Stock Market Danger Signals

By Anthony Gohia, Investment Counselor
New York City

Prominent investment adviser maintains market is near a major cyclical peak: aggressive buying of stocks "popularity-premiun" on basis of 40-year record; (2) stock-bond yield ratios; (3) current stage in the business cycle; (4) recent rediscoun rate ratio; and (5) historical "time cycles." Based on past precedent, predicts decline in Dow-Jones Average to 400-425 range, as first downward "leg" of a more important cyclical readjustment. Advice portfolio holdings of common stocks at 40%-50% level.

One of the most important things which investors must keep in mind is that there are always two sides to the stock market picture. This will inevitably be the case as long as the Stock Exchange is open, as every trade depends on a decision to sell being offset by a decision to buy and, of course, vice versa. If everyone had agreed, for example, that the Dow-Jones Industrial Average of the spring of 1897 were not good enough to buy stocks for either short-term or long-term investment, the Stock Exchange would have been unable to keep the market open, purely because of a complete absence of buyers. Conversely, at the subsequent lows, when the vast majority of stocks had declined by 60% to 75% or more from their previous peaks, there would have been few trades because stocks were so very cheap in relation to basic values that virtually all of the offerings would have been withdrawn.

Stock Prices and Values

At this point, I might mention that I am in agreement with the concept of the stock market cycle as being merely a reflection of psychology in stock prices, with swings in popularity to above and below slowly moving values. After an extended advance, people tend to forget that the value of a business is based on long-term earning power and dividend prospects, and not on price for any single day. It is unfortunate that this confusion between prices and values is so widespread and, particularly, that our market manipulators do not hesitate to encourage the confusion. However, it is probably an essential part of the process of getting large numbers of people to buy stocks when they are basically overvalued, and to be willing to dispose of their holdings following substantial declines.

The basis of my own studies, we now appear to be either past or very close to a major cyclical peak in the stock market. I shall try to support this conclusion from five different points of view. These are:

1. The evidence that stocks are selling at a premium for popularity, as judged by price-earnings relationships over the past forty years;
2. The relationship of current to previous ratios; (3) Our stage in the business cycle; (4) The correlation between changes in Federal Reserve discount rates and cyclical peaks in the stock market; (5) Our position in one of the three 10-year "time" cycles which I first developed in 1930.

Price-Earnings Relationships

The level of stock prices to earnings—and particularly in income during periods when business is quite active—is probably an important clue as to whether stocks are selling at a premium for popularity or at a discount for unpopularity. The record since 1930 shows that it has always been wise to start to go contrary to the almost inevitable and very clear-cut of optimism which develops as stock prices advance, once the type of stocks which make up the Dow-Jones Industrial Average reach the equivalent of between 1 and 2 times a prosperity level of earnings. In 1929, the Dow-Jones Industralia touched 511 times the earnings which were considered to be for that year. In 1930, the anticipated level of earnings at the time the highs were recorded was somewhat below those actually attained. (Continued on page 26)
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Eldon A. Grimm

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Two major problems are facing the people of this country today. They are not faced with a situation as was the United States during the Civil War, or the fall of France in World War II. They are not facing the economic collapse and soaring prices that followed the United States' entry into World War II. They are not facing the political turmoil and economic uncertainty that accompanied the Great Depression and the World Wars. They are not facing the threat of nuclear weapons and the cold war that defined the post-war era.

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INVENTORY-ING OUR AID
Past, Present, and Future

The public's growing interest in gold outflow, expected increase in our balance of payments, and even balance of payments itself, perhaps should not be surprising. But quite remarkable is the current spilling-overflow of lay discussion to many a super-economic theoretician who has been spearheading our foreign aid loans. The policy decision by our Development Loan Fund thus to limit the recipients' use of their borrowings to purchases in the United States with the Treasury-State Department-Fulbright exchange controversy thereover, being carried by even the financial dailies as front-page news, to the columns, and as the subject of local editorials. Not that the results in public education are altogether satisfactory. For this highly controversial question should be evaluated in the light of our total foreign aid programs, not in isolated incidents. Perhaps the policy, at the very least, has already been an effective way to bring about certain changes in policy, through the participants in the stock market. The public has now rediscovered — and that means a great potential market, and all races and all nations, to the farthest corners of the earth — having been simply left stranded, without even a remote chance of retrieval. But we hope that the boldness of the policy is not forgotten.

"Self-fulfilling" Headquarters

The Development Loan Fund's acquisition of $1 billion since its establishment in 1937, is included in the Congress appropriations totaling $1.4 billion in capital funds, has $705 million in uncommitted funds, and with $515 million in uncommitted funds, and applications to disburse, is today working on its long-term status of creditor-nation even being thought of as "self-fulfilling." The monetary revolution in the world today is not to be dismissed as something which will go away. Millions have been spent by central banks on their balance sheets since the establishment of the Fund. The amount of gold reserves held by the world's central banks has increased dramatically. The amount of foreign exchange reserves has also increased, as countries have accumulated these reserves to hedge against the risk of fluctuations in the value of their currencies.

CELEBRATING A THIRTY-FIFTH ANNIVERSARY

Sour Note

"A man's greatest sin is the continuance of our depression that is the security boom with its subsequent crash. The boom has resulted in an extreme and unwarranted feeling of prosperity among our entire population which has caused hoarding and speculative under-consumption." - J. Rovensky, Vice-President of the Bank of America, before a joint session of the Banking Association, November 24, 1931.

Our purpose here is to examine two million Dollar Fund shareholders, watching the daily box score of their investment's fluctuating value.

Oct. 29, 1939... 642

The United States Court, in a two-to-one decision on Tuesday, Oct. 27, upheld the Taft-Hartley injunction ordering the 31 Chicago maritime lines to return to work. The three judges of the Third Circuit Court of Appeals sitting in Philadelphia declared a provision permitting the strike to continue for six months and up to 90 per cent of intercoastal shipments a "nullity" and a "question of federal law," which will be reviewed by the U.S. Supreme Court where the decision may well be reversed.

Every effort will be made by the government attorneys to have the Supreme Court pass on the whole matter before the six-month interim expires.

Of the striking steel companies, the Kaiser Steel Co. and the Detroit Steel Co. are the only companies which had signed an agreement with the steel union.

For a detailed summary of bank clearings in U. S., refer to the Statistical Edition of the "Chronicle," issued May 27. For this week's summary for the leading banking centers, refer to page 48 of this Oct. 26 issue.

Steel Strike to Curb Consumer Durables

Shortages and cutbacks in steel sales are in sight this fall and winter, "The Iron Age" predicts. Because of the prolonged steel strike, many manufacturers of these products are already beginning to cut back production. Regardless of the actual date of the strike's end, further cutbacks for a period of weeks is inevitable in the production of steel, manufacture of steel products may result in a recession in other industries as well.

These shortages are not likely to reach the critical stage but the consumer's range of choice on most cars, refrigerators, washers and dryers will be limited, the magazine says.

The most optimistic timetable for returning to production shows that major steel users who are now without steel will have to wait weeks before they can get their own production lines going.

The magazine cites an example a major automotive stamping plant. The plant shut down in mid-October. Even with its favored position with the steel mills, it hopes to be able to return to production at best three weeks after the strike ends. Realistically, the steel will be ready for production but it may not be available for stamping for another month or more.

Already, with most General Motors cars out of production, demand for other steel products and machinery is scheduled to fall. After the strike, other auto-makers are in better shape. But they are still likely to suffer before steel moves again in balanced supply.

The magazine notes that 1939 steel models, 1940's are coming slow in this situation will grow progressively worse unless the strike is ended or at least suspended.

To get back into production, major steel consumers are making elaborate conversion deals to line up long and slashing. These will be channeled to steel mills that are able to get their rolling mills working, but do not have the semi-finished steel in pipelines.

Some companies that will have their own recovery schedules. Some indicate they hope to make normal shipments of most products by the middle of the week after the strike. The companies are calculated that, with allowances for inventory optimism and time required to recover from extensive openhearth and basic production, consumers can't hope for balanced shipment sooner than five weeks.

Steel Orders to Be Filled on Non-Discriminatory Basis

When the steel mills reopen, leading steelmakers will bill lower rates on orders for the metal. This, the metal-

The companies says they definitely will not service hardship cases out of line because it is too tough to evaluate the degree of distress.

Smaller steelmakers say entry date will be important but it will not be the controlling factor in all cases. "We will ship first to the people who are loyal to us when we had them," one company says.

The companies will take advantage of the time of work remuneration to reach 90% of capacity—six weeks to reach that rate of shipments.

Military needs will undoubtedly deter some shipments. That

Continued on page 30
LPG—Before, Via, and Beyond the Pipelines

By Dr. Ira C. Cobbigh, Economist

Setting forth a brief outline of the liquefied petroleum gas industry, documenting the progress of the highly successful companies in the business.

LPG or bottled gas, as it is known to most people, is produced either by topping up primarily of propane or butane, or mixtures of these. It may be produced from three sources: natural gas, casinghead gas, or as a by-product of crude refining. It is a clean, non-polluting fuel, like commodity gas, and is ported under pressure in a liquid or gaseous form. The industry has been growing, and is a major source of energy to a gaseous state where the source is reduced to atmospheric, and then burns like any other gas on a kitchen range or heating equipment.

West Texas is the major LPG and natural gas production center of the United States. The region, accounting for about 55% of United States domestic production, is the largest of these fields LPG and its kindred, natural gasoline, are transported by pipeline to the consuming centers. The major part of the transportation is by pipeline (the most economical method). Other important factors in the extraordinary growth in LPG have been the sales of the new pipeline systems, and the development of underground storage facilities. Rather than build above-ground storage tanks or cavern facilities, which would require a great deal of capital, capacity, it has been found far more practical to store in underground caverns, or salt caverns. In northern marketing areas this storage is vitally important to assure a steady supply when demand is at a peak.

LPG is used for domestic and commercial heating and cooking. The United States is capable of producing 70,000 million gallons of LPG per year, or about 40% of total LPG volume; and are increasing at the rate of 15% per year.

Many interesting small businesses have occurred in the hands of local distributors of LPG. These enterprising small scale gas stations have a capital, a truck or two, and a flair for salesmanship. They get their LPG supplies at bulk terminals or deposits, and deliver the containers or bottles to customers outside the reach of city natural gas (or manufactured gas) companies—far farms, summer resorts, or outlying suburbs. Smart and successful, they have developed a " captive" market by owning their own storage tanks and delivering the product to the customer's home. They are thus enabled to make a higher profit margin than the larger companies.

A pronounced trend in the industry is the merger and consolidation of many of these smaller distributors into larger networks of plants which provide larger capital resources for more stabilized retail prices, broader operating economies, and substantially operating economies resulting from greater efficiency and advantages.

The other growing uses for LPG are industrial. Chemical manufacturing now takes almost 90% of total output, and converts the LPG into many valuable products (for anti-freeze), polyethylene and synthetic rubber, and even synthetic gasoline. Research is constantly applied new R&D projects and in checking the potentiality of other process technologies. LPG is also growing as an efficient fuel for trucks, buses and taxies. For these reasons, many manufacturers are converting the vehicles that use jet fuel, stove and space heating and air conditioning.

We have not yet moved from the general to the particular. Many people we want to talk about are not doing LPG, but have, in fact, formed just four years ago and are now in full swing. There are two major reporting regions, one in the eastern United States, and one in the west. The distribution of LPG is much more widespread in the western United States, where the use is primarily for cooking and heating. In the eastern states it is primarily used for cooking.

National Propane produces for LPG from natural gas, from Esso and Shell, and from LPG producers in the southern United States. The future, it will be logical for National to acquire 100% of the properties and the company is in line to benefit from a proposed LPG pipeline running from West Texas to Minneapolis.

National Propane should earn about $1.45 on its common this year, up from $1.02 in 1959. The common sells over-the-counter at $18 1/2, and the preferred at $31 1/2 for 1959. The preferred stock is rapidly growing and ably managed.

Petroleum Gas Service was the first LPG company listed on the New York Stock Exchange, and now delivers in Western States and Atlantic Canada. The Alaskan potential has a lot of romance attached to it, but most of the production is still while before natural gas pipelines move in there. If the Alaska projects are successful, the market for cooking on gas will be LPG! The company is well managed, has a 13% last year; and per share net income of $2.45 for 1958. The price per share is around $72 for 1959. It will be pay the dividend of $2.45 last quarter. The company is in line to benefit from a proposed LPG pipeline running from West Texas to Minneapolis.

Some issues in savings banking.

LPG and bottled gas, as it is known to most people, is produced either by topping up primarily of propane or butane, or mixtures of these.

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TAX-EXEMPT BOND MARKET
BY DONALD D. MACKEY

The market for tax exempt bonds has generally improved over a week ago. The Commercial Financial Chronicle's High Grade State and Municipal Bond Index declined from 377 4/5 to 374 1/10. The improvement occurred during the latter part of last week. On Friday, unusually heavy sales, and firming of prices were sustained at a remarkable tempo.

All Markets Affected

Early this week, developments in the steel strike situation, indicating possible settlement adversely affected the bond market generally. Concern over issues, particularly, were sensitive and for a brief period satisfactory bids were difficult to locate. The corporate bond market was also set back, in some instances severely.

In the yielding market action, State and Municipal bond prices eased, as represented by the Dollar-quoted form of Quotations were down from one quarter to one point in many instances. However, the secondary bond market is yielding bonds merely quieted and became inactive on Monday. The new issue market, set Tuesday's sales represented little change from the level reached last week week, and will be subsequently indicated in some detail.

Formidable market obstacles are receiving considerable emphasis this week, including the steel picture generally, the transaction of additional billion of new and refunding issues, the terms of which are scheduled to be announced early next week. The high level of bond prices compared with those prevailing a few weeks back. These factors were of seemingly importance last week, apparently because optimism has developed as a useful tactic both by dealers and investors in the ever-changing complexities of the market. The effect is from the general tax structure and the interchanging part that differing types of securities can play in it.

The subject of tight money also has in some degree been overlooked during the past week. It is again brought to focus by reports at the ABA Convention. The evidence that banks are aggressively supplying short-term loans to small business is reflected in the committees programming this important and profitable segment of the market—altogether desirable, but from a bond man's viewpoint it aggravates the tight money situation.

Tax-Exempt Still Attract Investors

Despite the obstacles confronting the bond market, State and Municipal issues (1961-1962) attract investors because of their generous yields. The technical position of the market is still very favorable. The Street Float as measured by the Blue List is well below $200 million of State and local revenue refunding, mostly type offerings. The market balance, relative to new issues and the demand, has been about constant for a month or more. Heavily new issue volume does not seem to be evident. These favorable tax exempt bond factors seem likely to prevail in the near future. However, they may be partially neutralized by factors more immediately affecting the Government and Corporate bond markets:

New Issues Going Well

This week's important new bond issues have received the good investor attention. The $23,300,000 Consumers Public Power (Eastern) District Nebraska, serial issue (1962-1963) was sold to the Halsey, Stuart, Blth & Company—available for particular group that interest of Eastman Dillon, Union Securities, Lehman Brothers Group at an interest cost of 4.12%. The issue has been well received, with more than half of the bonds sold on initial offering. The bonds are scaled to yield 4.12%.

The $21,150,000 Los Angeles County, California, Flood Control District issue (1963-1968) is attracting interest by a group including Bank of America, Chase Manhattan Bank, First National City Bank, Bankers Trust Company, Harris Trust & Savings Bank, at an interest cost of 4.12%. The issue is scaled at 2.90 to 3.75%. The issue is said to be more than two-thirds sold.

Pennsylvania General State Authority sold $25,000,000, 1962-1986, yesterday. The award went to the Halsey, Stuart, C. J. Devine & Company, Goldman, Sachs & Company, Glor Funding Corporation, 111 Lynch, Pierce, Fenner & Smith Incorporated, Stone & Webster Securities and R. W. Presspriech & Company account. The interest cost was 3.75%. The Drexel & Company group bid a 3.77% interest cost was 3.77%; and the bonds were scaled to yield 4.10%.

New Issue Calendar Light

The New Issue schedule for the week ahead includes no large or important financing. The 30-day calendar, at present, includes only one large general market offering: $55, 125,000 State of New York General Obligation Serial bonds (due on sale on November 18. This continued light schedule is unusual for this time of year.

Larger Issues Scheduled For Sale

In the following tabulation we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

Information, where available, includes name of broker, number of issue, maturity, scale and rate at which bids will be opened.

October 29 (Thursday)

Brookhaven, Smithtown and Ipslip Central S. D. No. 5, N. Y. 1,253,000 1960-1969 2:00 p.m.
Cromlen, N. J. 1,300,000 1960-1962 2:00 p.m.
Cromlen, N. J. 2,500,000 1960-1962 2:00 p.m.
Florida Development Commission (Polk County), Fla. 9,500,000 1961-1999 11:00 a.m.
Napomax, Indep. School Dist. No. 10, Ind. 6,330,000 1961-1998 11:00 a.m.
Utica Common School Dist., Mich. 2,866,000 1963-1982 2:00 p.m.

November 2 (Monday)

Corpus Christi, Texas 2,161,000 1960-1970 2:00 p.m.
Kenosha, Wis. 1,163,000 1960-1979 Noon

November 3 (Tuesday)

Cerritos Junior College Dist., Cal. 1,000,000 1960-1979 9:00 a.m.
Oak Park (City) Royal Oak and Southfield (Tysp) S. D. Mich. 3,130,000 1960-1967 7:30 p.m.
Manitowoc County, Wis. 1,900,000 1960-1968 8:00 p.m.
Port Arthur, Texas 2,800,000 1960-1969 10:00 a.m.
San Antonio River Authority, Texas 1,250,000 1960-1970 11:00 a.m.
Shelby, N. C. 1,365,000 1961-1985 11:00 a.m.

November 4 (Wednesday)

Atlanta, Ga. 3,333,000 1960-1968 Noon
Gulf Power Co. Property 1,985,000 1960-1970 1:00 p.m.
Humboldt Bay Municipal Water District, Calif. 10,760,000 1964-1998 10:00 a.m.
Manitowoc County, Wis. 1,500,000 1960-1974 10:00 a.m.
Port Arthur, Texas 2,050,000 1960-1969 11:00 a.m.
Reno, Nev. 1,124,000 1961-1989 10:00 a.m.

November 5 (Thursday)

Hammond (Sanitary District), Ind. 4,100,000 1962-1986 2:00 p.m.
Jackson, Tenn. 1,950,000 1960-1977 10:00 a.m.
Tennessee, Indep. S. D. No. 69, Oklahoma 4,000,000 1960-1970 11:00 a.m.
Roanoke, Va. 3,000,000 1960-1989 Noon

November 9 (Monday)

Edina, Minn. 5,000,000 1960-1969 7:30 p.m.
Enfield, Conn. 2,000,000 1960-1979 2:00 p.m.
St. Joseph School District, Mo. 2,500,000 1965-1968 4:30 p.m.
Santa Barbara High S. D., Calif. 1,000,000 1960-1984 10:00 a.m.

November 10 (Tuesday)

Caddo Parish, Parish-Wide S. D., Louisiana 5,000,000 1960-1979 1:00 p.m.
Dover-Eyota Indep. S. D. No. 333, Minnesota 1,000,000 1961-1989 4:00 p.m.
Marine, Minnesota, Michigan, Nevada, Valley and Owego Central Sch. District No. 1, Ind. 3,720,000 1960-1980 10:30 a.m.
Mississippi (State of) (Greater Port of Gulfport, Mississippi (State of) 1,000,000 1964-1984 10:00 a.m.
Orange County, Sanitation Districts Calif. 14,000,000 1960-1979 11:00 a.m.

November 12 (Thursday)

Indianapolis Sanitary District, Ind. 2,760,000 1962-1991 10:00 a.m.
Orange County, Fla. 1,000,000 1964-1972 11:00 a.m.

November 16 (Monday)

Sacramento County, Calif. 3,760,000 1962-1979 10:00 a.m.

November 17 (Tuesday)

Boston, Mass. 5,800,000 1960-1979 Noon
Fina County School District, Ariz. 1,329,000 1960-1979 11:00 a.m.
South Carolina (Bus. of) 10,000,000 1960-1979 Noon

November 18 (Wednesday)

Greater Baton Rouge Consolidated Sewer District, La. 7,000,000 1960-1969 6:00 p.m.
George Washington Center, N. Y. 1,200,000 1960-1968 10:00 a.m.
Poughkeepsie, N. Y. 2,280,000 1960-1969 2:00 p.m.
Rochester Speci'l S. D. No. 4, Minn. 2,500,000 1961-1983 2:00 p.m.
$21,150,000

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

Los Angeles County, California

3 3/4% Bonds

Dated May 1, 1953

Due May 1, 1961-83, Incl.

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

Tax Exemption

We believe that these bonds are legal investments in California for savings banks, subject to the legal limitations upon the amount of a bank's investment, and are likewise legal investments in California for other funds which may be invested in bonds which are legal investments for savings banks, and are eligible for security for deposits of public moneys in California.

Purpose and Security

These bonds, issued under provision of the Los Angeles County Flood Control Act, as amended, for various flood control purposes, in the opinion of counsel constitute the legal and binding obligations of the Los Angeles County Flood Control District and are payable, both principal and interest, from all values excise taxes which may be levied without limitation as to rate or amount upon all of the taxable real property in said District and which, under the laws now in force, may be levied without limitation as to rate or amount upon all taxable personal property, except certain classes thereof, as in said District.

Yield, Amortization of Premium

These bonds will be initially issued at the above stated nominal par value and a taxable rate may accrue on bonds purchased at a discount. Investors are required under existing regulations to consider any premium paid thereon.

Legal Opinion

The above bonds are offered solely, as and if issued and received by the undersigned listed below, as well as other undersigned that shall, whose names will be listed on request, and subject to approval of legality by Nixon, Houben & Myers, Attorneys, Los Angeles, California.


Coffin & Burr


Morgan Guaranty Trust Company

Chemical National Bank Continental Illinois National Bank Trust Company of Chicago

Merrill Lynch, Pierce, Fenner & Smith

The Republic National Bank

Fay, Eshel & Co.

First Union National Bank of North Carolina

First National Bank of Chicago

Huntington National Bank

of Cleveland

R. D. White & Company

The Northern Trust Company

J. R. Willison & Barney

The Bank of New York

W. J. Mack & Co.

First National Bank of New York

F. K. L. & Co.

The First National Bank

F. S. & Co.

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F. L. & Co.
Spectacular Expansion of Dollar Deposits in London

By Paul Enzing

The generally unknown spectacular expansion of dollar deposits in London, most of which belong to continental holders, is described and discussed in a recent article by Dr. Enzing. Stumbling upon this reportable news by chance in preparing a revision of his book, "The Theory of Forward Exchange," the noted British economist explains the causes of this phenomenon and why the practice can be expected to be continued even if the ban on starting re-financing—"the cause of its growth"—is lifted.

LONDON, Eng.—The London financial markets have undergone a change in the last two years or so of considerable importance which seems to have escaped most completely the attention of financial commentators in this country and abroad. It is not a new, very active market has developed in dollar deposits. London branches of overseas banks have been receiving from abroad sizable amounts of deposits, ranging from call money to time deposits for six months or longer. Some of these deposits are re-lent abroad in dollars, but many others have been converted into sterling to cover domestic requirements in London. There is a similar market also in other currencies, especially in Swiss francs, Deutschemarks, and guilders, but not nearly on the same scale as that for dollars.

Although this activity is on a considerable scale, there is never any reference to it in the financial press and rates of interest allowed on dollar deposits or charged on dollar credits are never quoted. I happened to stumble on the practice accidentally in the course of inquiries I have been making in the City in connection with the revision of my prewar book, The Theory of Forward Exchange for new edition. Most of these transactions do not give rise to foreign exchange operations, except when the dollars are converted into sterling by means of a swap transaction.

Deserves Attention

The practice is of course not new, but its spectacular expansion since 1957 has created an entirely new situation. It is as yet premature to say whether to what extent, the system that has developed has come to stay. But owing to its present importance and owing to the possibility that to some extent at any rate it will remain permanent, it certainly deserves attention.

The expansion of this dollar deposit market dates from the measures taken in 1957 in defense of sterling. A ban was then imposed on sterling credits for foreign trade between foreign countries, also on sterling credits for re-financing goods after the usual period allowed for the completion of the shipments was completed. Although the former ban has since been relaxed, it is evident that the latter is still in force at the time of writing. The imposition of these hands two years ago depressed the international trade of much-needed facilities. Before long a way was found by which London banks were able to perform the functions affected by the restrictions, without thereby increasing the pressure on sterling. The British authorities raised no objection to the re-lending abroad of foreign currency deposits received from abroad. During the fiscal 1958 rates paid in London for such holdings of dollars are concerned, is the memory of the wartime experience in Britain during the war. Even though the outbreak of another war is not considered likely, it is widely feared in the Continent that the "cold war" with China and with the Soviet bloc in general might conceivably lead to freezing measures which could affect holders also on this side of the Iron Curtain. Even a relaxation of the international political atmosphere that is liable to result from a Summit Meeting would not remove these fears altogether for some time to come.

London is fulfilling its traditional role as international banker by acting as intermediary through whose hands most of this traffic in dollar deposits pass. Very often both parties concerned are nationals of the same country. A Frenchman having dollars is attracted by the higher deposit rates paid in London and deposits his holding with a London bank which promptly lends it to another Frenchman who is in need of short-term financing. What is needed a drastic departure from London's tradition is that the financing of deposits in the United States is done in dollars. The only ban on re-financing facilities may be removed in the near future, now that British technicists are psychologically strong. But this would not necessarily mean that the volume of short-term dollar deposits would shrink to its pre-1957 level. For generally the interest on the deposits of these dollar credit facilities is lower than that of sterling acceptance credits, allowing for the commission charged by the London banks and by the foreign banks that arrange these in London for their nationals. So even after the removal of the ban there will be competition between the two sets of facilities.

There is also some degree of competition between dollar deposits and the London money market. Situations arise from time to time in which London banks find it cheaper to convert into sterling the proceeds of these dollar deposits to meet some pressing need for funds, in preference to borrowing in London or, in preference to realizing Government securities at the wrong moment. In forward dollars at a discount, the profit on the swap reduces the cost of the facilities.

These are but a few aspects of this new and fascinatingly intricate system which has developed unnoticed except by those directly concerned.

Joints a Lynch Merrill

LOS ANGELES, Calif.—William N. Levine is now with Merrill Lynch, Pierce, Fenner & Smith Incorporated, 223 West Sixth Street. He was previously with Bache & Co.

With Peters, Writer

DENVER, Colo.—Dale E. Frey has become an associate of the Denver office of Peters, Writer & Christensen, Inc., 724 Seventeenth Street.

Midland Canadian Opens in New York

Midland Canadian Corporation has opened an office at 2 Wall Street, New York City to deal in Canadian securities. G. Gerald Ryley is Resident Manager.

The firm is affiliated with Midland Securities Corp., Limited and The Midland Company Limited.

COURTS ADDS TO STAFF

CHICAGO.—James F. Stille has been added to the staff of Courts & Co., 31 Marietta Street, Northwest, member of the New York Stock Exchange. He was formerly with John H. Kaplan & Co.

Judges With Parrish Co.

PHILADELPHIA, Pa.—James F. Stille has been added to the staff of Courts & Co., 31 Marietta Street, Northwest, member of the New York Stock Exchange. He was formerly with John H. Kaplan & Co.

Cleveland Analysts to Hear

CLEVELAND, Ohio.—Dr. A. J., Ver Meulen, President of the American Banking Co., will be guest speaker at the meeting of the Cleveland Society of Security Analysts to be held, Nov. 4.

JOINS HORNBLOVER, WEEKS

CHICAGO, III.—William G. McCord has become connected with Hornblower & Weeks, 134 South La Salle Street.

Hilton Hotels Corporation

6% Subordinated Sinking Fund Debentures due 1984

With Common Stock Purchase Warrants

Offered in Units consisting of a Debenture in the principal amount of $1,000 with a Warrant attached entitling the holder to purchase 15 shares of Common Stock at a price of $42 per share and including October 15, 1963, at $46 thereafter and including October 15, 1967 at $50 thereafter and including October 15, 1971, the expiration date of the Warrants. Warrants may not be detached from Debentures or exercised prior to February 1, 1969. Upon the exercise of Warrants, the purchase price for the Common Stock is payable at the holder's option either in cash or by surrender of Debentures at their principal amount.

Price $1,000 per Unit (Plus accrued interest from October 15, 1959 to date of delivery)

Copies of the Prospectus may be obtained in any State only from such of the undersigned as may lawfully offer these securities in such State.

C. M. Leop, Rhoades & Co. Merrill Lynch, Pierce, Fenner & Smith

Warren Road
No Economic Justification For Attacking Savings Banks

By Raymond Rodgers,* Professor of Banking
Graduate School of Business Administration
New York University

Well known banking professor vigorously testifies as to savings banks' overlooked importance; rebuts attacks made on this system of banking; and attacks upon agreements for commercial banks in the State of New York. Professor Rodgers examines the reasons for the recent wave of attacks; warns against commercial banks to render a service that commercial banking could not profitably offer our people. In short, in those days people were poor and savings were small, so was necessary to permit mutual, or non-profit, institution to set the savings function perfectly at all. As this situation largely prevailed until World War II, savings banking encountered nothing but praise and cooperation from commercial banking.

But World War II ended all that. Disposable income rose steeply, and we became a nation of middle-class people with large saving potential. This is clearly indicated by the growth in savings held by commercial banks, savings associations, and savings and loan associations, from $52.6 billion at the end of 1945 to $114.6 billion at the end of 1958—an accumulation of nearly three times as much savings in 13 years as in the preceding 100 years. Moreover, during this 13-year period, far from falling behind in the competitive struggle, commercial banks increased their time deposits by $32 billion, while mutual savings banks in the 17 states in which these time deposits are made added deposits only $19 billion. Or, comparing the growth of demand deposits held by commercial banks alone during these 13 years with the change in the deposits (demand deposits increased $22 billion, or 21%, whereas savings deposits, measured by time deposits) increased $33 billion, or 10%.

These figures simply demonstrate three things:

1. The greatly increased flow of funds to commercial banks.
2. The commercial banks are not essential to our economy.
3. The savings deposits—(as measured by time deposits) of the commercial banks have grown in the past period at about the same rate as fast as demand deposits.

The Public Interest

One of the most important things to remember about savings banks and commercial banks in New York State is that New York State is the only state in the N.E. that makes savings and created by the legislature to make a competing need. It cannot be too strongly emphasized that businessmen and not savers created savings institutions. Mutual savings banks were not the result of the ever-present and highly

ludicrous search for profit. By every reasonable business — a motivation that has been the main—

The Commercial and Financial Chronicle. Thursday, October 29, 1959

render ill service to their fellow—

Both Types of Banks Are Complementary

The inescapable fact is that our commercial banks and our mutual savings banks complement each other. If either set of banks were to cease to exist, a few of the things the savings banks do the commercial banks of this state:

1. Savings banks—like, the New York, bring together in one large stream the hundreds of smaller banks, and otherwise, might be foolishly hoarded in millions and other savings institutions.

2. But they do with these amounts, because of these same lines of business.

3. Commer-

cial banks—in fact, as a practical matter, there is nothing else they can do with the cash funds which they gather, from their millions of deposits, which, in the hundreds of millions, of dollars, constantly, turn over and thus furnish the com-

mercial banks with a reasonably dependable flow of cash of large amounts.

So far, from siphoning off de-

posites as has been charged, say-

ning that savings banks make de-

posites to the commercial banks,

and mortgage—again in the hundreds of millions, from the commercial banks, and therefore, the necessary liquidity. This also con-

trasts with the commercial banks, as it is thereby able to lend their surplus de-

pendable construction loan, to get a premium, or bonus, on the mort-

gage—ever at a premium, in any event, on the outstanding balance of the mortgage; for, servicing it. Such

This is the increased demand

for mutual savings banks have been

treated, and are contributing to

the increase in the number of the Nassau County banks, which have been awful in their criticism of mutual savings banks.

The truth is—it is not—such criticism would come with singular ill grace

Furthermore, we may add that the so-called "flight money", so long as the "flight" of mutual savings banks from New York City was in such heavy volume that bonuses and servicing contracts were demanded, and the terms of these critics. It was only after the legislature of 1941, and in its minds had a fit in 1948 to rescue our savings banks from their situation, that, before making a deposit, and that certainly is 100% serv-

ing in the true public interest.

Such enterprise is highly com-

mendable as bank credit is the very lifeblood of our economic

life. And consumer credit made mass distribution possible, and thus made a great contribution to the welfare of our people. Everyone knows the vital importance of our great commercial

banks' operation. Even under the last of the interregna of the exist-

sion of non-profits, some savings banks has proposed that commercial banking be

liquidated.

Imperative necessary, as is commercial banking to govern-

ment, production, distribution and consumption. But no such measure is not necessary. In fact, under the present system, and the encouragement of saving, the pri-

ary function of the savings banks is to

The Public Interest

As the foregoing discussion shows, the public interest is the 'true

interest' of every institution. Banking, in particular, is a central part of the economic life of everyone that it can truly be said that the state of our country

is good for banking, regardless of how it may affect the fortunes of a particular institution, or a par-


ticular neighborhood. Nor is it the

at

The State Created Savings Banking

Banking

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ludicrous search for profit. By every reasonable business — a motivation that has been the main—

the primary function is to meet

other fundamental purposes which is

in.

After the passage of the

funds

by mutual savings banks.

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

200,000 Shares

The National Key Company

Class A Common Stock

(Par Value $5.00 per Share)

Price $10 per Share

*Copies of the Prospectus may be obtained in any state only by prospectus. A reading of the under-

signed, as may beneficially affect the securities in such state.

C. E. Unterberg, Towbin Co.

October 23, 1959

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that two thousand graduate students from the field of banking.

Savings banking has been in the forefront in the last few years, particularly with the advent of such educational activities. Millions of people have been taught to use savings banks, and the result is that the banks play an important role in the development of the community.

The United States has a large number of savings banks, which are well regulated and supervised by the government. These banks play an important role in the economy by providing savings opportunities for individuals and by investing in various projects that benefit the community. Savings banks are not only important for individual savings but also for the overall economy, as they help to stabilize the financial system and promote economic growth.

Murray Simons, New Firm Name

Murray Simons, a former chairman of the New York Stock Exchange, has formed a new firm, Murray Simons & Co., to continue in the business of underwriting and distributing securities. The firm will be headed by Murray Simons and will be based in New York City.

Sutro Bros. & Co. To Admit Volpe

On Nov. 5, Philip G. Volpe, member of the New York Stock Exchange, will become a partner in Sutro Bros. & Co., 120 Broadway, New York City, members of the New York Stock Exchange.
"What Kind of Sixties?"

By Henry C. Alexander, Chairman, Marqum Country Trust Company of New York

Banker discerns some blemishes and disfigurements on the otherwise generally pleasing face of the present economy. Without finding the need to sound a one-hole alarm for all of us as to arouse stable growth and a stable purchasing power dollar, Mr. Alexander particularly alludes to two "right ends of the wrong means" fears of a money panic in supply or in cost; suggests the right way to get out of the deficit rat in our international balance; and that many budget deficits constitute monetary nonsense; and submits the interest rate ceiling on U. S. bonds in the same as placing a printing press in the Treasury's office.

What kind of Sixties will we have?

I am not going to try to predict what the Gross National Product will be in 1960 or 1969. Nor do I have a chart showing what the population will be 10 years from now. Both will be bigger. Our country and its economy will grow in size and activity. But questions I would like to focus on are: How sound will that growth be? Will it be firm or flabby? Will we simply have statistical growth, or will we have more and better things for our more and more people?

The answers to these questions are obscured by two great clouds. As to one of these, IEPs, I can express only hopes, but really any valid opinion. Who can guess, even now, even the riddle of the Kremlin? I will not concede that this menacing force can decrease the pattern of our lives. But I cannot sin on the other. In our own fate, but in this age our enemies can greatly profit, because of our power to keep that enemy. Thus any assessment of the future must be made in the shadow of the great cloud that is the cold war. About this, we may be optimistic or pessimistic, according to the victory we believe is going to bring, the New York Times has a way of serving up, once again, the selfsame cloud. But I can only stress our resolve that in order to have peace, we must have the power to keep that power. It is, however, within our power to be always as steadfast and devoted to our ideals and purposes as are the Communists--even more.

The other cloud our economics is one we can deal with, if we will. It is the cloud of uncertainty and insecurity, which in turn is often our nation will manage economic affairs. If we do well at this, and if world economic situation can be held in some kind of political balance, we can make the next decade the Sound Sixties and the best this century has seen.

As we prepare to enter that decade, we start with a generally promising situation. The economy has maintained vigorous though three months of below-strike Capital spending shows good strength. Not all the overcapacity built in the last boom has been digested, but the incentive of growing demand is likely to encourage replacement programs. Thus the government's somewhat welcome signs of a determination to keep prices in check. Some unfriendly forces even seem to have been put upon doing this alone.

The present face of the economy, then, is a generally pleasing one. There are only a few elements. A long strike leaves scars. Despite the recovery, it is hard to encourage replacement programs. They are the monetary element, which would not last long, and the elements of which we have to have: If the beauty of the face is to be preserved and enhanced.

Sees No Money Panic

Fears have been expressed that our prosperity may be threatened by high interest rates, or by a "money panic." We do not fear that there is a "hot" money panic, and out of a strike when the government's will the money out of the country. But it is a slim one. Not necessarily strong enough to support our overseas military expenditures, foreign aid and private investment abroad.

But today our export sales, if one of the toughest jobs we will face in the Sixties. The competition from other countries for world markets is becoming more serious. Our exchange is used to rely more heavily upon the of our exports and private investment abroad.

In many markets we're still contending with some countries who have applied tariffs to goods in the way we have with other countries. The week these products bought are rising rates, obviously a hardship to us and the United States. The cost of foreign credit promotion is not being reduced. Savings are a problem for American exporters. In the first nine months of this year, in an amount greater than any year, our new credit has been reduced, and yet it still holds about $60 billion at the government's request. Securitization Co.

Offering price $2.00 per share

Copies of the prospects may be obtained from SHEWICKEART & CO.

29 Broadway, New York 6, N. Y.

This announcement is under no circumstances to be construed as an offer to sell or as solicitation of an offer to buy any of these securities.

The offering is made only by the Prospectus.

Shell Electronics Manufacturing Corporation

A (New York Corporation)

170,000 Shares of Common Stock

Par Value 10c per share

Offering price $2.00 per share

Chronic Budget Deficits

Budget deficits are bad, seriously bad. Too many deficits, too long too many years. budget deficits are justified; but the normal rule of the nation, as for the fiscal year, requires a balanced budget, and any departure from that rule must be made only with the firm determination of the government and the monetary authorities. I will mention briefly some of the significant bearing on the strength of our economy.

Federal Debt Management

The management of our government debt is one of the most significant elements in monetary policy. The govern-
Prospects for an Industry That Has Found Itself

By C. M. White, Chairman of the Board, Republic Steel Corp.

Steel producer visualizes record-breaking year in 1956 of between 126-128 million ingots and declares the decades ahead will be an era of accelerated growth, when the steel industry will regain its earning ability during rough phase of the business cycle after trailing substantial gains made in efficiency; sees prosgres rate of automation and development of new steel base; the emphasis on market improvement; and sees on labor cooperation and technological advances to continue competition among domestic and foreign suppliers.

By the time I went to work in the steel business it had already outgrown the "screp and scrap" days. Throughout the length of the 19th century, the steel business had been for cargo, for cash, and for~n; we were no longer working with at-a-price kind of competition. Beting, saying, inside deals of all kinds, it was the big boys and they gave the industry a bad name which we had to live down.

But by the time I went to work for U.S. Steel in 1913, the chief executive of the industry had changed. The trend of events had begun in the 19th century, and the industry had evolved into a modern integrated steel industry. The consolidation made possible the modern capital position of the new corporate structures; and improved business practices.

Looking back, we can see that it was the beginning of the "princely face" era, but in those days it looked pretty good. With organized mergers on a bigger scale, with privity profits following hard on the heels of privity stock issues, it looked as if hard times were over for the industry.

I have many variations were extremely loose structures by modern standards, one of the main reasons was the consolidation of co, companies, and the development of large, mass steel works, and numerous product companies turning out such different kinds of steel in different structural steel. They were tied together and forget-to-forget-to, but they were actually closer to being aggregations of separate companies than tightly knitted production machines. But even these early corporations demonstrated a marked increase in efficiency, and showed that sound business practices were possible in the steel industry. Through and through, the steel industry of the new century, the steelmakers — and the country—prospered and grew.

There was still something fundamental about the steel industry, however. For its principles were held during these two decades, the pauper face was waving its turn on the stage. Following the critical depression years, prices to new high levels, business has been at times, with the Operations fell to 35% of capacity, and the steel capacity of the country was about 10% of the new two years. Business has been, improved, and 1929 saw new record production levels.

But, big trouble was brewing. Little by little, companies began backsliding into the short-sighted business practices of the pre-1960's — the fast buck, the pro-fit-today-and-forget-tomorrow business that saddled the industry's strength. Then came the Depression, and the bottom dropped out of the steel industry. The Depression had a good effect on the steel industry. In 1946, I was called upon to do what we could do. Moreover, the other companies apparently felt the same way about it, and I think this was the beginning of the end of the "bust and bust" days of the depression.

An Approach to Reality

One of the earliest approaches to the problem was to begin to work up to the importance of the warehouse, and of the way steel business has evolved. To that time an important customer would call on the factory, and the factory would be able, with a reasonable degree of the order. Other companies apparently felt the same way about it, and I think this was the beginning of the end of the "bust and bust" days of the depression.

In a talk I delivered in 1937, I said we had found that the fact that it was costing us an average of $80 to change sizes on one of our large rolls, to be $60 on one roll on a size change, quite palatable to the customer, involved in $1. But if only one ton was rolled, the cost would be $80 or $90 per ton.

In many cases when we called new and foreign customers and wanted only a few hundred pounds of a size in cold rolling, the product of a mill would be several hundred miles to the nearest mill. This meant that a steel rolled from this mill could go into stock, and would be available in the warehouse in the next fort or months or years. Such things were not done, and when orders were placed they had to pay with their costs.

As the wastefulness of this condition became apparent, one by one began changing plant systems for the efficient handling of orders. Consequently, the small rolling mills, as a group of individual mill owners, were not able to fill their proper function of distributing high-quality steel products for the benefit of the country. As a result, the demand for mills of this type dwindled away, and the presence of smaller mills was eliminated one by one. Now, the steel industry has a national, organized, efficient rolling mill system.

Improved Raw Material Situation

An important change since World War II has been in our raw material situation. The world steel industry has done a magnificent job of recycling use of scrap iron. In 1947, I prepared a paper, and I said that we might not have a condition our country had gotten through into the exhaustion of the world. We have already lost a good portion of our export market.

The steel industry has developed a tremendous interest in the scrap market, brought about by the discovery of high-grade steels. A. R. A., was a tremendous impetus to the scrap market. We have had thousands of analyses to fit individual demands, and orders for pounds of steel in stock to make them, we were now buying only about 200,000 steel mill numbers.

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Savings and Loan Business
And Pending Legislation

By Kenneth G. Heitler, Managing Director, National League of
Insured Savings Associations

S & L Associations official findings that rising interest rates this year
have not particularly impeded the housing boom, and opinions that
higher interest rates in the immediate future will return to their
historically high levels as normally would be the case. He credits the success of
S & L Associations for keeping the housing rate up and notes that the competitive efforts
on Capitol Hill. Mr. Heitler reviews Federal legislative develop-
ments affecting banking, comments of the increasing competition
between S & L Associations and measures to eliminate char-
ges, and offers observations regarding the interest rate controversy.

Our government emphasis is slowly changing from a predomin-
antly government of sovereign states to a predominant central
government emanating from Washington. The process is gradual and perhaps
is accompanied with sufficient candid good will to make it
painless. The price farmers gave for their pro-
ducts is dictated by Washington policies. Washington is looked to for labor laws, highway
projects, public works, civil rights and the like. Savings and taxes
—State or Federal—are no exception. My subject is timely.

Political Climate

Any discussion about the savings and loan situation in Washington
must first take into account the political climate which exerts
so much influence on how money is spent in a field of thrill
and home ownership. Because of next year's national elections, the political
atmosphere is particularly supercharged as has been
illustrated in the handling of this year's Housing Bill. Every major
detected inflation action has been and is being sustained, at least in part, on
the strength of political influence on the 1960 contests.

This problem is particularly intensified in the division which has
existed within the government during the last five years under which
the Republican Party controls Congress. Between the Republican Party and the
Democratic Party lie Congressmen. Party leaders in both camps are
striving for unified political control under their own banners. One-party control would remove much of the political controversy from issues such as housing, but despite its faults two-party con-
trol is no doubt better than the European parliamentary-Prime
Minister type of government.

The political issue changed over the 15 years in which
housing versus private enterprise to one over inflation. In its sim-
lar term the Housing Bill pro-
voked the best vehicle possible for the Republican Party to put a
"spend" label on the opposition. One of the points taken by the Democrats was that the
Housing Bill provided the best vehicle possible to depict
the opposition was "callous" to human needs. So you have the
Housing Bill which was one political issue which exploded all over the
place this summer.

Reviews Housing Bills

The last Housing Bill contained two items providing additional
authority for Federal savings and loans. One item would authorize Federal as-
sets to lend not exceeding at any one time 5% of the assets to finance
the acquisition and development of land for ultimate residential use. In other words, in excess from 20% to 20% the amount of assets which could be
invested by insured associations in participation loans beyond the regular lending area.

These items were left in the Republican String Bill which went through Congress. Earlier
President Truman had vetoed these and an attempt was again
made this time.

The Democratic Housing Bill was put together after an agreement was
reached to study rules between the Senate Housing Bill and House
leaders handling these bills and White House aides. In this third bill about three changes were made from the previous bill, one of which was signed by the President.—Ed.

Inflation and Interest Rates

One problem which fined S & L officials concerned the savings and loan busi-
ness this year has been problems in the inflationary thrust in interest rates. I will attempt only to re-
flect on the major points of inflation and loan business and what might
be expected from the actions of the outcome of the ballot boxes.

It must be borne in mind that neither the Senate nor the House of the Admin-
istration or the President have been formally asked to be present on the interest rates do appeal to many of the public. Will inflationary economics of the situation.

For instance high interest rates precip-
itated savings and loan associations that sold long-term low interest rate mortgages. Low interest rate ad-
cvocates in Congress contend the question is not "black and white" but in the past interest rates have been too high for the present and probably are not so far above the 25% level.

This is therefore an interesting situation. During the first six months of this year, net savings crept up sharply. In the inflation, commercial banks, mutual savings banks, and insurance companies have maintained a fairly constant level
of savings. As a result, interest rates have not increased, and the probability is that the rate structure—mainstream public—will remain at the present level or may even decrease for an indefinite period of time.

Effect of Rising Rates on Housing

A great deal of criticism has been leveled against the savings and
savings interest rates. But, it is
interesting that rising interest rates in the past year have not particularly impeded the housing boom. Moreover, although the value of a bank home more
doubtless inflated since 1946, the in-
flation was not as great as the may be attributed to Treasury on long-term bond rates.

Statutory Interest Rate

In passing the savings bond rate on long-term securities bonds of the
Senate accepted a House version of an amendment to the tax laws
which applied to savings bonds of any U.S. bonds without regard to their purposes of gain or loss.

The solution is proposed in some bills which do not favor the free interest
rate. One is to keep down long-term rebates by the姿势, and imposing the legal consequences to the Reserve Board to
loosen credit.

It is doubtful if the policy of buying government securities on a large scale would be resumed by either administration that happens to be in power. The Federal Gov-
ernment, for a number of years, for the purpose of purchasing billions of dollars of government securities at fixed prices in order to prevent an increase in the in-
flationary thrust in government. This policy is, however, now is being blamed for a large part of the postwar price inflation and resulting inboסכם
the Democratic Administration in 1951 with a Treasury-Federal Reserve accord. It has been adopted and followed by the Republican Administration.

Another proposal would create a council to study the S & L problem and would require life insurance companies, savings banks and other financial institutions to keep a certain percentage of their accounts and other long-term government obligations. The re-
sults of the past experience with those of commercial banks, would be raised or lowered to control the competition by those of commercial banks.

Another suggestion always be-

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

New Issue

200,000 Shares
Airtronics International Corporation
of Florida

Common Stock
(Par Value $10 per share)

Price $1.50 per Share

Frank B. Bateman, Ltd.
243 South County Road, Palm Beach, Florida

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

The Commercial and Financial Chronicle . . . Thursday, October 29, 1959

New Issue

160,000 SHARES
TAG & INVESTMENT, INC.
COMMON STOCK
(Par Value $10 per share)

Price $3 per share

David Barnes & Company
36 Beaver St., N. Y., D1-4435

Copies of the Prospectus may be obtained from the underwritten or from your own dealer.

David Barnes & Company
36 Beaver St., N. Y., D1-4435

Copies of the Prospectus may be obtained from the underwritten or from your own dealer.
Overlooking the Donkey
By Emerson P. Schubart, 'Director, Economic Research Department.

Theenormity of prosperity and financial-monetary crisis is explored by well known business economist. He finds investors’ preferences for greenbacks in the form of stock dividends, in lieu of cash dividends, is evidence of the dollars insecurity, symptomatic of the heavy lead business and individuals are being asked to bear. Dr. Schubart pleads that we should not be given more panacea programs in order to avoid a potential serious crisis with national and international repercussions. He concludes that something must be done to restrain government over-spend and over-growth.

There is increasing talk of an impending financial and monetary crisis. Will prosperity, high employment and expansion lead us to a new economic order? What do we mean by this? What is its causes? How serious is it?

New laws in bond policy, higher and new high yields on debt instruments means this uneasiness. The demand for loan funds is strong. United States Treasury bonds and notes of all maturities are in demand. The threat of bigger government spending and higher income tax rates doubts about the future value of dollars. We are experiencing the selling of savings bonds exceed new sales. Interest rates have reached levels never experienced before. Many banks are loaned up; due to the high yields and rising interest rates, housing starts are down.perhaps the new or projected private and government bond issues have been withdrawn from the market.

Both government and private projects are in the air. We hear no solution which is not capable of solution.

"Overlooking the Donkey"
This crisis-talk rests partly on speculation and could be called "overlooking the donkey." This is a familiar phenomenon that we have exhibited on several previous post-war occasions.

There has been a talk of a flight from the dollar. Both our own government and foreign countries have been depleting their American securities and deposits in our financial center. This talk began last year. We lost between $2 and $3 billion worth of gold in the time train has continued. We are now faced, in our international relations, at the root of our troubles. Both need analysis.

The fiscal policy is no problem which is not capable of solution.

The Federal Reserve

The Federal Reserve, the great lender of last resort, may be in the market for dollars in the near future. The Fed has made a large injection of dollars into the system.

The Federal Reserve is to be congratulated on its efforts to inject dollars into the system. However, it is important to note that the Fed's actions do not necessarily mean that there will be an increase in the money supply. The Fed may also be attempting to prevent a decrease in the money supply, in which case its actions may actually reduce the money supply.

The Fed's actions may also be aimed at preventing a decrease in the demand for dollars, in which case its actions may actually increase the demand for dollars. In either case, the Fed's actions may have the effect of raising interest rates, which could have a negative impact on economic growth.

The Fed's actions may also be aimed at preventing a decrease in the supply of dollars, in which case its actions may actually increase the supply of dollars. In either case, the Fed's actions may have the effect of lowering interest rates, which could have a positive impact on economic growth.

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The Impending announcement by the Treasury (expected today, Oct. 29) as to how the Nov. 15 maturity refunding will be taken care of has been still another indication that the market is all set for a money money market. Because of the importance of governmental securities, it is evident that the refunding operation of the Treasury will be a more favorable basis than would have been the case if the funds were to have gone to the street. The talk about reopening the 5% in 1964 seems to have gone the way of all flesh, with the 7 1/4% of 1964 now appearing the likely candidate. It is a reifying if a one-year issue will be used to take care of these funds. It is the belief of the Federal Reserve Banks.

The offer by the Treasury to exchange short maturity refunding Government Bonds for intermediate-term Government Bonds for the intermediate-term Government Bond market, unless the supply is ample in the obligations in which they are being bought, the refunding is being done before the tax laws or maturity switch issues are sold.

Long Treasuries Quiet

The long-term Governments are attracting only a very limited amount of attention even though state pension funds are buyers of these bonds from time to time. Also, the market for these securities is on the restricted side since the holders of these obligations are not prone to sell them and buyers that are not needed for other tax purposes. In addition, there is the belief some time in the near future that exchange offer may be forthcoming in the future. The Treasury have part of the so-called "long range refunding" program. The long-term discount Government bonds rather reluctant about selling them at these prices.

Businessman's BOOK SHELF

Agriculture and Real Estate Economic Conditions and Perspective — Federal Reserve Bank of San Francisco, San Francisco, Calif. (paper), 50 cents.

Australian Manufacturing Industry in the Next Decade—Manufacturing Industries Advisory Council, Sydney, Australia (paper).

Australian Market — Forty-page study including marketing sections, a description of retail trade and a marketing map — J. Walter Thompson Company, 420 Third Avenue, New York 17, N. Y. (paper), on request.


Committee on the Working of the Monetary System—Report presented to Parliament by the Chancellor of the Exchequer — British Information Services, 45 Rockefeller Plaza, New York 20, N. Y. (paper), $2.91 postpaid.


Electric Power Regulation in Latin America—David P. Cavers and James R. Nelson—The Johns Hopkins Press, 855 North Charles Street, Baltimore, Maryland, 21201, N. Y. (paper).


Investing For Banks — Major B. Einstein—First National Bank in St. Louis, 510 Locust Street, St. Louis 1, Mo. (paper), on request.


Personality of a Bank—Descriptive brochure on operations and services of a private bank Brown Brothers Harriman & Co., 59 Wall Street, New York 5, N. Y. (paper).

Railroad Equipment Financing—Donald MacQueen Street—Co., 419 Park Avenue, New York 22, N. Y., Age.

Revolving Credits and/or Term Loan Agreements—Comprehensive Check List—The Harvey Bank, 70 Broadway, New York 6, N. Y. (paper).


With Robt. L. Smith (Special to the CHRONICLE) ST. P.A., Minn.—Oscar G. Glover has become affiliated with Robert L. Smith & Co., Pioneer Building.

With Stowers (Special to the CHRONICLE) KANSAS CITY, Mo. — John J. Butter is now associated with William C. Butson and Robert L. Smith & Co., Pioneer Building.

JOINS INV. SERVICE COLORADO SPRINGS, Colo.—William H. Huddleston has been added to the staff of D'Orazi Investment Company, 525 Colorado Springs Bldg.

With D'Orazi (Special to the CHRONICLE) SAN FRANCISCO, Calif.—Mrs. William H. Huddleston has become affiliated with Mr. and Mrs. William H. Huddleston.

With John F. Meyer (Special to the CHRONICLE) NEW YORK Denver—D'Orazi, 1707 California Street, Denver, Colorado, has been added to the staff of D'Orazi Investment Company, 525 Colorado Springs Bldg.
Industrials were able to put several good gains together this week. In the first week of a month. A flood of good earnings reports, a break in the steel strike and demand for the steel products along with the first time in many months all helped the cause along.

With a couple of exceptions, the steel companies, closed down since the middle of July, were in good enough shape to declare their usual dividend. That the strike was costly showed up starkly in the three steel company reports now reaching flood tide. But in general, results for the first two quarters were lush enough to offset the third quarter and the year-to-year comparisons are favorable.

Breaking of the solid industry front with Kaiser Steel and Detroit Steel signing up independently was the first indication that even without a court-ordered return to work there was growing resistance even within the steel industry against the continued impasse.

Revised Interest in Oils

Oil earnings were chiefly responsible for cropping up this afternoon that centered on the shares in this section. The figures indicated that all of the talk of the oil companies having a lot of their own private depression had been a bit overdone.

There were concrete indications in quarterly reports up to here that the mutual funds have lightened up their oil holdings in previous months but whether or not this liquidation has come to an end is anybody's guess. The net result of all the neglect through last year and this one was that the oils still provided some of the better statistical bargains around, such as moderate price-earnings ratios and attractive dividend yields. Improved earnings naturally pointed up the bargain status but the demand is still too new to indicate whether it is a definite change in investment attitude or merely a temporary flash.

Space Issues Roughed-Up

As has happened occasion- ally, the glamorous space age issues have received a great deal of trouble that gave some of them a rough time temporarily. While some gave ground easily under moderate selling, it was highly logical for some profit takers and others to argue the way they had so often earlier this year even through times when the general market climate was stormy.

Papers in Rut

Paper shares were back in a rut after some attention to them as a barometer of generally improving business had been nipped by concern over the steel strike's effects. The market was seen as the clearly neglected one in this section in Sutherland Paper.

The shares of Sutherland have held in a narrow range of $5.25 to 5.50 for the year. Even plans to merge with Kalamazoo Vegetable Parchment Co., which would nearly double the sales, failed to stir much in the shares. The merged operation will be renamed KVP Sutherland Co. The more obvious signs of neglect here is a yield of above 5%., well above the average return on the high name issues.

A "Many-Splendored" Issue

An oddity that offers neither dramatic earnings of yield, but has a vast potential is Texas Pacific Land Trust. This old-time favorite has made a complete cycle. It suddenly dropped its sales, failed to stir much in the shares. The merger plan of the company instead of primarily the holder of vast acreage in Texas started in the Twenties. Then a handful of years ago it spun off its oil, gas and mineral rights into TXL Oil Corp., and returned to its original status of a land trust.

Since then the shares of the land trust have more than doubled, in part because the company reinstated an old policy of buying back its own shares at prices considered low. Since it was reconstituted as a land trust the company owns $80,000 of its own shares, leaving slightly less than 1,300,000 shares at par valued by the 1,729,000 acres in Texas which give better than an acre of land behind each $23 share. With land prices rising, the supply of an important part of its huge acreage could have a far-reaching impact on the market appraisal of the shares.

The Troubled Tobaccos

The issues that were beaten down repeatedly by health scares and have never shown any signs of a recovery off their troublesome market are the tobacco shares where yields are over four percent. Nevertheless ample statistics indicate that the companies have been able to protect most of their market value in a general loss of consumer confidence commended over the years.

The exception was Lorillard which a couple of years back was something of a wonder worker when its sales rose dramatically on a new and successful brand. It long since settled down to more moderate growth and lately has been available at a 6% yield, and a price range of only a bit more than the low for all of this year. At present there seems to be another wave of new brands entering the picture, with new cigarette papers, tobaccos and filters have been developed which are reported to be leading out in recent years the larger drinker will have the most success on this latest round of introductions.

Company With Non-Price Stale

The company that has been a forerunner to new highs is something of a misnomer, Universal Oil Products. Its earnings were expected to be the biggest maker of book matches but is an important maker of coin handling devices, vending machines, components for missiles and other military items and is rumored on the point of acquiring several new companies to give it an even greater sales potential. These facts haven't had much impact on the issue which only recently extended its 1959 swing to a range of $8.25 to 8.75.

About as difficult to classify is Rapid Electrotype which started out as Rapid Electrotype and was closely identified with printing business but market recognition has been diversified. Now it makes greeting cards, gift wrapping, metal displays and runs a mail order business in jewelry—plus a majority interest in Butler Bros. The Siergol had about 150 shareholders in an important part of its huge acreage return is subnormal but appeal here is that the company has shown no signs of slowing down its expansion and diversification. (The views expressed in this article are not necessarily those of The Chronicle. They are presented as those of the author only.)

FNMA to Exch. for Mortgages for Government Bds.

Federal National Mortgage Assoc. announces it will accept competitive bids for 4%, 15-year, mortgage bonds and sell at competitive interest rate.

Mortgages owned by the Federal National Mortgage Association may be acquired in exchange for certain government bonds, according to a joint announcement made today by the Treasury Department and FNMA.

Bondholders may make competitive offers to acquire G.1. mortgages held by FNMA for the account of the government. Payment may be made with U. S. Treasury’s 2½% bonds, Invest- ment-Grade Series F, or Bonds or Notes of State or Local Governments.

According to FNMA President, J. Stanley Baughman, the amount of mortgages to be made available for the exchange will be $150 million or thereabouts. The mortgages were described as "well seasoned investments, having an unexpected national average term of 15 years and an average unpaid principal balance of about $5,500,000.

By agreement between the Secretary of the Treasury and FNMA, the Treasury Department will determine the bonds for FNMA and will credit the amount of funds to the Treasury to purchase the same mortgages.

All offers to exchange will be made and considered on a competitive basis only, under a standard- ized procedure. A letter of notification from the Secretary of the Treasury enclosing a copy of FNMA’s brochure has been mailed by the Treasury Department to each bondholder. All of

Ross Chman, of Renzyx, Field Co.

Samuel L. Ross has been elected Chairman of the board of Renzyx, Field Co., Inc., 230 Park Ave., New York City, it was announced today by William G. Damroth, President of Templeton, Damroth Corporation, of which Renzyx, Field is a subsidiary.

Mr. Ross, who is also President of American Trusteed Funds, Inc., a trustee of Mr. Ross, Field Trust Fund, and has been President for the past 20 years, is a director of Corporate Leaders of America, Inc., and Renzyx Funds, Inc.

A member of the Renzyx, Field organization since 1945, Mr. Ross became regional sales manager for the New York metropolitan area in 1947 and Chairman of the Executive Committee in 1955.

For 20 years prior to his Renzyx, Field association, Mr. Ross was with National Broadcasting Company, serving as the network’s first program manager.

Renzyx, Field is a retail organization dealing in all mutual funds, including New England; Chemistry & Electronics Shares, Inc.; Corporate Leaders Trust Fund, and London and Trust and Venture Funds.

212,490 Shares

Ennis Business Forms, Inc. (Formerly Ennis Tag & Stencile Company)

Common Stock

Price $16.25 per Share

Price $16.25 per Share

Copies of the Prospectus may be obtained in any state in which this advertisement is circulated from any of the underwriters, including those on file with FRASER, any of the underwriters in each state.

Kidder, Peabody & Co.

Eastman Dillon, Union Securities & Co. Merrill Lynch, Pierce, Fenner & Smith

Smith, Barney & Co.

White, Weld & Company

Paine, Webber, Jackson & Curtis

Equitable Securities Corporation

June 21, 1959

(a) Institutional

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Ennis Business Forms, Inc. (Formerly Ennis Tag & Stencile Company)

Common Stock

Price $16.25 per Share

Title: Ennis Business Forms, Inc.

Date: June 21, 1959

Price: $16.25 per Share

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Equitable Securities Corporation

June 21, 1959

(a) Institutional
Some Current Issues
In Savings Banking

Continued from page 5

stipulating funds out of New York City as a result of its out-of-state mortgage lending. Now, this is perhaps like bringing in Newcastles, but just to prove that perhaps even a Superintendent of Banks can be enlightened, I should like to state that careful analysis and study of this matter reveals that such a charge completely discredits a number of significant facts.

Replies to Mortgage Financing Complaints

For one thing, the state legislation specifically granted this power to our savings banks to enable them to make VA and FHA mortgage loans throughout the country. New York State, and in fact the entire northeast, as a capital surplus area, has traditionally invested its excess funds in the rest of the nation. This, in fact, has been one of the component factors making New York City the financial center of the country, if not of the world. To take a narrow, provincial attitude regarding the making of such loans in view of the value played by our New York State financial institutions, including commercial banks, in the growth of this country seems to be most unsound. Furthermore, if one knew that out-of-state investments permit diversification of our credit risks, in the absence of which savings institutions might be put in the position of seeking lesser loan mortgage loans within New York State, further, higher earnings from out-of-state investments by all types of financial institutions often mean greater dividends to depositors in New York, thereby serving to encourage savings in our financial institutions. And in answer to the statement that I do not believe the people of this state are second-class citizens who derive a lower dividend rate, I believe that the people of this state deserve the highest possible return on their savings, commensurate with and sound banking practices and the avoidance of harmful and restrictive competition. I should add that despite anything anyone may or can do, the people of this state and every other state will demand and will receive a fair rate of return on invested capital and on deposits as our economy embodies the spirit of free enterprise. And finally, I must take cognizance of the fact that savings banks have done more in the way of making mortgage loans on properties in New York State than on any other financial institutions in the state put together.

Yet, at one of the meetings, it was suggested that the public in New York City were, at the present time, making no local VA and FHA mortgage under ordinary conditions, although they were at that time making FHA mortgages to the residents of other states. Many VA and FHA data were said to make local VA and FHA mortgages only on long-time depositors, although at the same time they were accepting out-of-state mortgage loans irrespective of whether such out-of-state borrowers had deposits with these banks. And finally, it was stated that only four savings banks contacted in New York City at the present time actually did make any VA or FHA loans, but that even these in many cases did not make any arrangements, while at the same time they were making no-down-payments, toVA or FHA, mortgage lending which does not serve the best interests of the borrowers.

Avoiding Charges

How can this be avoided? I would suggest that the savings banks to which you have been kind enough to give the opportunity to appear before your committee should in every way be prepared to prove their charges are reasonable and not only the best that could be made by the best operators in the country, but in addition the best that could be made by our savings banks. I believe that the fee charged for mortgage loans to whom they may or can be in certain states, and not on those in whose states they are chartered, must be at least 1.5 per cent. In other states; the institutions were classified as references for making such a claim.

You may be interested in certain other figures. For example, for the month of March, when I made this statement, there were 2,110 mortgage loan applications in New York State. Of these, the institutions were classified as references for mortgage loans in New York State, and out-of-state 1,718, which amounts to 81.1 per cent.

In view of the fact that the statement is of the utmost importance, I want to make clear that I am speaking of the mortgage loan applications and not in any way of the mortgage loans themselves or the fees charged for the making of such loans. I am speaking of the mortgage loan applications themselves.

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Savings Bank Mergers

I would like to call attention to another subject which I know is of interest to some of you, and that is the question of savings bank mergers. As far as mergers and mergers proposals involving savings banks have not been very numerous or widespread since 1890, there have been three such mergers approved by the Banking Department. This year, a large number of merger proposals have been submitted, which subse- quently, if approved, will result in the formation of more than one savings bank.

The Banking Law at present provides no clear-cut criteria for the Superintendent to follow in passing upon proposed mergers. Primarily the only apgate statutory standards are to be found in Section 227 of the Banking Law, requiring that the Department shall approve, or disapprove, if it shall be deemed necessary, any application for a merger of organizations in such a way as to be not detrimental to the public interest and the interests of the depositors.

The mandate to eliminate unneeded savings banks has rarely been relevant to mergers in the New York State. Therefore, we have had to rely on the other standards, which are not very clear.

We believe that the interests of the public in granting approval of the savings banks are in maintaining a sound, stable, and efficient savings bank system.

This requires a system of savings bank supervision and examination which properly serves the credit needs of the public, which pay the maximum dividends with maintaining adequate surplus, and which by the soundness of the system will aid in lending to all over-all stability and confidence in our banks.

Since these are the objectives towards which we are striving, we need to be prepared to give the savings banks to indicate by clear, logical, and unswerving evidence to the Banking Department that they are really intent on the savings banks, the merger would enhance and further the interests of the public and of deposits. Only if the evidence from the merger would be, 1. As Superintendent of Banks, the approval warranted, and 2. Not eradicated on fault of the state or city, with savings banks being semiofficially or officially run, or the state or city, it is our duty as Superintendent of Banks to make the people more exhaustive and stringent analysis of the terms of a proposed merger than in the case of stock corporations.

More specifically, you might ask, what are some of the major factors that would have to be arranged before the Department of Banks and Savings Bank in determining whether there are the necessary conditions, in line of whether there are sufficient conditions to justify the formation of a proposed merger? There is of course one single factor which would probably be the most decisive in all cases. However, there are a number of other factors which would be of necessity to have been taken into consideration by the state or city, to find the state or city in the capital position of our institutions and in maintaining the adequacy of their surplus, which would be a qualification of the deposits.

We would like to point out the relation of the strength of the two banks individually and what the effects of the two banks would be upon their surplus position. Naturally, we believe that any very substantial strengthening of surplus position arising as a result of the merger would be of prime importance.

Closely tied in with the question of the surplus is whether the bank resulting from the proposed merger would be in a stronger position than either of the merging institutions. We are not alone in our concern with other savings institutions, particularly in ability to pay deposits in the event of a savings bank.

As I have said elsewhere, the reorganized savings bank's dividend ceiling on savings bank deposits and the mortgage lending ceiling on savings bank deposits are the most effective ways to eliminate competition between savings banks. It was rather intended to increase competition between banks within bounds which we felt to be reas- suring upon savings banks, and it is the simultaneous, we are most concerned over the ability of our savings banks to compete effectively. It should be stressed however, that only if the proposed merger would clearly and substantially strengthen the deposits of the merged bank would we look favorably upon such a merger, but otherwise we obviously would not approve to merge between banks which are already strong in the good earnings records. We would not wish to see the deposits of strong banks disappear by the merger route, and we feel that any merger proposal to the public or to depositors would work from such mergers.

Behind this philosophy is the belief that there have been our strong and vigorous savings banks in the state for the past 30 years and that we cannot allow the establishment of the contribution of incorporators or trustees to the surplus fund will be to the advantage of the state and, of course, there are many savings banks to make a showing of investment. In passing, I should like to point out that the Department has been considering and means of fostering the formation of sound savings banks to a hope that the in near future we will
have some constructive suggestions to offer.

Diverse Cost Experience

There we are, compared to the competitive strength of the savings banks. These firms have a talent for cost cutting, but the banks are not immune.

Prior to my decision to review the Board's procedures, I relied on our normal tool kit. My staff and I found that the firms are more than cost effective than the savings banks. We have not yet been able to reach any definitive conclusions as to why this is the case.

However, we are studying this issue further. One major concern is the relative size of your deposits.

For example, we are considering the impact of the issuance of savings certificates of deposit, where terms of the deposit is higher than the rate paid on savings accounts. These certificates have been issued as a means of raising additional funds, thereby contributing to the stability of your deposit structure.

From the Banking Department's perspective, it is always necessary for us to balance the interests of depositors which may, to some extent, be in conflict with each other. We certainly wish to protect all our institutions under supervision to strengthen their competitive position in the contest for the savers' dollar. However, we believe that this can only properly be done if the same time our savings banks take whatever steps are necessary to maintain and where necessary, even to strengthen their capital position. I have in mind not only the statutory additions which must be made to surplus, but also those which may be made in order to margin adjusted future growth.

Only if these objectives can be attained will we look with favor upon the deposit expansion plan by any particular institution.

Another issue to which we are giving considerable consideration is a proposal by certain savings banks regarding the liquidation of savings banks. Now is the time when we should delve and perform the best possible mechanism which would afford the highest degree of liquidity in savings banks when the need arises, just as we are engaged in a series of need may turn to the Federal Re- which the Federal Home Loan Banks System.

In order to ensure that such needed liquidity can be achieved when required, it is desirable and even essential to explore the feasibility of creating some central agency or enlarging and assisting an existing facility in order to make savings banks to borrow against their mortgage portfolio.

According to a 90-day notice of deposits on the bank floor drawing on deposits that for a moment he thought of running on the run.

We are slightly exaggerating, some have made known to me that feel, and, of course, always by utilities, the "soft-sell" approach, that they have been affected by the stepped-up competition from many different sources for the savers' dollars. Such competition has come from many directions, including the competition provided by this new Treasury securities: rates on government savings bonds, by the stock market and

Los Angeles School Bonds Marketed

A Bank of America N.T. & S.A. subsidiary, the First National City Bank of New York, has marketed the $23,150,000 bond issue of the Los Angeles County Flood Control District. The merged syndicate included The First National City Bank of New York and Bankers Trust Company.

The Bank of America-Chase Manhattan Bank group paid a premium of $117,250 for the straight 3¼% bonds, a dollar bid of 100.53%, or a net interest cost to the district of approximately 3.70%. The bonds were reoffered to investors to yields from 2.56%, out to a dollar price of par, according to maturity May 1, 1981.

Proceeds of the bond sale will be used for various flood control purposes. The Los Angeles County Flood Control District includes 99% of the assessed valuation of Los Angeles County, the largest urban area in the west. About 40% of the assessed valuation is in incorporated cities.

The Bank of America and S.A. and the underwriting accounts it managed have bought more than $656 million of California state Secretary of the firm.

Other banks in the underwriting syndicate are:

WASHINGTON, D. C.—O'Conor & Sons Inc., 1625 Eye St., Northwest, has appointed Ralph C. Davis, organizing and wholly owned by the Mutual Savings Banks of New York State, Savings Bank Trust Company is the savings banks' bank, serving them and their agencies exclusively as depository, correspondent, investment consultant and trustee; also as a research body and clearing house for information on matters of interest to the Savings Banks Association and its members.

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Weller Company Opens in LA

LOUIS ANGELES, Calif.—The Weller Company is conducting a securities business from offices at 384 South Spring Street. Officers are: Stevens Weller, President; John S. Weller, Vice-President; Treasurer and Assistant Secretary. Stevens Weller was formerly Vice-President of Wagenemaker & Durt, Inc., with which John Weller was also associated.

Terms of Credit

The Weller Company is conducting a savings business from offices at 384 South Spring Street. Officers are: Stevens Weller, President; John S. Weller, Vice-President, Treasurer and Assistant Secretary. Stevens Weller was formerly Vice-President of Wagenemaker & Durt, Inc., with which John Weller was also associated.

Forms Freeman Co.

BROOKLINE, Mass.—Wolfdreng Freeman is engaging in a securities business from offices at 95 Addison Road under the firm name Freeman & Co.

Named Secretaries

WILLIAM A. LYTCH, President, Fulton Savings Bank.
HAROLD F. LEWIS, President, Fulton Savings Bank.
GREGORY E. MCFARLAND, Jr., President, Suffolk Savings Bank.
RALPH J. MILLS, President, Society Savings Bank.
JOHN H. FORD, President, Society Savings Bank.
EMIL M. HARRIS, President, The Manhattan Savings Bank.
FRANK DE RUSSET, President, The Manhattan Savings Bank.
EDWARD L. HARRIS, President, The Manhattan Savings Bank.
DONALD W. SMITH, President, The Manhattan Savings Bank.
EUGENE M. SMITH, President, The Manhattan Savings Bank.
HUGH N. SMITH, President, The Manhattan Savings Bank.
SAMUEL M. SMITH, President, The Manhattan Savings Bank.
Oscar M. SMITH, President, The Manhattan Savings Bank.
MELVIN L. SMITH, President, The Manhattan Savings Bank.
SAMUEL M. SMITH, President, The Manhattan Savings Bank.
JAMES M. SMITH, President, The Manhattan Savings Bank.
HUGH N. SMITH, President, The Manhattan Savings Bank.
FRANK DE RUSSET, President, The Manhattan Savings Bank.
EDWARD L. HARRIS, President, The Manhattan Savings Bank.
DONALD W. SMITH, President, The Manhattan Savings Bank.
Oscar M. SMITH, President, The Manhattan Savings Bank.
FNMA Notes Being Presently Offered

The Federal National Mortgage Association on Oct. 27 publicly offered $300,000,000 of six-month Secondary Market Op-
erations debentures.

According to FRASER President J. Stanley Baughman the issue to be dated Nov. 10, 1969, will mature on May 10, 1960, and will bear a 3½% interest rate. The debentures will be backed by the full faith and credit of the Federal National Mortgage Association and the note will continue to be anyone’s guess. So much opposition now develops that many of the larger accountants are of the view that there may well be some doubt about others being effected.

Indeed, the newspaper accounts of the recent Chemical Corn Examination Committee’s meeting are in discrepant views. Sources at the Department that the Government be given greater latitude in dealing with the problems as it is to permit the industry to go on with what it wants to do and if not to give it a veto power on the ground that the con-

We should not underestimate the impact of this new issue of FNMA notes on the financial markets. The Federal National Mortgage Association’s ability to raise funds at attractive rates will continue to be an important factor in determining the level of mortgage interest rates. The primary use of these funds will be to support the secondary mortgage market, which is a critical component of the U.S. housing industry. The Federal National Mortgage Association (FNMA) is a government-sponsored entity that purchases mortgages from lenders and pools them into securities that can be sold to investors. These securities, known as mortgage-backed securities (MBS), are a key driver of the housing market, providing capital for new home purchases and refinancings.

**BANK AND INSURANCE STOCKS BY ARTHUR B. WALLACE**

This Week—Bank Stocks

At this late date we are down to 11 banking banks among those in New York City. Recent mergers that have reduced our list are: Chase and Bank of Manhattan; Chemical and Corn Ex-

Federal Home Banks Offer Note Issue

An offering of $240,000,000 Federal Reserve Note Bank debentures, all now free from all calls, was made Dec. 16, 1969, through the Federal Reserve Bank of St. Louis.

The offering was made through a syndicate of which the Federal National Mortgage Association and the Federal Reserve Bank of St. Louis were the lead managers.

The notes are due May 16, 1970, and bear interest at the rate of 3½% per annum. The proceeds of the offering will be used to finance the purchase of additional Federal Reserve Notes for use in the Federal Reserve System.

Fed. Home Banks Offer Note Issue

The note issue will be used to finance the purchase of additional Federal Reserve Notes for use in the Federal Reserve System. The notes will be held by the Federal Home Bank and will mature on May 16, 1970, at an interest rate of 3½% per annum.

**Fed. Home Banks Offer Note Issue by Arthur B. Wallace**

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Northern Natural Gas Company—Debts Offered

Byth & Co., Inc., and associates on Oct. 28 offered 250,000 shares of Northern Natural Gas Company, par value $1,000,000, at $25,000,000 of these debentures, due Nov. 1, 1979, at a price of 98%.

The debentures are not redeemable prior to Nov. 1, 1964 at a lower interest rate than the company. Otherwise, they are redeemable at par value, on notice to the company at a redemption price ranging from 108% of the par value. A sinking fund is created, with interest at 10% of the debentures prior to maturity.

Several of the assets of the new debentures, together with other funds including the proceeds of a recent sale of stock, will be used to complete payment of the company’s 1959 construction program, the repayment of bank loans, and for construction, the purchase of securities to be issued by subsidiary companies for their finance needs and for other corporate purposes. Construction of the company and subsidiaries in 1958 is estimated at $10,000,000,000 of capital and equipment already paid.

Northern Natural Gas Company, directly and indirectly through its subsidiaries, owns, operates and maintains a pipeline system of approximately 11,367 miles, including 812,000 miles of material and equipment already paid.

Ennis Business Forms Stock Sold

An underwriting group headed by Kidd, Peabody & Co., Inc., offered 212,490 shares of common stock of Ennis Business Forms, Inc., at $12.53 per share, to underwrite the newly issued and the books closed.

Of the 212,490 shares, the underwriters were offered 145,000 shares of the company and 17,490 shares of the company’s reserved shares by the company to its employees at a price of 90% of the public offering price of 90% of the initial public offering price. Shares not sold by the underwriters will be sold in the open market.

Net proceeds from the sale of the 50,000 shares will be used for the company’s continuing program of business expansion.

Ennis Business Forms, Inc., a division of Moore Business Forms, Inc., is the largest producer of business forms and other business paper products.

Volume 190 Number 5894 . . . The Commercial and Financial Chronicle
MUTUAL FUNDS
BY ROBERT E. RICH

A Birthday and an Anniversary

New York has been the site this month of the first annual membership meeting of the National Association of Investment Companies. It was an appropriate time for this gathering of the leaders of the investment companies, men who have achieved the billions of dollars of savings of millions of American citizens. For it was just 30 years ago that a group of these men, in one of the fifties of stock market values, marked the beginning of the most terrible economic depression this country has ever known.

But if the "laborer is wasteful of himself," and "he who dieth needeth nothing," as Jesus said, it is not open for us to judge the wisdom of the past.

Looking at them and listening to them, it was clear that these men were not foolishly trusting stock market value. The rewards have been considerable and may be even handsome in the years to come. But if the "laborer is worthy of his hire," then surely none could begrudge them their good fortune.

Most of them were at school or far from the Wall Street scene of the heroic and devious deals that were for years past. They were the staff of the unburdened speculation that once marked the investment field in this country. Their remoteness from the simple modern pool of money, from the golden 1929, and when an old Wall Street clique was introduced. This is the old chestnut about Wall Street's old committee. The old men were just a strike in history, steel stocks were being buffeted. They were being tossed and thrown about by a Wall Street clique; such issues as Youngstown Sheet & Tube, Republic Steel, Armco Steel and Inland Steel were down 9 to 14% from the level that prevailed a few months ago. Oil and Union Bank-Camp Paper. Reductions were announced in the Burroughs, Kimberly-Clark, Shell Oil, Standard Oil (New Jersey) and Texas.

Distributors Group, Inc., stockholders will be asked at a special meeting November 4 to approve a recapitalization of the company's stock into Class A non-voting and Class B voting. The plan also makes provision for exchange of non-voting for voting shares.

Investment management and industry are entering a period of great activity. And now let us hope to make a final come to an end. As one investment adviser summed it up: "The people are not buying uranium. Their attitude today is: 'I've worked long enough for my money. Now let it work for me.'"

Rodman, Renshaw Adds

Incorporated Investors

Incorporated Income Fund

Rodman, Renshaw Adds

Incorporated Investors

A mutual fund investing in a list of securities for current income.

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

The Parker Corporation

200 Beacon Street
Boston, Mass.

Incorporated Fund, Inc. reports net assets at September 30 of $52,979,138, equal to $10.12 a share on 52,479 shares. This is the first report and covered the four and one-half months of its operations since the founding last May. At that time shares were priced at $10.65. In his annual report, President, told shareholders "we believe this record price reflects favorably with the general trend of stock prices as measured by the blue chip and standard stock industries."

Mr. Snyder, as a feature of the fund, that "as a possible hedge against the inevitable decline in the oil market, a small portion of its assets was re-arranged in preferred stocks. Major common stock companies were in consumer goods, public utilities, rails and oils.

Finn, Inc. placed its net asset value at $26,697,316, equal to $9.47 a share, as of Sept. 30. This represented an overall gain from the $20,346,185 in net assets reported as of June 30.3, at which time the net asset value per share stood at $8.91. A significant gain was reported on investments in preferred stocks. Major common stock companies were in consumer goods, public utilities, rails and oils.

The Dominion Fund, Inc. closed its net assets dropped to $22,971,756 as of Sept. 30 from $25,524,083 as of June 30. The net asset value per share stood at $9.07, equal to $27.23 per share. On June 30 the fund was made in Ford Motor, Johnnsville, Standard American Oil and Oil and Union Bank-Camp Paper.

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Sound and Unsound American Money Systems

By Frederic G.shall, New Haven, Conn.

Connecticut scholar and writer on the gold standard denies the soundness of a complicated or difficult concept of the historical aspects of our monetary systems, and concludes that the evils we have been experiencing since 1933 can more properly be attributed to the policy of coin money.

My subject, "Historical Aspects of Sound Money," has a direct relationship to that great document; for in his First Article of the Constitution (Sec. 8, Art. 1) clearly set forth the power of the Congress to declare war and to regulate the value of foreign coin and the standard of weights and measures. In that connection, I should like to call attention to the fact that the Executive branch of our Government, in its operation encroached on the prerogatives of the Legislative branch when President Washington sent money to China and the value of our currency, and thereby indirectly involved that country which he had sworn to uphold.

As recently as 1931, a famous British economist, Sir John Maynard Keynes, in his "International Capital Movements," rendered their Report, in which it was stated: "There is, perhaps, no more important object in the field of the trade of nations than the great balance of the world as a whole should achieve a balance more or less perfectly. But there can be little or no hope of national progress at an adequate pace in the monetary system of the world as a whole, except as the result of a process of evolution starting from the historic gold standard.

The Post-1933 Paper Money:

It is unfortunate that so many of our people regard the gold standard as if it were a context—subject—when, in reality, it is quite apart from any other context. The otherwise brilliant people who look upon the gold standard as if it were a context, let me cite the following two cases:

(2) In 1895, when the money question was being publicly discussed, and the "Wealth of Nations," first published in 1933, was tendered for the first time, the 1933 some of the writing of the coin was to be redeemed. John Stuart Mill, who was a successful lawyer and at one time the head of the large ocean steamship companies—and a woman seemingly far above average minds—asked me this question: "What difference is there between the amount of silver and gold as money beyond my comprehension?"

(3) Again, at my fifth Reunion at Eliot, in 1897, the wife of one of the charter members, who was a successful lawyer and at one time the head of the large ocean steamship companies—and a woman seemingly far above average minds—asked me this question: "What difference is there between the amount of silver and gold as money beyond my comprehension?"

When people of the background of the two I have just quoted have asked me this question, I have been at a loss to tell them that to the tune of billions of dollars, circulate as freely as do the drawers of those checks, those checks are as good as any other circulating currency. Which...
Present Imperative Need For Advance Refunding

Continued from page 3

rest of the world. Any loss of confidence in our liability to sound monetary policy would have far-reaching implications for foreign short-term creditors to shift their portfolios to the dollar, thereby draining our gold and dollar reserves. We do not expect that it will.

No how about here at home? Where do we stand? A careful analysis of policies which are required to prevent a loss of confidence must be made.

It is becoming evident to those of us who have been in the thick of it for some years that one of the greatest monetary policy challenges is now an increasing demand for credit, the effect of which is a corresponding increase in the volume of liquidity instruments - the Treasury security, the bills, notes, bonds, and in consequence, the rate on interest. In contrast, a policy of maintaining high rates of interest, while reducing the volume of liquidity instruments may prove even more difficult, particularly if a policy of increasing available liquidity instruments into the market is also adopted, thereby offsetting a part of the monetary expansion brought about by our present monetary policy.

In short, the interest rate is rising. In fact, the results of the recent "battle of the rates" have been clearly in the Federal Reserve’s favor, giving us confidence that policies aimed at protecting the financial system are sufficiently powerful to stabilize the interest rate. However, we cannot afford to rest our case on the short-term gain.

Therefore, we must expect a shift toward inflation. However, real difficulties would result if the economy had to adjust over a long period of time. Such an adjustment would involve a constant increase in the volume of liquidity instruments - the Treasury security and the bills, notes, bonds, if not properly designed and directed. A rise in the volume of these instruments may not only fail to reduce the inflationary pressures but may actually create a bias toward inflation.

So long as the present programs of monetary policy are maintained, the credit market has not yet experienced a prolonged and continuous monetary expansion. A prolonged and continuous monetary expansion would be likely to create a bias toward inflation. This is called, give us confidence that policies aimed at protecting the financial system are sufficiently powerful to stabilize the interest rate. However, we cannot afford to rest our case on the short-term gain.

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lower tax bracket or subject to no tax at all.

Because savings bonds by their nature more nearly resemble the equity component. It would seem that the rate of interest could be more closely related to the rates paid on institutional savings rather than on mortgage, real estate, or other marketable bonds. Our statistics show that the 10 per cent rate is set a rate that was perfectly favorable very favorably, with the avowed purpose of stimulating the by saving institutions, particular since the savings account interest rate is revised downward, whereas the bond rate is fixed at the time the bond was sold. This is all for the full term of the bond.

Dennis Hes He Pessimistic

I do not think there is a common problem the Treasury faces, I think we are going to have a long run, that it may appear in a different way, a pessimistic note. That is not my intention.

A nation as strong and productive as United States should have no serious problem in carrying a debt the size that we have. A balance in the international capital market, at least surplus in our good years to offset deficits in bad years, is the reason we should solve many of the problems that beset us in the year just past, although no one in the world seems to have financed a $12 billion deficit. They are not significant. Such problems as the 4.1 per cent ceiling are not really high. If government obligations meet from other obligations, from real taxes, and obligations and tax-free bonds, as well, all the result of legislative enactments, are they not a part of economic factors. Some of these are understandable and some are not. People want to be paid. We are that way. We are all going to make an effort to achieve it.

We believe that the financial community are being vastly overpaid as the most prosperous period of our entire history. Within the next 25 years, we are not going to virtually double the producing power of the country, not be creating some 35 to 40 million new jobs, yet have a surplus. That is our expanding population. We will have to live in a way that people have learned to meet a demand which may well never be met. People have other problems, other advanced nations will have to deal with the fact of knowing how and offering a helping hand that will come into play, and we will have another 22 countries who have won political independence in the past 10 years.

These are interesting opportunities. Barrington taking place in the international situation, it is our belief that these goals are attainable—but only if we have the information, the organizational and the courage to maintain sound financial policies which are essential to a healthy and sustainable growth.

-The Chase Manhattan Bank

The Chase Manhattan Bank, New York announced plans Oct. 27 to open a second branch in the 32-story Pfizer World Headquarters Building under construction at 445 Madison Avenue, New York. The new branch, which is expected to be open before the end of the first quarter of 1961, will be in the bank's 36th floor office in New York City.

The Chase Manhattan Bank, New York announced Oct. 21 that its South African subsidiary, the Chase Manhattan Bank (South Africa) Ltd., will open a second branch in the Union of South Africa. The new office is in Cape Town.

The bank said present plans provided for a third branch in South Africa. Government, called the Chase Manhattan Bank of South Africa, Ltd., in the City Center, Polokwane, in the Cape Town financial district. The net profit is expected to be 25 to 30 per cent of the net income of the bank.

Dr. F. W. de Klerk, Minister of Finance, said the new branch would further strengthen the bank's position in South Africa.

The New York Agency of Bank Leumi Le-Israel B.M. (in translation: Bank Leumi Le-Israel B.M., Ltd.) was officially opened at 29 Pine Street, New York City.

A license to conduct the Bank's business in the United States was issued to Bank Leumi last month by the Department of Commerce and Industry of the State of New York.


The merger will eliminate duplication of facilities for the two banks and will reduce total operating costs for the respective institutions.

The new bank will have assets of approximately $500 million, and will have about 5,000 employees. It will be located at 1110 East Broad Street, Columbus, Ohio.

The merger is expected to result in a savings of about $9.7 million per year for the two banks.

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AS WE SEE IT (Continued from page 1)
ably true enough, but we can not suppress a suspicion that the Administration itself—excepting certain of its advisers, of course—has no adequate understanding of the factors and the forces with which they are undertaking to deal. If it is not too much to call it so. It is, however, not difficult to find the need for greater freedom in placing long-term obligations. It is badly needed, and as a practical matter at least it must be. Whether the rules of conduct of the Administration which have any responsibility in this matter. This demand for a budgetary surplus in good times is, however, a gray horse of quite another color.

Can Not Be Turned On and Off
The first and one of the most disturbing illusions that seem to date is this. One of the more painful illusions is that public expenditures can in the nature of the case be turned on and off like a spigot. Experience in the most recent outlay should convince even the densest Thomists that in this practical world such is simply not the case. Easy and quick manipulation of Federal expenditures is not even theoretically feasible, or so it seems to us, at least without a type and degree of fiscal looseness which so far has not found great public favor—and should never find it. Large public expenditures, if they are to produce any sort of lasting effect, take time to plan and to execute. The outflow of such funds is more than likely not to begin in earnest until after the recession they are designed to cure is a matter of history at which time the funds will no longer be required. It will precipitately as it was to begin them in the first place.

Many current concepts of fiscal management seem also to show all too little concern about facts of good pub-
lie finance. They might be called "the spent surplus" or "the budgetary balance," which is current surpluses or deficits. In other words, concern seems far too much centered on the matter of whether current outlay should be income or vice versa. Naturally, this is one of the vital aspects of the matter, but it is quite possible to have a ruinous governmental financial policy at the same time that surpluses are the rule. Too great a disregard of current income into government channels can be very harmful. Even in the surplus years—such as there have been in postwar years—this cardinal sin has taken its toll with great regularity. We need more surplus consciousness, administrative and legislative, than we have so far. The conventional calculation of par

taxes but by reducing outlays which serve no good public purpose—and their name is legion in this day and time

Non-Budgetary Items
Another factor which is all too often overlooked or ignored is the inevitable effect of governmental policies and programs which are not included in the budget or in ordinary financial figures of the government in forms which are likely to be seen and understood by the great rank and file of taxpayers and beneficiaries. The urbanization under the social security program are familiar to the matriculate—though, of course, probably not to but a very few of their number. Both of these undertakings will naturally come at a later date. It is obvious that the scheme now helps the Treasury greatly in financ-
ing its requirements today—and thus tends to lessen the pressure which otherwise might exist to proceed more prudently.

Other non-budgetary programs have and have had a more direct effect on current conditions and current problems. Take the various housing programs, for example. Billions of dollars have been put into the hands of millions of individuals which would not have flowed into these channels if the federal government had not been there. Expenditures under the social security program are familiar to the matriculate—though, of course, probably not to but a very few of their number. Both of these undertakings will naturally come at a later date. It is obvious that the scheme now helps the Treasury greatly in financ-
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AS WE SEE IT (Continued from page 1)
and induced government to finance in one way or another the building of millions of new and improved dwellings, which is another drain directly or indirectly upon the public purse.

Where all this will ultimately lead, the future only can say. And it is not the province of these columns to deal with financial policies of the Administration which have any responsibility in this matter. This demand for a budgetary surplus in good times is, however, a gray horse of quite another color.

As a recent study shows, and has along along, of course, by the 1.936 and 1942 that these companies, now after a period of more than 12 months, are still experiencing a trend of upwardly rising pricesCoastal Market Danger Signals

Stock Market Danger Signals

In a variety of fields, from oil to aluminum, there is an unusually long steel strike on the earnings of some companies, but the earnings for the Dow-Jones Industrial average on this year's earnings for insurance companies, which I still believe will be in the neighborhood of $37 a com-

The Present Near-Peak
From this point of view, the stock market must be considered as being at or near a peak in the popularity cycle, in the 460-600 range. It is true that the current outlay should be income or vice versa. Naturally, this is one of the vital aspects of the matter, but it is quite possible to have a ruinous governmental financial policy at the same time that surpluses are the rule. Too great a disregard of current income into government channels can be very harmful. Even in the surplus years—such as there have been in postwar years—this cardinal sin has taken its toll with great regularity. We need more surplus consciousness, administrative and legislative, than we have so far. The conventional calculation of par

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SECURITY SALESMAN'S CORNER BY JOHN DUTTON

Putting Some "Sell" Into Your Tax Exempt Story

The concern about inflation is rapidly deflating. The bond market is becoming a more appealing investment medium these days. You read about it in the press and the financial publications. But it pays to turn your eyes from the production and less attention is being paid to the 10 decimals which are involved in the nobody meddles. When Mr. Dempsey begins to turn, and investor interest is aroused by press notices and articles about the attractive bonds that are available, alert investment firms are quick to point out their advantages and offer it.

Before you know what they are, it is amazing that more investment firms do not stress the tax savings that are available in municipals, and other taxable bonds. If you are not familiar with the use of money have on the economy support this conclusion.

Federal Reserve Policies

This is another approach to the appraisal of the business and stock market outlook in which there is a frequently a great deal of comment. Should the Federal Reserve System not decline immediately following the increase in the Federal Reserve Board's rediscount rate during the early stages of an investigation, the business men are determined to again obtain more favorable terms and the day in 1957, and unless past experience is ignored, I would seem rather strange, this manner, this would indeed involve the identification of the boom. The fact that interest rates have not declined one point or more in the past 15 months as they did in the five years from 1929 to 1934, and the 5 years from 1934 to 1937, the Federal Reserve Board made no decision to increase the rate of use of money have on the economy support this conclusion.

In any period in which the interest rate has been raised by 100% from a Precedent Low Level

<table>
<thead>
<tr>
<th>Date</th>
<th>Rate Increase</th>
</tr>
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<tbody>
<tr>
<td>6/-February, 1929</td>
<td>100%</td>
</tr>
<tr>
<td>6/-August, 1929</td>
<td>350</td>
</tr>
<tr>
<td>8/-April, 1935</td>
<td>460</td>
</tr>
<tr>
<td>3/-July, 1935</td>
<td>459</td>
</tr>
<tr>
<td>3/-May, 1945</td>
<td>457</td>
</tr>
</tbody>
</table>

*Assumes that the base of either interest rates, the rate increase would have been from 1928.*

The time cycle chart has been from the forecasting tabulation, in the past, without exception, the Dow-Jones Industrial average has been from the first quarter of the year to the third quarter and fourth quarter are the double the level touched at the cyclical low.

This cycle in the rise of cyclical level early last month to 4% from the 25%, price level prevailing since May 1959. When the Dow-Jones level began to exceed the previous high point for 1959 advance in the Dow-Jones Market Industrial turned out to be 416.15.

The Time Cycle

We are placing our discussion of this market forecasting "tool" in the context of the factors because we do not really know if this is one of the more important cycles, but what we do know is that in the "Cycle" that in my talk before the New York Real Estate Club in May, 1946, in which I analyzed on Sept. 3, 1957, as reported in the Time-Index Business and Financial Chronicle on Sept. 3, 1957, I mentioned that a related report then the Dow-Jones Industrial average of 290-420. The Dow-Jones Index was 430-460. This advance in the Dow-Jones Indexes turned out to be 416.15.

Conclusion

In bringing this discussion to a close, I want to emphasize that there is an opportunity for the stock market forecasting which has a 100% "batting average." In order to take advantage of the possibility of an overly conservatory attitude, it is essential that the cycle be present, and because the outlook for the coming year can be considered sufficiently attractive to warrant holding as "permanent" investments it would be wise to remember that several years ago reduce his holdings of 1929-40, 1930-40, level, except on a very "speculative" basis. I believe the investor should and could continue to review any new developments which could change any of the implications of the approach outlined herewith.

In reviewing any optimistic predictions being disseminated in the press, it is always desirable to check the recollection of the proponents of any bullish reports. I am always anxious to hear the views of the President of the National Bank of counselor-who has firm convidenced that the individual can show a record of having turned dill or significant lower interest rates, and definitely less pessimistic at the sub- or cyclical levels.

I would suggest further always keeping in mind the observations made by Dr. L. H. G. Zilka in his book "Common Sense Economics" on the potentiality of the Dow-Jones Stock Market." At one time or another, when it is they are minor forecasts. The second important question of future development is not the effect on the behavior of investors and borrowers, but rather, both factors are discounted in the sales price of the shares, which can change the opportunity of investor liquidations, and therefore bring the great number of persons then looking. An example of this is to look at the number of stocks, the effect of this measure in creating a bullish market. That is, when the number of persons that have the funds to purchase the shares, they can change the opportunity of investor liquidations, and therefore change both factors in the market.

It is important to realize that our interest rates are always set by the Federal Reserve Board, and they are adjusted by the Federal Reserve System. The interest rates are always set by the Federal Reserve Board, and they are adjusted by the Federal Reserve System. The Federal Reserve System is always set by the Federal Reserve Board, and they are adjusted by the Federal Reserve System. The Federal Reserve System is always set by the Federal Reserve Board, and they are adjusted by the Federal Reserve System.

**Note:** The text contains several references to dates, rates, and economic indicators, which are specific to the time period 1929 to 1957. The analysis is based on historical market cycles and economic conditions of that era.
Savings and Loan Business and Pending Legislation

Continued from page 14

A number of groups such as stock exchanges, banks and so forth, have been cut in on a program that will be devised, either at the behest of certain senators or congressmen, or at the suggestion of the Federal Reserve Board. There is, in addition, the possibility that certain committees and commissions which have been engaged in extensive investigations may come into the picture. As a result, there is a possibility of an upheaval in the savings and loan associations and related institutions. However, if such an upheaval should be applied across the board to any institution, the matter itself is the subject of considerable controversy, and this particular controversy is expected to develop on the floor of the Senate.

Other Bills

Continued from page 14

Congress may include one prohibiting stock exchanges from owning savings and loan business. This bill is on the President's desk for signature. It will be resisted by the savings and loan associations because it will seriously be burdensome as a withholding requirement.

The House will be resumed on the Appropriations Committee bill, which has been largely审议 on the Senate side. The Senate hearings next week will have a side argument that will have a bearing on the future of this bill. The Senate will use the bill to introduce a form of a savings and loan association that is not a mutual one, and a form of a savings and loan association that is not a mutual one. The bill will then be the subject of a hearing on the Senate.

The bill has been passed the House and the Senate once without objection except in committee hearings. By the Senate on the Committee of the Whole, the bill was removed from the committee. It was then cleared by the Democratic Policy Committee after it had given to the one and only opportunity to be considered by the Senate.

The bill is expected to be a major legislation in the 1959 session of Congress. It is expected to be a major legislation in the 1959 session of Congress.
The country is still strong, as we have institutions. Life and death with some con-
volving thoughts from the ages of
Baltimore, the late H. L. Mencken
(1880-1956, the stimulating
metaphor):
who explore the un-
paging pages will find them marked by a
credible, even when they discuss
are regarded as grave. I do not apologize for
relying on the disquieting public always seemed to me for more
large bodies and a land of
abounding quackeries, and we learn to laugh, we
summon to their aid the clowns
afflicting the race of viewers-
people. I think that we will
how I have been drawn into the time of it in this world to go down
these people. It is, I fear, a pity
day, the discovery, enthroned
place, but a large number of
warriors, and are firmly con-
our with a firm hand, and they
beauty, and not only survive but also
lour. In no other country
known to me is life as safe and
agreeable, taking one day with another,
as it is in These States.
any star, even in a great many
is vastly superceded by the number
My view of the city is	
Tang Industries
Stock Offered

The firm of Frank B. Bateson, Ltd., Palm Beach, Fl., as under-
writes on Oct. 26 offered 200,000 shares of Airtronics Int'l
Airtronics International Corp., of Fort Lauderdale, Fl., in a
$1,119,000 a year earlier: Depre-
cation charges exceed 1859 equip-
mature and sinking fund
requirements by $1,770,000.

St. Louis-San Francisco.

Revenues and earnings of St.
Louis-San Francisco in the early
year ran well ahead of
those of the same period of the
year ago. The results in the third quarter were
large gains in both
steel strike. Agricultural products have
grown in importance to the
ility and earnings and for the full
year. This year it is
approach $23.25 a common share as compared with $27.71
revised downward from the
indicated $1 annual dividend
of $1.00 per share as previously reported.

Revenues in the first eight
months of the year showed a gain
of $32 million over the same
period a year ago, while expenses were up 6.7%,
re

This year Frisco is securing Fed-
eral income taxes as compared
with a credit a year ago, but
nevertheless net income (Jan-
uary-August, 1959) amounted
$23,753,000 and is compared with
$13,804,000 for the same
period last year. This year, the
in the net income has been
almost entirely due to increased
net income. The rise, with a probable
production of around seven milli-
ion passenger cars, and capital goods, in
steel and non-steel, or almost exactly
comparable on a dollar-basis.

Steel consumption of other indus-
tries, however, is little affected by
exception of construction. Add.
industrial steel by the
stores, inventories of steel users to
good working levels in 1960, and
the probable estimates of steel in
off-production would be a new
record between 120 and 130 mil-
ion tons.

This is a gratifying prospect,
but it is only a step in the up-
ward trend of our economy if we
are to be saved from destitution. We
must continue to raise efficiency and
improve business practices. We
must work hard to develop our
human and natural resources. We
must finally increase our expen-
siture for research and de-
velopment, but above all we
mght need to reduce the
meanings of our welfare
system, and to help them realize the
ounce in the profit system.

I think these things will be
done. During the past few dec-
ades we have learned that no
people, as well as no man,
what is good for business is
what is good for people.

This is a tremendous challenge
to business, and business is
meeting the situation by
esokitc increase in the
ford production, the
The steel industry is
already keeping an eye
on the expectations of other
sales and customers; not only
only for their employees—but for the
society at large. Their
will be charting tomorrow's
progress—not only for their stock-
holders, but also for the
our obligations to employees or

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our obligations to employees or

An address by Mr. White before the
National Association of Investment

With DiRoma, Alexk

Mr. White (Mr. White of
S.M. Co."

The world of
Ballinger, Mass.—Adrienne
dirkendick and Richard C. Healy,
former sister of
DiRoma, Alexk & Co., 1387 Main
St., Mr. Healy was in the firm
since 1914.

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[311x223]In
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[386x668]indium alloys semi-
[386x142]6%
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[401x419]the
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[472x481]the
[479x52]compared
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[543x608]several tachometers
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[551x870]Tang Industries
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STATE OF TRADE AND INDUSTRY

Hilton Hotels Debs. Offered

An underscoring group headed jointly by J. B. Ladbrooke, Ladbrooke, Co. and Merrill Lynch, Pierce, Fenner & Smith, Inc. (Special), is offering to the public $30,000,000 Hilton Hotels Corp. 8% subordinated sinking-fund debentures due 1969, with common stock purchase warrants attached. Each unit of $1,000 principal amount of the debt securities includes one share of common stock of Hilton Hotels, newly issued, plus purchase warrants to purchase 15 shares of Hilton common stock at $113 1/4, per share, the price paid on the April 16, 1959, closing auction. The offering will continue until Oct. 15, 1963, at $44.50 to $47.50 per unit. Warrants are exercisable until Oct. 15, 1967, and at $50 thereafter to and including Oct. 15, 1969. The warrants will expire three years after the expiration date of the warrants.

The merits of a company may start pecking up once most of the nation’s steelworkers are back in the mills, but a slow upturn is in sight, “Steel” said.

Car loadings Down 16.6% From 1955 Week

Loading of revenue freight for the week ended Oct. 17, 1959, totaled 580,749 cars, the Association of American Railroads announced yesterday. This was a decrease of 146,044 cars, or 19.7%, from the 726,793 cars reported for the same week in 1959. Actual loadings for the year-to-date, Oct. 17, 1959, were 13,300,701 cars, or 16.6% below the 15,841,803 cars recorded for the same period in 1958.

Car Output Down Sharply Owing to Steel Strike

The first major cutback in automobile production because of steel shortages was indicated Oct. 23 by “Ward’s Automotive Reports.”

Steel Output Based on 13.0% of Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies would average 22.9% of steel capacity. This rate for the week included 1,351,270 tons of liquid steel and steel casings (based on average weekly production of 13,512,700 tons). The steel companies’ rate of capacity was 371,000 tons a week ago. (ED. NOTE: A strike in the iron and steel industry was voted this week.)

Sinking Fund. The rate of capacity is now approximately 3.17,000 cars.

NOTE: The week beginning Oct. 23 was the 14th of the annual fifteen-week debarments outstanding on Oct. 15, 1969.

Hilton Hotels Corp. and its subsidiaries have 47 hotels and inns with a total of approximately 27,600 rooms, and inns with a total of approximately 47,666 rooms. The company’s main headquarters are in New York City, and branches in 23 cities throughout the world.

With Nelson Burbank

SOUTHEAST. - Harry Troubina, wine importer, has been named to the staff of Robertson & Co., Robertson & Co. Trust Building, 165 South Broad Street, Atlanta, Ga.

Joints Tucker, Anthony

BOSTON, Mass.—Robert S. Wolcott was sworn in as Tucker, Anthony & Austin’s new partner in State Street.

Joins Erwin & Co.

BOSTON, Mass.—Finley T. White has become affiliated with Erwin & Co., Inc., 111 Corcoran St.

Lumber Shipment 7.3% Below 1958 Week

Lumber shipments of 746 mills reporting to the National Lumber Wholesale Barometer were 6.4% below for the week ended Oct. 16. Georgia and Alabama are the two states that contributed the most to the drop, 9.0% below production. Unfilled orders of reporting mines amounted to 36% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 17 days’ production at the current rate of production. For the year-to-date, shipments of reporting mills were 6.1% above production; new orders were 8.1% above production.

With the previous week ended Oct. 10, 1959, production was 7.3% below the year-ago period in the 1958 week below; new orders were 3.0% above. Compared with the corresponding week last year, shipments were 7.3% below; unfilled orders were 4.2% above.

Business Failures at Three-Week Low

Consecutive commercial failures fell to 250 in the week ended Oct. 22 from 252 in the preceding week; reported Dun & Bradstreet, Inc. At a three-week low level, new business failures were 8.5% below the year-ago period. Continuing below the pre-war level, failures were one-sixth lower than the 1939 level and one-fifth below the 1957 level. All of the week’s decline took place among small casualties, those involving liabilities under $5,000, which fell to 22 from 31 from the previous week. The number of large casualties failures with liabilities of $5,000 or more edged up % from 222 a year ago to 247.

The number of failures was highest in the West South Central, for 25 of the failing businesses; against 16 of this size in the preceding week.

Manufacturing casualties dipped to 49 from 55, retreating to 114 and 118, and construction to 36 from 45. Contrasting increases during the week lifted the toll among wholesalers to 24 from 16 and among commercial services to 27 from 19. Most of the downturn from the previous week in food products was in the Western region, where four-fifths of the failures were in manufacturing, wholesaling, and construction work, while service casualties ran higher than in the previous period.

Geographically, lower tolls were reported in only four of the nine major regions. The number was lowest in the New England region, where there were no failures at all. The highest tolls were in the South Atlantic, where there were six failures, and in the Pacific, where there were 17. The sharpest rise occurred in the East South Central States, while the most-marked drop occurred in the West South Central.

Twenty-four Canadian failures were recorded as compared with 36 in the preceding week.

August New Business Incorps at Monthly Record

For Fourteenth Time in a Row

While the number of new business incorporations in August fell spectacularly from July, the level was the highest for any August since 1948. The August total of 5,582 new business incorporations was the fourteenth consecutive month that a monthly record was set. The August number is 37% higher than July’s 4,137, while the annual total set for August at 67,652, 11.1% above the prior August record of 12,224 set last year.

The number of concerns chartered for the first eight months of this year came to 133,801, a record for the period. This was a sharp gain of 40.7% over the 94,940 of the comparable period last year.

The consensus of opinion is that much of the sharp increase in incorporations began last fall was due to the approval on Sept. 2, 1957, of the restatement of the 1952 New York General Corporation Act which provided for tax advantages for small corporations and started a trend toward new corporations and partnerships to incorporate. Of course, it would be different the restatement was not made and this legislation from this legislation and how which was due to recovery from the recent recession.

Wholesale Food Price Index Edges Up

After four consecutive weeks of declines, the wholesale food price index, compiled by Dun & Bradstreet, Inc., moved up in the latest week; what the index stood at $27.77 for the week ending Oct. 5, 1958, to 28.20, which was 0.6% higher. The index was 3.86 of a week earlier, the 1959 low. It compared with $26.53 a year ago. The movement was a result of rising food prices through the month of October.

Moving higher in wholesale cost this week were wheat, rye, oats, hams, beets, lard, butter, coffee, cocoa, potatoes and beans. On the down side were flour, corn, barley, eggs and steers.

The Index represents the sum total of the price per pound of 31 raw foods and meats— in general use. It is not a cost of living index. Its chief function is to show the general trend of food prices at a wholesale level. A wholesale level. A wholesale level.

Wholesale Commodity Price Index Up Moderately From Prior Week

Reflecting price increases on most grains, lard, coffee, butter and beef, the wholesale commodities price index moved up this week. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 277.77 (1939=100) on Oct. 26, up from 276.25 a week earlier, and 275.32 on the corresponding week last year.

Increased domestic and export buying was primarily responsible for a marked rise in wheat prices during the week. News of unfavorable weather conditions in some growing areas helped eye prices edge up; purchases expanded and offerings were light. All grains and oilseeds were up this week.

Although many other grains and livestock products moved up, prices moved up somewhat from the prior week; corn prices are expected to decline soon as heavy receipts in most markets are reported. Beef prices rose considerably for week; domestic and export buying picked up, and prices climbed slightly from a week earlier. Voting delays and lack of new crop arrivals and the price of these crops matched those of the preceding week.

As a result of less buying from farmers, flour prices moved up moderately, but trading remained at the prior week’s level. Although rice buying was sustained at a high level, prices dipped somewhat; sizable commitments were made to China and it is expected that India will be interested in buying sizable quantities. Although sugar trading was sluggish this week, prices were close to the prior period. There was another appreciable rise in 1959, Thursday, October 29, 1959
coffee buying and prices were moderately higher. Increased buying propelled coffee prices to within a narrow range this week, and finished unchanged from a week earlier. Cattle receipts in Chicago expanded this week, but were not tied to any major increase in steer prices as trading moved up. Trading in bags was apparently higher, and prices climbed moderately from the preceding week. The advances in beef carcass prices have been picked up by wholesalers who reported a marked rise in lamb prices.

Floring Power bonds offered

Merrill Lynch, Pierce, Fenner & Smith, Inc., & Co. were joint managers of an underwriting syndicate which offere $20,000,000 Florida Power & Light Co. bonds, in the New York market in the following series: due Nov. 1, 1968, at 101.2189, and $15,000,000 due Nov. 1, 1971, at 101.513. Award of the bonds was made by the group at competitive sale prices of 100.62. The bonds will be redeemable at general redemption prices of 100.62 after Oct. 15, 1967. While the special redemption prices starting at 101.312 and declining to 101.513 in the 5 years after Oct. 15, 1967. Net proceeds from the issues will be used by the company for expansion and improvement of its facilities and for other corporate purposes.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Cincinnati Gas & Electric Company

Cincinnati Gas & Electric Company was incorporated over 120 years ago and has had an unbroken dividend record since 1845. Revenues have increased from $55 million in 1845 to $158 million in 1958. However, with the decline in the percent earned on net metered property has been materially reduced. There has been only a moderate increase in the stock dividend from $1.40 to $1.85 since the year 1959,每股 $1.85. Dividends on the cumulative series of preferred stock were increased to $1.00. Cincinnati Gas & Electric Company and the City of Cincinnati resulting in the new capitalization, effective for the period July 1, 1939 to June 30, 1964, which will increase the capitalization, effective for the period July 1, 1939 to June 30, 1964, which will increase the capitalization.

Two Tucker Anthony

Open in the Financial Chronicle

BOSTON, Mass.— reopening of the South Street, the city's leading downtown store, and that three weeks later, while Arkansas was observing the 4th of July, a new store opened at No. 34, South Main Street. The store was formerly known as the Di Roma, Alexius & R. L. Day, 74 State Street, Mr. Anthony's store was opened on July 1, 1914, and was closed after a year. The store was then leased to a number of the city's leading stores, including the Di Roma, Alexius & L. Day.

With Dennis Tegel

MINNEAPOLIS, Minn.—Warren Tegel, president of the Tegel Co., 114 South Ninth Street, and wife Mary, have been married for 20 years. The couple have two children, a boy and a girl.

Three With Edling Williams

MINNEAPOLIS, Minn.—William E. Esham, Hugo Hendricks and Leslie B. Stahl have been added to the staff of Edling-Williams & Associates, Inc., 614 East Grand Street.

Joes Lee Higginson


La Hve Inv. Adds

(Special to The Financial Chronicle)

ST. LOUIS, Mo.—John P. Stephen, 111 Pioneer-Endicott Arcade.

Joins L. M. Simon

MINNEAPOLIS, Minn.—L. M. Simon & Co., 315 North 7th Street, has been added to the staff of the New York and Midwest Stock Exchanges.

Now With Bache & Co.

(Special to The Financial Chronicle)

BACH & BACH, Chicago, have added to their staffs: Mr. F. T. Smith, 333 South Wabash Avenue, and Mr. W. J. Croft, 300 South Dearborn Street.

Saskatchewan

(Special to The Financial Chronicle)

Bakersfield, California—Mr. B. J. Goldstein is now connected with the West Coast Securities Company, 1684 Broadway Street.
Offering—Expected 
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letter of notification) 
7,635 shares of common stock (par $1) to be offered for subscription by stockholders. Of the total, 3,000 shares will be sold on the New York Stock Exchange for $200 cash, and 4,635 shares will be sold on the Pacific Coast Stock Exchange for $105 cash. The price will be $1.50 per share.

2. Aircraft Dynamics International Corp. 
Sept. 29 filed 1,000,000 shares of common stock (par $1) at $4 per share. Proceeds—For general corporate purposes.

3. Alliance Tire & Rubber Co. Ltd. 
Sept. 17 filed 2,000,000 shares of common stock at $1 per share. Proceeds—To be used for the company's general business purposes.

4. Allied Producers Corp. 
Oct. 6 (letter of notification) 25,000,000 shares of common stock (par $1) to be listed on the New York Stock Exchange. The stock is to be used for the company's general business purposes.

5. American Boating Corp. 
Sept. 29 (letter of notification) 100,000 shares of common stock (par $10) to be offered for sale on the New York Stock Exchange. The stock is to be sold for $10 per share.

Sept. 15 filed 3,800,000 shares of common stock (par $1), (voting), and 850,000 shares of class B common stock (par $10). Proceeds—For general corporate purposes.

Nov. 2 filed 600,000 shares of common stock (par 10 cents), and 500,000 shares of 6% preferred stock (no par). Price—To be supplied by Underwriters. Proceeds—To be used for the company's general business purposes.

8. American Investors Syndicate, Inc. 
June 29 filed 600,000 shares of common stock (par 10 cents), and 200,000 shares of 6% preferred stock (no par). Price—To be supplied by Underwriters. Proceeds—To be used for the company's general business purposes.

Oct. 11 filed 1,000,000 shares of common stock (par $1) to be sold at $8 per share. Proceeds—For general corporate purposes.

10. American Service Life Insurance Co. 
Oct. 11 filed 50,000 shares of common stock (par $1) to be sold at $7 per share. Proceeds—To be supplied by Underwriters. Proceeds—To be used for the company's general business purposes.

11. American Motors Corp. 
Oct. 17 filed 500,000 shares of common stock (par $1) at $25 per share. Proceeds—For general corporate purposes.

12. Alliance Tire & Rubber Co. Ltd. 
Sept. 29 (letter of notification) 200,000 shares of common stock (par $1) to be offered for sale on the New York Stock Exchange. The stock is to be sold for $2 per share.

13. Alliance Tire & Rubber Co. Ltd. 
Oct. 6 (letter of notification) 50,000 shares of common stock (par $1) to be offered for sale on the New York Stock Exchange. The stock is to be sold for $5 per share.

14. Alliance Tire & Rubber Co. Ltd. 
Oct. 29 filed 200,000 shares of common stock (par $1) to be offered for sale on the New York Stock Exchange. The stock is to be sold for $4 per share.

15. Alliance Tire & Rubber Co. Ltd. 
Sept. 29 (letter of notification) 100,000 shares of common stock (par $1) to be offered for sale on the New York Stock Exchange. The stock is to be sold for $10 per share.

16. Alliance Tire & Rubber Co. Ltd. 
Oct. 17 filed 500,000 shares of common stock (par $1) at $25 per share. Proceeds—To be supplied by Underwriters. Proceeds—To be used for the company's general business purposes.

17. Alliance Tire & Rubber Co. Ltd. 
Oct. 6 (letter of notification) 50,000 shares of common stock (par $1) to be offered for sale on the New York Stock Exchange. The stock is to be sold for $5 per share.

18. Alliance Tire & Rubber Co. Ltd. 
Oct. 29 filed 200,000 shares of common stock (par $1) to be offered for sale on the New York Stock Exchange. The stock is to be sold for $4 per share.

19. Alliance Tire & Rubber Co. Ltd. 
Sept. 29 (letter of notification) 100,000 shares of common stock (par $1) to be offered for sale on the New York Stock Exchange. The stock is to be sold for $10 per share.

20. Alliance Tire & Rubber Co. Ltd. 
Oct. 17 filed 500,000 shares of common stock (par $1) at $25 per share. Proceeds—To be supplied by Underwriters. Proceeds—To be used for the company's general business purposes.

21. Alliance Tire & Rubber Co. Ltd. 
Oct. 6 (letter of notification) 50,000 shares of common stock (par $1) to be offered for sale on the New York Stock Exchange. The stock is to be sold for $5 per share.

22. Alliance Tire & Rubber Co. Ltd. 
Oct. 29 filed 200,000 shares of common stock (par $1) to be offered for sale on the New York Stock Exchange. The stock is to be sold for $4 per share.

23. Alliance Tire & Rubber Co. Ltd. 
Sept. 29 (letter of notification) 100,000 shares of common stock (par $1) to be offered for sale on the New York Stock Exchange. The stock is to be sold for $10 per share.

24. Alliance Tire & Rubber Co. Ltd. 
Oct. 17 filed 500,000 shares of common stock (par $1) at $25 per share. Proceeds—To be supplied by Underwriters. Proceeds—To be used for the company's general business purposes.

25. Alliance Tire & Rubber Co. Ltd. 
Oct. 6 (letter of notification) 50,000 shares of common stock (par $1) to be offered for sale on the New York Stock Exchange. The stock is to be sold for $5 per share.

26. Alliance Tire & Rubber Co. Ltd. 
Oct. 29 filed 200,000 shares of common stock (par $1) to be offered for sale on the New York Stock Exchange. The stock is to be sold for $4 per share.

27. Alliance Tire & Rubber Co. Ltd. 
Sept. 29 (letter of notification) 100,000 shares of common stock (par $1) to be offered for sale on the New York Stock Exchange. The stock is to be sold for $10 per share.

28. Alliance Tire & Rubber Co. Ltd. 
Oct. 17 filed 500,000 shares of common stock (par $1) at $25 per share. Proceeds—To be supplied by Underwriters. Proceeds—To be used for the company's general business purposes.

29. Alliance Tire & Rubber Co. Ltd. 
Oct. 6 (letter of notification) 50,000 shares of common stock (par $1) to be offered for sale on the New York Stock Exchange. The stock is to be sold for $5 per share.

30. Alliance Tire & Rubber Co. Ltd. 
Oct. 29 filed 200,000 shares of common stock (par $1) to be offered for sale on the New York Stock Exchange. The stock is to be sold for $4 per share.
November 18 (Wednesday)

Transwestern Pipeline Co., Inc.---Debentures

Transwestern Pipeline Co.---Debentures

Atlantic City Electric Co.---Common

Harman-Kardon, Inc.---Debentures

Great Western Financial Corp.---Debentures

New York State Gas & Electric Co.---Common

Oxford Chemical Corp.---Common

Piedmont Natural Gas Co., Inc.---Debentures

November 23 (Monday)

Dashaw Business Machines, Inc.---Debentures

Dynek, Inc.---Common

Frontier Refining Co., Inc.---Debentures

Perrine Industries, Inc.---Debentures

November 24 (Tuesday)

Gulf States Utilities Co., Inc.---Bonds

Gulf Industries, Inc.---Common

November 30 (Monday)

Life Insurance Co. of Florida---Common

December 1 (Tuesday)

Consolidated Edison Co. of New York, Inc., Bonds---On the books of:

United Marine, Inc.---Debentures

United Marine, Inc.---Debentures

Winkelman Bros., Inc., (Winkelman Bros., Inc.)---Debentures

December 9 (Wednesday)

New England Power Co.---Preferred

Continued on page 34
To increase capital and surplus. Underwriter—None.

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Gold Medal Packing Corp.

June 18 filed 572,560 shares of common stock (par $1), of which 175,000 shares were offered for sale to the public for $1.00 per share, and 400,000 shares of common stock (par $1), which will be offered at the public's expense. For general corporate purposes. Office—350 W. Washington St., New York. Underwriter—Arnold Goldsmith.

Great Lakes Bowling Corp.

Aug. 31 filed 120,000 shares of common stock (par $1). For general corporate purposes. Proceeds—For general corporate purposes. For general corporate purposes. Office—522 S. W. 5th Ave—Portland, Ore., Underwriter—Lehman Brothers, New York.

Green River Production Corp.

Oct. 15 (letter of notification) 9,600 shares of common stock (par $5) at $1.50 per share. Proceeds—For general corporate purposes. For general corporate purposes. Office—Ole E. Eng, P.O. Box 95, Hattiesburg, Miss., Underwriter—Lehman Brothers, New York.

Guaranty Insurance Agency, Inc.

See, Mortgage Guaranty Insurance Corp., below.

Guthrie & Co., Inc.

Oct. 19 (letter of notification) 1,000 shares of common stock (par $5) at $1 per share. Proceeds—For general corporate purposes. For general corporate purposes. Address—P. O. Box 193, Clarksville, Ark., Underwriter—Lehman Brothers, New York.

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of record Nov. 20, on the basis of one new share for each 15 shares then held. The rights are scheduled to expire Dec. 7, 1981, and may be supplied by amendment. Proceeds to discharge short-term obligations incurred for construction. Office—Thaca, N. Y. Underwriters.—The First National Bank of Rome, Wellerth & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc.

North Carolina Telephone Co.—Sept. 27, 150,000 shares of common stock, to be offered for subscription by holders of outstanding stock in the amount of one share for each 15 shares then held. Price—$2 per share. Proceeds—To refund debts and improve the company's financial position. Underwriters—Morgan & Sink.

Northern Properties, Inc.—Sept. 7 filed 150,000 shares of common stock (par $2.50). Price—$3 per share. Proceeds—Distribution of property to shareholders. Various properties in New York State. Office—Hartford, Conn. Underwriters—Shattuck, Little & Co., New York; may withdraw as underwriter.

No-Line Industries, Inc.—Sept. 3 filed 200,000 shares of common stock (par $250) of 7½% subordinated debentures due Oct. 1, 1969 with common stock purchase warrants entitling the holders of the warrants to purchase 2,000,000 shares of common stock (at 16½, par $1,000), to be offered with warrants for purchase of 100 shares of common stock attached. Proceeds—For working capital. Office—Minneapolis, Minn. Underwriters—Kearney-Ewing & Co., Minneapolis, Minn.


Pilgrim National Life Insurance Co. of America.—July 1 filed 100,000 shares of common stock (par $1), of which 50,000 shares are to be offered in the name of the shareholders of record Aug. 31, 1969, and $5,000 shares (minimized price $3.50 per share) are to be offered by the company to make a subscription for the unissued stock of the issuing company. Office—New York, N.Y. Underwriters—John B. Talbot & Co., New York, N.Y. Underwriter—R. L. Franklin & Co., Cleveland, Ohio.


Pitney-Bowes, Inc.—Sept. 12 filed 200,000 shares of common stock (par $1). Price—$2 per share. Proceeds—To refund maturing obligations. Office—None.


Pan-Alaska Corp.—Aug. 7 filed 250,000 shares of common stock capital stock to be issued pursuant to options held by Marine Drilling, Inc. Latter company will, in turn, offer its stockholders rights to subscribe for 21,600 shares of Pan-Alaska common stock, at 20 cents a share, for each share of Marine Drilling stock outstanding. The Pan-Alaska shares will be entitled to 6% of the company's earnings. Office—Anchorage, Alaska. Underwriter—Sutro Bros. & Co., New York.

Pacific Uranium Mines Co.—Oct. 20 filed 500,000 shares of 6% secured notes, $175,000 of common stock purchase warrants, and 675,000 shares of common stock. $1,000,000 of the notes and 300,000 warrants are to be used to retire the company's first $350,000 of debentures plus an additional 72,000 warrants are to be publicly distributed; making 120,000 shares, representing outstanding stock, as also also to be offered any shares unsubscribed for by said stockholders. Proceeds—$5 per share. Proceeds—For general corporate purposes, possibly including the enabling of the issuing company to make application for licenses to conduct its business in the state of Wyoming. Office—None. Underwriter—None.

Pan-Atlantic Corp.—Aug. 7 filed 200,000 shares of common stock to be issued pursuant to options held by Marine Drilling, Inc. Latter company will, in turn, offer its stockholders rights to subscribe for 21,600 shares of Pan-Alaska common stock, at 20 cents a share, for each share of Marine Drilling stock outstanding. The Pan-Alaska shares will be entitled to 6% of the company's earnings. Office—Anchorage, Alaska. Underwriter—Sutro Bros. & Co., New York.

Pan-Atlantic Corp.—Aug. 7 filed 200,000 shares of common stock to be issued pursuant to options held by Marine Drilling, Inc. Latter company will, in turn, offer its stockholders rights to subscribe for 21,600 shares of Pan-Alaska common stock, at 20 cents a share, for each share of Marine Drilling stock outstanding. The Pan-Alaska shares will be entitled to 6% of the company's earnings. Office—Anchorage, Alaska. Underwriter—Sutro Bros. & Co., New York.

Panatosee Corp.—Aug. 28 filed $2,000,000 of 6% subordinated sinking fund debentures, due 1969, of which $1,200,000 are to be used to purchase 96,000 shares of 6% debentures. Proceeds—$1.90 per share. Proceeds—For general corporate purposes. Office—26 Jefferson St., Passaic, N. J. Underwriter—Blair & Co., Inc., New York. Offering—Termas, Inc.


Peerless Mortgage Co.—Oct. 12 filed 2,500,000 shares of common stock (par $1). Proceeds—For general corporate purposes. Underwriter—None.

Perrine Industries, Inc. (11/23)—Oct. 28 filed $1,350,000 of 20-year convertible subordinated debentures, due 1989, of which $500,000 and $1,000. Price—At par. Proceeds—To be used in the purchase of two new plants in the midwest and southeast industrial areas; to spend $230,000 to equip these new plants, and to use the company's Brooklyn plant, and $600,000 will be used to construct corporate indebtedness. Underwriter—S. D. Fuller & Co., New York.


Piedmont Natural Gas Co., Inc. (11/20) Sept. 20 filed 100,000 shares of preferred stock (par value to be determined) to be offered to stockholders of record Nov. 20, 1969, on the basis of one share for each 100 of common stock held, rights to expire on Dec. 7, 1969, and a subscription price of 90% of par value of the stock. Proceeds—To be used by the company that has been capitalized under the name of Piedmont Natural Gas Co., Inc., to expand the business of natural gas utility companies. Office—Greensboro, N.C. Underwriter—None.

Pilk, Inc.—Sept. 17 filed 500,000 shares of common stock (par $1). Price—$1 per share. Proceeds—For general corporate purposes. Proceeds—For general corporate purposes. Underwriter—None.


Ranney Refrigerator Co. (11/2-6) Sept. 3 filed $2,500,000 of 6½% ten-year subordinated debentures, due 1985, and $1,200,000 of 8% series A preference shares, due 1987. Price—For debentures, 100% of principal amount; for stock, $25 per share. Proceeds—To finance the development of a new refrigerator plant, of Newark, N.J., with the balance to be used as working capital. Office—None. Underwriter—Anson Treat & Co., Inc., New York. Offering—Expected sometime during the end of No—
**Executive Orders and Public Announcements**

**Finding**

Executive orders and public announcements issued by the Federal Reserve Bank of St. Louis, as of [date].

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**Staff News and Announcements**

**Key Staff News**

Recent announcements and materials about staff at the Federal Reserve Bank of St. Louis, as of [date].

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**Business Reports**

**Market Analysis**

Recent analysis of market trends and economic data, including the impact of current events on business and financial systems.

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**Corporate News**

**Company Announcements**

Recent announcements and updates from corporate entities related to the Federal Reserve Bank of St. Louis, as of [date].

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**Community Impact**

**Local Initiatives**

Recent initiatives and projects undertaken by the Federal Reserve Bank of St. Louis to support the local community, as of [date].

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**Financial News**

**Banking Information**

Recent financial news and banking information related to the Federal Reserve Bank of St. Louis, as of [date].

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**Legal Documents**

**Regulatory Updates**

Recent regulatory updates and legal documents affecting the Federal Reserve Bank of St. Louis, as of [date].

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**Contact Information**

**Office Directory**

Contact information for the Federal Reserve Bank of St. Louis, including addresses, telephone numbers, and email addresses.

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**Additional Resources**

**Educational Materials**

Educational materials and resources provided by the Federal Reserve Bank of St. Louis, as of [date].

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**Dateline**

[City, State] — [Date]

The Federal Reserve Bank of St. Louis announces the release of [title of announcement].
United States Fidelity & Guaranty Co.

United States Fidelity & Guaranty Co. Oct. 8 filed 1,974,783 shares of capital stock (par $5) to be offered for subscription by holders of certificates for each five shares held of record Oct. 28. The warrants for such subscription are at the option of the company, at 100% of par, for five years from date of record. The proceeds are to increase capital and surplus. Underwriters—Alex. H. Baker, Watts & Co., John C. Legg & Co. and Stein Bros. & Co., New York City.

United Tourist Enterprises, Inc.

United Tourist Enterprises, Inc. Town of Newburgh, N.Y., filed 150,000 shares of class A common stock (par $1), $25 per share warrant, and for construction of a Grand Hotel Estat and Convention Hall, to be constructed in the immediate vicinity of the hotel now in operation by the company, the company to take advantage of the construction to expand its hotel and convention business. Underwriters—Fleet Securities, Inc., littleton, Colo., State effective Oct. 9.

Universal Container Corporation (11-16)

Universal Container Corporation July 16, 1960, filed 170,000 shares of capital stock (par $1), $17 per share warrant, and for construction of a Grand Hotel Estat and Convention Hall, to be constructed in the immediate vicinity of the hotel now in operation by the company, the company to take advantage of the construction to expand its hotel and convention business. Underwriters—Fleet Securities, Inc., littleton, Colo., State effective Oct. 9.

Universal Finance Corp.

Universal Finance Corp. Oct. 20 filed 10,000 shares of capital stock (par $1), $1 per share warrant, and for the purpose of purchasing additional real estate or personal property, building and equipment, and expansion. Underwriter—Michael G. Kletz & Co., New York City.

Transwestern Pipe Line Co. (11-18)

Transwestern Pipe Line Co. Sept. 29 filed 250,000 shares of capital stock (par $1), $10 per share warrant, and for the purpose of purchasing additional real estate or personal property, building and equipment, and expansion. Underwriter—Lehman, Kopp, Lynch, Pierse, Fenner & Smith, Inc., both of New York City.

Tri-Ant World Financial Co. (12-7-12)

Tri-Ant World Financial Co. Oct. 28 filed 20,000 shares of capital stock (par $1), $1 per share warrant, and for the purpose of purchasing additional real estate or personal property, building and equipment, and expansion. Underwriter—First American Securities, Inc., both of New York City.

Trinity Small Business Investment Co.

Trinity Small Business Investment Co. April 17 filed 250,000 shares of capital stock (par $1). Price—$5 per share. Proceeds—For general corporate purposes. Underwriter—South Main Street, Greenville, S.C. Underwriter—The company is supplied by amendment. Statement effective Sept. 25.

Tungsten Mining Co.

Tungsten Mining Co. May 21 (letter of notification) 60,000 shares of capital stock (par $1), $1 per share warrant, and for the purpose of purchasing additional real estate or personal property, building and development of undeveloped oil and gas properties. Underwriter—Ellis Securities Building, Seattle, Wash. Underwriter—R. Pratt & Co., Seattle, Wash.

1960 Trice Oil and Gas Co.

1960 Trice Oil and Gas Co. Oct. 2 filed 5,500,000 shares of participations in Programs 600-1-4 and 600-1-5, consisting of 1,100,000 shares of common stock (par $1), $1 per share warrant, and for the purpose of purchasing additional real estate or personal property, building and development of undeveloped oil and gas properties. Underwriter—Ellis Securities Building, Seattle, Wash. Underwriter—R. Pratt & Co., Seattle, Wash.

Vita-Plus Beverage Co., Inc.

Vita-Plus Beverage Co., Inc. Aug. 11 (letter of notification) 300,000 shares of capital stock (par $1), $1 per share warrant, and for the purpose of purchasing additional real estate or personal property, building and development of undeveloped oil and gas properties. Underwriter—Ellis Securities Building, Seattle, Wash. Underwriter—R. Pratt & Co., Seattle, Wash.

Washington Mortgage and Development Co.

Washington Mortgage and Development Co., Inc. Sept. 25 filed 500,000 shares of capital stock (par $1), $1 per share warrant, and for the purpose of purchasing additional real estate or personal property, building and development of undeveloped oil and gas properties. Underwriter—Ellis Securities Building, Seattle, Wash. Underwriter—R. Pratt & Co., Seattle, Wash.

Washington Planning Corp. (12-6)


Waukesha Motor Co.


Western Wood Fibre Co.

Western Wood Fibre Co. March 5 filed 100,000 shares of common stock (par $10) and 500,000 warrants for subscription to holders of record March 16, 1960. At par. Proceeds—For construction and equipment of new lines and facilities. Office—500 Montgomery St., San Francisco, Calif. Underwriter—First American Securities, Inc., both of San Francisco, Calif., and Pacific States Securities Co., both of Portland, Oreg.

Western Wood Fibre Co. March 5 filed 100,000 shares of common stock (par $10) and 500,000 warrants for subscription to holders of record March 16, 1960. At par. Proceeds—For construction and equipment of new lines and facilities. Office—500 Montgomery St., San Francisco, Calif. Underwriter—First American Securities, Inc., both of San Francisco, Calif., and Pacific States Securities Co., both of Portland, Oreg.

West Florida Natural Gas Co.

West Florida Natural Gas Co. Aug. 31 filed $817,200, of 7 1/2% 20-year, subordinated income debentures, plus warrants for purchase of shares of class A common stock (1 par). Price—$100 per unit. Proceeds—For acquisition of additional equipment, for general corporate purposes, including provision for funds of the purchase of additional equipment, for the purpose of working a new field, and for capital, new equipment, and expansion. Office—Louisville, Ky. Underwriter—Michael G. Kletz & Co., New York City.

Western Heritage Life Insurance Co.

Western Heritage Life Insurance Co. Aug. 26 filed 500,000 shares of common stock. Price—$2 per share. Proceeds—For general corporate purposes. Office—333 East McDowell Road, Phoenix, Ariz. Underwriter—July 15 it was stated that some of the shares may be sold to corporate men employed by the company, or by registered brokers. A commission not to exceed $1/2 to $2 per share may be paid to sellers of such shares.

Western Reserve Life Assurance Co.

Western Reserve Life Assurance Co. Oct. 20 filed 100,000 shares of common stock, to be offered for subscription by stockholders at the rate of one share for each 20 shares owned by the stockholder, the undersubscription to be used for the purpose of purchasing additional real estate or personal property, building and equipment. Underwriter—Raymond, Ohio. Underwriters—McDonald & Co., and Loan & Investment Securities Co., both of Cleveland, Ohio.

Western Wool Processors, Inc.

Western Wool Processors, Inc. July 5 filed 10,000 shares of capital stock (par $1), $1 per share warrant, and for the purpose of purchasing additional real estate or personal property, building and equipment. Office—Burlington, N.C. Underwriter—W. E. Sheats, Inc., both of Burlington, N.C.

Winkleman Bros. Apparel, Inc. (12-1)

Winkleman Bros. Apparel, Inc. Oct. 25 filed 35,000 shares of capital stock (par $3), of which 7,000 shares are to be offered for public sale by the company, and 2,700,000 shares, representing outstanding stock, are to be held in trust for the accounts of the present holders thereof. Price—To be supplied by amendment. Proceeds—For advertising purposes. The shares are to be offered on an "all or none" basis by Adama & Co., New York City. The company expects before the close of business on the third full business day following the date of the registration as to whether they will purchase the shares.

World Publishing Co. (11-17)


Wyoming Nuclear Corp.

Wyoming Nuclear Corp. Oct. 23 filed 10,000 shares of capital stock (par $1), $1 per share warrant, and for mining purposes. Office—Noble Hotell Bldg., Cheyenne, Wyo. Underwriter—C. A. Benson & Co., both of Cheyenne, Wyo.

Prospective Offerings

American Gypsum Co.

American Gypsum Co. Oct. 31 announced that the company will register debt and equity securities later this year. Proceeds—For construction of a gypsum products plant in Albuquerque, New Mexico, and for working capital. Office—Albuquerque, N.M. Underwriters—Jack M. Bass & Co., New York City.

American Hospital Supply Corp.

American Hospital Supply Corp. Oct. 28 directors of this company have authorized an amendment to the registration statement of this company, as yet unregistered, for the sale of $5,000,000 of new corporate bonds. Underwriters—Eastman Dillon, Union Securities Co. & Smith, Barney, & Co. both of New York City.


American Jet School, Inc., Lansing, Mich. Aug. 31 it was announced that the corporation plans to go public on the present effective registration statement of the company, as yet unregistered, for the sale of $5,000,000 of new corporate bonds. Underwriter—Morgan Stanley & Co., both of New York City.

Amico Telephone Co. of Pennsylvania

Amico Telephone Co. of Pennsylvania Sept. 23 it was announced that the company plans the sale of $20,000,000 of debentures dated Dec. 1, 1960, and which are to be held in trust for the purpose of financing construction. Underwriter—To be determined by competitive bidding. Probable holders: Halliday, Stelly, Inc.; The First Boston Corp.; Morgan Stanley & Co.; continued on page 40.
National Key Co. stock sold

C. E. Underberg, Tewson Co., Indianapolis, Ind., had an understanding with J. R. Underberg of National Key Co. at a price of $12.50 per share for 2,500 shares of stock for the first public sale of the company since its stock was listed on the Chicago Board of Trade. The stock was subscribed to the full extent and the subscription was oversubscribed and the subscription was closed.

An amount of 200,000 shares, 75,000 shares are being sold for the purchase of six acres of land in Ohio, on which a building is to be constructed. This building will house the company's future business and operations. The balance of the subscription will be added to the company's working capital and used for general corporate purposes.

The National Key Co. and its officers are members of the American Society of Mechanical Engineers and the American Society of Electrical Engineers. A portion of the net proceeds from the sale of the 75,000 shares of stock to be sold by the company will be used for the purchase of six acres of land in Ohio, on which a building is to be constructed. This building will house the company's future business and operations. The balance of the subscription will be added to the company's working capital and used for general corporate purposes.

First National Bank of Miami, Fla. Sept. 14 it announced that stockholders have approved the issuance of 150,000 additional shares of capital stock (par $10) on the basis of one share for each four shares held. Price—$5 per share. Proceeds—To increase the bank's capital and surplus.

Florida East Coast Corp. Oct. 22 it reported that a public offering of common stock of $10,000,000 has been completed. Price—$5 per share. Proceeds—To increase the company's capital and surplus. Underwriter—None.

Hawaiian Telephone Co. Aug. 3 it reported that the company received approval from the Public Utilities Commission to issue approximately $4,500,000 of new bonds. Last bond issues were placed $3,000,000 in 1952.

Independence Radio, Inc., Lansing, Mich. Aug. 21 it announced that the company will issue 20,000,000 of common stock mortgage bonds, par value $5,000,000, to rs for the company's expansion, construction, and equipment. Price—$5 per share. Proceeds—To increase the company's capital and surplus. Underwriter—Midtown Securities Corp., same address.

Johnson Motors. July 30 it reported that the company plans to issue $100,000,000 of convertible preferred stock, conversion of which will be offered to common stockholders at a ratio of one share of common stock per 10 shares of preferred stock. Price—$100 per share. Proceeds—To increase the company's capital and surplus.

Kidder, Peabody & Co., Inc., and The Peabody Co., Inc., announced the issuance of 100,000 shares of common stock to the Peabody Co., Inc., for new shares. Proceeds—To increase the company's capital and surplus.

New England Telephone & Telegraph Co. Sept. 17 it announced that two issues of common stock will be offered to the public at $50 per share. Price—$50 per share. Proceeds—To increase the company's capital and surplus.

New England Power Co. (12-9) Sept. 17 it announced that two issues of common stock will be offered to the public at $50 per share. Price—$50 per share. Proceeds—To increase the company's capital and surplus.

New Era Corporation, Rochester, Mich. Sept. 1 it reported that the company is planning an offering of approximately 200,000 shares of common stock. Price—$1 per share. Proceeds—To increase the company's capital and surplus.

Public Service Electric & Gas Co. Oct. 21 it announced that the company that date has issued 100,000 shares of its stock to shareholders of the Board of Public Utility Commissioners of the State of New York covering approximately $10,000,000 of common stock (without nominal or par value). Proceeds—To be used for the general corporate purposes of the company and will be for the benefit of any uninsured bank loans which may be outstanding under the terms of the cost of its current construction program. Offering—See below.

Ryder System, Inc. Sept. 20 it announced that the company is planning an offering of approximately $10,000,000 of common stock (par $1) in order to raise funds for the company's expansion, construction, and equipment. Price—$1 per share. Proceeds—To increase the company's capital and surplus.

South Carolina Electric & Gas Co. Jan. 30, 1959, announced an offering of approximately 100,000 shares of common stock, price—$1 per share. Proceeds—To increase the company's capital and surplus.

Stuart Halsey, Inc., 208 So. Mound St., Chicago, III., announced the issuance of 3,000,000 shares of common stock. Price—$5 per share. Proceeds—To increase the company's capital and surplus.

The Peabody Co., Inc., and The Peabody Co., Inc., announced the issuance of 100,000 shares of common stock to the Peabody Co., Inc., for new shares. Proceeds—To increase the company's capital and surplus.

A new issue of common stock, price—$1 per share. Proceeds—To increase the company's capital and surplus.

TRANSMISSON GAS PIPE LINE CORP.

Union Bank, Los Angeles, Calif. Oct. 19 it announced an offering of approximately 200,000 shares of common stock. Price—$1 per share. Proceeds—To increase the company's capital and surplus.

Union Bank, Statesboro, Ga. July 25 it announced an offering of approximately 200,000 shares of common stock. Price—$1 per share. Proceeds—To increase the company's capital and surplus.

World Fidelity Life Insurance Co. Aug. 17 it reported that the company plans to use proceeds of $10,000,000 to register 200,000 shares of common stock with the SEC. Price—$1 per share. Office—314 First National Bank Bldg., Colorado Springs, Colo.

Guerdon Smith Branch LOS ANGELES, Calif.—Guerdon Smith Co. has opened a branch office at 4431 East Eighth Avenue under the management of Robert E. Kenney, Jr.

White, Weld, & Co. BETHLEHEM, Pa.—White, Weld & Co. has opened a branch office at 325 Washington St. East, under the management of Robert M. Dockham.

P. R. Crittenden Opens NORTH SYRACUSE, N. Y.—P. R. Crittenden has announced that he will establish a securities business from offices recently opened by Crittenden in the name of R. Crittenden & Company.

The-Security
I Like Best

Continued from page 2
architectural beauty and industrial efficiency. It has attracted widespread comment. In 1959, the Stuart Company was given 1st place in the competition, as one of the "Ten Top Plants of the Year."

The product line has continually expanded and is now represented by every region in the general classifications of amino acids, vitamin products, multi-vitamin and mineral products, lipotropes, and growth and appetite stimulants in the form of color, control, bulk laxative, urinary tract therapy and acid and alkaloid therapy.

During the past year, "Stuart" has surpassed previous sales records with all products to the medical profession which the company reports are making substantial contributions to the sales and profits of a growing list of customers.

In April of this year, two new and unique effervescent bulk laxative patent applications were filed. These products are marketed nationally. A third laxative patent application will be filed shortly.

"Stuart" was the first to use Softabs, a pleasant tasting tablet that contains an extremely small amount of water (liquid in tablet form). Four Softabs form a new laxative tablet form including Softin, a new and very effective tranquillizer.

It is the function of the company to market-test all products beyond the limits of the previous national scale. Currently, three new laboratory developments are being subjected to controlled field trials in the various parts of the country. One product is Mylicon, representing a completely new approach to the relief of distress from gas, pain and bloating. Physicians have already evaluated this product as a definite advance in the safety and profession of a patient after surgery. Some are recommending Mylicon for use in infants. This product is still in clinical study.

Research and development have been increased substantially at the company. Added to the present facilities permitting additional study relating to organic synthesis, and natural enzyme processes, a new laboratory, a highly trained sales organization of 175 men make periodic calls directly to medical facilities. Distribution is made on all products to major marketing areas of this country, as well as in several foreign countries. Sales engineers, sales managers, etc., are shown in the highlights tabulated below, indicating an aggressive growth pattern.

Net income after taxes equalled 25% of the sales for the year. Financially sound, the Stuart Company reports that earnings for the fiscal year ending March 1960 were $78,731. Cash dividends of 8%, or $6.22 per share, were paid. Current liabilities were $1,202,557. This provides a current ratio of 3.8 to 1. Total assets amount to $21,418,961. The company maintains one of the most modern accounts payable and receivables systems and a high ratio of loan to capital of 1.47 per cent.

Dividends are currently paid at the rate of $64 per share. In December, 1960, a stock dividend of 1925 was declared and issued. In January, 1961, the stock was split 2-for-1 and the current objective, however, is to build a cash position up to about $2 milli

Fifty-Eighth Annual Convention of
Investment Bankers Assn. of America

The 1959 Annual Convention of the Investment Bankers Association will be held at The Americana, Bal Harbour, Miami Beach, Fla., beginning Monday, December 7, and closing on Friday, December 11.

The first business session of the convention will be held on Monday, Municipal Forum on Sunday afternoon. There will then be convention sessions, including those on Monday from 10 a.m. to 3 p.m. In addition, there will be sessions of the Board of Governors and many of the committees will be held during the convention and will present their annual reports at that time. No business sessions are planned for Friday, nor, with the exception of the Board of Governors' meeting on Sunday afternoon and a meeting of the incoming Board of Governors on Thursday afternoon, and will be closed for the afternoons, which will be left free for recreation.

It is hoped very much that each member organization will impress upon their respective representatives the importance of attending the convention sessions.

Regular Ticket

The Board of Governors of the Association, in Article Six, Section 7, of the Constitution, will submit to the convention the Regular Ticket for 1959-60, as follows:

FOR-president:
John C Hagan, Jr., Miami-Hagen, Inc., Richmond

FOR VICE-PRESIDENTS:
William M. Adams, Braun, Bosworth & Co., Detroit
Warren H. Crowell, Crowell, Weeden & Co., Los Angeles
S. A. H. Dawson, First National Bank of Chicago
George A. Newton, G. H. Walker & Co., St. Louis
Note: Badge, non-member, Cleveland

The registration fee for the convention will be $50 per person.

It will apply to each man and woman registered for the convention, for admission to all sessions and entertainment arranged.

All reservations should be made payable to the Association and forwarded to its offices by November 20th. (See form for convention registration and hotel reservations.)

All reservations for rooms at the convention hotels should be made through the Association's office. Confirmation of reservations will be made as promptly as possible, but due to the time required for processing them, there will necessarily be some delay in this connection.

The Americans will be the headquarters hotel. It will not, however, accommodate the entire convention group and it will be necessary to place some of those attending at The Balmorel, which is in immediate proximity and equipped with a bridge, a short bridge. Those staying at The Balmorel will go to The Americas for lunch and dinner, but may have breakfast at either hotel.

The rooms at both hotels are double rooms and the number which can be used during the period of the convention is limited. It is important, therefore, that arrangements be made to share accommodations to the greatest extent as possible. If single applications should be excessive, it will be necessary to assign roommates.

Convention Transportation

NEW YORK SPECIAL TRAIN

The route of the train in both directions will be Pennsylvania Railroad between New York and Washington, R. P. & P. Railroad between Washington and Richmond, and Seaboard Air Line Railroad between Richmond and Norfolk. The round trip is approximately 2,800 miles.

The tickets are good for use of a special train car for travelers of the American Society of Civil Engineers, the American Society of Mechanical Engineers, the American Society of Heating, Refrigeration and Air Conditioning Engineers, the American Institute of Industrial Engineers, and others on the train.

The schedule will be as follows:

Going Schedule

L. V. New York
Saturday, Nov. 28
11:35 a.m.

L. V. Philadelphia
11:23 a.m.

L. V. North Philadelphia
12:31 p.m.

L. V. Baltimore
2:10 p.m.

L. V. Richmond
5:55 p.m.

Ar. Hollywood
Sunday, Nov. 29
11:35 a.m.

Return Schedule

L. V. Hollywood
Friday, Dec. 4
1:50 p.m.

L. V. Richmond
Saturday, Dec. 5
1:50 p.m.

L. V. Washington
12:44 p.m.

L. V. 30th St. Philadelphia
12:44 p.m.

L. V. Newark
2:05 p.m.

L. V. New York
2:05 p.m.

If there are insufficient reservations for a return special train ticket, the train will be operated without the train car for America Society of Civil Engineers, the American Society of Mechanical Engineers, the American Society of Heating, Refrigeration and Air Conditioning Engineers, the American Institute of Industrial Engineers, and others on the train.

Pullman reservations—Pullman reservations for the going trip should be made through New York Transportation Committee, of which William H. Todd, Kuhn, Loeb & Co., New York, S. Y. N., is Chairman. One-way fares (including Federal tax) to Hollywood are as follows:

<table>
<thead>
<tr>
<th>Destination</th>
<th>One-Way Fare</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>$66.11</td>
</tr>
<tr>
<td>Newport</td>
<td>$48.68</td>
</tr>
<tr>
<td>Baltimore</td>
<td>$44.34</td>
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<tr>
<td>Philadelphia</td>
<td>$64.62</td>
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<tr>
<td>Baltimore</td>
<td>$43.62</td>
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<tr>
<td>Richmond</td>
<td>$33.12</td>
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<tr>
<td>Washington</td>
<td>$47.41</td>
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<tr>
<td>Richmond</td>
<td>$33.59</td>
</tr>
<tr>
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<td>$33.12</td>
</tr>
<tr>
<td>Washington</td>
<td>$47.41</td>
</tr>
</tbody>
</table>

Certificates covering Pullman space will be issued in lieu of regular tickets; however, tickets will be needed if applications are received promptly. Otherwise they may be picked up at the office of the Pullman reservations committee in New York, 27. Refunds cannot be made on cancellations which are not made prior to date of departure.

Pullman reservations for the return trip of the special train should be made through D. A. Koshoff, Passenger Sales Representative, Pullman Reservations Station, New York, N. Y., at the earliest possible date. This office is open from 9 a.m. to 5 p.m. It is advisable to make reservations as early as possible, or if plans change, they may be made through the Pullman representatives who will be present at The Americas during the convention.

Railroad Tickets—Railroad tickets should be purchased from local agents in New York City. Those who make their reservations through A. Lowrie Applebeck, Halme, Applegate & Humphrey, Inc., Union Trust Building, Pittsburgh, Pennsylvania, will be covered.

CHICAGO-ST. LOUIS SPECIAL CARS

These cars will be operated on "The Seminole," the route of which is Illinois Central Railroad to St. Louis, Missouri, Northern Illinois Transportation Company, Chicago, III. Those wishing to board at St. Louis must mail it to Harry Theis, Albert Theis & Sons, Inc., 314 N. Fourth Street, St. Louis 2, Mo. One-way Pullman reservations (including Federal tax) to North Miami are as follows:

| Destination | One-Way Reservation *
|-------------|-----------------
| Philadelphia| 1.50  |
| New York    | 1.50  |
| Baltimore   | 1.50  |
| Richmond   | 0.50  |

It is not planned to operate a special car from Chicago, Pittsburgh, or Cleveland to St. Louis. Local agents in these cities will make their reservations through A. Lowrie Applebeck, Halme, Applegate & Humphrey, Inc., Union Trust Building, Pittsburgh, Pennsylvania.

NEW ORLEANS SPECIAL CAR

A special car or cars will leave New Orleans at 5:30 p.m. on Friday, Nov. 27, on the Louisville & Nashville "Gulf Wind," with arrival at Miami at 5:30 p.m. on Sunday, Nov. 29. These cars will be operated daily, except in the special train car for America Society of Civil Engineers, the American Society of Mechanical Engineers, the American Society of Heating, Refrigeration and Air Conditioning Engineers, the American Institute of Industrial Engineers, and others on the train.

Chicago, $120.34 • St. Louis, $108.15 • Birmingham, $67.02

continued on page 43
The following statistical tabulations cover production and other figures for the latest week or month as available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, as of that date:

### Indications of Current Business Activity

**AMERICAN IRON AND STEEL INSTITUTE:**

<table>
<thead>
<tr>
<th></th>
<th>Latest Week</th>
<th>Previous Month</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel ingots and castings (net tons)</td>
<td>36,500</td>
<td>36,500</td>
<td>34,500</td>
</tr>
</tbody>
</table>

**AMERICAN METAL-PERIODICALS:**

<table>
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</tbody>
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**Crude-oil contract and noncontract—daily average, (thous. bbl.)**

<table>
<thead>
<tr>
<th></th>
<th>Latest Week</th>
<th>Previous Month</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>36,500</td>
<td>36,500</td>
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**粹油-compiled at steamship points, daily average (thous. bbl.)**

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**DOES (or equivalent) in transhipment, in pipe-line.**

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**ASSEMBLIES OF AMERICAN RAILROADS.**

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**Total freight revenue received from connections (end of year).**

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**Newspaper and Engineering.**

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**COAL OUTPUT (U. S. BUREAU OF MINES).**

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**DEPARTMENT STORE, SALES INDEX—FEDERAL RESERVE**

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**MISCELLANEOUS INSTITUTE.**

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**FINANCIAL AND COMMODITY REPORTS.**

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**IRON AGE COMPOSITE PRICES:**

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**MONTHLY PRICE DOWNS.**

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**MONTHLY BAY DAILY AVERAGES.**

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**COMMODITIES.**

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**BUSINESS INCOME CORPORATION.**

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**CHOP PRODUCTION—CRUDE REPORTING BOARD.**

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**PUBLIC SERVICE.**

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**BUSINESS INCORPORATIONS (NEW IN THE UNITED STATES).**

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**MILLS.**

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**DEPARTMENT STORES, SALES INDEX—FEDERAL RESERVE.**

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**Roses (springs).**

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**NEW YORK STOCK EXCHANGE.**

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**NEW YORK STATE.**

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**PERSONAL INCOME IN THE UNITED STATES.**

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Shell Elect. Corp.  

Stock Offered

Schweickart & Co., on Oct. 27, publicly offered 170,000 shares of common stock (par 10 cents) of Shell Electroni  

Nography Manufacturing Corp., at $2.50 per share.

The company’s current business may be divided into two cate  

gories: (1) The design, assembly, and sale of electronic indicating devices; and (2) the manufacture of the trademark “Test-O-Matt e.”

At present the company manufactures a variety of high fidelity components under the trade designation of “Shell.”

Until May 27, 1959, the entire sales were derived from tube testers. However, a modified unwanted monitor. At the present time the company is testing relative output.  

At the present time the company is testing relative output.  

The present test results are the responsibility of six models of test tubes, four of which are intended for high fidelity systems and are sold to wholesale outlets, and two of which are for use in field service centers. The modula  

tion monitor, a field strength meter which was introduced in October, 1959, accounts for about 1% of sales and is in limited testing in relative power output.  

October, 1959, accounts for about 1% of sales and is in limited  

power output.  

Since May 1959 the company has been associated with a new amplifier designed to operate in conjunction with a design of high fidelity stereo ampli  

fiers. The new amplifiers contain pre-amplifier sections and low gain equipment such as magnet  

ostics and transformers. Two of these amplifiers have been tested and appeared to be functioning acceptably.

The company is completing its design and engineering work and is now in production of the final ampli  

fier. The amplifiers are being designed for use in audio equipment.  

The company intends in December, 1959, to place in production an additional amplifier for the use of technicians and service personnel.  

The company is completing its design and engineering work and is now in production of the final ampli  

fier. The amplifiers are being designed for use in audio equipment.  

With Richard Harrison  

(Special to the Financial Chronicle)

SACRAMENTO, Calif.—Lawrence C. Allers, 26, of 2201 Richard A. Harrison, Sec. 12th Street.

With Hooker & Fay

BAXTER, Calif., Calif.—Arnold Mazon has been associated with Hooker & Fay, 221 Montgomery  

Street, and has been serving in New York and Pacific Coast Stock Exchanges. Mr. Mazon was formerly  

with Stone and Youngblood.

With Reynolds & Co.  

(Special to the Financial Chronicle)

SACRAMENTO, Calif.—John W. Harris has been added to the staff of Reynolds & Co., 919 Tenth Street.

Burr Adds to Staff

(Special to the Financial Chronicle)

SACRAMENTO, Calif.—Jan F. Hazelwood has become associated with Burr & Co., Inc., 155 Serrano Street, SACRAMENTO, member of the Pacific Coast Stock Exchange.

With Dempsey-Tegeler

(Special to the Financial Chronicle)

SACRAMENTO, Calif.—William W. Allyn & Company has opened an office in the Dempsey-Tegeler building, 1610 Old Sacramento and has been associated with Dempsey-Tegeler & Company, 1610 Old Sacramento. Mr. Allyn was formerly with General American & Canadian Securities, Inc., and prior thereto was in the Trading Department of the local office of William R. Staats & Co.

Joins L. Brooks Co.

(Special to the Financial Chronicle)

SACRAMENTO, Calif.—Charles T. Duvall has joined the staff of L. Brooks & Co., Inc., 320 Pacific, member of the Pacific Coast Stock Exchange.

DENTAL

United States Pipe and Foundry Company

The Board of Directors today declared a quarterly dividend of 104  

Chicago, Ill., per share on the outstanding Common Stock of the Company, payable December 10, 1959, to stockholders of record on December 1, 1959.

The dividend, the fourth of the year, follows the announcement of United States Pipe and Foundry Company.

October 23, 1959

T. A. HUDDLESTON

Secretary

Common Stock Dividend No. 116

On October 12, 1959 a regular quarterly dividend of 75  

cents per share was declared on the Corporation’s Common  

Stock, payable December 15, 1959 to stockholders of record at the close of business on November 15, 1959.

SOUTHERN RAILWAY GAS COMPANY

Birmingham, Alabama

Common Stock Divided No. 82

A regular quarterly di  

vidend of 50 cents per share has been declared upon the Common Stock of the Southern Natural Gas Company, payable December 14, 1959 to stockholders of record November 10, 1959.

Common Shares

W. S. TAYLOR

Secretary

Dated: October 23, 1959

SOUTHERN RAILWAY GAS COMPANY

Birmingham, Alabama

Common Stock Divided No. 82

A regular quarterly dividend of $1.00 per share has been declared upon the Common Stock of the Southern Natural Gas Company, payable in cash on December 1, 1959, to stockholders of record at the close of business on November 15, 1959.

Common Shares

W. S. TAYLOR

Secretary

Dated: October 23, 1959

SOUTHERN RAILWAY GAS COMPANY

Birmingham, Alabama

Common Stock Divided No. 82

A regular quarterly dividend of $1.00 per share has been declared upon the Common Stock of the Southern Natural Gas Company, payable in cash on December 1, 1959, to stockholders of record at the close of business on November 15, 1959.

Common Shares

W. S. TAYLOR

Secretary

Dated: October 23, 1959

SOUTHERN RAILWAY GAS COMPANY

Birmingham, Alabama

Common Stock Divided No. 82

A regular quarterly dividend of $1.00 per share has been declared upon the Common Stock of the Southern Natural Gas Company, payable in cash on December 1, 1959, to stockholders of record at the close of business on November 15, 1959.

Common Shares

W. S. TAYLOR

Secretary

Dated: October 23, 1959

SOUTHERN RAILWAY GAS COMPANY

Birmingham, Alabama

Common Stock Divided No. 82

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Common Shares

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Secretary

Dated: October 23, 1959

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Birmingham, Alabama

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A regular quarterly dividend of $1.00 per share has been declared upon the Common Stock of the Southern Natural Gas Company, payable in cash on December 1, 1959, to stockholders of record at the close of business on November 15, 1959.
WASHINGTON, D. C. — The steel industry in crisis, with some 30,000 steel workers on strike and with the government officials saying they will prevent a nationwide strike if the steel companies fail to make some concessions, has been at loggerheads with the Administration in its efforts to avoid further inflation.

The administration, under the leadership of President John F. Kennedy, is committed to maintaining economic stability and preventing inflation. The steel industry, on the other hand, is resistant to any measures that could reduce their profits or limit their ability to raise prices. The tension between the government and the steel industry has reached a breaking point, with the possibility of a nationwide strike looming.

The administration has proposed a set of proposals that would allow the government to seize control of the steel industry in the event of a strike. These proposals include the use of the National Labor Relations Act to force the steel companies to negotiate in good faith, the imposition of wage control measures, and the possibility of federal intervention in the event of a strike.

The steel companies, however, have been resistant to these proposals, arguing that they would be a violation of their rights and would lead to further inflation. They have also threatened to strike if the proposals are not rejected.

If the steel companies do not agree to the administration's proposals, the government may be forced to take stronger action, including the possibility of a federal takeover of the steel industry. This would be a major step in the administration's efforts to control inflation and maintain economic stability.

The administration's proposals have been met with mixed reactions from the steel industry, with some companies expressing willingness to negotiate and others pushing for more radical measures. The outcome of this crisis will have significant implications for the economy and the future of the steel industry.