued common stock at $25.50 a share. The transaction should make Underwood the largest company in the world, with a capitalization of more than one-third of Underwood's outstanding stock.

The proceeds from the sale of the stock will be used to retire short-term obligations and for other general corporate purposes. Underwood and Olivetti plan to cooperate in all phases of research, product development and manufacturing techniques. Five executives of Olivetti have been elected to Underwood's board of directors.

A new electronic voice recording and reproducing machine designed to fit into the field of telephony is being developed by the two companies. The device has been developed for use by business and government.

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**State of Trade and Industry**

Continued from page 4

against $30,758,457,292 for the same week in 1958. Our comparative summary for the leading banking centers this week follows:

<table>
<thead>
<tr>
<th>City</th>
<th>1959</th>
<th>1958</th>
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<tbody>
<tr>
<td>New York</td>
<td>$12,491,894,541</td>
<td>$10,628,140,840</td>
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<tr>
<td>Chicago</td>
<td>$1,775,794,402</td>
<td>$1,803,669,070</td>
</tr>
<tr>
<td>Boston</td>
<td>$2,387,648,585</td>
<td>$3,655,847,376</td>
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**U. S. A. Unemployment Total Drops 196,000 in September**

The Labor Department reported that the unemployment had dropped 196,000 in September to 3,230,000. More than 3,300,000 young Americans went back to school at the September class session. The official unemployment rate was 3.5%.

If the steel strike is continued throughout October, it will be decreased further. But the immediate effect on industries using steel will be severe. It remains to be seen whether Secretary Martin will make his prediction that unemployment will not go below 3,000,000 in October. The nation’s total work force was 66,847,000.

**T-H Injunction Cannot Prevent Steel Market Chaos**

Invoking the Taft-Hartley Act most perfect complete chaos in the steel market, “The Iron Age” predicts.

The national metalworking weekly states that President Eisenhower has not acted on the T-H injunction. But steel producers are planning for another try at settlement. But the delaying action takes the country closer to the possibility of a nationwide steel strike.

If the injunction is ordered, it can at best prevent the nation’s steel users from running completely out of steel. But it will be difficult to maintain a steel economy in the meantime. The magazine makes this prediction that unemployment will not go below 3,000,000 in October. The nation’s total work force was 66,847,000.

**Hill, Darlington Adds**

Special to The Financial Chronicle

BOSTON, Mass.—Philip J. Horah, 36, has been added to the staff of the Hill, Darlington & Co., 80 Boylston Street.

**Two With Keller Bros.**

Special to The Financial Chronicle

BOSTON, Mass.—Phillip J. Horah, 36, has been added to the staff of the Hill, Darlington & Co., 80 Boylston Street.

**Join’s Merrill Lynch**

Special to The Financial Chronicle

BOSTON, Mass.—Edward J. Michael, 32, of Horah, Join’s, & Lynch, Pierce, Fenner & Smith Incorporated, 18 Milk Street.

**With Edging-Williams**

Special to The Financial Chronicle

MINNEAPOLIS, Minn.—Robert O. Polask is now with Edging-Williams & Associates, 614 Grant Street, East.

**With Bell & Farrell**

Special to The Financial Chronicle

MADISON, Wis.—Robert Travis is now with Bell & Farrell, Inc., 119 Monroe Avenue.

**Two With Scott, Bancroft**

Special to The Financial Chronicle

SAN FRANCISCO, Calif.—Creighton C. Armstrong and John S. Storrow, 28, have been added to the staff of Scott, Bancroft & Co., 235 Montgomery Street.

**Brothers, Bro. Harriman Add**

Special to The Financial Chronicle

BOSTON, Mass.—Gerald A. Doyle has been added to the staff of the Brown Brothers Harriman & Co., 60 State Street. He was formerly with the Boston Trust Company. The firm’s representative.

**With La Huve Inv. Co.**

Special to The Financial Chronicle

BOSTON, Mass.—John W. Ivance, 28, a graduate of La Rue Investment Company, Pioneer-Endicotte Arcade.

**Steel Output Based on 12.5% of Capacity**

The Labor Department underlines the fact that the operating rate of the steel companies will average 12.7% of capacity for the week beginning Oct. 12, equivalent to 365,000 tons of steel per week. The new steel production (average output of 1947-49) as compared with an actual rate of 22.5% of capacity would have resulted in a steel production in the steel industry began Wednesday, July 15.

A steel industry forecast going Oct. 15 was cut to 12.5% of the utilization of the Jan. 1, 1959 annual capacity of 147,500,760 tons. Estimated percentage for this week’s forecast is 14.7%.

A month ago the operating rate (based on 1947-49 weekly production) was cut to 9.7% of capacity. But in the same period last year the actual weekly production was placed at 2,003,000 tons, or 124.7%.

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

**Auto Industry Adopts Steel Stretch-Out Policy**

The auto industry, building at a behind-schedule rate of only 113,000 cars weekly and facing serious curtailment after next week’s strike, has adopted a 12.5% stretch-out policy on the 440,000-unit level for the month of October, “ward’s Automotive Reports” said Monday. It was announced that this “stretch-out” production is to be continued throughout October.

This plan for October production already have adopted a steel stretch-out policy in production for this month.

Too much steel was on the market to said steel shortages and the after-effects of labor trouble held this week’s (period ended Oct. 10) automobile productions at 12.5% gain over last week’s total. Combined production of U. S. manufacturers was expected to run to 113,976 units compared to the figure of week ending Oct. 3 of 103,500 units.

“Wards’” Ford Motor Co. was expected to carry out six-day production, the company announced. Ford’s schedule was to be established for the month of October. The steel producers have been urging Ford and Chrysler to do single shifts after this month ended. The two major producers have made no commitments to cut back on production.

The reporting service said production of 90 model cars by the two companies for the month to be announced is about 52,001 of the Big Three small cars, Ford’s Falcon, Chevrolet’s Corvair and Chrysler’s Valiant. Output of the 90 model Larks and Ramblers numbers 51,891.

Automobile production to date (4,468,635 units) is running 53% ahead of 1958 (2,929,088 units).

**New Car Sales Exceed Full 1958 Total**

The auto industry, as of Oct. 6, pushed its 1959 calendar year new car sales past the 2,457,000 units retained in entire 1958 but exceeded the 1,828,000 units sold during World War II, “Ward’s Automotive Reports” said on Oct. 6. Ward’s said that 1959 sales for October had totaled 344,629 units — a 9,985-unit average that marked the highest October sales in automotive history.

Sales were 25.3% under August, a more-than-seasonal decline. The report said the sales were 18% below the peak of this week but added that normal production activity would be resumed next week. Chrysler’s “Valiant” production at the Dodge plants was expected to be resumed next week.

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**Business Failures Up Moderately in Late September**

The Realty Service of the Commerce and Financial Chronicle reported that 21 failures were announced in September, 14 less than in August, and 41 less than the 62 failures recorded in September last year.

The running tally of failures this year is 368, which is slightly above the 362 failures for the same nine months last year.

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manufacturing edged up to 50 from 46. Contrasting declines brought the service sector round to 14 from 22 and construction to 37 from 38. Neither retail trade nor crop marketing had as many failures as a year ago but increases from comparable 1958 levels prevailed in other areas.

The week-to-week increases occurred in all nine major geographic divisions except in the South Atlantic, up to 20 from 12, in the West South Central, and in the Pacific, up to 60 from 51. Meanwhile, Middle Atlantic failures fell from 9 to 5.

Weekly Trends for 1958, on the other hand, were mixed; four regions reported increases, three had declines, one reported no change, and one had the same number as a year ago.

Fifty-six Canadian failures were reported as compared with 22 in the prior week, while the similar reading for 1958 stood at 15.

Electric Output 8.4% Above 1958 Week

The amount of electric energy delivered by the electric light and power industry for the week ended Saturday, Oct. 10, was estimated at 12,681,000,000 kw-hr as compared with 11,701,000,000 kw-hr reported for the comparable week in 1958.

Car Loadings Down 15.5% From 1958 Week

Loading of revenue freight for the week ended Oct. 3, 1959, totaled 572,502 cars, the Association of American Railroads announced. This was 27.9% below the corresponding week in 1958, and a decrease of 175,145 cars or 28.4% below the corresponding week in 1957.

Lumber Shipments Down 3.3% From 1958 Week

Lumber Trade reports that the National Lumber Trade Barometer was 3.3% below production for the week ended Oct. 10. This means that the mills were 9.0% below production, Unfilled orders of reporting mills amounted to 36% of gross stocks. For reporting softwood mills, unfilled order stocks remained unchanged from the current rate, and gross stocks were equivalent to 43 days' production.

For the year-to-date, shipments of reporting identical mills were 0.4% above production; new orders were 0.4% below production. Compared with the previous week ended Sept. 26, 1959, production of reporting mills was 1.4% above shipments were 2.2% below; and new orders were 11.1% above.

Wholesale Commodity Price Index Moderately Below Prior Week

Reflecting the impact of lower fuel, rubber, the general commodity price level dipped moderately from a week earlier. The Wholesale Price Commodity Index compiled by Dun & Bradstreet, Inc., declined to 276.28 (1939-31=100) on Oct. 9 from the prior week's 277.81. It compared with 278.00 of the corresponding week of last year.

Despite reports of unfavorable weather-conditions for harvesting, Lumber Trade News reports that the National Lumber Trade Barometer was 3.3% below for the week ended Oct. 10. This means that the mills were 9.0% below production. Unfilled orders of reporting mills amounted to 36% of gross stocks. For reporting softwood mills, unfilled order stocks remained unchanged from the current rate, and gross stocks were equivalent to 43 days' production.

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Wholesale Food Price Index at New 1959 Low

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., dipped again this week to another record low. This index now stands at 96.3% below the previous 1959 low of 95.91 set a week earlier, and was at the lowest level since the period ended March 5, 1958. There was a decline in all items other than meats, the corresponding date a year ago.

Moving higher this week were wheat, corn, soybeans, flour, beans, hard and soft. Lower in price were bellies, butter, cottonseed oil, cocoa, eggs and hogs.

The Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index in the common sense to show the general trend of food prices at the wholesale level.

Retail Consumer Buying Slips

Continued uneasiness warior the weather and the effects of the steel strike in some cities slowed consumer buying this week, according to reports filed by the Food Bureau, and the wholesale market as a whole remained quiet. Year-to-year declines in sales of apparel, linens, and drapery offset gains in major appliances, furniture, and new passenger cars, where sales promotions met with favorable results.

The total dollar volume of retail trade for the week ended Oct. 10 was 2% below to 1% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1958 levels by the following percentages: Pacific Coast +5 to +7; Mountain +3 to +7; North Central +5 to +10; South Central, East and South Central -2 to -2; East Central to -4 to 0; Middle Atlantic +0 to +2.

Purchases of men's coats and suits fell moderately from both the prior week and a year ago, and interest in fashion accessories, sportswear, and dresses showed slight declines. While the call for men's topcoats and suits was down, interest was stronger than the similar week of last year.

The buying of 'boys' apparel was sluggish, but volume in girls' clothing was steady, with interest centering primarily on knits and dresses.

Apparel wholesalers reported a marked rise in orders for resort and cruiseswear this week, and substantial year-to-year gains occurred. Re-orders for women's fur-trimmed coat, and clothes extended somewhat and the call for coats and accessories matched that of a week earlier. There was a marked increase in volume in children's and infantwear for the week, which is suitable for holiday sales promotions. Purchases of men's apparel edged up from the prior week, with buyers primarily interested in topcoats and Fall suits.

Trading in industrial fabrics and man-made fibers rose moderately this week, and appreciable year-to-year increases were maintained. Despite a slight rise in transactions in print cloths, over-all purchases in cotton goods remained stable for the week. Purchases of wools and worsteds remained sluggish, but sales of carpet wool picked up somewhat. Fears of an extended strike among dyers and finishers discouraged interest in orders that industry in New England during the week.

The market was marked rise in orders for linen this week, and the call for draperies and floor coverings was moderately higher.

There was a substantial rise in sales of refrigerators, laundry equipment, and radio receivers, and the rise in sales of radios which attributed this to sales promotions and to fears in the part of consumers that these products might be limited due to the steel strike. Best-sellers in furniture were dinette sets, bedroom sets, and upholstered chairs. A moderate rise over the prior week occurred on the buying of floor coverings, and volume increased over last year.

Although the lengthy steel strike has not prompted any scare buying, bookings in major appliances moved up appreciably; best-sellers were laundry equipment and refrigerators. Furniture volume at wholesale matched that of a week earlier with interest centering primarily on upholstered chairs, bedding, and juvenile furniture. The call for housewares, glassware, and china climbed significantly from the prior week, and was well over a year ago.

Food buying was steady this week. There were some gains in the purchases of ice cream, cold cuts, dairy products, and fresh produce, but interest in canned goods, fresh meat, and poultry lagged.

Although food buyers stepped up their purchases of rice, fresh meat, frozen foods, and baked goods during the week, gains here were offset by declines in canned goods, flour, and poultry. Sales of eggs, butter, and cheese were unchanged from a week earlier.

Nationwide Department Store Sales Down 2% for October Week

Department store sales on a coast-to-coast basis as taken from the Federal Reserve Board's index for the week ended Oct. 3, declined 2% below the like period last year, for Sept. 26, an increase of 7% was reported. For the four weeks ended Oct. 3, a 3% increase was registered and for Jan. 1 to Oct. 3 a 7% increase was noted.

According to the Federal Reserve System department store sales for the week ended Oct. 10, inched up 1% over the like period last year. In the preceding week Sept. 26 a 7% decline was noted. For the four weeks ended Oct. 10, a 3% increase was reported over the 1958 period. Jan. 1 to Oct. 3 showed a 3% increase.

Four With Christopher Now With Amos Sudler

ST. LOUIS, Oct. 11, N. D. R. Kirikos, Baas B. Mornin, Dorothea H. Polzin and Mrs. Lillian R. Rickerson have joined the staff of Christopher & Co., 5100 Oakland Avenue. B. C. Christopher & Co., Inc., was previously with Allen Investment Co.
Securities Now in Registration


American Heritage Life Insurance Co. (10/28) Som. 13 filed 1,000,000 shares of common stock (par $1). Proceeds—For general corporate purposes, including the provision of funds for the expansion of Cortex Chemical Co., a subsidiary, the addition of equipment and the partial liquidation of its unfunded indebtedness. Office—10 New York, N. Y. Underwriter—A. S. Levey, Hyman, M. C. & Co., Inc., New York, N. Y.


American Motors Corp. Sept. 7 filed 225,000 shares of common stock. Price—To be offered to holders of outstanding stock of American & Foreign Power Co. Underwriter—Lazard Freres & Co. and The First Boston Corp., both of New York.


American Motors Corp. Sept. 13 filed 100,000 shares of common stock (par $1). Proceeds—For general corporate purposes, including the expansion of Cortex Chemical Co., a subsidiary, the addition of equipment and the partial liquidation of its unfunded indebtedness. Office—10 New York Avenue, New York, N. Y. Underwriter—A. S. Levey, Hyman, M. C. & Co., Inc., New York, N. Y.

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American Motions pictures, Inc. July 24 filed 200,000 shares of common stock (par $25c), of which 150,000 shares will be offered for public sale for the account of the company, and 50,000 shares will be offered for the accounts of the present holders thereof. Price—$6 per share. Proceeds—For general corporate purposes, including the addition of equipment and the partial liquidation of its unfunded indebtedness. Office—10 New York, N. Y. Underwriter—A. S. Levey, Hyman, M. C. & Co., Inc., New York, N. Y.

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<td>October 15</td>
<td>Tussott, Inc.</td>
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<tr>
<td>October 16</td>
<td>National Union Fire Insurance Co., Inc. (Offering is subject to Underwriters' The First</td>
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<td>October 19</td>
<td>Acme Missiles &amp; Construction Corp.</td>
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<td>October 20</td>
<td>Narda Microwave Corp.</td>
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**CALANDER**

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**NEW ISSUE**

**October 15 (Thursday)**

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**October 16 (Friday)**

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**October 19 (Monday)**

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<td>Acme Missiles &amp; Construction Corp.</td>
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**October 20 (Tuesday)**

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<td>Narda Microwave Corp.</td>
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**October 21 (Wednesday)**

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<td>Biochemical Procedures, Inc.</td>
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**October 22 (Thursday)**

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<td>Oil Recovery, Inc.</td>
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**October 26 (Monday)**

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<td>First Financial Corp. of the West</td>
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**November 2 (Monday)**

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<td>Gertsch Products, Inc.</td>
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**November 4 (Wednesday)**

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<td>General Acceptance Corp.</td>
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**November 9 (Monday)**

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**November 16 (Monday)**

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<td>Baker Oil Tools, Inc.</td>
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**November 24 (Monday)**

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**December 8 (Tuesday)**

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**December 9 (Wednesday)**

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Continued from page 37

SHARES

Charlotte/The City Discount & Company's share of each 10 common shares held, right to 8% interest per year, in a working capital note, $30.9 per share. Price—$1 per share. Proceeds—For the acquisition of 100,000 shares of common stock of the company. Offered to stockholders of the company. Price—$1 per share. Proceeds—To be used for working capital, to pay a dividend of 8% on preferred stock, and for general corporate purposes. Underwriter—None.

Cortino Marine Corp.

Sept. 10 (letter of notification) 300,000 shares of common stock (par 10 cents). Price—$1 per share. Proceeds—To be used for working capital, to pay a dividend of 8% on preferred stock, and for general corporate purposes. Underwriter—None.

Corinthia Co., Freeport, Ill.

Sept. 29 (letter of notification) 300,000 shares of common stock (par 10 cents). Price—$1 per share. Proceeds—To be used for working capital, to pay a dividend of 8% on preferred stock, and for general corporate purposes. Underwriter—None.

Coraline Life Co.

Sept. 29 (letter of notification) 50,000 shares of common stock (par 10 cents). Price—$2.50 per share. Proceeds—For working capital. Underwriter—None.

Columbia & Co.

July 30 (letter of notification) 120,000 shares of common stock (no par). Price—$2.50 per share. Proceeds—For working capital. Underwriter—None.

Columbian Corp. of America

Sept. 3 (letter of notification) 200,000 shares of common stock (par 10 cents). Price—$2 per share. Proceeds—For working capital. Underwriter—None.

Cinema and Equipment Corp.

Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1980, 5% at 100,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock, and $500 of debentures and nine shares of stock. Price—To be supplied by amendment. Proceeds—To be used for working capital and distribution.

Commercial Union Corp.

Oct. 7 (letter of notification) 500,000 shares of common stock (par 10 cents). Price—$2 per share. Proceeds—For working capital. Underwriter—None.

Consolidated Development Corp.

Aug. 15 filed 40,000 shares of common stock, of which 180,000 shares are to be offered to holders of the issuing company's convertible debentures, and 100,000 shares are to be offered to the underwriter, with the remaining 150,000 shares to be sold by the company. Price—$2.50 per share. Proceeds—For general corporate purposes, including salaries, car pools, and insurance for employees of the branch offices, and the establishment of a contingency reserve. Underwriter—None.

Digticon Corp.

Sept. 20 (letter of notification) 300,000 shares of common stock (par 10 cents). Price—$2.50 per share. Proceeds—For general corporate purposes, including salaries, car pools, and insurance for employees of the branch offices, and the establishment of a contingency reserve. Underwriter—None.

Digi-Registrar Corp.

July 31 filed 50,000 shares of common stock (par $2.50). Price—$1 per share. Proceeds—For the purchase and development of a new equipment for the purchase of vending machines which will be used to distribute Honeymoon syrup, which is marketed in hotels, department stores, and drug stores. Price—$1 per share. Underwriter—None.

Diversified Communities, Inc.

Sept. 2, filed 367,000 shares of common stock (par $1). Price—$1 per share. Proceeds—For the development of subdivisions and residential communities. Underwriter—None.

Dixie Chemical Co.

Sept. 3 filed 120,000 shares of common stock to be offered for sale to the public. The price will be related to the current price of the outstanding shares of common stock of the American Stock Exchange to the stockholders of the company. Underwriter—Calé, 21, No. 956, Vedado, Havana, Cuba. Proceeds—To be used for working capital.

Dixie Bank & Trust Co.

Sept. 25 (letter of notification) 100,000 shares of common stock (par 50 cents). Price—$3 per share. Proceeds—To be used for working capital, to repay notes in the amount of $50,000, and for general corporate purposes. Underwriter—None.

Dobson & Co., (handling the books and Plymouth Securities Co., handling the sale) of the new building in New York, N.Y. Offering—Expected in late October.

Dyall Waste Management Corp.

Sept. 20 (letter of notification) 1,000,000 shares of common stock (no par). Price—$1 per share. Proceeds—For the development of a new plant, and for general corporate purposes. Underwriter—None.
First United Life Insurance Co.

Sept. 28 filed 138,236 shares of common stock, to be offered to common shareholders of record Oct. 15 at the annual meeting held in accordance with rights to expire on or about Dec. 2. Price—$5 per share. Proceeds—For general corporate purposes. Underwriter—\-None.

Virginia Corp. (10-20)

Sept. 18 filed 302,000 shares of class A common stock (par $1). Price—To be supplied by amendment. Proceeds—For general corporate purposes, Office—Land-

Gold Medal Packing Corp.

Aug. 17 filed 572,500 shares of common stock (par one cent). Proceeds—For general corporate purposes, Office—Land.

First Federal Savings & Loan Association a common stock (non-voting). Price—To be supplied by amendment. Proceeds—For general corporate purposes, Office—Land.

Ennis Business Forms, Inc. (10-19-23)


Ennis Business Forms, Inc. (10-19-23)


First Financial Investment Co. (10-29)

Sept. 25 filed 190,000 shares of common stock (par $1) of which 100,000 shares are to be sold for the account of the issuing company, and 80,000 shares are to be sold for the accounts of the present holders thereof. Price—To be supplied by amendment. Proceeds—For general corporate purposes, including purchase of additional stock equipment, investing in properties in the entertainment field, and the provision of funds for a department to purchase television equipment, stock, equipment, the retirement of debt, and the increase of working capital. Underwriter—Arnold Malkan & Co., New York.

First Northern-Olive Investment Co.


First National Bank & Trust Co., Inc. (10-29)


General Flooring Co., Inc.

Sept. 10 filed 3,000,000 shares of common stock (par 10 cents) of which 57,300,000 shares are to be sold to the public and 24,000,000 shares are to be sold to a group of stockholders for the account of the selling shareholders. Proceeds—To be supplied by amendment. Office—1130 Broadway, New York, N.Y. Underwriter—\-None.

General Foods Corp.

Sept. 9 filed 1,000,000 shares of common stock (par one cent) and 18 shares of common stock. Proceeds—To be supplied by amendment. Proceeds—For general corporate purposes, including the redemption of subordinated bonds and the purchase and installation of machinery and equipment. Underwriters—H. E. Fotheringham, L. A. Lee, and Mason-Hagan, Inc., Richmond, Va. Offering—Expected late in October.

Gierdron Industries, Inc. (10-20)


Gertsch Corp., Inc.-.-

July 26 filed 1,799,186 shares of class A common stock (par $1). Proceeds—For general corporate purposes, Office—Brockton, Mass. Underwriter—\-None.

Giant Food Properties, Inc.


Gold Medal Packing Corp.

Aug. 17 filed 572,500 shares of common stock (par one cent). Proceeds—For general corporate purposes, Office—Land.

Gold Medal Packing Corp.

Aug. 17 filed 572,500 shares of common stock (par one cent). Proceeds—For general corporate purposes, Office—Land.

Harnischfeger Corp.

Aug. 28 filed 200,000 shares of common stock (par $1). Price—to be related to the market price of outstanding shares on the American Stock Exchange at the time of the offering. Proceeds—In part to repay outstanding preferred shares held by banks, expected to approximate $4,000,000, with the balance to be used for general corporate purposes, Office—Business Office, 100 East Kilbourn Ave., Milwaukee, Wis. Underwriter—The First Boston Corp., Baltimore, Md. Underwriter—None. Offering—Indefinitely postponed due to market conditions.

Hawaiian Telephone Co.

Aug. 28 filed 200,000 shares of common stock (par $10). Of which 261,200 shares were offered to holders of outstanding stock of record Sept. 18, 1959, on the basis of one share for each $15 of par value held. Of the shares then held, and 26,120 shares are being offered for subscription by employees and the remaining 26,120 shares will be offered to stockholders under an oversubscription privilege at $17.75 per share. Proceeds—To be applied toward the cost of the company's construction program, the payment of certain indebtedness, and the funding of an employee bonus plan, and the refunding of debentures and preferred stock. Underwriter—\-None.

Heiligенко Products, Inc.


Hillman Industries, Inc. (10-20)

Aug. 13 (letter of notification) 500,000 shares of common stock (par $1). Of which 256,200 shares were offered to holders of outstanding stock of record Sept. 18, 1959, on the basis of one share for each $15 of par value held. Of the shares then held, and 256,200 shares are being offered for subscription by employees and the remaining 26,120 shares are being offered for subscription by employees. Proceeds—To be applied toward the cost of the company's construction program, the payment of certain indebtedness, and the refunding of debentures and preferred stock. Underwriter—\-None.

Hillman Industries, Inc. (10-20)

Aug. 13 (letter of notification) 500,000 shares of common stock (par $1). Of which 256,200 shares were offered to holders of outstanding stock of record Sept. 18, 1959, on the basis of one share for each $15 of par value held. Of the shares then held, and 256,200 shares are being offered for subscription by employees. Proceeds—To be applied toward the cost of the company's construction program, the payment of certain indebtedness, and the refunding of debentures and preferred stock. Underwriter—\-None.

Hillman Industries, Inc. (10-20)

Aug. 13 (letter of notification) 500,000 shares of common stock (par $1). Of which 256,200 shares were offered to holders of outstanding stock of record Sept. 18, 1959, on the basis of one share for each $15 of par value held. Of the shares then held, and 256,200 shares are being offered for subscription by employees. Proceeds—To be applied toward the cost of the company's construction program, the payment of certain indebtedness, and the refunding of debentures and preferred stock. Underwriter—\-None.
Hemisphere Gas & Oil Corp. Apr. 27 letter of notification) 200,000 shares of common stock, of which 90,000 shares are to be offered at $20 per share. Proceeds—To be used in developing new oil fields and exploratory programs.

Hopkins Steel Co., Inc. Dec. 31 (letter of notification) 200,000 shares of common stock, of which 100,000 shares are to be offered at $20 per share. Proceeds—For the purpose of the issuance of additional shares.

Industrial Lease Corp. Jan. 1 (letter of notification) 250,000 shares of convertible preferred stock, payable in cash at $25 per share, or upon the conversion of the same into shares of common stock. The proceeds are to be used for general corporate purposes. Underwriter—Payne, & Co., New York.

Intercontinental Metal Co. Oct. 7 filed 133,000 shares of common stock (par 10c). Price—$4 per share. Proceeds—To be used to purchase and sell for the benefit of the company.

Interstate Fire & Casualty Co. Oct. 27 filed 100,000 shares of common stock, of which 50,000 shares are to be offered at $20 per share. Proceeds—To be used for the acquisition of additional property and equipment.

Jocelyn-Varn 1960 Oil Associates Sept. 29 filed 100 units of oil and gas exploration agreements. Price—$100 per unit. Proceeds—For the purpose of the exploration of additional oil and gas properties.

Kilroy (W. S.) 1960 Corp. Sept. 30 letter of notification) 100,000 shares of common stock, of which 50,000 shares are to be offered at $20 per share. Proceeds—For the purpose of the issuance of additional shares.

Kittanning Telephone Co., Kittanning, Pa. Aug. 12 letter of notification) 10,000 shares of common stock, of which 5,000 shares are to be offered at $20 per share. Proceeds—For the purpose of the issuance of additional shares.

Knex Glass, Inc. (10/21) Sept. 24 filed 10,000 shares of common stock (par $5). Price—To be supplied by amendment. Proceeds—To be used for the purpose of the issuance of additional shares.

Landis and M. & S. Oils Ltd. Mar. 10 letter of notification) 100,000 shares of common stock, of which 50,000 shares are to be offered at $20 per share. Proceeds—To be used for the purpose of the issuance of additional shares.

Lindberg Steel Treating Co., Inc. Oct. 12 letter of notification) 10,000 shares of common stock, of which 5,000 shares are to be offered at $20 per share. Proceeds—To be used for the purpose of the issuance of additional shares.

Life Insurance Co. of Florida Sept. 30 letter of notification) 100,000 shares of common stock, of which 50,000 shares are to be offered at $20 per share. Proceeds—To be used for the purpose of the issuance of additional shares.

Lombard Electric Co. July 28 letter of notification) 100,000 shares of common stock (par $1). Price—$1 per share. Proceeds—For the purpose of the issuance of additional shares.

M. A. M. Corp. Sept. 27 letter of notification) 100,000 shares of common stock, of which 50,000 shares are to be offered at $20 per share. Proceeds—To be used for the purpose of the issuance of additional shares.

Mall, Inc. (10/19-23) Sept. 30 letter of notification) 100,000 shares of common stock, of which 50,000 shares are to be offered at $20 per share. Proceeds—To be used for the purpose of the issuance of additional shares.

Mayfair Markets Oct. 1 letter of notification) 100,000 shares of common stock (par $1). Price—to be supplied by amendment. Proceeds—To be used for the purpose of the issuance of additional shares.

Mercantile Credit Corp. Sept. 1 letter of notification) 75,000 shares of common stock (par $1). Price—to be supplied by amendment. Proceeds—To be used for the purpose of the issuance of additional shares.

Metal Processing Corp., Westbury, N. Y. Aug. 27 letter of notification) 10,000 shares of common stock (par $1). Price—to be supplied by amendment. Proceeds—To be used for the purpose of the issuance of additional shares.

Metro-Pac Realty Corp. July 27 letter of notification) 100,000 shares of common stock, of which 50,000 shares are to be offered at $20 per share. Proceeds—To be used for the purpose of the issuance of additional shares.

Metropolitan Telecommunications Corp. (10/26-30) Sept. 24 letter of notification) 100,000 shares of common stock, of which 50,000 shares are to be offered at $20 per share. Proceeds—To be used for the purpose of the issuance of additional shares.

M Yugoslav Loan & Finance Co. Sept. 8 letter of notification) 20,000 shares of common stock (par $1). Price—to be supplied by amendment. Proceeds—To be used for the purpose of the issuance of additional shares.

Mueller Steel Co. Sept. 15 letter of notification) 100,000 shares of common stock, of which 50,000 shares are to be offered at $20 per share. Proceeds—To be used for the purpose of the issuance of additional shares.

National Bank, Washington, D. C. Dec. 29 letter of notification) 10,000 shares of common stock, of which 5,000 shares are to be offered at $20 per share. Proceeds—To be used for the purpose of the issuance of additional shares.
common stock (par 10 cents) to be offered in units of $10,000 per participation in 500 share units of common stock. An additional 138,000 shares may be issued in accordance with the company’s restricted stock option plan. Price—$10, at least 100 shares. 3. Type: machinery, equipment and other fixed assets, for operating expenses, building, land, etc, at new values of $100,000. 4. Address—P.O. Box 1683, Lakeland, Fla. Underwriter—R. F. Campeau Co., Inc., Detroit, Mich. Statement to be furnished.  

- National Co., Inc. (10/21-22)  

of which 150,000 shares are to be offered for the account of the company and 75,000 shares for the present holder thereof. Price—To be supplied by amendment. Proceeds—To retire indebtedness and to increase working capital. Underwriter—L. F. Seidman & Co., Seattle, Wash. Underwriter—White, Weld & Co., New York. Offering has been postponed due to market conditions.  

- National Industrial Minerals Ltd.  


- Oil Recovery Corp. (10/22)  


- Pan-Alaska Corp.  


- Pantasote Co.  

Sept. 28 filed $2,000,000 of 7 1/2% subordinated sinking fund debentures, $100 per share. Price—$65 per share. Proceeds—To finance the construction of a new plant, the balance to be used for general corporate purposes. Underwriter—26 Jefferson St., Passaic, N. J. Underwriter—Blair & Co., New York. Offering—Temporarily postponed.  

- Pathe News, Inc.  

Sept. 17 filed 400,000 shares of common stock (par 10 cents) of Common Inc., $1 per share. Price—$15 per unit of four shares of Mortgage Corp. Proceeds—To be used for the purchase of additional working capital and improvement of the company’s property. Mortgage Corp—Will proceed its reorganization. Guaranty will cover the additional working capital.  

- Payplan Mutual Fund, Inc., Pasadena, Calif.  

May 19 filed 20,000 shares of common stock (par 10 cents). Price—$1 per share. Proceeds—To invest in the development of financial and investment institutions. Underwriter—Investors Investors Corp., Pasadena, Calif.  

- Peckman Plan Fund, Inc., New York, N. Y.  


- Pilgrim National Life Insurance Co. of America  

Sept. 15 filed 300,000 shares of common stock (par $1), of which 50,000 shares are to be offered first to stockholders. Price—$1 per share. Proceeds—To be used to increase the company’s capital and surplus. Underwriter—Hill, Evans & Co., Philadelphia, Pa.  

- Plastic Application Inc.  

Sept. 30 filed 500,000 of convertible subordinated sinking fund debentures, due 1960. Price—At 100% plus accrued interest since Oct. 1, 1959. Proceeds—For conversion and general corporate purposes. Underwriter—7020 Katy Road, Houston, Tex.
Federal Reserve Bank of St. Louis

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for purposes.

Offering—Expected

40,000

Raub

Inc.

holders and Proceeds—To purchase place

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N.

10/19-23

(10/19-23)

$23,-250). Proceeds—To

Gas & Electric Corp. (10/22)

Price—$3.50

per share. Proceeds—For general corporate purposes.

Price—$5.00 per share. Proceeds—For general corporate purposes.

Price—To stockholders, $10 per share; to the public, $15 per share. (The remaining 60,200 shares are to be provided for in the capital stock of the Corporation.)

three

largest

and for general corporate purposes. Office—P. O. Box 410, 450 Cooper St., Delano, N. Y. Underwriter—Albion Securities, Inc., 11 Broadway, New York, N. Y.


Servo Corp of America (10/20-23)

Seabourne Realty & Construction Corp. (10/30)

the most recent Midwest Stock Exchange quotation, for costs—For working capital. Office—201 Avenue H, Fort Madison, Iowa. Underwriter—None.

Chamberlain, Minn.

Two

Ritter (P. J. Co.), Bridgeport, N. J.

Price—$3.50 per share. Proceeds—For the purpose of financing the additional operation of their business.

21.

Sept. 5 (letter of notification) 95,000 shares of capital stock (par $1). Proceeds—To Underwriter Schweickart & Co., New York.

Sept. 4 filed 225,230 shares of common stock, $7.325 of par value, for sale for cash, at $7.75 per share on the basis of one new share for each five shares then held by the common stockholders.

Shopping Centers Corp.

Simon Hardware Co. (10/19)

Aug. 27 filed 330,000 shares of common stock (one cent).


Sire Plan of Tarrytown, Inc.

Aug. 25 filed 25,000 outstanding shares of common stock (par $1). Proceeds—For general corporate purposes. Office—133 Tarrytown Center, Tarrytown, N. Y.

R.F. Snyder, C. E., Underwriter—Harris & Brothers Co., Salt Lake City, Utah.

J. M. Smolen

Aug. 25 filed 25,000 outstanding shares of common stock (par $1), of which 1,543,000 shares are to be issued and sold for cash and the remainder for working capital, to be sold for the accounts of certain selling stockholders. Proceeds—To be applied by amendment. Proceeds—To retire 70% of the common stock outstanding at the date of the stock offering. Proceeds—To invest in the capital stocks of six of the company's

For working capital. Office—201 Avenue H, Fort Madison, Iowa. Underwriter—None.

Casino Co. (10/30)

Price—$1,249,849.

Proceeds—To underwrite a public offering of shares of common stock.

Proceeds—To underwrite and sell on behalf of the company, 100,000 preferred shares of common stock of the company.

For working capital. Office—201 Avenue H, Fort Madison, Iowa. Underwriter—None.

Reid-O-Kut Co., Inc.

Reed & Loring Co., Inc.

Univ.

Incorporated, 11 Chambers St., New York City.

Total Union Co.

South Dixie Farms, Inc.

July 29 filed 2,000,000 shares of common stock (par $1), of which 1,543,000 shares are to be issued and sold for cash and the remainder for working capital.

Sanborn Insurance Co. (10/12)

SALE of Sanborn Insurance Co. (10/12)

Underwriter—McDonald & Co., Cleveland, Ohio.

Office—St. Louis.

For general corporate purposes. Office—F. O. Box 410, 430 Cooper St., Delano, N. Y. Underwriter—Albion Securities, Inc., 11 Broadway, New York, N. Y.

Price—$3.50 per share. Proceeds—For the purpose of financing the additional operation of their business.
seven bank subsidiaries; to repay a bank loan of $4,600,--
600; to add to working capital; to retire certain long-
terms debt; and to make improvements in and modernize the
25 South East First Street, Miami, Fla. Underwriter

Southern Telephone & Telegraph Co.

Sept. 25 file $75,000,000 of 35-year debentures, due Oct. 1,
1994. Proceeds—To purchase and install telephone equip-
ment, to modernize and extend the present system, and to

Southern Frontier Finance Co.

Aug. 11 file 1,300,000 shares of common stock (par 50 cents).
Price—$1 par share. Proceeds—For general purposes.

Southern Gulf Utilities, Inc. (10/20-23)

Aug. 24 file 133,000 shares of common stock (par $1).
Price—To be supplied by amendment. Proceeds—For
general corporate purposes, including the expansion of the
system to include the States of Florida, Alabama, and Missi-
ouri; for the purchase of additional generating plant and to
make the company's finances more liquid.

Southwest Beryllium Co.

Sept. 18 file 250,000 shares of common stock (par $1), of
which 100,000 shares are to be offered for the account of
the issuing company for cash and 150,000 shares are to be
offered for the account of the present holders thereof.
Price—$1 par share. Proceeds—To be used for the pur-
chase of additional generating plant, and to provide for the
payment of the company's debts, the purchase of additional
equipment, and the working capital.

Sports America Boats, Inc. (10/26-30)

Sept. 9 (letter of notification) file 50,000 shares of common stock
(par one cent). Price—$1 per share. Proceeds—To purchase
and add to the company's assets, and to provide the nec-
essary working capital.

Sports Ardena (Delaware) Inc.

Sept. 18 (letter of notification) file 100,000 shares of common
stock (par one cent). Price—$1 per share. Proceeds—To sup-
port the capital of the company.

Standard Beryllium Corp.

Sept. 3 (letter of notification) 180,000 shares of common stock
(par one cent). Price—$1.50 per share. Proceeds—For work-
ing capital and general corporate purposes.

State Industries.

Oct. 5 file 500,000 of 6% convertible debenture bonds, due
1959, at 97% of par value. Price—$970 per bond. Proceeds—
To be supplied by amendment. Proceeds—To provide for a
fuller realization of the company's assets.

---Bristol Bond Co., New York.

Steak 'n Shake, Inc.

Oct. 9 file 3,000 shares of common stock, to be of-
fered by subscription by common stockholders of record
Oct. 15, 1959, on the basis of one share for each 9
shares owned by such stockholders. Price—$1 par share. Proceeds—For

Washington, D. C. Underwriter—None. Statement effect-
ive Sept. 28.

Tri Metal Works, Inc.

Sept. 17 file 60,000 shares of 40 cents cumulative convertible preferred stock (par $1). Price—$4 per share. Proceeds—For
the purchase of additional generating plant, and to provide
for working capital.

Tuna Underwriters, Inc.

Sept. 25 file 200,000 shares of common stock (par $1).
Price—$1 par share. Proceeds—For working capital.

Trinity Small Business Investment Co.

Apr. 17 file 235,000 shares of capital stock (par $1).
Price—To be supplied by amendment. Proceeds—For
construction and development of undeveloped oil and gas properties.

Truitt & Pearsall.

Sept. 15 file 30,000 shares of common stock payable $75 per
share. Office—Barnard & Warrington Aves., East River-
York.

Trucking Oil Co. (1960 Oil & Gas Co.)

Oct. 2 file $5,000,000 of participations in Programs for construction and development of undeveloped oil and gas properties.

Tunisian & Barbary Petroleum Co., Inc.

Oct. 16 file 200,000 shares of common stock (par $5).
Price—To be supplied by amendment. Proceeds—For
the purchase of additional generating plant, and to provide
for working capital.

Tungsten Mountain Mining Co.

Oct. 9 file 100,000 shares of common stock (par $5), of
which 50,000 principal amount of 7% first mortgage convertible bonds, to be offered for the account of the present holders thereof.
Price—$150 par bond. Proceeds—To be supplied by amend-
ment. Proceeds—For the purchase of additional generating plant, and to provide for working capital.

---Subsidiary.

U. S. Home & Development Corp.

Sept. 3 (letter of notification) 99,932 shares of class A common stock (par $1). Price—To be supplied by amendment.
Proceeds—For construction of real estate developments.

United Container Corporation

Sept. 17 file 525,000 shares of common stock (par $1), of
which 150,000 shares are to be offered for the account of the
present holders thereof. Price—$1 par share. Proceeds—To
be supplied by amendment. Proceeds—For the purchase
of the assets of a wholly-owned subsidiary, to be used for
the purchase of additional generating plant, and to provide
for working capital.

United Fruit Co.

Sept. 15 file 200,000 shares of common stock (par $1).
Price—$1 par share. Proceeds—For working capital.

United Insurance Co.

Sept. 2 file 229,000 shares of common stock (par $10) to
be offered for subscription on or about Sept. 29, 1959 in
the amount of $2,290,000. Proceeds—For the purchase of
rights to expire on or about Oct. 31. Price—$29.50 per share.

United Underwriters, Inc.

Sept. 12 (letter of notification) 500,000 shares of common stock
(par $5), of which 100,000 shares are to be offered for the
account of the issuers. Price—To be supplied by amend-
ment. Proceeds—For construction purposes.

Universal Continental Corp.

Sept. 16 file 170,000 shares of common stock (par $10), of
which 50,000 shares are to be offered for the account of the
issuers. Price—To be supplied by amendment. Proceeds—For
the purchase of additional generating plant, and to provide
for working capital.

Urbanus Corp.

Sept. 15 file 200,000 shares of common stock (par $10), of
which 100,000 shares are to be offered for the account of the
issuers. Price—To be supplied by amendment. Proceeds—For
the purchase of additional generating plant, and to provide
for working capital.

Ursa M. Bell, Inc.

Sept. 17 file 325,000 shares of common stock (par one cent).
Price—$1 per share. Proceeds—For working capital.

V-large Investment Co., Phoenix, Ariz.

June 29 file 90 investment contracts (partnership in
--Investment Priorities, Inc.

---Investment Incorporation Co.

---Investment Priorities, Inc.

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---Investment Incorporation Co.
Western Massachusetts Electric Co. (10/21)

Oct. 6 filed $80,000,000 of new mortgage bonds due 1989. Proceeds—To pay outstanding bonds. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.; and Salomon Bros. & Hutton (jointly).—To be sold in common stock to stockholders in the ratio of one share for every three shares held. Proceeds will be used to reacquire the company's treasury stock for expansion and construction purposes. Offer—Expected before the end of the year.

Buckingham Transportation, Inc.

July 17 the company sought FCC approval for the issuance of 75,000 shares of common stock (par $1). Underwriter—Curtis, Pidestra & Co., Chicago, and Dresd & Co., New York, N. Y.—Proceeds—To be used by the company for construction purposes. Offer—Expected before the end of the year.

Bridgeport Gas Co.

Sept. 7 it was announced that stockholders will be asked to approve an increase of $18,000,000 in the par value of common stock to $100,000,000 in new common stock to stockholders in the ratio of one share for every five shares held. Proceeds—To reimburse the company's treasury for expansion and construction purposes. Offer—A new share for each five shares held. Proceeds—To be used by the company for construction purposes. Offer—Expected before the end of the year.

Brooklyn Union Gas Co.

Aug. 19 it was reported that the company is contemplating some additional equity financing, the form it will take and a possible time frame for the financing program. Offer—Expected before the end of the year.


Aug. 31 it was announced company plans to issue and sell 100,000 shares of common stock (par 10 cents). Proceeds—$3 per share. Proceeds—To build chain of coffee shops. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; and Dresd & Co. and Underwriter—To be named in early October. Offerings—Planned for mid-October.

Consolidated Edison Co. of New York Inc. (12/1)

July 29 the company sought company approval for the issuance of 2,000,000 shares of common stock (par $.01). Proceeds—For investments, improvements, etc. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; and Dresd & Co. and Underwriter—To be named in early December. Offerings—Planned for mid-December.

Cyprus Mines Corp.

July 21 it was announced that approximately 1,000,000 shares of a secondary common stock will be registered and offered. A common stock offering had been registered on July 18.

Dallas Power & Light Co.

Aug. 10 it was reported that the company has filed plans to issue $20,000,000 of new mortgage bonds due 1989. Proceeds—To pay outstanding bonds. Underwriter—To be determined by competitive bidding. Probable bidders: (1) bonds: Halsey, Stuart & Co.; (2) preferred: Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.; and Salomon Bros. & Hutton (jointly); and (3) common: Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.; and Salomon Bros. & Hutton (jointly).—To be sold in common stock to stockholders in the ratio of one share for every three shares held. Proceeds—To be used by the company for additional working capital. Underwriter—To be determined by competitive bidding. Probable bidders: (1) common: Halsey, Stuart & Co.; and (2) preferred: Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Salomon Bros. & Hutton (jointly).—To be sold in common stock to stockholders in the ratio of one share for every three shares held. Proceeds—To be used by the company for additional working capital. Underwriter—To be named in early August. Offerings—Planned for September.

Allegheny Electric Co.

Aug. 29 it was reported that the company is contemplating some additional equity financing, the form it will take and a possible time frame for the financing program. Offer—Expected before the end of the year.

Fall River Electric Light Co. (12/8)

Oct. 15 it was reported that the company plans sale of 250,000 shares of common stock (par $.01). Proceeds—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; and Dresd & Co. and Underwriter—To be named in early December. Offerings—Planned for early December.

First National Bank of Miami, Fla.

Sept. 28 it was announced that the bank had approved a proposed offering to stockholders of 150,000 additional shares of common stock (par $.10). Proceeds—To be used by the company for expansion and construction purposes. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; and Dresd & Co. and Underwriter—To be named in early November. Offerings—Planned for early November.

First Pennsylvania Corp. (11/19)

Aug. 20 it was reported that the company plans the issuance of $10,000,000 of first mortgage bonds. Proceeds—To pay outstanding bonds. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly).—To be sold in common stock to stockholders in the ratio of one share for every three shares held. Proceeds—To be used by the company for additional working capital. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; and Dresd & Co. and Underwriter—To be named in late November. Offerings—Planned for December.

Fifteen of the nation's largest capital goods manufacturers, including those that produce electric motors, have filed plans to issue $250,000,000 of new common stock (par $.01). Proceeds—To be used for the construction and expansion of electric motor production facilities. Underwriters—To be determined by competitive bidding. Probable bidders: (1) common: The First Boston Corp. and Co. (jointly); (2) preferred: The First Boston Corp., Co. (jointly); and (3) bonds: Morgan Stanley & Co. (jointly).—To be sold in common stock to stockholders in the ratio of one share for every three shares held. Proceeds—To be used by the company for additional working capital. Underwriter—To be determined by competitive bidding. Probable bidders: (1) common: Halsey, Stuart & Co.; and (2) preferred: Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Salomon Bros. & Hutton (jointly).—To be sold in common stock to stockholders in the ratio of one share for every three shares held. Proceeds—To be used by the company for additional working capital. Underwriter—To be determined by competitive bidding. Probable bidders: (1) common: Halsey, Stuart & Co.; and (2) preferred: Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Salomon Bros. & Hutton (jointly).—To be sold in common stock to stockholders in the ratio of one share for every three shares held. Proceeds—To be used by the company for additional working capital. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly).—To be sold in common stock to stockholders in the ratio of one share for every three shares held. Proceeds—To be used by the company for additional working capital. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; and Dresd & Co. and Underwriter—To be named in early December. Offerings—Planned for early December.
NATIONAL BELLAS HESS, Inc.

Oct. 1. It was announced that the company plans to issue and sell $30,000,000 of first mortgage bonds. Proceeds—For expansion and working capital. Officers—129, 136, 511, 913, and 922. (Jointly). Bids—Expected to be received sometime in December.

NEW ENGLAND TELEPHONE & TELEGRAPH Co.

Aug. 19. It was announced that the company will issue $10,000,000 of preferred stock. Proceeds—For capital expansion and working capital. Bids—Expected to be received in New York, New Jersey, and Delaware. Officers—1, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12. (Jointly). Bids—Expected to be received in New York, New Jersey, and Delaware.

SOUTHERN BELL TELEPHONE & TELEGRAPH Co.

Next Tuesday will bring Southern Bell Telephone Co.'s $70 million of 51/2% first mortgage bonds on competitive bidders. Several other large issues will be sold this week for the market for funds and working capital. American Telephone & Telegraph Co. will sell $50 million of new securities slated for market during the second half of the year.

Thus far in the current firmer money market the AT&T affiliation has allowed operators to recover from the era's slump to a five-year high and many new issues have been successfully placed. The following are some of the more important issues:

- Southern Bell
- AT&T
-odafone
- Northern Pacific

A Bit More Activity

The ensuing week gives promise of more activity as several new debt issues in quite a spell. That is, if all the major prospects come to market as indicated:

- Southern Bell's issue, noted above (jointly), having been pushed to the limit, will be on the market.
- Telephone & Telegraph, also noted above, will have a new issue of preferred stock scheduled, with Western Union and Canada of Co. due to open bids for $8 million.

The week ends early on Monday morning with bidding for 20 million additional shares of the City of Montreal, Canada.

Two With Hall & Hall

Grant, Fontaine & Co., Inc.

Oakland, Cal.—Alfred C. Camp, president, has been added to the staff of that Pacific Coast house. The new addition brings the total to 156, Twenty-Fifth Street.

Noah With Bache

Grant, Fontaine & Co., Inc.

Oakland, Cal.—Alfred C. Camp, president, has been added to the staff of that Pacific Coast house. The new addition brings the total to 156, Twenty-Fifth Street.

North West with Bache

Grant, Fontaine & Co., Inc.

Oakland, Cal.—Alfred C. Camp, president, has been added to the staff of that Pacific Coast house. The new addition brings the total to 156, Twenty-Fifth Street.

Transcontinental Gas Pipe Line Corp.

Sept. 30. It was announced that the company plans to come to market twice in 1969 with the sale of first mortgage bonds, and several other transactions. Proceeds—To raise permanent funds for the financing of its first mortgage bonds. Houston, Texas.

Transwestern Pipeline Co.

Aug. 25. It was reported that this company expects to sell several of its new securities, probably in units. Proceeds—To build a pipeline from West Texas to the Arkansas-California border. Officers—Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York.

Transvair Railroad Co.

Sept. 18. It was reported that the company is contemplating the sale of a new series of common stock. Officers—Lehman Brothers, Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York.

Universal Marion Corp.

Sept. 30. Shareholders approved the issuance of 150,000 shares of new convertible preferred stock. Proceeds—To issue a series of shares of convertible preferred stock. The initial series will have a par value of $100 per share and a dividend rate of 4% annually. The shares will be convertible into common stock two years after their date. The new stock will be issued to raise additional capital.

Velvex Mid-City Parking Center

Sept. 22. It was announced that the company plans to sell several of its new securities. Proceeds—To finance the property at Angora and Market. Officers—First Republic Underwriters, 99 F. 2nd St., New York, N. Y.

Worcester County Electric Co.

Sept. 17. It was announced that this company plans to sell several of its new securities. Proceeds—To issue a series of shares of common stock. Officers—First National Bank Bldg., Colorado Springs, Colo.

World Fidelity Insurance Co.

Sept. 11. It was announced that the company reported an initial issue, 100,000 shares of common stock, of which, 100,000 shares will be for the company's account and the remaining 100,000 shares for the account of certain selling stockholders. Underwriters—Blyth & Co., Inc., New York.

Wise Counsel...But

"We are living in a time of prosperity that looks like it is assuming boom proportions. If now, today, we can't pay off some of the Federal debt, then our financing is going to demand a consideration of those very unsatisfactory methods, to the damage of all of us. In the long run for all the cataclysms that will be with us, there will be a further deepening of our money, and it won't be the rich that will be suffering. Instead it will be those millions who have with their hands and brains, typewriters, shovels at their side, are producing the wealth of the United States and depending upon insurance and pension plans for old-age security."

Robert D. Eisenhower.

Right, Mr. President, but isn't it about time that the Administration itself take the lead in establishing legislation which would serve to accomplish this most worthy object?"
The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date.
Steel Strike’s Effect Now Becoming Apparent

Purchasing agent’s survey finds we have passed the critical point in steel strike’s effect on business operations in immediate months ahead. More members are said to report fewer new orders (since April, 1958) and more unemployment (since early August).

The steel strike has lasted too long to enable us to avoid serious dislocations in production—so say Purchasing Executives of the Business Men’s Association of Chicago, this Committee of the National Association of Purchasing Agents, now making monthly surveys.

Most企业家 companies are just now at the point where production schedules are being curtailed, pipe lines have been exhausted and inventories are cut back. At the time of production, there will be a period of reduced output of fabricated steel items. Further, many of our members believe that the prospects for good business in the future may be affected as adversely as the steel strike is to an adequate and steady supply of steel.

Production and new-order figures both reflect the result of the steel strike. This month, for the first time since August, more of our members tell of fewer new orders than those who report increases. Only 27% reported more new orders, while 31% had decreases. In reporting production data, 28% say it is greater than last month, while 53% say it is less. The steel strike, of course, has taken its toll in employment.

For the first time since early 1957, more of our members report reductions than those who report increases. Even with the slight up turn, it is probably important to acknowledge that there are some specific items and some locations where the prices are lower, than the last time the buyer bought the item.

Commodity Prices

Since March, there has been relatively little price movement. Such as those reported in the June report, which were characterized as trending downward. For the last three months, we have seen a notable “marking up” of some prices. However, this month the number of those reporting prices as up jumped to 30% from 25% in August, exactly the same percentage in the same month a year ago. Also, those showing prices the same dropped from 70% to 59% in August and September. Only 2% say prices are any lower than last month.

In August, nationwide index prices for steel items are the same as in July. Since steel prices have been reduced in some instances, there is some indication that purchasing executives are not yet ready to order stocks, inventory levels are lower than normal, and in order to protect their needed material requirements.

Inventories

There has been another report of the quantity of purchased steel materials on hand. A significant 37% report that their inventories in September are lower than they were in August. Not since July, 1958, have two months following the steel strike’s conclusion shown such a great reduction. The inventory liquidation program, have so many reported lower stocks a year ago as 18%. This report means that inventories are higher than in August, a drop of 6%. Predictions are that it will be at least 30 days after the settlement of the steel strike before sufficient steel production will be available to meet even current production requirements, let alone build up any inventory.

Railroad Securities

Gulf, Mobile & Ohio

So far earnings of the Gulf, Mobile & Ohio have been able to withstand the effects of the steel strike better than the majority of other railroads. This has been accomplished through a good control of expenses and improvement in operating efficiency.

Revenue increases in August were down only 2.6% from the like period a year ago, which was not good showing in view of the fact that, in addition to the steel strike, there were comparable reductions in traffic due to the third strike in the steel industry. This one factor which helped to maintain traffic close to that of a year ago was the increased activity in the paper mills in the territory.

The road has been faced with some downward adjustment in rates to meet competition from other forms of transportation. This has been counteracted by the large lines which continue to move more load at reduced rates. To meet this situation Gulf has sought and been able to attract new traffic from industries that have located along its lines. It has further increased its earnings by the addition of 18,000 cars. This has helped volume to increase 12% over last year, and additional new plants will locate in the service district in coming months.

The road has not participated in the general rate decrease in the Southwest. Past indications are it will join in this general movement at a later date in the right way movement. The major problem is competition from the large lines. Even with the increase in the volume of the commercial big lines, little traffic was rerouted over the rails. This would indicate that most of the traffic is moving on private lines. The carrier’s main traffic is from its own competition rests on the imposition of discriminatory charges for use of publicly owned and maintained transportation facilities.

The company’s equipment continues to excel in its ratings. Its efficiency has improved in every department.

Politics and the Business Man

“If business men are to achieve a maximum efficiency in politics, they must work toward this goal as citizens rather than as spokesmen for or representatives of just one segment of our total economy.” — Senator Thurston B. Morton, Republican National Chairman.

Those business men who enter the political arena with only the narrow purpose of obtaining higher tariffs for their industry, special tax concessions for their corporations, or special competitive advantages for their products would be better advised to turn their attention to the proper and productive business objectives.” — Paul M. Butler, Democratic National Chairman.

We are not altogether clear in our own mind what we mean by “entering the political arena.” Business men for the public and as citizens and as employers have played their part in our political life. We are certain that they have always been as public spirited and patriotic as any special professional lobbyist or any of the others—far more so, we should say, than some who have been active in the political arena for many years past.
WASHINGTON, D. C. — The World's most significant address, 1600 Pennsylvania Ave., in the Nation's Capital, is busy place these early autumn days. The President and Congress are in adjournment until January.

A carnival of color has come over the 16 acres comprising this very impressive domain, the White House. The leaves from the many species of trees, some of them red and yellow, are falling and dancing about the terrace steps of the White House.

Why is 1600 Pennsylvania Ave. so important? It is the executive residence of the 53 States of the United States, and to a degree regarded as the "capital" of the other Nations of the Free World and 698,000,000 people.

So much history has been recorded and so many momentous decisions have been made at the White House that books have been written and others will be penned in the decades and centuries to come.

Outwardly these golden autumn days, the White House appears as it always does when President Eisenhower is away. The President's activities, and part of it is due to his choice.

With the population of the United States and the Free World, that is, in the time, 1600 Pennsylvania Ave. appears inconceivably important. The address on the globe because of the momentous decisions made there affecting every phase of international politics, finance and commerce of the Seven Seas.

Located in the Capital of the United Kingdom of Great Britain and Ireland, it is one of the great cities of the world, but it and No. 10 Downing Street are held in such high regard that they did before World War II. All these and others are basking in the rays of today.

A few dozen another milestone for the White House was recorded on September 16, when President Eisenhower observed his 69th birthday. No other President 69 years ago had occupied the White House, and there have been 22 PresidentsDeclared to occupy it starting with John and Abigail Adams in November, 1789. The President was 69 years old October 14.

President William Henry Harrison died at the White House at the age of 68 exactly one month after becoming the Chief Executive.

First "Lame Duck" President

When President and Mrs. Eisenhower moved into the White House on a cold winter day in January, 1953, it marked the first time in 12 years that a former Army General and soldier had occupied the property. Like President James Madison, his hero, a Civil War General, President Eisenhower was nominated and elected because of his fame rolled up in Europe during World War II.

The first so-called "lame duck" to be President of the United States, General Eisenhower still has 15 months to go in the White House, and they are going to be busy months for a series of reasons. The constitutional amendment prohibiting a President from holding more than two four-year terms applies to Mr. Eisenhower.

It is no secret that President Eisenhower's great ambition during the remaining months he will live and work at 1600 Pennsylvania Ave., is Washington is to bring about an easing of world tensions. Certainly it is a hard ambition.

The United States became involved in World War II and the Korean War when the White House was occupied by Democrats. Perhaps these momentous actions happened under Republican Administrations had Republicans been in the White House. No one, knows of course. Nevertheless, President Eisenhower, the recriminarian leaders promised in the last two Presidential campaigns that they would strive toward bringing about peace....

President Eisenhower on the other hand has failed in promises to cut down on Federal spending and to bring about balanced budgets. Of course the President has a job to do, the White House can be blamed partially for the failure to persuade Congress, but the White House must bear a part of the responsibility.

The story of the White House is also the story of the great swit of political activity and social functions for 150 years.

Always in Touch With the White House

Actually, "White House," as a familiar wheels of government are concerned, in whatever the President's location. For instance at Palm Springs, Calif., there is the Army Signal Corps (as is their function) provided a series of direct lines to the White House in Washington to the little White House in Palm Springs and Washington, New York, direct ticker service between the White House and wherever the President is stopping.

When President Eisenhower is in California, he has been known to listen in on the receivers at the White House. It is a habit acquired in his Army Signal Corps days.

When the President goes to South Georgia for a quail hunt and similar setup is always made, sometimes a special portable is used to carry special documents for the President.

Nearly all government employees work regular 40-hour days but not the White House staff members, surrounding the President. Their hours are long and irregular.

Memorable Decisions

The 40th President of the United States has been asked some historic questions and is asked to pick his favorite office. Most of whom were wise choices, others were mistakes. His biggest political blunder of all, was the firing armed and poisoned parasitopros to Little Rock, Ark., to quell an unfortunate school situation involving integration that United States Marshals could have handled without deep bitterness. Some of Mr. Eisenhower's closed friends on Capitol Hill readily acknowledge that this was accidental mistake any way you look at it.

Of the memorable decisions made at 1600 Pennsylvania Ave., Mr. Eisenhower's predecessor, Harry S. Truman, had to make one of the most historic. It was at the White House then he decided that our Air Force should drop the first atomic bomb in warfare on Hiroshima, Japan, and the second one on Nagasaki, Japan, on Aug. 6 and Aug. 9, 1945, respectively.

These two nuclear bombings, munitions as compared to what is in store now, brought an already weakened Japan to her knees almost immediately, thus saving the lives of Americans perhaps hundreds of thousands, because plans were near conclusion to invade the Japanese homeland. The invasion would have been extremely costly in American lives.

It was at the White House where President Franklin D. Roosevelt and his brain trusters put into motion some of his far-reaching New Deal measures during the depression years as well as subsequent years. It was on the back porch of the White House that President Roosevelt in January, 1945, delivered his fourth term inaugural address.

With the exception of the unattractive so-called East Wing and West office annexes which a tremendous amount of business is transacted each day, the White House is a sprawling white house with thick stone walls. Here some of the most famous figures in the world have been entertained. President and Mrs. Eisenhower, for instance, have entertained Britain's Queen Elizabeth and Sir Winston Churchill, and Premier and Mrs. Nikita S. Khrushchev of the Soviet Union, to name but a few.

Seen Tragic Times

But the White House has had its tragedies, like the tragic period of the Civil War with President Lincoln at the head of the ship of state. Another tragic time was the inning at the White House of President Garfield who was shot down by an assassin's bullet.

President McKinley left the White House during his second term in 1901 to go to Buffalo for an exposition where he was shot down by an assassin.

When Washington was a village, surrounded by fields on both sides of the Potomac River, and marked with cow trails over the community, Dolly Madison was forced to flee only a matter of hours before the British set fire to the original White House.

A year from next January the 33rd President and his family will move 1600 Pennsylvania Ave. Whomever he is, he will be the 35th President of the United States. He will write new chapters at a place where

The spirit of Jefferson and Jackson lives here.

The White House was the vision of President George Washington. He lived to see it built and who never dreamed it would become the world's most significant address.

[This column is intended to reflect the "behind the same" interpretation from the nation's Capital and may or may not coincide with the "Chronicles' own views.]