For Banks, Brokers, Dealers only

If it’s Over-the-Counter . . .

Traders Say “Call HANSEATIC”

1. Primary markets in more than 400 unlisted securities.
2. 39 years O-T-C experience.
3. Nationwide private wire system.
4. Broader coverage.
5. Fast, dependable executions.

The next time you need maximum OVER-THE-COUNTER service, Call “HANSEATIC”

NEW YORK HANSEATIC CORPORATION
ESTABLISHED 1920
Associate Member American Stock Exchange

120 BROADWAY NEW YORK 5, N.Y.
Telephone: WORTH 4-2300 Teletype: NY.1-40-1-2

BOSTON • CHICAGO • PHILADELPHIA • SAN FRANCISCO

Direct Private Wires to:
Boston, Chicago, Cleveland, Houston, Los Angeles, Philadelphia, Pittsburgh, Providence, San Antonio, San Francisco

Over-the-Counter Quotation Services for 46 Years

National Quotation Bureau
Established 1913

46 Front Street CHICAGO
New York 4, N.Y. SAN FRANCISCO
N. S. T. A.
Officers and Executive Council
Past Presidents of the N.S.T.A.

1959-1960
- Lester J. Thorsen
- Robert D. Diehl
- William J. Burke, Jr.
- Leo J. Sulzy

1958-1959
- J. Perry
- Philip J. Clark
- Harry L. Arnold

1957-1958
- J. Bluhm
- Stiefel, Nicosia & Company

1956-1957
- W. W. Gentry

1955-1956
- J. S. Johnson

1954-1955
- John W. Dunn

1953-1954
- John F. Egan

1952-1953
- John O. May

1951-1952
- John C. Legg

1950-1951
- Joseph W. Sener

1949-1950
- Edward H. Welch

1946-1948
- R. Victor Mosley

1942-1944
- Wm. Perry Brown

1941-1942
- Joseph W. Sener

1940-1941
- Herbert H. Blackard

1939-1940
- Frances A. Ahlin

1938-1939
- Edward D. Jones

1936-1938
- Willis M. Summers

1936-1937
- Arthur E. Farrell

1935-1936
- Henry J. Arnold

1934-1935
- W. W. Grifftenden

Contents of This Issue

Articles and News

- NSTA Officers and Executive Council
- Past Presidents of NSTA
- Presidential Greetings
- A Collector's Item
- Inflation Can Be Licked
- A Time for Critical Decision
- Looking Toward the Future
- NSTA and the Investors

Index to Affiliates

- Alabama Security Dealers Association
- Baltimore Security Dealers Association
- Boston Security Dealers Association
- Chicago Security Dealers Association
- Cincinnati Stock and Bond Club
- Cleveland Security Dealers Association
- Dallas Security Dealers Association
- Denver Bond Club
- Detroit and Michigan Security Dealers Association
- Florida Security Dealers Association
- Georgia Security Dealers Association
- Kansas City (Missouri) Security Traders Association
- Los Angeles Security Traders Association
- Louisville, Bond Club
- Memphis Security Dealers Club
- Nashville Security Traders Association
- New Orleans Security Traders Association
- New York Security Traders Association
- Philadelphia, Investment Traders Association
- Pittsburgh Securities Traders Association
- Portland (Oregon) Security Traders Association
- St. Louis Security Traders Club
- San Francisco Security Traders Association
- Seattle Security Traders Association
- Syracuse, N. Y. Bond Club
- Twin City Security Traders Association
- Utah Security Dealers Association
- Washington, D.C., Security Dealers Association
- Members of the NSTA Unaffiliated with Local Organizations

Greeting—Edward Morse, President.
Presidential Greetings

FELLOW MEMBERS:
I thank you very much for the compliment you pay me; for the confidence you place in me in electing me your President for the year 1960. I am not at all sure that I thank you for the job you have given me.

Having worked under four of your former Presidents I have had the opportunity of observing the dedicated effort that they have given their office. After 23 years of building I can see NSTA emerging from its shell. It is beginning to take its rightful place as an important segment of the securities industry, of the entire free enterprise, capitalistic system of our wonderful country. Through the work of my predecessors it is beginning to be recognized by the public that the Over-The-Counter-Market is not comprised of a few boiler room operations. Rather it is beginning to be appreciated that it is actually the largest securities market in the world; that the highest grade issues, government, municipal, corporate bond, preferred stock, yes and many of the highest grade common stocks are dealt in, in the great Over-The-Counter-Market.

You have given me a wonderful staff of officers and executive councilmen to work with. I've worked with all of them before. I know how they operate and I think they know my "modus operandi." It is our job to continue this emergence from our shell into the full bloom of public acceptance, appreciation, and respect for an honored and honorable profession.

We have no intention whatsoever in drifting with the momentum our predecessors have given this movement. On the contrary, you 1960 administration intends to pull the ears with increasing vigor each day of the year.

We have various new prospects in mind to improve the ethics, the methods of operation, the solidarity, and the respect for our organization and its members.

I hope we can come to you in Sun Valley with a record of achievement that will make you say "well done."

We can't do it alone—we need help. We need help from each and everyone of you. We need help especially from each of our 31 affiliates.

You know, in the garden dining area of a very large chain of restaurants a guest once complained that there was a twig in his soup. To which the waiter promptly asked, "But, Sir, didn't you know that we have branches all over the country?"

Gentlemen, I hope all you branches will start dropping twigs of awareness of our industry in your various communities. Thank you.

EDWARD J. KELLY

---

SPEED — DEPENDABILITY — NATIONWIDE COVERAGE

We Make Markets
in
Over the Counter
Securities
to
Banks, Brokers & Dealers

Inquiries Invited

Private Wires to:
Charlotteville ........................................... Wyllie and Thornhill
Chicago ..................................................... Wm. H. Tegtmeyer & Co.
Cleveland .................................................. J. W. Russell & Co., Inc.
Dallas ....................................................... Dallas Union Securities Company
Detroit ....................................................... Baker, Simonds & Co., Inc.
Grand Rapids ............................................. King and Company
Hartford ..................................................... Coburn & Middlebrook, Inc.
Houston .................................................... Underwood, Neuhaus & Co., Inc.
Los Angeles .............................................. Woolrych, Carrier & Carleen
Louisville .................................................. Berwyn T. Moore & Co., Inc.
Lynchburg .................................................. Mason & Lee, Inc.
Martinsville .............................................. John W. Yeaman
Philadelphia ............................................ H. A. Riecke & Co., Inc.
Pittsburgh ............................................... Arthur, Lestrangé & Co.
Portland (Or.) ......................................... Zilka, Smither & Co., Inc.
St. Louis .................................................. Fusz-Schmetzle & Co., Inc.
San Francisco .......................................... Walter C. Gorey Co.
Seattle ..................................................... Zilka, Smither & Co., Inc.
Spartanburg .............................................. A. M. Law & Company, Inc.

Troster, Singer & Co.
Members: New York Security Dealers Association
74 TRINITY PLACE, NEW YORK 6, N. Y.
Telephone HAnover 2-2100  Teletype NY 1-376; 377; 378
A Collector’s Item

FELLOW MEMBERS:
I am certain you will agree that the 1959 Year Book and Convention Issue of the Commercial and Financial Chronicle is truly a "Collector’s Item."

Peruse the pages of this Twenty-Fifth Anniversary Issue and realize that here is the biggest and best issue ever. Realize that this is the result of the efforts of the best team ever assembled by both the National Security Traders Association and "The Chronicle" working together as a team for a common goal.

What a privilege it has been to be the quarterback of such a team. How wonderful and how grateful to be able to get up off one's back and with God's help and the prayers of so many to regain enough strength to be in the position to be on the team.

So very much to be grateful for...like...Jack Barker of Lee Higginson who as Vice-Chairman kept the continuity of the Committee flowing so smoothly while I was out of commission—Claude Selbert, Vice-President of the new and improved Chronicle, who worked so very closely with the National Committee and co-operated so excellently — the original impetus given to the project by Edward Muir and Allen Oliver of Texas—the co-operation of the entire Advertising Committee who in addition to their numerous activities in their own business and social world found time to contribute to the National (what a satisfaction to know that when one makes himself useful to others he also makes himself useful to himself)—the National Officers and Executive Committee who stood beside a Chairman at all times and are willing to go to work for the Association's benefit—the Advertisers who will find that the motto of the National Association, "Dictum Meum Pactum" are not just Latin words but a code of the Traders: When we promise full value for Advertising, when we promise continuity of Advertising—we mean it.

This Silver Anniversary Issue is truly a "Collector’s Item"—years from now you'll find this issue on Trading desks around the country.

My copy is not for sale.

ALFRED F. TISCH, Chairman

It is my privilege to present the members of the 1959 Advertising Committee.


VICE-CHAIRMAN FOR CANADA—Mr. James A. Travers, Davidson & Company, Toronto; for Members at Large—Mr. Garnett O. Lee, Jr., Francis I. Du Pont & Co., Richmond, Virginia.

SECTIONS—Mr. Robert D. Diehl, Palme, Bierbinger, Jackson, Curtis, Los Angeles; Mr. William D. Mair, Mair Investment Corp., San Antonio; Mr. Bernard F. Kennedy, Bosworth, Sullivan & Co., Inc., Denver; Mr. William J. Burke, Jr., May & Company, Inc., Boston; Mr. Homer J. Bateman, Pacific Northwest Company, Seattle; Mr. Edward B. Adams, The Robinson Company, Inc., Atlanta; Mr. John S. Barker, Lee Higginson Corporation.

Ofices in:

NEW YORK BROOKLYN ROCHESTER SYRACUSE PHILADELPHIA ALLENTOWN LANCASTER SCARBOROUGH YORK CHICAGO CHICAGO HEIGHTS MINNEAPOLIS BOSTON WINSTON-SALEM CHARLOTTE DURHAM RALEIGH ATLANTIC CITY EAST ORANGE MORRISTOWN RIDERWOOD VINCENZA SAN FRANCISCO BERKELEY CALIFORNIA OAKLAND SACRAMENTO SALINAS SAN MATEO SANTA CRUSA SANTA ROSA STOCKTON

Underwriters and Distributors of Corporate Securities
Underwriters and Distributors of State, Municipal and Revenue Bonds
Primary Markets in Many Unlisted Securities
Brokers in Securities and Commodities
Investment Advisory Service
Members New York Stock Exchange, American Stock Exchange, and other Principal Exchanges
Communism, Commerce And Commitment

By William C. Sullivan, Inspector, FBI

Keeping in mind the increasing importance placed as the economic sector of the "cold war," expert investigator discusses communism's attempts to destroy our free enterprise system and to win over men's minds here and abroad. Mr. Sullivan details the five ways communism employs against our internal security; stresses that our fundamental principle underlying democracy stands in militant opposition to communism; and calls upon businesses to study and analyze communism's deceitful thought tactics to provide the persuasive strength for their enlightened and decisive way. Also stressed is the need for positive, original and fearless thinking, intellectual pioneering in a daring way without hysteria or violence to our freedom under the law.

Prior to the time that I left Washington, D. C., Mr. Edgar Hoover, Director of the FBI, asked me to extend all of you sincere best wishes for a most successful convention. He remarked that he has many good friends in your Association and is most grateful for the strong support you have given to the FBI over a long period of years.

The subject we will consider is "Communism, Commerce, and Commitment." Most certainly communists everywhere regard you gentlemen as being committed to promoting what they believe to be "useless" American capitalist commerce, which they are committed to destroy. Here we have the economic basis for the social tensions and the "cold war" which are prevalent today. As businessmen you are coming to have to recognize that there is an important part to play in this conflict of viewpoints. Emphasis is being placed with increasing importance upon the economic sector of the "cold war."

As a point of departure for our discussion, I will take a penetrating analysis set forth in "Special Studies Report II on National Security." It is this article which I wish to consider:

"The recurrent shock of our age is the discovery that concepts and patterns of a more secure past no longer fit present reality." Let this provocative thought be our point of departure.

Rapidly Changing World

We live in a world that is rapidly changing. Governments rise and fall. Economic systems come and go. Social upheavals are taking place regularly around the globe. During the past dozen years, more than three-quarters of a billion persons have achieved independence on an equal footing in 21 nations of the world. Plus is the order of the day. And, communist leaders are quick to take advantage of it.

We live in a world which is rapidly shrinking. With the advance of technology, time and distance lessen and must be related to the new. It is indeed true: "...concepts and patterns of action of a more secure past no longer fit present reality." Our world has become smaller, but our national security problems have become larger.

In addition to this physical aspect of internal security, there is also the equally important psychological aspect. This is the ceaseless war for the minds of men. It goes on daily in all major channels where public opinion is molded. It presents this Nation with a new and wholly unique aspect of our internal security responsibilities. It is a war for the minds of men in which we can be defeated utterly without firing a shot or less a life. It is a war that has as its weapons the most remarkable, far-reaching, and varied methods of mass and individual indoctrination that mankind has yet known.

Obviously, we face a social problem of a new magnitude. To solve this problem, we must do far more than to react to the utterances and acts of communist leaders. Negations are groundless. The primary solution of this new national internal security problem, we need positive, original, and fearless thinking; intellectual pioneering; social vision; and creative activity. We need to see the problem in the spirit of challenge, of adventure, and of daring.

Further, we need to avoid all hysteria, excitement, alarmism, and the battles of false accusations. We need to approach the problem calmly, objectively, and rationally as does a scientist in his laboratory.

Finally, we must strive for freedom under the law. This is the supreme value with which our internal security is concerned. It is freedom in the full sense of the word—mental, spiritual, and physical. It is the fundamental principle underlying American democracy. Whatever stands in opposition to it stands in opposition to the development, prosperity, security, and general well-being of every American citizen. Today, standing in militant opposition to this fundamental is communism.

Combine this disregard for law with the communist goal of world conquest, and we have the basis for the present communist challenge to the national internal security of the United States.

Challenges to Our Internal Security

Communism challenges our internal security in five major ways:
1. conspiratorial
2. economic
3. military
4. psychological
5. philosophical
We will consider each one briefly.

By conspiratorial is meant action directed toward evil or unlawful ends. Two examples affecting our internal security are communist espionage and communist organization. A typical espionage operation is the following:

During July, 1957, a United States passport was issued to Andrew Kayotis, a naturalized American of Lithuanian extraction. In September, 1957, Kayotis left the United States to visit relatives behind the Iron Curtain. He never returned.

However, in 1945, a man known to other communist espionage agents as "Mark" left Soviet Russia. He had the passport of the American citizen Andrew Kayotis, and he used it to enter Canada. From Canada, "Mark" crossed the open border into the United States to carry out his espionage assignment against the internal security of this Nation.

"Mark," on entering the United States, destroyed the passport of Andrew Kayotis to obliterate or conceal his trail. He then assumed a new identity. Following a well-tested communist technique, "Mark" secured the birth certificate of Emil R. Goldfus, an American, born Aug. 2, 1902, in New York. Goldfus had died as a baby. "Mark" has never been satisfied with one false birth certificate. He secured one in the name of Martin Collins, born in New York on July 2, 1907. This second birth certificate was a complete forgery.

Headquarters in Brooklyn

"Mark" set up his espionage headquarters at a studio in Brooklyn, New York, where "Mark" pretended he was in business as a legitimate photographer.

The equipment in "Mark’s" headquarters consisted of genuine photographic materials plus the tools in trade of an espionage agent. These tools included (1) three short-wave radios with which "Mark" received his communications from Russia; (2) one tape recorder; (3) a Leica camera; (4) a small yellow wooden pencil which, when taken apart, contained 18 frames of soft microfilm with various messages; (5) holl¬lowed-out personal items for concealing and carrying espionage messages coded or otherwise.

"Mark" created some truly ingen¬ius methods for communicating with other members of the espionage network. These hollowed-out and related items containing messages were placed clandestinely in what is called in the parlance of the espionage agent "Dead Drops" or "Banks" to be picked up and delivered to the communist nation directing the operation. Continued on page 77
An Investor Looks at the Oils

By Edmund N. Meade, Smith, Barney & Co., New York City

Oil analysis depicts brighter prospects in the near future than in the present. Though holding that the present prudent policy is not to permit large increases in the market, the investor is reminded of superior high yields and favorable dividend policy. Thus, oils constituting 5 to 10% of total common stock holdings is recommended for the investment portfolio. If the author singles out for consideration certain producers, domestic integrated companies and international companies. He states present oil problems are "slowly but surely" adding to the "corrective forces" which he predicts will culminate by 1953, and epines domestic oil earnings prospects are "not as dark as one might surmise."

Market action of Standard & Poor's oil index from the low set in 1953 to the recent bull market began in 1958 compares poorly with performance of the general index of the equity market. For example, from 1953 lows to the 1958 highs, Standard & Poor's oil index appreciated 13%. The index rose only 3% in the domestic economy, a very small cyclical expansion from 125 in the Spring of 1958 to 131.2 in the Summer. As measured by the FRB Index, a gain of only 22%. This reflects the view of whether this unfavorable past relationship in the oil industry as compared to that of the economy as a whole. Thus, the past relationship is likely to continue in the future.

If it is assumed that stock prices are largely a function of earnings and dividends, then the reason for the poor performance of the oil industry can be explained. To make some profit, the oil industry showed a 25% decline in earnings in 1957-58 compared with 1956, a decline considered with only a 16% decline for a composite of other industries. For the first half of 1959, a broad list of petroleum companies reported an increase in earnings over the first half of 1958 of 24%. This is a respectable figure, but compares poorly with the 81% increase in earnings reported by companies in other industrial groups. It is evident that in the first half of 1959 the oil industry suffered not only a relatively larger earnings decline, but also a considerably smaller earnings improvement than their respective industry.

Problems of Over-supply

The problem of the oil industry, whether domestic or foreign, can be expressed as, "over-supply," as revealed by price instability and weakness resulting, consequently, in unsatisfactory profit margins. The world supply of crude oil substantially exceeds the current and anticipated level of demand for the next few years. In addition to free world production, it is estimated that 17 million barrels per day there are probably 5 to 6 million barrels per day of production that is not consumed. Over 2 million barrels per day of this surplus is located in the United States, with the remainder located in the free world. Practically none of this current surplus is destined to be available to North Africa, Europe or Asia. In the last three or four years, this area could develop a demand level of 5 million barrels per day and possibly twice this amount.

The current condition of the world oil market is a natural response to existing conditions. The stimulus such as a very attractive growth rate in the market, consumption and the prospect that tremendous amounts of oil might be found abroad not only in the absolute sense but also in relation to oil consumptions, have been managed. Dwindling oil field management and efficient use of oil resources, the trend of immediate improvement in refined product prices. The disappointing increase in earnings during the first half of 1959 compared to 1958 will probably change to a消极的 change this year as we progress through the present quarter.

Picture Is Not So Dark

The domestic picture is not quite as dark as one might surmise. Among the constructive factors is the ultimately restrictive effect of the mandatory import program. Another is the strong action taken by the Texas Railroad Commission since May to reduce the availability of crude oil to refiners. To date, this has had little effect upon refiners; but if continued long enough (which the Texas Railroad Commission currently gives every evidence of doing), crude oil in sufficient quantities will ultimately be reduced, forcing refiners to reduce refinery runs.

Another factor working in favor of eventually better refined product prices and profit margins is the small amount of planned refinery expansion in the next few years. The refining division of the oil industry is now operating at about 82% of capacity. The effect of new plant operations is slightly over 90%. Assuming a 4 to 6% annual gain in capacity over the next few years, the potential output of the refining industry should be operating in the low 90% in three or four years. Based on past correlation between refinery capacity and the trend of refined product prices, profit margins should begin to widen at this point, concentric oil refinery capacity will be again expanded beyond immediate need prices and product prices will again deteriorate. The industry is probably in the very early stages of absorbing its excess capacity, and the last trend is probably toward...
better product prices. This is hard to see at the moment, but the figures indicate this to be the case.

The lack of effective regulation abroad may require more time for free for-profit oil industry to regain a favorable level of earnings. Most of the international oil companies will show some increase in earnings this year due to their domestic operations, and we hope foreign earnings will at least equal the 1958 level. Over the long term, the availability of much lower cost petroleum and a growth rate roughly three times that of the United States should permit a resurgence in foreign earnings.

Amount of Oils in One's Portfolio

How should these conclusions be applied to investment management? We believe oil should constitute 5 to 10% of the total common stock portfolio. Approximately 50% of the oil sector should be directed toward domestic companies and the remaining 50% toward the internationals. In fact, most of the funds will be invested in the domestic industry since the average international oil company derives about one-third of its earnings from the United States.

If a portfolio has a substantially higher percentage invested in oils, what action should be taken at this time? The problems of the industry are well known to investors. There has been little or no interest in oil securities during the past two years. For this reason, the downside risk of owning oil stocks is accentuated, although owners of oil stocks will probably not enjoy much in the way of capital gains. A prudent policy would be to consider an excessively high oil portfolio as a source of capital to tap from time to time to finance purchases of attractive securities in other industries.

Hard to Beat Yields

In the meantime, selected oil equities possess a basic attraction to the institutional investor for a relatively high yield. As you know, many better grade oil equities sell at very attractive yields difficult to duplicate elsewhere in securities of comparable quality. With the equity market yielding slightly more than 3%, certain good quality oil stocks provide yields of 4-5% to more than 5%. Furthermore, contrasted to most industrial groups, dividends are exceedingly well covered by cash earnings, which in almost every instance are 3 to 4 times dividend requirements. In some particularly high grade companies, cash earnings are 6 or more times dividends. Extremely few dividend reductions were noted in 1957-58 recession, despite the greater-than-average-earnings decline suffered by this industry. The oil group can be conveniently divided into three segments: producers, domestic integrated companies, and international companies.

Single Out Six Producers

We have listed six producers possessing sufficient quality and marketability to qualify as possible institutional holdings: Amerada, Honolulu, Louisiana Land, Superior, Texas Gulf Producing, and Texas Pacific Coal & Oil. There is little likelihood that the domestic price of crude oil will be increased in the next few years, and over the next 10 years any increase is likely to be modest proportions. Therefore, these companies do not offer an effective investment hedge. Sell-out prospects in four companies are fair, but this is a tiresome approach to investment selection. The strongest earnings record should be the most important determinant in individual selection.

Of the six companies mentioned, four have a five-year down trend in earnings varying from 15% to 27%. Only Louisiana Land and Superior show a rising earnings trend in this period. Louisiana Land has for many years been one of our favorite choices in the oil industry. Its properties are located almost entirely in southern Louisiana, undoubtedly the prime oil and gas finding area in the United States. This contention is demonstrated, we feel, by the fact that drilling activity did not decline in this area during the recent recession. The discovery ratio on the Gulf Coast is almost twice as high as the national average. In southeastern Louisiana where the company's lands are concentrated, the success ratio has been almost 35%. In fact, the ratio has been 41% on the company's properties. Louisiana Land, as a land holding company and royalty company benefits from the oil search activities of many companies and as a joint operator has in its own right built up substantial reserves and income. Dividends have been continuously paid for 25 years. The consistently growing dividend and distribution parallels that of the highly regarded growth electric utilities. On a comparative basis, the issue has outperformed most oil equities, and we believe it will continue to do so.

Superior exhibits an even better growth trend, but this is due partly to a depressed 1955. Nevertheless, Superior is one of the outstanding growth companies. Over half of earnings comes from sale of gas, a source likely to continue growing. As an oil and gas finder, Superior has few peers. Investors are perhaps too concerned with the near-term problems of marketting Lake Maracaibo oil to appreciate the growth rate evident in this company. High price and low yield limit the interest in this stock, but investors primarily interested in capital growth should pay attention to Superior.

Domestic Integrated Firms

The second category, the domestic integrated oil companies, shows a generally unattractive five-year earnings pattern. Of 12 companies which we have tabulated, only three show an increase in earnings between 1955 and 1959. The percentage gain for the three in this period ranges from 10% to 25%. Continental, Phillips, and Shell are the three companies exhibiting a rising earnings trend. The earnings decline of the remaining nine companies varies between —7% and —37%. Therefore it is obvious that an investor has to be extremely selective to

Security Markets to suit every need of Institutional Investors

The FIRST BOSTON CORPORATION
15 BROAD ST. • NEW YORK 5 • DOBY 4-1515
BOSTON • PITTSBURGH • CHICAGO • PHILADELPHIA • SAN FRANCISCO • CLEVELAND
Underwriter-Distributor Dealer
Investment Securities

ROGENBURG & CO.
Members New York Security Dealers Association National Association of Securities Dealers, Inc.
Brokers and Dealers
CORPORATE SECURITIES
SPECIALIZING IN
Foreign Dollar Bonds & Scrip
29 BROADWAY • NEW YORK 6
Telephone: Whitneyall 3-9840 Bell Teletype: NY 1-2982

1924 - Our 35th Anniversary - 1959
Adams & Peck
Members New York Stock Exchange and American Stock Exchange
Brokers and Dealers in
INDUSTRIAL & RAILROAD SECURITIES
UNLISTED INVESTMENT STOCKS

120 BROADWAY • NEW YORK 5, N.Y.
Telephone REctor 2-049
Teletype NY 1-724
PRIVATE WIRE TO PHILADELPHIA

Securities of the United States Government and its Agencies
State, Municipal, Revenue and Housing Securities
Bonds, Preferred and Common Stocks of Industrial, Public Utility and Railroad Corporations
Bank Stocks
Casualty, Fire and Life Insurance Company Stocks
Banks' Acceptances
Securities of the International Bank for Reconstruction and Development
Canadian Securities
External Dollar Securities

Digitized for FRASER
http://fraser.stlouisfed.org/
Prosperity Period Ahead
With Stable Prices

By Martin R. Gainsbrugh,* Chief Economist, National Industrial Conference Board, New York City, New York

Mr. Gainsbrugh sets forth reasons for viewing 1960 business prospects favorably, despite steel strike's greater seriousness than that generally discounted, and for his long-awaited and sustained period of prosperity are over all stable prices. The industrial economist specifies the short-run and the long-run forces spurring a victory is at hand in thelegal fight against deterioration of the dollar's purchasing power. He finds it paradoxically unferter that the consumer who look no protective measures during the inflationary period is now erroneously attempting to preserve some of his savings which would serve to stanch the growing degree of price stability only recently achieved. Mr. Gainsbrugh calls for publicized progress reports on our price progress performance.

The economic dislocations of the steel strike are proving to be more serious than was anticipated in most midyear analyses. That the nation's output of goods and services would dip in the third quarter, the first such decline since the recovery of early 1955, was not unexpected. Now with an extension of the strike into the fourth quarter it is unlikely the half-trillion-dollar rate of annual output, anticipated by year-end, will be achieved. Many of the sensitive indicators are continuing the downward course they first began to take in midsummer. Backlogs grow more widespread in the metal-fabricating industries, particularly automotive and electrical appliances.

This unexpected deterioration in the downward pattern of the fourth quarter, coupled with the earlier downturn of some of the major economic barometers, has produced a growing uneasiness about business prospects for the balance of this year and a tendency to discount further expansion in 1960. In fact, some observers it already appears that the recovery which began in April of 1959 "tapped out" or faded in the third quarter of 1959. They ascribe cyclical significance to the economic disturbances which have accompanied the steel strike. Frequently cited in this connection are the recent declines in housing starts as well as in total construction contracts awarded. New orders in manufacturing have fallen off for several months, particularly for heavy equipment and other durable goods. Further support for this contention is also found in the trend of retail sales, which have been slightly downward ever since July. Interest rates have risen to new highs, a traditional phenomenon at or close to a cyclical turning point. Early reports of profit performance in the third quarter of 1959. They argue that they were for the first half, particularly for metals and related industries.

Admittedly, in the face of the mounting bill that continues to confront the economy because of the steel impasse, earlier expectations of a booming fourth quarter must now be tempered. But there are still compelling reasons for believing that whatever further hesitancy may develop in the weeks immediately ahead, the recovery - prospects for the future-most again prevail once steel production is resumed and carry over well into 1960. Consumer and Business Demand Remain Strong

Under this conclusion is the strength of end-product demand by consumers, industry, and government. A dislocation of weakness in recent weeks stem from inadequate or even no recovery rather than from any sudden reversal in individual or aggregate demand. The retail-fabricating areas, for example, production has been cut back in the face of strong and rising demand by consumers for cars, electric appliances of all types, and other big-ticket items. Similarly, the declines in new construction expenditures increasingly stem from shortages of critical, structural components on projects awaiting completion. Even in the third quarter, there was no fundamental reason to cut back on its expansion program. Those programs are built on expectations of higher activity in the years ahead rather than centered on short-run developments. However, in the light of material shortages there has been a tendency recently to ask producers of durable goods to hold back shipment until some later date.

The limited softening which has occurred in total retail trade is far more a reflection of a loss of consumer confidence in the steel strike than it is of consumer shyness or disappointment with current consumer prices or prices. Rather, the softening is due to weak wholesales and in retail prices. There are many weaker is prediction - in retail demand - than in wholesale. A recent survey by "Newsweek," point to a continued rise in new appropriations to the major industries except the steel industry, which has been the main beneficiary of the steel strike. The steel strike has led to postponed appropriations to the steel industry itself, but it has had a rather limited effect on appropriations elsewhere. If the strike continues, it may delay actual deliveries of equipment and factory construction. Even so, business decisions today are more likely to view a rise in capital outlays through most, if not all, of next year.

The Conference Board's continuing survey of consumer buying power plans, also financed by "Newsweek," yields results that are likewise favorable. Interviews conducted as late as mid-October continue to reveal a high degree of consumer confidence. Plans to purchase automobiles, both new and used, were significantly higher than a year ago, confirming and amplifying early reports of the successful launching of Detroit's new models. Plans to purchase many household appliances were still pointing upwards, while purchase plans for homes were holding firm.

The forces of demand thus remain strong and lend little support to the thesis that we have already moved into a point of no return. Rather, or that this recovery died aborning as of mid-1959. The economic dislocations are severe. They have hurt but the fractures should heal. The healing process may alter the timing of the forecast recovery in 1960 rather than kill off further dislocations of the supply side of the production. This seems likely to be done if steel becomes more readily available. Viewed retrospectively it may be that the production reductions of the strike served to prolong rather than forestall the prosperity phase of this present business cycle.

W. E. Hutton & Co.

Members New York Stock Exchange
and other principal Stock
and Commodity Exchanges

Complete Investment Banking Facilities

Foreign Offices

BOSTON CHICAGO PHILADELPHIA LOS ANGELES SAN FRANCISCO NEW HAVEN MINNEAPOLIS HAGERSTOWN HARTFORD WINCHESTER

W. E. HUTTON & CO.

14 Wall Street
New York 5, N. Y.

Boston Philadelphia Baltimore

Dayton, O., Columbus, O., Lexington, Ky. Easton, Pa. Hartford, Conn.


Hochensk, N. J. 10 East 44th Street, N. Y. 17, N. Y.

The Conference Board's survey of consumer buying power, plans also financed by "Newsweek," yields results that is likewise favorable. Interview conducted as late as mid-October continue to reveal a high degree of consumer confidence. Plans to purchase automobiles, both new and used, were significantly higher than a year ago, confirming and amplifying early reports of the successful launching of Detroit's new models. Plans to purchase many household appliances were still pointing upwards, while purchase plans for homes were holding firm.

The forces of demand thus remain strong and lend little support to the thesis that we have already moved into a point of no return, cyclically, or that this recovery died aborning as of mid-1959. The economic dislocations are severe. They have hurt but the fractures should heal. The healing process may alter the timing of the forecast recovery in 1960 rather than kill off further dislocations of the supply side of the production. This seems likely to be done if steel becomes more readily available. Viewed retrospectively it may be that the production reductions of the strike served to prolong rather than forestall the prosperity phase of this present business cycle.

W. E. Hutton & Co.

Members New York Stock Exchange
and other leading exchanges

14 Wall Street
New York 5, N. Y.

First Natl. Bank Bldg.
CINCINNATI 2

Boston Philadelphia Baltimore

Dayton, O., Columbus, O., Lexington, Ky. Easton, Pa. Hartford, Conn.


Hochensk, N. J. 10 East 44th Street, N. Y. 17, N. Y.
also to be said to keep this rise in proper perspective is that such prices are barely 1% higher than they were a year ago last summer. This achievement does not warrant any slackening in this nation's fight against inflation. But it is worth more than passing mention since so many speeches on inflation stress the clear and imminent danger in which we find ourselves, with little if any emphasis on the battles we are winning.

There is room, it would seem to me, for a progress report on our war against inflation — without necessarily inviting an excess of complacency. In fact, a productive service would be performed by the Public Relations Society of America in highlighting some of the solid achievements of recent months. Despite the initial postwar bulge in prices, the general public lagged in its awareness of this rise and of its implications so far as individual savings were concerned. It is only in recent months that the average saver-consumer began to feel that he had in one way or another lost via inflation a part of his accumulated competence. Somewhat paradoxically, at the very time that various measures taken are beginning to demonstrate their salutary effect, the average individual has suddenly become more conscious of the toll inflation has already extracted from his savings — particularly in contractual form, e.g., savings bonds, time deposits, life insurance. In his rush to prevent further erosion he may actually threaten the gratifying degree of price stability we have only recently achieved.

Not only have we won some battles recently in the war against inflation, but the tide of the war may be slowly turning in our favor. Were that more widely recognized it would lead to more careful weighing of decisions and actions founded upon the thesis — demonstrably unwarranted — that the course of inflation has been just as unbridled in recent years as it was in the first postwar decade.

Here are some of the major factors contributing toward greater stability of prices recently:

Factors Creating Price Stability

1. Emergence of Balanced Budget: Part of the price tag of the late 1957-early 1958 recession was the counter-recessionary activities of the Federal Government. It continued to pump more billions into the economy than it siphoned off in taxes. Now the improvement in corporate profits and the rise in personal incomes have brought Federal revenues into balance with expenditures. In early 1959 it is likely that more will be taken out of the income stream than is put in by Federal demand for goods and services.

2. Excess Capacity Overhangs Market: Barring the short-term currently surrounding steel, the rush to expand physical capacity to produce which characterized the first 15 postwar years finds many industries here and abroad with more capacity than market demand. This overhang of idle capacity mitigates against price increases even in the face of rising price of stability, we have only recently achieved.

Continued on page 80

Greetings to the NSTA From President Eisenhower

WESTERN UNION

TELEGRAM

OCTOBER 29, 1959

LESTER J. THORSSEN, PRESIDENT,
NATIONAL SECURITY TRADERS ASSOCIATION, INC.
C/O D. RAYMOND KENNY
CHAIRMAN, PUBLICITY COMMITTEE,
CONVENTION HEADQUARTERS,
BOCA RATON, FLORIDA

TO THOSE ATTENDING THE 25TH ANNIVERSARY CONVENTION OF THE NATIONAL SECURITY TRADERS ASSOCIATION, I SEND GREETINGS.

YOU WHO DEAL IN STOCKS AND BONDS HAVE HELPED BROADEN THE BASE OF INVESTMENT IN AMERICAN ENTERPRISE AND HAVE PROVIDED ADDITIONAL INCENTIVES FOR INDIVIDUAL WEALTH.

I AM DELIGHTED TO ADD-BEST WISHES FOR A FINE CONVENTION.

TWIGHT D. EISENHOWER.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Blyth & Co., Inc.

Distribution

Primary Markets With Complete Trading Facilities

Bonds • Preferred Stocks • Common Stocks

Coast to coast retail distributing facilities through 24 offices located in principal financial and business centers.

Industrials

Public Utilities

Bank and Insurance

Municipals

New York • San Francisco • Chicago • Los Angeles • Seattle • Portland
Boston • Philadelphia • Pittsburgh • Cleveland • Louisville • Indianapolis
Detroit • Minneapolis • Spokane • Oakland • St. Petersburg
San Diego • San Jose • Pasadena • Palo Alto • Oakland

Kiddie, Peabody & Co.

FOUNDED 1865

Members New York, American, Boston, Philadelphia-Baltimore, Midwest and Pacific Coast Stock Exchanges

17 WALL STREET • NEW YORK 5, N. Y.
BOSTON • PHILADELPHIA • CHICAGO
LOS ANGELES • SAN FRANCISCO
Bank Capital Trends

By Jesse P. Wolcott, Chairman, Federal Deposit Insurance Corp.

Bank earnings used to bolster capital margins is said to be an unattractive and self-defeating device. Mr. Wolcott explains why he deplores this practice in urging bankers to improve their capitalization by taking advantage of the propitious economic climate. The former depressional banking era's steep capital ratios have only partially recovered from their record lows; depicts the future growth of new capital needs; outlines reasons why capital should be neglected; and laments bankers that FDIC is no substitute for a safe margin of capital.

Adequate bank capitalization is a never-ending problem to bankers and supervisory authorities alike. This problem persists despite the improvement in capital margins over the past decade. The favorable trend reflected in aggregate figures is more pronounced in some States and subdivisions of the banking business than in others. Growth is the keynote of our economic recovery. Expectations characterizing every phase of activity—and banking is no exception. The assets and deposits of our banks today reflect this tremendous growth force. Also, other financial institutions competitive with banking have grown rapidly. Though some are relatively small as yet, these competitors display a vigorous and resourceful spirit that commands attention.

Banking has a vital place in the complex procession of enterprise that serves the needs of our nation. It is obligated to keep pace with the rest of the procession or yield its place to others. This task is not easy for the pace is swift.

The effort to keep pace imposes extremely heavy demands in the area of bank capital. Bank customers are more numerous and their needs are greater than ever before. To serve them, substantial aggregations of capital are essential. This is the responsibility for making the effort to accumulate the necessary capital is shifted, bankers cannot expect to enjoy the full benefits of the growth that is in prospect for them.

Though much has been said about economic growth, in my opinion it is important to reiterate the magnitudes that pertain to the banking industry. Looking into the future, they are such that can we anticipate with respect to bank deposits and bank capital needs? Is it not probable that I can give specific answers to these questions, but let me at least suggest some reasonable expectations. Should our economy grow, on the average, at a rate of three to four percent a year, we may expect bank deposits to grow at about the same rate. A faster or slower rate of deposit growth, of course, will alter the delicate monetary balance between inflationary and deflationary forces in our economy. Accordingly, we can anticipate that by the end of the second quarter-century of deposit insurance banks will have a deposit balance of nearly $500 billion, and a corresponding capital will be required of about $20 billion of new capital if the banking industry is to meet the demands that the growth will impose on it.

Let us consider these figures for a moment. From 1934 to the end of the 1958 total capital accounts in all banks in the United States increased by approximately $14 billion. During this period we shall require additional capital to meet that extra amount. And I should emphasize that even if this amount of additional capital is obtained we shall only have succeeded in this treadmill effort to keep pace with the anticipated growth in banking; the present situation will not have been improved. It is with this background in mind that I should like to turn now to some comments on the broad capital trends and the present situation.

Describes Present Capital Trends

The capital margin at mid-year was 8.1% of total assets for all insured commercial banks in the United States. Especially gratifying is a comparison of these ratios with the all-time lows in 1940 which stood at less than 6% for all insured commercial banks. The record since then testifies to progress.

Salutary as the trend may be in the direction of adequate bank capitalization, let me hasten to point out that the bank capital problem is ever changing. This is evidenced by developments since the establishment of the Federal Deposit Insurance Corporation in 1933. Some objectors to deposit insurance originally feared that it would be conducive to a new era of reckless banking. In effect, they anticipated the contamination of banking with insurance, with a large volume of poor quality assets. However, with deposit insurance soon showed the fears to be groundless. Bankers worked tirelessly to rehabilitate the situation. The growth of the insurance agencies has been spectacular. Of late, some of the examination standards of Federal and State supervisory authorities.

Notwithstanding the success of the Federal Deposit Insurance Corporation, the need to better the condition of assets, the Federal Deposit Insurance Corporation was confronted almost from its very beginning with the quite different problem of capitalization. During the postwar phase of rapid growth, the capital margins declined very rapidly. Recovery from the depression lows followed rapidly. Nevertheless, our deficits accounted for a rapid expansion of bank assets. Capital accounts,

on the other hand, accumulated at only a moderate pace.

Urges Stock Flotation

Common sense tells us that new bank earnings are the best remedy for inadequate bank capitalization, and that a stock flotation is the obvious way to obtain funds. In the 1920s as during World War II, this method for bolstering capital accounts was impractical for the simple reason that bank shares were not sufficiently attractive to investors. Restricted earnings power and prospects placed a serious limitation on dividend payments. And, in addition, wartime demands had the top priority for investment funds.

Retention of earnings in the capital accounts was largely an alternative then available for improving bank capitalization. Here the relatively low power of bank assets limited the amount of increase. As these trends persisted, both bankers and supervisory authorities became seriously concerned about the decline in the relative size of the capital margins.

Improvement in the aggregate of bank earnings after 1945 contributed significantly to the success of the earnings retention program for bolstering capital margins. In 1943 banks materially increased their earnings, a portion of which was retained in their capital accounts and they continued to maintain substantial retention for several years. Whether it is appropriate to continue to keep more than the needed amount of capital by way of earnings in the capital accounts, no one has yet decided what that amount is.

There is a practical limit to the rate of capital growth on retention of bank earnings. Most have had operating losses close to this limit since the end of World War II. The excess of dividends has been more than adequately covered by the amount of retained earnings. A significant form of dividends has tended to have more, and the recovery in capital ratios from the record lows only can be characterized as part.

Generally speaking, any attempt to secure additional capital out of bank earnings entails a reduction in dividend payments. While the dollar of dividends paid out of earnings may not affect investors' funds already committed to bank stocks, but surely it would discourage those who are considering commitments of new funds to a source of bank capital. If the private sources of investment funds dry up because shares become unattractive to investors, banks may be forced to turn to the Government for help in securing at least part of the necessary capital, thus the reduction in dividend payments.

The objective in any instance is to maintain and maintain and, if possible, increase the rate of return on capital. The reduction in dividend returns on bank capital during the Great Depression and the war years was, in my opinion, unavoidable and inevitable. With earnings, which carried the income accounts of many banks into the red during the early 1930s, forced reductions and, in many instances, withdrawal of dividends.

Though earnings recovered slowly during the 1930s, dividends remained low and a portion of the earnings retained in the capital accounts for building bank capital accounts.

Funds from operations also were needed to retire emergency capital provided by the RFC at the same time banks were endeavoring to restore their permanent capital structures.

Propitious Stock Flotation Available

From the vantage point of today, it is easy to see and to recognize evidence of a neglected opportunity with respect to the availability of investment funds for bank capital. A vast quantity of capital is available for the better than has place in the growing number of new corporations. Capitalizations suggest that banks may once again be able to raise new capital by flotation of stock.

In conclusion, I wish to say that banks are needed to be more creative in meeting the opportunities that are available to them. In the near future, there is much more than the expected, and the capital accounts but they have been the exceptions rather than the rule.

I wish to suggest that it is our duty to take advantage of this opportunity to prevent bank capital by appealing to investors to be sold in a highly attractive manner. It is this question has several parts. In the first place, realization of a fundamental change in an economic setting taxes time. But that should help us to the answer, because for many years evidence that we were experiencing an economic setting taxes our society has been abundant. Second, there has been perhaps too little emphasis placed upon the need. Beyond and beyond, the policy of public and to have banks make shares as attractive as investments. To rely almost entirely on earnings to increase capital accounts obviously fails, especially now that bulging bank capital by issuing shares on terms attractive to investors. It is high time to have the Government resolve this contradiction as best they can in each case that presents a capitalization problem. The objective in any instance is to maintain and maintain and, if possible, increase the rate of return on capital. The reduction in dividend returns on bank capital during the Great Depression and the war years was, in my opinion, unavoidable and inevitable. With earnings which carried the income accounts of many banks into the red during the early 1930s, forced reductions and, in many instances, withdrawal of dividends.

Thursday, November 26, 1959

Underwriters, Brokers and Dealers in INDUSTRIAL, RAILROAD, PUBLIC UTILITY, AND FOREIGN SECURITIES

BURNHAM AND COMPANY

Members New York and American Stock Exchanges

15 BROAD STREET, NEW YORK 5, N. Y. • DI-14400

Cable Address: RELATIVE NY STOCKS

If you are interested in PREFERRED STOCKS, it may be to your advantage to avail yourself of our long experience and knowledge in this field.

Spencer Trask & Co.

Founded 1868
25 BROAD STREET, NEW YORK 4

Members New York Stock Exchange • American Stock Exchange

ALBANY • BOSTON • CHICAGO • GLENS FALLS • NASHVILLE • NEWARK

SOMERSET CITY • WORCESTER
How Canada Benefits From U.S. Capital Inflow

By Ivo, Henry Koems,* Assistant Secretary of Commerce for International Affairs, U.S. Department of Commerce, Washington 25, D. C.

U. S. official answers the increasingly voiced Canadian fears concerning the impact of American capital invested in Canada, and briefly reviews some recent events seen from "below the border." With regard to the former he does the implication that our private capital inflow is a tool of either political or economic ascendancy, and observes that its assist to Canadian growth will bring about an increase of Canadian national income. As for the latter, he finds a challenge and opportunity ahead for expansive trade prospects, aversion protectionist would negate this and refers to our recent steps to liberalize trade, and some seeking for reversal, items. All in all, he sees trade of both countries growing with economic growth.

During my recent visit in Quebec I had occasion to read a front page article in the Financial Post entitled, "Can We Survive U. S. Investment?"

The spirit in which this article was written, I feel certain, was the result of genuine concern, for in my discussions with some of the people I talked with others shared this duty.

But I cannot escape my own conclusion that this concern cannot be justified on the basis of facts and past experience.

For one thing, the question, "Can We Survive U. S. Investment?" is probably erroneously posed. It is true that U. S. States private investment is a tool of either political or economic ascendancy. There is another question quite properly propounded of this article in the Post, "What would the United States do if British, German, or Japanese capital had similar penetration, into their economy?"

This first place, the question, "What would the United States do if British, German, or Japanese capital had similar penetration, into their economy?" is probably one you will not very simply—welcome it. Competition in the capital market, in the economic life produces development, and growth that is truly beneficial.

Investment capital provides the very foundation for economic growth. It is the forward looking country which desires constant economic improvement welcomes investment capital. It was within this framework that our forefathers in the United States advanced from the investment capital from abroad which gave the beginning of our industrial complex, and then provided us with the rail transportation facilities so necessary to our western development. Foreign capital today is welcome and fairly large amounts, including investments by Canadians, are flowing into our economy annually. And it is hardly surprising the more serious contention that a United States private investment is a tool of political or economic imperialism.

Shocked Surprise

It must be reported that such a contention comes as a shock below the border. I have long been aware, perhaps somewhat naively, proud of our efforts to increase the availability of capital to foreign countries. We have made much of the investment of the capital flow to Canada, and of its role in facilitating Canada's phenomenal expansion in the postwar period. We find that there seems to be no lack of capital, that the capital will be there for a time to meet the need that exists. This is a surprise to find that there are some people here who question the morality of capital from the United States.

The politics of the matter, for us, have been submerged, if not overlooked, in the economics of our system. American investors have placed capital in Canada solely for the expectation of financial gain through participation in the economic growth of Canada itself. This has been most evident in the growth of the Canadian economy. If our own capital invested in Canadian enterprises—so-called direct investment—has increased in the postwar period, the net capital flow from the United States to Canada in 1925 was $7,739,000. In 1935 it was $75,000,000 and in 1945 $149,000,000. In 1956 it was $2,590,000,000. This total was increased by about 15 per cent between 1955 and 1956. This is well over twice as much as the $1,626,000,000 on our total private investments. There are other economic considerations which have made us proud of our investments in Canada, and there are those economic considerations which we thought would lead Canada to be more receptive of them. If we have not adequate figures on this, experts have estimated that the revenue to Canada derives on incomes along with the tax income to the government of the foreign-owned enterprises, amounts to some $450 million annually.

Too, the exports of goods produced by United States investment in Canada have increased, become so important that it is anticipated that Canadian gross national product will increase by some $400 million in 1958. Besides, the exports of goods produced by United States investment in Canada would likely increase further still. The rate is growing, and the growth is continuing. Labatt's is a good example of this. It is Canadian, but its headquarters are in Canada. We see the model of 1947, the year Labatt's was founded, as a 1958 model.

In short, the exports of goods produced by United States investment in Canada have increased, become so important that it is anticipated that Canadian gross national product will increase by some $400 million in 1958. Besides, the exports of goods produced by United States investment in Canada would likely increase further still. The rate is growing, and the growth is continuing. Labatt's is a good example of this. It is Canadian, but its headquarters are in Canada. We see the model of 1947, the year Labatt's was founded, as a 1958 model.

Counterpart Agreement in U.S.A.

The counterpart agreement of the Canadian and United States national income tax rate is all very well. The Canadians are indeed and have been able to ride the over-riding these factors. Some people in the United States are quite unhappy about it. They seem to be the two countries, a prediction has been that when the rest of the world will be in a time of economic depression, the United States will go down with the rest of the world and, as such, will be unable to adjust its economy to the postwar world. This is the reason that the new policy of the Government of Canada, a movement to the degree of restriction of capital from the United States.

For instance, we have our economists, also, I am convinced, I am convinced that this progress will be affected, or, we would require a 30% around the present-day's quantity of supply of raw materials and the development of a new technology is expected to absorb it. As far as we are to examine, this is an effective use of basic materials.

As an example, for example, that there will be an increase of 500,000 tons of chrome ore, over 110,000 tons of nickel, about 27,000 tons of cobalt, 2,000,000 tons of tin, and 6,000 tons of tungsten ore. These are, of course, learned by the European Economic Community, in particular, presents an integrated approach which is quite new in modern history.

Protectionism Is Not the Answer

Despite complaints of some about the cost, we are now convinced that the opportunities for achieving the cost of a protectionist policy in this present inability to be safeguarded and enhance world trade as the basis upon which our future welfare depends. I believe that experience in the United States, as well as in other parts of the world, has shown conclusively that the cost of a protectionist policy in the context of economic deterioration, is too high a price to pay. The truly protectionism has a priced itself out of the market, and expanding trade barriers is not the answer. The question confronting is to the United States.

In the meantime, we own economic growth in the United States can be expected to furnish our customers increasingly with the United States, percentage of the United States population, now approaches 215 billion, and is expected to grow to 215 billion by 1970, and our gross national product, now approaches the United States, percentage of possible 65 billion in 1958, we would estimate that this projected gross national product would require a 30% around the present-day's quantity of supply of raw materials and the development of a new technology is expected to absorb it. As far as we are to examine, this is an effective use of basic materials.

As an example, for example, that there will be an increase of 500,000 tons of chrome ore, over 110,000 tons of nickel, about 27,000 tons of cobalt, 2,000,000 tons of tin, and 6,000 tons of tungsten ore. These are, of course, learned by the European Economic Community, in particular, presents an integrated approach which is quite new in modern history.

Continued on page 194
Inflation Can Be Licked

By Dr. James J. O’Leary,* Director of Economic Research, Life Insurance Association of America, New York City

Economists presents an optimistic view that inflation "can be licked" and, at the same time, warns we cannot relax our guard against it in outlining steps to take to defeat further inflation. Nothing that "creeping inflation" is becoming passe as a subject by economists, Dr. O'Leary nevertheless questions whether inflation has already been licked in view of the ingredients, which I to lists, making for a rising price level in the next several months. Monetary policy and Independent Federal Reserve are particularly stressed in a battery of recommended anti-inflation measures which also takes in fiscal budgetary and debt-management policy, labor policy and improved public understanding.

The sociologists like to talk about "cultural lag" in our society. Perhaps we have been experiencing such a cultural lag in the general public's attitude toward inflation. Several years ago the economic theorist became quite impressed—perhaps even obsessed—with the thesis that "creeping inflation" is an inevitable process in our economy under existing conditions. It took quite a time for the general public to become "educated" about the dangers of inflation. However, the impact of the "creeping inflation" thesis with the general public was quite clear in particular during the general business recession of late 1967 and the first several months of 1968. The failure of the general price level to decline in the recession, the dramatic stock and real estate prices in the recession, and the declining acceptance of fixed income obligations as investments except at significantly higher yields, all suggest the deep impact with the general public of the idea that "creeping inflation" is inevitable. This is ironic in that many economists have long contended such an opinion is not inevitable and can be halted—and a growing number of are of the opinion that the danger of further inflation has already passed.

This Summer, during hearings of the Joint Economic Committee of the Congress, Senator Paul Douglas suggested that there has been too much public discussion of inflation and that this only served to perpetuate a problem which was already beginning to disapper. In support of this contention, he cited the high degree of stability of the Consumers Price Index during the past year. There is some merit in Senator Douglas' argument. Through wise government policy we have made some progress toward bringing inflationary forces under control and the future looks more hopeful. Much of this is due to an aroused public opinion. At the same time, I do not believe the economic conditions which lie ahead justify that we relax our guard against inflation.

The "Creeping Inflation" Thesis

Before tackling the question of the basic steps which must be taken to defeat further inflation, it will be useful to examine the "creeping inflation" thesis. The basic argument is that under conditions of "cold war" with the Communist bloc, the primary and all-important economic goals of this country must be maximum employment of our resources of labor, capital, equipment, and productive materials, and maximum economic growth of the country to permit higher living standards, full military security, and an adequate program of aid to under-developed countries.

It is contended by the exponents of the "creeping inflation" thesis that the pursuit of maximum employment and maximum economic growth inherently breeds an upward general price movement for a variety of reasons. For one, it provides extra encouragement for further Federal and state and local government spending and expansion. Monetary policy and Independent Federal Reserve are particularly stressed in a battery of recommended anti-inflation measures which also takes in fiscal budgetary and debt-management policy, labor policy and improved public understanding.

Clearance Facilities

for New York and Out of Town

OVER-THE-COUNTER

BROKERS and DEALERS

Inquiries are invited regarding use of our facilities.

COMMERCIAL BANK OF NORTH AMERICA

Securities Clearance Division

115 Broadway, New York 15

Barclay 7-1300

Complete Domestic and Foreign Banking Facilities

12 Offices in Metropolitan New York

Member Federal Deposit Insurance Corporation

Underrwriters and Distributors

MUNICIPAL, UTILITY, INDUSTRIAL AND RAILROAD SECURITIES

EQUIPMENT TRUST CERTIFICATES

BANK AND INSURANCE STOCKS

BLAIR & CO.

INCORPORATED

Member New York Stock Exchange

and other Principal Security Exchanges

20 Broadway, New York 5, N. Y.

Telephones: Diphyl 6-4600

Teletype NY 1-1100

Direct Wire System to Offices in Principal Cities

Other Offices

Albany • Atlanta • Chicago • Detroit • Denver • Houston • Buffalo • Columbus • Dallas • Philadelphia

Manchester • New Haven • Pittsburgh • Rochester • Scranton • Springfield • Tulsa • Washington

Wilmington

© 1960 FORERESER
A Time for Critical Decisions

By Herbert V. Prochnow,* Vice-President, The First National Bank of Chicago, Chicago, Ill.

To remain a strong nation, to maintain our world leadership and to set an example of superiority of free private enterprises requires certain exacting determinations. In what could well be entitled the "Prochnow Paper on American Policy," the Chicago banker, author and former State Department executive probes three areas of American economic policy to withstand the U.S.R. challenge. This new magnitude threatens our entire way of life. He then submits a 10-point economic program calling for resolute decisions at this time.

The economic growth of any nation depends to a large degree upon the amount of its gross national product which is invested each year in expanding its output of goods and services. Some economists have estimated that a nation must save or invest from 12 to 15% of its national income in order to change from an inactive, relatively dormant economy to a dynamic, growing economy. In the 13 years from 1946 to 1958, inclusive, outlays by business in the United States for new plant and equipment amounted to $236 billion. However, the Joint Economic Committee of the Congress reports that in 1955, the latest figure available, the gross investment of the Soviet Union was 26.1% of its gross national production in comparison to 18.7% for the United States. Soviet investment, it has been high for a number of years. Present estimates indicate that it would today take $35 billion merely to replace the obsolete facilities and equipment of American industry, and this equals the total of all we invested in 1955, 1956 and 1957, which were years of large investment. In addition, we shall need enormous savings in the years immediately ahead because of the present rapid technological progress and our expanding population.

The combined forces of mechanization, capital investment, technology, research and science were great inspirers which gave the American economy a driving momentum. The foundations of American economic society were laid by men who worked hard for long hours and endured economic want so they could save and invest and accelerate their economic progress. Princely prices were awarded for inventive genius, enterprise, work and thrift.

By the route of dictatorship, Russia is today restricting the production of consumer goods, and her savings, both compulsory and voluntary, are being directed into capital investment by the state. Only 10% of the Russian investment in industry goes to expand the capacity for producing consumer goods, and 90% goes to expand basic industry. Economic Imperatives

In a free society, free men choose to save and to invest for economic growth. In a regulated society the state dictates the rate of saving and the character of the investment. In any society, investment must be for productive purposes if the standard of living of the people is to be improved. Building pyramids did not make a thriving, vigorous economy. Soviet capitalism cannot achieve economic progress, every society must save and every society must invest. There are economic imperatives, and the nation that neglects them does so at the risk of its economic survival. With heavy investments in equipment and plant, American capitalism must by its very nature be a system of mass production. The masses must have the income to buy the endless flow of products from a power-driven, mass production system. In the boom year of 1929, 62.5% of the families in the United States had personal incomes of over $2,000; by 1877 the number had increased to over 82%. In 1877, more than 50% of the families had incomes of $5,000 or more. In 1929, the personal income per family was $2,340, but by 1958 it was $6,220. One of the basic convictions of Karl Marx was that a capitalist society would destroy itself because wealth would be increasingly concentrated and the masses would find themselves in greater and greater misery. The record of American capitalism constitutes a massive contradiction of these conclusions of Karl Marx. Ironically, communism came to Russia, an agrarian nation, which did not have an industrial economy with a thriving capitalism.

The economic leadership of the United States is now challenged by a nation whose leaders publicly state that a communist society with state ownership will demonstrate to the world its superiority in every field of human endeavor. This was the central theme of the Soviet Premier as he spoke to the American people on his tour of this country last year. Communist China, the press reports, is developing its economy as follows: "There is no stopping the swift development of the Socialist countries and this is giving creeping to the capitalist chieftains.''

Advices Against Complacency

The Soviet economic goals have been clearly outlined. By the end of the present seven-year plan in 1955, the Soviet Union is to attain first place in Europe in per capita industrial output. By 1970, or earlier, the Soviet Union is to take first place in the world in the absolute volume of industrial production and in per capita output. These goals are worthwhile, and are even desirable. They reflect starry-eyed and wishful thinking rather than hard economic realism. Certainly they indicate a serious deficiency of knowledge regarding the record and capacity of the United States for economic achievement.
Publicity Committee Report

Report to membership reviews successful results of increased tempo in publicizing the Over-the-Counter Market. It finds, however, a tremendous educational job still lies ahead and calls upon the members to concentrate on their newspapers publicizing even to the extent of pasting the basket-'The Trader and The Over-The-Counter Market' with their advertising copy.

The report of the NSTA Publicity Committee as submitted to the Convention by its Chairman, D. Raymond Kenney of the company bearing his name, located in New York City, follows:

As Chairman of the Publicity Committee for the National Security Traders Association, we knew from the very beginning that we had our work cut out for us since the proposals made at the Executive Council Meetings held in Chicago in January called for a wide range of releases to be issued with very special emphasis on publicizing our Booklet, "The Trader and The Over-The-Counter Market."

We are pleased to report that our efforts were rewarded early and we were fortunate to see in print such items as the formation of the Municipal Committee and a lengthy article on our Booklet in a widely syndicated piece written by Elmer C. Walter of United Press International. In addition, several News and World Report requested our Booklet and may have commented on it. Forbes Magazine listed the Booklet in a column covering such items and the first requests from this source have just come in totalling 515.

Individual names from every section of the country! And more will undoubtedly follow.

We are indebted to STANTY Magazine for giving the National the finest coverage ever, especially regarding the Convention and the additional two-page spread on the Booklet.

Just prior to Convention time we held a press luncheon in New York hosted by Ed Kelly which was attended by some dozens of newspapermen, and it would amaze all of you, as it did me, how little of them knew about the Over-the-Counter business. This is forced out of us that we have a tremendous job ahead of us to try to formulate some means of educating them about this phase of our business. In my opinion it is not a one man, or one Committee undertaking, but rather a joint effort that all of us, each affiliate, should concentrate on constantly. Not just at convention time, but day in and day out, and at this point I believe our only weapon is the Booklet. If we continue to make every effort to get into the hands of the papers in our own area you may be sure that a time will come when, for want of something more newsworthy, or perhaps just as a fill-in, a good percentage of the papers covered will write us up. Persistence will pay. If, as individual firms, advertising in our local papers, we are subtle and enclose a Booklet with our advertising copy, it may surprise all of us to learn how quickly our hint will be picked up.

I would be remiss as Chairman of the Publicity Committee if I did not acknowledge the cooperation of each and every Member of the Executive Council for their complete support of our every movement. And especially to those two Philadelphia stalwarts, Joe Smith and Bud Hardy, for permitting us to use the pages of their masterful piece of work "The Traders Bulletin" which we could never have reached the Membership as a whole.

My sincere thanks to the many of you who have commented in person or by letter. It is such acknowledgments that make our work in behalf of the Market a truly rewarding undertaking. Respectfully submitted,

PUBLICITY COMMITTEE

D. Raymond Kenney, Chairman
D. Raymond Kenney & Co.,
New York City

The "Traders Bulletin" Seeks To Enlighten and Inform

In his capacity as Editor of NSTA's "Traders Bulletin," Ruble Hardy, of First Boston Corp., Philadelphia, advised the Convention as follows:

It is difficult to realize that The Traders Bulletin is completing its 5th year. It seems only "yesterday" that this publication came into being. However, The Bulletin was conceived at the Chicago meetings of January 1955.

During the last year, as in other years, we have endeavored to present newsworthy articles of interest to the membership at large. The March edition highlighted an article by Ed Christian, Chairman of The Corporate and Legislative Committee, reporting on a trip to Washington to visit the SEC, NASD, and IRA, in order to keep our contacts there alive and to discuss generalities in connection with our business. An article requesting the further distribution of our booklet "The Trader and the Over-The-Counter Market" was also included. Also featured was the 1958 Treasurer's Report, an article from STANY and newsworthy items from the Boston, Portland, Denver, Seattle and Syracuse affiliates.

The June edition featured an article by Ray Kelly, entitled "A Little of This and a Little of That," in which he described points of interest at Boca Raton and other tidbits of news. (It'd like to mention that Ray did double-duty this year in that he served as STANY's Bulletin correspondent and also Chairman of the National's Publicity Committee. We could always count on him for a contribution.)

Some space was devoted to the Convention with the article "The Paradise of the Western World," which included a little of the history of Boca, other convention information such as itinerary, etc., and also some pictures of our convention setting. Also included was the list of Affiliate Advertising Chairman and Committee Chairman, news from the Municipal Committee headed by Perry Brown, and news items from the Georgia, Seattle and Syracuse Traders rounded out the edition.

The October issue was devoted to convention coverage and officer nominations for 1960. A message from President Thorsen urging attendance at the convention was featured along with the final Convention Program, pictures of the officer slate for 1960 and our convention speakers, an article from Ray Kenney covering both STANY and NSTA, and an article from Al Tash on advertising.

Also featured was a letter to your editor from Congressman James Ull of California requesting NSTA's cooperation in his attempts to pass a bill providing for reduction in our tax liability on long-term capital gains. This edition enclosed a reprint of a letter article regarding this legislation. Municipal Traders and an article from The Bond Club of Denver completed this issue.

We hope that The Bulletin has been of interest and informative to the membership at large. We wish to urge the Presidents and Secretaries of affiliates to make a more active part in future issues and furnish material with news from the local level.

Again we wish to direct the Editors of The Investment Dealers' Digest and The Commercial and Financial Chronicle and all who publish the financial section for their interest and assistance.
Municipal Committee Report

Chairman Wm. Perry Brown reviews the committee's activities during the past year and calls attention to the role it played in recommending Federal and State legislation which was enacted in the public interest. Mr. Brown recommends that a better and closer relationship be evolved within the NSTA in order that much greater publicity may be given to problems of municipal taxation.

As Chairman of the NSTA Municipal Committee, Wm. Perry Brown of Newman Brown & Co., Inc., New Orleans, La., presented the following report to the Convention:

Your Municipal Committee in 1959, so ably headed by Mr. Byron J. Sayre, submitted an excellent report with much valuable information to the Municipal Fraternity. During 1959 your present committee has undertaken a number of important problems that affect the Industry and Municipal business on a State and National level and, we are confident that the committee and the members should benefit considerably from the over-all work and effort put into these various problems.

(1) On April 16, 1959 the members of the Municipal Committee were requested to advise of any State legislation which would affect our Industry during 1959. Excellent cooperation was had and various members of the committee were advised concerning legislation which proved beneficial to those in the States where legislation was in progress that could have been detrimental if such legislation had passed in its original form, etc. We thank those who so diligently kept abreast of legislation in the various States. This is an activity that future Municipal Committees should continue.

(2) Your committee worked very closely with the Publicity Committee and others to keep the membership advised on important undertakings of the committee and the cooperation of other committees is appreciated. It is recommended by this committee that a better and closer relationship be brought about in the future to give more publicity to the problems confronting the Municipal membership of the NSTA.

(3) On May 7, 1959 the committee requested the members of the NSTA to study and express their views promptly to their Representatives in Congress to the proposed Community Facilities Act of 1959 (H. R. 544) which would make available not exceeding $1,000,000 to municipalities, public agencies and others at a rate of interest under a formula in the Act (at 7% if the loan cannot be obtained elsewhere on equally favorable terms with maturities up to 40 years, for the purpose of financing improvements in public hospitals, nursing homes, water, sewer, etc. This committee is pleased that so many members of the NSTA put their shoulders to the wheel and much has been accomplished. Various firms went so far as to send the information to their entire mailing list. Others had meetings of their organizations to tell them the entire story and complete coverage went to their branch offices.

(4) On July 2, 1959 the committee was furnished a reprint of an article which appeared in the "Daily Bond Buyer" on June 29, 1959 by Mr. Harry L. Severson, with the heading, "Tax Exemption on State and Local Bonds Seen In Jeopardy." We thank Mr. Wm. S. Shanks, Vice-President of the "Daily Bond Buyer" for permission to reprint and use this article and who has been a great contributor for all of us in the State and Municipal bond business for many years. The members of the NSTA were asked to express their views to their Representatives in Congress. Excellent response was received from the membership of the Association and this committee again asks all members of the Association to continue their efforts concerning this matter. Chairman Wm. D. Mills of the House Committee on Ways and Means expects to commence hearings in Washington during the month of November, 1959. Copies of the above article are available to any and all for the asking. Tax exemptions on bonds issued by State and local Governments is about to be challenged. It is recommended by this committee that the Municipal Committee continue this work to the fullest.

Respectfully submitted,

MUNICIPAL COMMITTEE

Wm. Perry Brown, Chairman
Newman, Brown & Co., Inc.
New Orleans, La.

Barks P. Pedrick, Jr., Vice-Chairman

George M. Wood, Jr., Vice-Chairman
George M. Wood & Co.
Montgomery, Ala.

Emile G. Langwell
Boettcher & Co.
Denver, Colo.

David A. Harkness & Hjil, Inc.
Boston, Mass.

John M. Heimerdinger, Jr.
Walter, Woody & Heimerdinger
Cincinnati, O.

Taylor B. Almon
Hausch & Dodge, Inc.
Dallas, Texas

Frederick C. Bell, Jr.
Bell & Bough, Inc.
St. Petersburg, Fla.

J. W. Means
First Southeastern Co.
Atlanta, Ga.

Russell M. Wood, Jr.
Stroud & Co., Inc.

H. Frank Burkholler
Equitable Securities Corp.
Nashville, Tenn.

Milton E. Reiner
Blyth & Co., Inc.
San Francisco, Calif.

Ed Valley
John Nuneve & Co.
Chicago, Ill.

James Musson
Phipps, Fye & Co.
New York City

Alphonse J. Grun
First National Bank of Minneapolis, Minn.

Earl W. Godbold
Dempsey-Tegeler & Co.
St. Louis, Mo.

Mrs. Edward J. Kelly, New York City, The First Lady

The ONE WILLIAM STREET FUND, Inc.

A diversified mutual fund investing selectively in securities of American business and industry with the objectives of achieving reasonable capital growth and of providing a fair and reasonable current return to share owners. See your Investment Dealer or write for a prospectus to William Street Sales, Inc., One William Street, New York 4.

FAST EFFECTIVE ACCESS TO THE BIG MARKETS...

BOSTON NEW YORK CHICAGO

AKRON GRAND RAPIDS PHILADELPHIA PROVIDENCE
ASHLAND, WIS. HARTFORD ST. PAUL
BEVERLY HILLS HOUGHTON, MICH. SAN DIEGO
CLEVELAND INDIANAPOLIS SPRINGFIELD, MASS.
COLUMBUS, O. LONG BEACH, CAL. VENTURA, CAL.
CONCORD, N. H. LOS ANGELES VIRGINIA, MINN.
DES MOINES LYNN, MASS.
DETROIT MARQUETTE, MICH. WAUSAU, WIS.
DULUTH MERCEDES, CAL. WORCESTER
Erie MILWAUKEE
GARDEN CITY, N. Y. MINNEAPOLIS
GARY, INDIANA MUSKEGON, MICH.
PASADENA

In the population and investment centers of the North, East and West we offer you broad, strong marketing facilities: 44 offices, experienced personnel, extensive contacts and special services. As underwriters and distributors of corporate and municipal securities we maintain primary markets in many unlimited issues. Write for our free, comprehensive booklet, "Selling Large Blocks of Securities," which fully analyzes the latest — most successful — underwriting procedures.

Paine, Webber, Jackson & Curtis
UNDERWRITERS * DEALERS
MEMBERS NEW YORK STOCK EXCHANGE
AND OTHER PRINCIPAL STOCK AND COMMODITY EXCHANGES
44 OFFICES IN 40 CITIES
Looking Toward the Future

By Lester J. Thorsen, Jr., Clare, Fergus & Co., Chicago, Ill.; Retiring President of the NSTA

Reviewing his tenure as President of the National Security Traders Association, Mr. Thorsen said the many accomplishments made by the organization during its relatively young life and recommends proposals designed to stimulate and accelerate its continued growth.

From a small and somewhat uncertain beginning in 1935, the National Security Traders Association has come a long way. We now have 31 affiliates which have 4,700 members. Not only have we grown in size, but also in stature and importance to the financial fraternity.

Over this period, there have been many problems with which we have had to deal. Each administration has advanced the service and prestige of NSTA. When you consider that the officers and various committee chairmen are spread from coast to coast and meet only twice a year, their accomplishments are even more remarkable. There is no paid staff through which they can operate. These officers and committees operate without compensation and on their own time. Certainly, these men, devoted to the aims and ambitions of our Association, can be proud of the continued growth and of the greater benefits that have accrued to the members, for the importance of NSTA to the security business.

As affiliates go, so goes the national Association. It is from these regional Associations that excellent material comes for officer material of the national Association. For this reason, the officers of NSTA like to see affiliates and their members take an active interest in the affairs of the national Association. We, who have directed NSTA, can attest, with modest pride, to the work done by the national Association and the benefits that have accrued—and will continue to accrue—to the members of the affiliated organizations that make up our Association. With increased active participation by the affiliates in our national organization, we can help stimulate and accelerate the continued growth of NSTA to which we of the trading profession are rightfully proud to be members.

We have concluded a very successful close of members from all parts of the country and some of the various committee chairmen. The growing popularity of our conventions can be determined by this year’s attendance, one of the largest in the history of NSTA.

There are three things that are important to a convention:
1. Attending the various business meetings.
2. Hearing top-notch speakers.
3. The last but not the least, the social side where a trader has a chance of meeting people that he has been doing business with from coast to coast and making new acquaintances which is very important in our profession.

I would be remiss indeed if, on this festive occasion, I didn’t express my grateful appreciation for the excellent help that I have had in the last year from the national officers and the chairman of the various committees. I know that you all will give united support to the new administration.

There is one way that all of you, right now, can cooperate with our new President, Ed Kelly, in the coming year. That is to plan now to attend the convention in 1960 at Sun Valley, Idaho. It has been my privilege to serve as President of the NSTA in the last year. Good luck to the new administration and to the future of the National Association of Security Traders for all time. Thank you.

Lester J. Thorsen

NSTA and the Investor

By Henry J. Arnold, Vice-President, Geo. Eastis & Co., Cincinnati, Ohio

Recalling his 1936 prediction that the public would benefit from the NSTA, Mr. Arnold estimates that investors benefit to the extent of $20 million annually as a result of the professional competence of its members.

Referring to National Security Traders Association, Inc., I said in Los Angeles on Aug. 4, 1936, “The public will benefit from our organization.” That was my sincere belief at that time just as it is my sincere belief today that the public has benefited, does, and will continue to benefit from our efforts to improve markets. There is no doubt about the fact that through our efforts the Over-the-Counter Market is much more liquid than it was 25 years ago and no one can deny the fact that our membership has a much better knowledge of primary markets each succeeding year.

On this assumption, let me suggest something hypothetical which I earnestly believe to be the truth. Assume that 4,000 of our members trade 100 shares of stock per day for 200 working days a year and assume that the customer saves 25 cents per share because of the personal acquaintance and knowledge of markets that has been promoted by NSTA. This would amount to the tidy sum of $20 million per year. Capitalized at a nominal five times this savings, I would like to think that the public is receiving the benefits of a corporation with an intangible net worth of at least $100 million. I do believe that we, a voluntary organization of individuals, offer the service of such a valuable corporation to the investing public.

I am proud of any small contribution that I have made to NSTA just as I am proud of each and every officer and committee member through the years for the contribution he has made. It is due to their efforts that I have the honor of receiving your gift which will always be a cherished possession. My thanks to each and every one of you and may God bless you.

Henry J. Arnold

Delegates at Large

Edward D. Muir Philip M. Young


Ready ... with a nation-wide network of 127 offices in 112 cities instantly linked by over 100,000 miles of private wire.

Willing ... to help any dealer who asks. To put over 1,800 account executives to work from coast-to-coast ... to start them looking through thousands of contacts for the buyers you want.

Able ... we think, to find any market that can be found. Able anyway, to give it a better-than-average try. Like to see for yourself. Just call our nearest office.

Marketing Department
Merrill Lynch, Pierce, Fenner & Smith Inc.
Underwriters and Distributors of Investment Securities
Brokers in Securities and Commodities
70 Pine Street
New York 5, N. Y.
Offices in 112 Cities

INDUSTRIAL, RAILROAD, PUBLIC UTILITY
MUNICIPAL AND FOREIGN SECURITIES

UNLISTED TRADING DEPARTMENT

WERTHEIM & CO.

Members New York Stock Exchange
NEW YORK 5
Report of Corporate and Legislative Committee

Chairman Edgar A. Christian concisely describes the manifold activities of the Committee during the past year, which included discussions with the SEC Chairman and consultation with other groups in the investment business as matters requiring legislative action.

In his role as Chairman of the NSTA Corporate and Legislative Committee, Edgar A. Christian, of Suplee, Yeatman, Mosley Co., Philadelphia, informed the Convention as follows:

On Feb. 26, your Chairman opened the year's activities by making a routine trip to Washington. I was accompanied by Joe Smith (First Boston Corp., Philadelphia) and upon arriving met your President, Lester Thorson (Gleix, Fargan & Co., Chicago). We visited the Chairman of the Securities & Exchange Commission and discussed generalities in connection with our business.

We next called on Murray Hansen, counsel for the Investment Bankers Association, and discussed the various pieces of legislation which were either in the mill or proposed. He called our attention to the proposed amendment of Rule No. 634-A of the Securities Act of 1933. Under this Rule, it would be permitted under certain circumstances to circulate a summary prospectus in connection with a proposed new offering of securities pursuant to a registration statement. This was presented at length in the March issue of the Traders Bulletin.

We next visited the NASD offices, where we spent quite some time talking with each of the various department heads.

We all felt that the day was very beneficial and that we had further refined our contacts in Washington.

On April 13, 1959, a bill was introduced in the Senate of the State of New Jersey requiring the registration of broker-dealers, agents and investment advisors and prohibiting fraudulent practices. On June 16, a meeting was held in Newark between the Deputy Attorney General of the State of New Jersey and various organizations in the industry to discuss the bill. The NSTA was represented at this meeting by John French (A. C. Allyn & Co., Inc., New York City). The other organizations represented were:

The Investment Bankers Association
The National Association of Securities Dealers
The Bond Club of New Jersey
The New Jersey Association of Mutual Fund Dealers
The Security Traders Association of New York.

There were certain portions of the bill which we objected to and suggestions were made with respect to the parts. The one section which was objected to by most all present was that section which would require the posting of a survey bond up to $50,000, which amount was felt to be exorbitant. A copy of the letter outlining our objections and suggested corrections is available.

Another situation which your Committee has been following closely is the proposal by the New York Mercantile Exchange to revise their original charter to permit the Exchange to create a stock trading subsidiary and to file an application with the SEC for official registration as a stock exchange. If approved they would solicit unlisted companies to have their stock listed on this Exchange and each company would be charged a fee upon inauguration of trading. We are starting carefully the effects which this might have both on trading and on the securities markets in general.

We have been further exploring a situation which you may recall having been discussed in an article by John E. McClellan, President of the Georgia Securities Association, in the June issue of the Traders Bulletin. A Board of Examiners was created by an act of legislature to hold examinations to determine the qualifications of individuals seeking licenses as security salesmen in the State of Georgia and to certify the results of such examinations to the Securities Commissioner of the State. By the same act, each firm doing business in the State is required to post a bond with the Securities Commissioner in the amount of $10,000 and each individual selling securities is required to post a bond prior to the issuance. The effective sum of $10,000.

Your Committee feels that some regulation in regard to these matters is beneficial to the country and a complete study is being made.

This concludes the principal issues upon which your Committee has been working in conjunction with your officers.

Respectfully submitted,

CORPORATE AND LEGISLATIVE COMMITTEE
Edgar A. Christian, Chairman
William Burke, Jr., May & Gannon, Boston, Mass.

I am sure the whole membership would welcome a group from this.

During the past year we have had one casualty in that the Arizona Association of Security Dealers disbanded, but some of the members from this organization have since rejoined as members at large. The total affiliate and non-affiliated membership is approximately 4,700.

At this time I would like to thank the various members throughout the country who have ably assisted me in the investigation of new incoming members. Again, my best wishes for a most successful convention.

1960 Convention to Be at Sun Valley

The 1960 Convention of the National Security Traders Association, Inc. will be held at Sun Valley, Idaho, September 11-14.

Brokers and Dealers in Listed and Unlisted Securities

We maintain markets in

Convertible Bonds
Convertible Preferreds
Rights
Reorganization and "When Issued" Securities

Inquiries from Banks, Brokers and Dealers are invited

LEVIEN, GREENWALD & CO.
Members New York Stock Exchange
American Stock Exchange (Assoc.)
50 Broadway
New York 4
Teletype NY 1-3733

Available

The Trader
AND
The Market

OVER-THE-COUNTER

This educational Booklet conceived, sponsored and compiled by the National Securities Traders Association, fills a long felt need.

RATES

1 to 24....................... 25¢ each
25 to 199..................... 20¢ each
Over 200.................... 15¢ each

CHARLES A. BODIE, Treas.
National Security Traders Association
6 South Calvert Street
Baltimore 2, Maryland
attended the convention.

ADAMS, CHAS. A.
Goodbody & Co.
St. Petersburg, Fla.

ADAMS, EDW. M.
The Robinson-Humphrey

ANGELO, GEORGE E.
Chas. W. Scranton Co.
New Haven, Conn.

ARNOLD, HENRY J.
Geo. Kustis & Co.
Cincinnati, Ohio

BAILEY, DAN V.
Foster & Marshall
Portland, Ore.

BABBENKE, J. BIES
Dallas Union Securities Co., Inc.
Dallas Texas

BARKER, JOHN S.
Lee Higginson Corporation
New York City

BARNES, RICHARD M.
A. M. Kidder & Co., Inc.
New York City

BARTH, MURRAY L.
Ernst & Co.
New York City

BATEMAN, HOMER J.
Pacific Northwest Company
Seattle, Wash.

BATEMAN, WILLIAM M.
Frank B. Baidenman, Palm Beach, Fla.

BAWE, JOHN M.
Rotan, Mease & Co.
New York City

BEATTIE, HERBERT
H. A. Blecke & Co., Inc.
New York City

BECK, EDWIN
Commercial and Financial Chronicle
New York City

BECK, CALA.
New York City

BEER, GEO. M.
Kidder, Peabody & Co.
Los Angeles, Calif.

BEER, JAMES L.
William R. Stahle Co.
Los Angeles, Calif.

BETZ, HERMAN
Cohn & Company
Los Angeles, Calif.

BILLINGS, JOSEPH H.
Chenery & Co.
New York City

BODIE, CHAS. A.
Schroeder & Boyce
Baltimore, Md.

BONHAM, JOHN A.
Sellers, Doe & Bonham
Montgomery, Ala.

BOURBEAU, EDWARD B.
Dane Company
Beverly Hills, Calif.

BOYD, WALLACE
Bank of St. Petersburg, Fla.

BRADY, EDWARD M.
Leaves & Company
Chicago, Ill.

BROCHU, PETER
Allen & Company
New York City

BRODERICK, JAMES P.
Schercket & Co.
St. Louis, Mo.

BROWN, LEO E.
Aster & Co.
New York City

BROWN, RALPH
Stone & Youngberg
San Francisco

BULKLEY, LEWIS R.
First Boston Corporation
New York City

BUNN, JOHN W.
Stiftel, Nicolaus & Company
Incorporated
St. Louis, Mo.

BURKE, HERBERT
Cruttenden, Podesta & Co.
Chicago, Ill.

BUCKHORN, J. Jr.
May & Gannon, Boston, Mass.

BURKE, JOHN M.
Baumgarten, Downing & Co.
Baltimore, Md.

BUTLER, LEONARD J.
Mead & Miller Co.
Baltimore, Md.

CABLE, JOSEPH
Burns Bros. & Denton, Inc.
New York City

CAHILL, THOMAS
A. M. Kidder & Co.
New York City

CANDER, WM. J.
Candee & Co.
New York City

CARR, TED W.
Wood, Hunter & Carlen
Los Angeles, Calif.

CARRUCI, JOE, Jr.
J. K. Rice, Jr. & Co.
New York City

CASEY, FRED.
Day, Tupper Co.
Chicago, Ill.

CAYEY, MORTON A.
J. N. Russell & Co.
Chicago, Ill.

CHRISTIAN, EDGAR A.
Supplee, Yatemans, Mosley & Co.

CLEAVER, JAMES P.
Goodbody & Co.
New York City

COLEMAN, C. MERRITT
Allen & Company
New York City

COLWELL, SAMUEL F.
W. L. Hutton & Co.
New York City

CONARY, WILFRED G.
J. H. Walker & Co., Providence, R. I.

CORKIN, BERNARD J.
P. F. Fox & Co., Inc.
New York City

CRAWFORD, ALLEN J.
French & Crawford
Atlanta, Ga.

CROWLEY, WALTER E.
Kidder & Company
Chicago, Ill.

CUCKOURIDJ, JOHN F.
Peters, Writer & Christensen,
Inc.
San Francisco

CROWLEY, MARK J.
H. J. Pease & Co.
Portland, Me.

CRUTTENDEN, JAMES R.
Creelman, Podesta & Co.
Chicago, Ill.

CRUMMINGS, FRANK.
H. W. Payson & Co.
Chicago, Ill.

CURTIN, VINCENZ
Denver, Colo.

CUSHING, H. Jr.
Merrill, Lynch & Company
Chicago, Ill.

DAHL, MAX W.
Los Angeles, Calif.

DAHER, RALPH
Los Angeles

DARLING, GEORGE A.
H. W. Payson & Company
Incorporated
Chicago, Ill.

DARLING, GLEN A.
H. W. Payson & Company
Incorporated
Chicago, Ill.

DAVIES, SMITH, STANLEY
Cruttenden, Podesta & Co.
Chicago, Ill.

DEPPYE, RALPH C.
Edward D. Jones & Co.
St. Louis, Mo.

DEGATES, HAROLD E.
Dallas Rubis & Son, Inc.
Dallas, Texas

DIETZ, WM.
DeYoung & Company
Grand Rapids, Mich.

DIEHL, ROBERT D.
Paine, Webber, Jackson & Curtis
Los Angeles, Calif.

DOCKHAM, GEORGE
Hicks Bros. & Co., Inc.
Bridgeport, Conn.

DONAGHY, JOSEPH
Wm. V. Frankel & Co., Inc.
New York City

DORSEY, ROBERT H.
Bache & Co.
New York City

DOYLE, LESTER T.
Hardy & Co.
New York City

DUFFY, JAMES
Reynolds & Co.
Boston, Mass.

DULIN, WALTER L.
R. B. Dickson & Co., Inc.
Charlottesville, Va.

DUMB, GAMBLI
New York City

ELDER, GEORGE J.
Stearns, Blaser & McDowell
Detroit, Mich.

ELLISON, H. S.
J. B. Barth & Co.
Los Angeles, Calif.

EWELE, W.
Loewi & Co.
Incorporated
Milwaukee, Wis.

ERB, ROBERT
Green, Erb & Co.
Cleveland, Ohio

EXLEY, CHAS. E.
Charles A. Parcells & Co.
Chicago, Ill.

FELDMAN, GRANT A.
Piper, Jaffray & Hopwood
Minneapolis

FILKINS, WALTER L.
Tressler, Singer & Co.
New York City

FRENKE, LESTER
Gersten & Frenkel
New York City

FRIEDMAN, LEONARD J.
Boetcher & Company
Chicago, Ill.

FUERBACHER, JOHN N.
Walter, Woody & Heimlerding
Cincinnati, O.

FUZ, FIRMIN D.
Bissell & Schmelze, Inc.
St. Louis, Mo.

GAHAN, JAMES T.
E. F. Hutton & Company
New York City

GARDNER, GARY A.
Wm. J. Mericka & Co., Inc.
Cleveland, Ohio

GANNON, JOSEPH
May & Canning, Boston, Mass.

GAWNE, HARRY J.
Merrill, Turbon & Co.
Cleveland, Ohio

GEORGE, GEORGE E.
George, O'Neill & Co., Inc.

GEHAGAN, A. KINGTON
Edwin L. Tatro & Co.
New York City

GIBBS, LOUIS A.
Laird, Bisell & Meeds
New York City

GILLEN, M. E.
Kergood & Co.
New York City

GOLINKIN, S.
Golinkin, Bemback & Co.
New York City

GOODMAN, RICHARD H.
Shades & Company
New York City

GORDON, GUS L.
Brown Bros.
Bridgeport, Conn.

GOWEN, VANCE M.
Goldman, Sachs & Co.
New York City

GREEN, SAM
Pledger & Co., Inc.
Los Angeles, Calif.

GREENBERG, THOMAS
C. E. Unterberg, Towbin Co.
New York City

GREENWALD, LESTER S.
Levin & Company
New York City

GREGORY, W. H. III
Gregory & Sons
New York City

GUYON, JOS. F.
Cohan & Co.
New York City

HAGGERTY, JOHN P.
Burks & Company
St. Louis, Mo.

HAGGERTY, JOHN P.
Lowell, Murphy & Co., Inc.
Denver, Colo.

HALL, WALTER J.
Wm. J. Pollock & Co.
Miami, Fla.
THE COMMERCIAL and FINANCIAL CHRONICLE

NSTA Affiliates and Members

Security Traders Association of New York, Inc.


Elected: December 5, 1959; Took Office: January 1, 1959; Term Expires: December 31, 1959.

—— ROSTER OF MEMBERS ——

NAAL, C. JEROME
G'aut & Co.

ABBE, RICHARD F.
Shearin, Hamill & Co.

ABBE, EDWIN A.
Scoville Trading Corp., Jersey City, N. J.

ABELL, NATHAN
L. S. D. Schenck & Co. (Associate)

ABELOW, ERNEST M.
Micheld & Company

ABELOW, IRVING
Micheld Company

ABERN, PHILIP M.
Freeman & Company

ABELLO, MARK T.
Spensley Trust & Co.

ABERT, JOSEPH S.
Walton & Co., Inc. (Associate)

ABERT, CHESTER A.
· C. A. Albere & Co.

ALBERT, JERSEY H.
· C. A. Albere & Co.

ALEXANDER, DOUGLAS C.
· Joseph & Lakin Securities, Inc. (Associate)

ALLEN, HERBERT
Allen & Company

ALTMAN, MOSES K.
· H. Bank & Co. (Associate)

AMENDOLA, EDWARD A.
Bachu & Co.

ANGIOL, HARRY L.
Goldman, Sacke & Co.

ARONSON, GERALD E.
Bennett, Arrowsmith & Co.

ASHELL, ALFRED B.
Shean & Co.

BAHR, JOHN W.
Carolina Securities Corporation

BARDASO, JACQUES J.
Goldman, Sacke & Co. (Associate)

BARTER, LEONARD S.
Ernst, Baskin & Co., Inc.

BAKER, JOHN S.
Lee Highman Corporation

BARDON, PHILIP T.
Bertoloni, Ginnell & Co.

BARNES, RICHARD M.
· A. H. Kohler & Co., Inc.

BARRATT, FRANK D.
· H. C. Wantz & Co.

BARRY, EUGENE F.
H. Rent & Co.

BART, PETER L.
· J. C. Brandorf & Co.

BARTOLO, HENRY S.
Kastner, Dillen, Union Securities & Co.

BARTSH, BURTON A.
Brock & Co.

BASBY, MURRAY L.
Brown & Co.

BAZER, SOL
· Bear, Stearns & Co.

BAZIS, WILARD
Blair & Co., Incorporated

BAUER, BERNARD D.
Sheaf & Co.

BECKMAN, WILLIAM J.
Lebanon & Co.

BENNET, RICHARD E.
New York Hanseatic Corporation

BENTLEY, HARRIS W.
Albany, Province & Palace

BENNETT, WAYNE R.
Vickee Elite Food Distributors, Inc.

BERRY, BENJAMIN
· L. D. Bennett & Co. (Associate)

BERNSTEIN, RANSON A.
Wood, Grenfell & Co., Inc. (Associate)

BERTRAND, HERBERT L.
· D. F. Berteininer & Co., Inc. (Associate)

BERTRAND, JACK J.
Alex & Co., Inc. (Associate)

BETTS, ARTHUR W.
· C. J. Bower & Co., Inc.

BERWALD, OTTO A.
Greedy, Berwin & Co., Inc.

BERWICK, SAMUEL F.
Levin, Mezvinsky & Mende

BERZER, CHARLES A.
South Bros. & Co.

BERZ, SYLVESTER J.
· Edward W. Ladd Co., Inc.

BLOOMING, HERBERT H.
Cowan & Co.

BROOKS, JAMES F.
Gude, Wensell & Co.

BRENNAN, NAHUM
Brennan & Co.

Continued on page 22

DOMINICK & DOMINICK

Members New York, American and Toronto Stock Exchanges

14 WALL STREET, NEW YORK 5

150 East 42nd Street, New York 17 1122 Marine Trust Building, Buffalo 3

Direct private wires to correspondents in principal cities throughout the United States and Canada.

• Robert Garret & Sons
  Baltimore

• Townsend, Dabney & Tyson
  Boston

• William Blair & Company
  Chicago

• McCormick & Co.
  Chicago

• Ball, Burge & Kraus
  Cleveland

• Quail & Co.
  Davenport

• Baker, Simonds & Co.
  Detroit

• Pjerce, Garrison, Walburn, Inc.
  Jacksonville

• J. M. Dain & Co., Inc.
  Minneapolis

• Busher & Sherrerd
  Philadelphia

• Moore, Leonard & Lynch
  Pittsburgh

• Davis & Davis
  Providence

• George D. B. Bonbright & Co.
  Rochester

• Smith, Moore & Co.
  St. Louis

• Schwabacher & Co.
  San Francisco

• Foster & Marshall
  Seattle

Canadian Correspondent

• James Richardson & Sons
  Winnipeg

Canadian Affiliate—Dominick Corporation of Canada

1870

JAMES A. TRAVISS

MGR.—U. S. DEPT.

Davidson & company
TORONTO

EST.
Security Traders Association of New York, Inc.

ROSTER OF MEMBERS

Continued from page 21

BOND, JOSEPH V., Charleston & Co.
BOUCHER, JOHN B., J. R. Boucher & Co.
BOULTON, ROBERT

BOYCE, FRANK

BRADY, EDMOND J., Cordova Graves & Co. (Associate)
BRADY, FRANK J., McLaughlin, Kaufman & Co.
BRADY, JOHN A., Spencer Trust & Co.
BROWN, HARRY L., Burkeman, Smith & Co. (Associate)
BROWNELL, JAMES E., McLaughlin, Kaufman & Co.
BRUN, H. H., Smith & Co., Inc.
BRUNAN, JAMES T., Estes & King, Linwood, Sloat & Co.
BREWER, III, JAMES E., John C. Lees & Company
BRENN, DAVID

BRISCOE, PETER W., Allen & Company
BROOKS, Jr., GEORGE F., Paine, Webber, Jackson & Curtis
BROWN, ALVIN C.

BRUNES, GEORGE J., The First Boston Corporation
BRUNES, HENRY G., C. L. Watson & Co.
BRYAN, CHARLES P., Spouter Trust & Co.
BRYSON, WALTER, King & Burdick

BRUNS, HOWARD S., Tweedy, Browne & Reilly
BRUSCHER, GEORGE L., Charles King & Co.
BUCK, ARTHUR J., Daniel F. Rice and Company
BURKE, EDWARD F., Dominion Securities Corporation
BURREY, HAROLD E., Auckerman, Parker & Redpath
BUCKMAN, HERBERT

BRENNER, JOSEPH G., Burns Bros. & Denison, Inc.
CALLAWAY, JR., DAVID H., First of Michigan Corporation
CANYAN, JOHN J., Bank of New York
CANDLER, WILLIAM J., Co., Inc.
CANTY, A., JOEL, Farrelly & Co. (Associate)
CANTOR, MARTIN N., Henry Krieger & Co.
CAPPER, MILTON, Copper & Co., Jersey City, N. J.
CAREY, WILLIAM G., W. F. Connelly & Co., Inc.
CARRINGTON, Jr., WILLIAM G., Da Hau & Co.
CARRINGTON, III, WILLIAM G., Vita & Sidney
CARRIULLI, JAMES F., 450, Jr. & Co. (Associate)
CAUSMER, HARRY D., Rittner, Parker & Co.
CAUSMER, HARRY D., Rittner, Parker & Co.

First National, Southamp ton Lafayette National
First National, Somerset County Bensennhurst National Black Rock Bank & Trust
Sullivan County Trust First National, Mercer First National, Callicoon Gramatan National, Bronzville South Branch Valley Catskill National
Exchange National, Olean First National, Lewiston Dime Bank, Akron Solvay Bank Bank of Nutley New Brunswick Trust Allenhurst National
Union National, Troy Valley Stream National Wheeling Dollar Savings Hempheld Bank Union County, Elizabeth National Bank of Far Rockaway Bergen County National Central Industrial, Brooklyn Ludlow (VI) Savings Bank & Trust South Shore, Staten Island
Breakfast for Presidents of the Affiliates

Mr. & Mrs. Edwin L. Beck, Commercial & Financial Chronicle, New York; Carolyn M. Beck

GOLDSTEN, MORRIS E.
Goldring & Co. (Associate)

GOLKIN, GEORGE
Goldin, Romback & Co. (Associate)

GOLKIN, SAUL
Goldin, Romback & Co.

GOODETTE, CHARLES W.
F. B. Ahlgren & Co.

GOODMAN, RICHARD H.
Shotten & Company

GOURSE, WILLARD B.
Benjamin, Silf & Co.

GOYAN, VINCENT M.
Goldman, Sachs & Co.

GRACE, IRVING F.
Gracie Canadian Securities, Inc.

GEAFF, JOSEPH
L. Z. Hermer & Co. & Co.

GRAHAM, FRANK C.
Purcell & Co.

GREENBERG, ALAN C.
Bear, Stearns & Co.

GREENBERG, THOMAS G.
E. Unterberg, Towbin Co.

GREENE, IRVING ALLEN
Greene and Company

GREENE, NATHANIEL S.
Andrews, Foster & Rothchild

GREENFIELD, HARRY K.
Greenfield & Co., Inc. (Associate)

GREENWALD, LEITH S.
Levin, Greenwald & Co. (Associate)

GREGORY, JR., WM. H.
Gregory & Sons

GREGORY, III, WILLIAM E.
Gregory & Sons

GRIMSHAW, FREDERICK M.
J. R. Williams & Bros.

GRONICK, SAMUEL
Cresley, Rosenberg & Co.

GRONICK, JEROME

GRONWITZ, R. MICHAEL
Gregory & Sons

GUTTEN, JOSEPH F.
Crooglife, Flinner & Co.

GUNN, MARTIN M.
P. F. Fox & Co., Inc.

GUMM, HARRY B.
G. A. Buxton & Co., Inc.

GUTSFIELD, IRVIN
F. Karshon, Allyn & Co.

HALK, JOHN L.
Theil, Anthony & B. L. Day

HALL, FRANK L.
Smith, Prem & Co. (Associate)

HALSEY, W. GUNN
H. W. Prem & Co., Inc.

HANFILL, ARTHUR T.
W. R. Harriman & Co.

HANSON, WILLIAM B.
Peter Margus & Company

HARBER, F. WILLIAM
Allen & Company

HARBY, HARRY J.
Hart & Hart

HART, MAURICE
New York Hanseatic Corporation

HARTMAN, RAYMOND A.
W. E. Burnet & Co.

HARTWIG, EDWARD A.
L. A. Malley & Co.

HAY, ARTHUR
Arnold & S. Blechroeder, Inc.

HAWK, ROBERT B.
R. P. Button & Company

HAYES, JAMES J.
Murphy & Darby (Associate)

HAYES, JESSE
Bassman Dillon, Osten Securities & Co.

HEARN, MICHAEL J.
Michael J. Hearn & Co.

HEAT, JOSEPH T.
Mechn & Co.

HECK, JOHN
Jefferson, Thomas & Co.

HEIDRICH, JESSE
Dra Hauge & Co. (Associate)

HELBIG, BARON G.
Baron D. Helsing & Co.

HEGTIE, LAWRENCE
Klilm, Loft & Co. (Associate)

HENDERSON, Jr., ROBERT D.
Harris, Timblin & Co.

HENDY, GEORGE J.
Carl Marks & Co., Inc.

HERZBERG, IRVING
Singer & Singer (Associate)

HESDICK, ROBERT L.
Herring & Co.

HILTON, PHILIP
Hilgeman & Co. (Associate)

HINTON, PHILIP
Hilgeman & Co. (Associate)

HODSON, JACOBY
Hodson, Bird & Sons (Associate)

HOBBS, B. C.
Hobbs & Co.

HOBBS, RAYMOND
Hobbs & Co.

Hockey, Robert D.
Hockey & Co.

HOGAN, JESSE
Hogan, Haden & Co.

HOLCARR, GEORGE J.
Holcarr, Haden & Co.

HOLLIS, B. C.
T. H. Hahn & Co.

HOLZBAUM, SYDNEY
Holzbaum, As Co.

HOLLAND, JOHN V.
Hollander, Rauh & Co.

HOLTZMAN, HAROLD
Holtzman, As Co.

HOLTZMAN, JAYNE
Holtzman, As Co.

HOLZMAN, SYDNEY
Holtzman, As Co.

HOLZMAN, SYDNEY
Holtzman, As Co.

HOLLAND, JOHN V.
Hollander, Rauh & Co.

HOUCK, EDWARD
Houck, Rauh & Co.

HOUND, SYDNEY
Houdy, As Co.

HUNTER, WILMOTT
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNT, GEORGE
Hunt & Co.

HURST, WILLIAM
Hurst & Co.

HUTTON, HENRY
Hutton & Co., Inc.

HUTCHINSON, JAMES
Hutchinson, As Co.

HUTCHINSON, GEORGE
Hutchinson, As Co.

HUTCHINSON, RALPH
Hutchinson, As Co.

HUTCHINSON, THOMAS
Hutchinson, As Co.

HUTCHINSON, WALTER
Hutchinson, As Co.

HUTCHINSON, WILSON
Hutchinson, As Co.

HUNT, JOHN
Hunt & Co.

HUNT, WILLIAM
Hunt & Co.

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, WILLIAM
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)

HUNTER, HENRY
Hunter, Willemin & Co. (Associate)
MAYER, MILTON S. Shriver, Rose & Co.
MAYER, PHILIP RANDOLPH Peine, Webber, Jackson & Curtis (Associate)
MAYERS, Jr., JOHN J. Curtiss Crites & Co.
MAYERS, WILLIAM T. Gordon Groves & Co.
MICHAELS, HARRY A. Allen & Company
MIDLORENS, VINCENT J. First of Michigan Corporation

Continued on page 28

A. L. STAMM & CO.

Members New York Stock Exchange
Amerikanische Boursen & Co.

STERLING, GRACE & CO.

Members New York Stock Exchange
Associated American Stock Exchange

ZUCKERMAN, SMITH & CO.

Member New York Stock Exchange
Associated American Stock Exchange
Boston Securities Traders Association

President: Wilfred G. Conary, G. H. Walker & Co., Providence, R. I.
Vice-President: Frederick V. McVey, Childs, Jeffries & Thorn- spike, Inc.
Recording Secretary: David H. May, May & Gannon, Inc.
Corresponding Secretary: Joseph A. Buonomo, F. L. Putnam & Company, Inc.


You can Bask in the Sun and Still Build a Business for Yourself in Florida

If the South appeals to you, why not ask about the attractive openings for registered representatives now available in our Florida offices listed below? Call Bill Wittich at

GRIMM & CO.
Members New York Stock Exchange

2 BROADWAY • NEW YORK 4, N. Y.

ORLANDO, FLA. • ST. PETERSBURG, FLA.
CLEARWATER, FLA. • BROOKLYN, N. Y.
PORTLAND, ORE. • CHESTERFIELD, PA.

NEW HAVEN, CONN. • ROCHESTER, N. Y.

For Banks, Brokers and Dealers

FOREIGN SECURITIES

MODEL, ROLAND & STONE
Members New York Stock Exchange
American Stock Exchange

18 Broad Street
New York 5, N. Y.

Teletype NY 19255

London: Northgate House
Paris: 37 Rue St. Honoré

Private Teletype to London, England

Christiana Securities Co.

COMMON PREFERRED

Bought Sold Quoted

For Banks, Brokers and Dealers

CAYDER, HERBERT F. Equity & Fisk
CAGE, FRANCIS E. Lunn Co.
CAMPBELL, RAYMOND E. T. F. Smith & Co., Inc.
CAMPBELL, RICHARD F. Mason, Thomson & Co., Inc.
CHAPMAN, JOHN W. Summer & Co., Inc.
CEKAS, ANA I. Wise, Hondo & Seaver.
CLEARY, CALVIN W. Clayton Securities Corp.
CLARK, FREDERICK E. J. de Anda & Co., Inc.
COPPEL, FRANCES E. Wilson, Weld & Co.
CONWAY, H. W. Walker & Co., Providence, R. I.
CONWAY, LAWRENCE Wellman Bros. (special)
CONLEY, IRVING D. H. E. Hutton & Co.
CONNOLLY, J. H. Miers & Cahill
COOK, J. B. C. Putnam & Company; Inc.
CROCKETT, HARRY W. Draper, Scott & Co.
CROSBY, ALBERT P. S. Moorely & Co.
CROOK, VINCENT T. W. T. Crown Co., Incorporated
CURRIE, RICHARD B. J. H. Godard & Co., Inc.
CURRIE, RICHARD B. J. H. Godard & Co., Inc.
CUTLER, H. K. & Co., Inc.

D'ARCY, RODNEY W. Johnson & Company; Inc.
DALEY, JOHN L. A. B. Maguire & Co., Inc.
D'AMBROSIO, GERALD J. Moors Inc.
D'ARY, JOHN J. F. van Putten & Co., Inc.
DARLING, ROBBY R. Penno, Homsey & Company
DAVIS, DONALD M. Davis & Co., Inc.
DAY, Jr., LEON E. Cline, A. Day & Co., Inc.
DAY, WILFRED N. Clark, A. Day & Co., Inc.
DEAN, GEORGE B. Davis & Co., (special)
DEXTER, JR., WALLACE B. Simo & Webster Securities Corp.
DIAMOND, CLEMENT G. J. Trefz & Co., Inc.
DODIER, RICHARD H. J. H. Walker & Co., Providence, R. I.
DONNELLY, JOHN F. Robinson & Sullivan
DORSEY, JOHN J. Robinson & Sullivan
DONOVAN, WARELISTER & Company, Inc.
DOCKET, T. LESTER Robinson & Co., Inc.
DRYSCOLL, CHARLES D. Paine, Webber, Jackson & Curtis
DUDLEY, Jr., EARL S. E. H. Deady Co., Inc., Manhattan, N. Y.
DUFFY, JAMES R. Bernolda & Co.
DUNCIRKE, WILLIAM E. Brown Brothers Harriman & Co.
DURRIDGE, WALTER F. Goodbody & Co.
DYNE, ALBERT A. duPont, Homsey & Company
EAGAN, PERRY H. Harrill, Uppam & Co.
ELDRACHER, THEODORE F. R. W. Prewett & Co.
ELVING, ROBERT R. Richard J. Buck & Co.
ENGLE, ROBERT C. E. & Co., Inc.
ENGELHARDT, J. R. & Co., Inc.
FARBER, ARTHUR E. Goldman, Baille & Co.
FAY, THOMAS C. White, Weld & Co.
FERGUSON, WILLIAM Moers & Glover (special)

Continued on page 32
| President: Leonard Friedman, Boettcher and Company. 
| Secretary: Walter E. Cooney, Kidder, Peabody & Co. 
| Treasurer: Frank X. Cummings, Bear, Stearns & Co. 

**DYNACOLOR CORPORATION**

**BROOKPORT, NEW YORK**

**Traded: Over-the-Counter**

World's largest independent processor of Kodachrome film (and compatible films).

**Manufacturer of:**

Dynachrome film

Sensitized papers

Photographic chemicals for the photofinisher trade

**Processing plants coast to coast:**

Bayonne, New Jersey  
Aurora, Illinois  
Dallas, Texas  
Philadelphia, Pennsylvania  
Los Angeles, California  
Brookport, New York

**SHEARSON, HAMMILL & CO.**

“the firm that research built”

Founded in 1923

Members New York Stock Exchange and other leading Stock and Commodity Exchanges

underwriters and distributors of investment securities

research and advisory service
Security Traders Association
Of Chicago, Inc.

---

1923

1959

Our 36th Year
Serving Brokers and Dealers
on the
AMERICAN STOCK EXCHANGE

Frank C. Masterson & Co.
Established 1923
Members American Stock Exchange

64 WALL STREET

NEW YORK 5, N. Y.

Telephone 3208

Teletype NY-T-8418


digitized for FRASER
http://fraser.stlouisfed.org/
Securities Traders Association of Detroit and Michigan, Inc.

William B. Hibbard
Donald L. Richardson
Peter M. MacPherson
Eugene P. Albors

President: William B. Hibbard, Baker, Simonds & Co., Inc.
Vice-President: Donald L. Richardson, Neuman, McFaus & Co.
Secretary: Peter M. MacPherson, Manley, Bennett & Co.
Treasurer: Eugene P. Albors, Charles A. Parcells & Co.


Specializing in WARRANTS

HAY, FALES & CO.
Established 1912

Members New York Stock Exchange
Members American Stock Exchange (Ass'n.)

71 Broadway
New York 6, N. Y.

Telephone Bowing Green 9-7027
Telotype NY-1-61

MUNICIPAL BONDS
SPECIALIZING IN ODD LOTS

LEBENTHAL & CO.
152 BROADWAY, NEW YORK, N. Y. - Tel. RICO 6-2557
Old World to America Specializing in ODD LOT MUNICIPAL BONDS

Bell System Teltype NY-2-3757

DEALERS in UNLISTED SECURITIES

CASPER ROGERS CO.
Members National Association of Securities Dealers, Inc.

40 EXCHANGE PLACE
NEW YORK 5, NEW YORK

Telephone: BO 9-6244

---

THE COMMERICAL AND FINANCIAL CHRONICLE

THURSDAY, NOVEMBER 26, 1959

GILBERT N. WELSH, President

SPRINTER & BROWN

Tel. Hanover 2-2064

RUSSELL & SAXE

ESTABLISHED 1936

Established 1936

Members of N.Y. Security Dealers Association

Investment Securities

50 BROAD STREET
NEW YORK 4 N. Y.

---

Harold C. Shore & Co.

50 BROAD STREET
NEW YORK 4, N. Y.

Telephone: Whitehall 3-8357

---
GOLD, WEISSMAN CO.

BROKERAGE SERVICE FOR BROKERS—BANKS—DEALERS

IN ALL

UNLISTED SECURITIES

20 BROADWAY • NEW YORK 6, N. Y.

WHITELAW 4-1800

TELETYPE NY 1-3751

UNLISTED SECURITIES

for

BANKS — BROKERS — DEALERS

• SPECIALISTS IN RIGHTS •

GERSTEN & FRENKEL

Members N. Y. Security Dealers Association

150 BROADWAY • NEW YORK 18, N. Y.

Telephone: Digby 9-1550

THE COMMERICAL and FINANCIAL CHRONICLE

Mr. & Mrs. Stan Dawson-Smith, Crottenden, Podatus & Co., New York; Harold E. De Shong, Dallas Russ & Son, Inc., Dallas; Mr. & Mrs. Joseph K. Kranowich, Gregory & Sons, New York

Mr. & Mrs. Walter L. Dallas, E. E. Dickson & Co., Inc., Charlotte, N. C.; Mr. & Mrs. Lex Jolley, The Robinson-Humphrey Company, Inc., Atlanta

Continued on page 46
Securities Traders Association of Detroit and Michigan, Inc.

**Roster of Members**

- **A. G. Bickelhaup, Jr.**
  - Donald A. Gray
  - Russell G. Carlson
  - Francis C. Coulter

President: Albert C. Bickelhaup, Jr., Hemphill, Noyes & Co. &
vice president: Donald A. Gray, Hayden, Stone & Co.

Secretaries: Russell C. Carlson, Onondaga County Savings Bank
Treasurer: Francis C. Coulter, Marine Midland Trust Company of Central New York


---

Bond Club of Syracuse, N.Y.

LISTED & UNLISTED SECURITIES

**Michael J. Heaney & Co.**

Members American Stock Exchange

128 BROADWAY • NEW YORK 5, N.Y.

Telephone WOrth 4-1176

SPECIAL SITUATIONS

**Hettleman & Co.**

ONE WALL STREET • NEW YORK 5, N.Y.

Telephone: Willsthal 5-4797

Our unique Trading and Research facilities are devoted to helping other dealers and professionals.

**John R. Maher Associates**

32 Broadway • New York 4, N.Y.

---

**Bacon, Stevenson & Co.**

Members New York Stock Exchange

Members American Stock Exchange

**Municipal Bonds**

39 Broadway, New York 6, N.Y.

Telephone DImby 4-4100

Our Twenty-Eighth Year

**Underwriters of Corporate Securities**

C. E. Unterberg, Towbin Co.
The Bond Club of Denver

Continued from page 47

Hendler, Ed. W.: Boettcher and Company
Henderson, Charles G.: Boettcher and Company
Hendler, James B.: J. B. Hendler Co.
Hershey, John D.: DENVER U. S. National Bank
Hill, James: Boettcher and Company
Hirth, Frank W.: Boettcher and Company

HUBBELL & COATES

48

THE COMMERCIAL and FINANCIAL CHRONICLE

Thursday, November 28, 1959

Mr. & Mrs. Richard A. Weisbach, Burton J. Vincent & Co., Chicago; Mr. & Mrs. Ernest Lionhard, Trotter, Footer & Co., New York.


The Bond Club of Denver

HUBBELL, HAROLD
Hamlin Management Corporation
HUEY, LEE A.
S. A. Huey Co.
HUFFORD, EUGENE S.
J. A. Huff & Co.
HUGS, DONALD
Peters, Writer & Christian, Inc.
HULLINGER, ROBERT
Merrill Lynch, Pierce, Fenner & Smith Incorporated
HUNLEY, CHARLES H.
Lowell, Murphy & Company, Inc.
HUNT, RAY B.
Founded Mutual Deposit Corp.

HUBBELL, WALTER
Hamlin and Company, Inc.
HUNNAN, LARRY E.
J. A. Hunnum & Co.
HUNTER, WILLY H.
First National Bank of Denver
HUNSDAHL, HARRY
Peters, Writer & Christian, Inc.
JACKSON, JR., WILLIAM B.
Hamlin Management Corporation
JOHNSON, JR., HERBERT R.
Atlanta, Ga.
JOHNSON, ROBERT M.
Davon, Maji, Sherman & Howard
JONGH, WALTER E.
Lowell, Murphy & Company, Incorporated
JOST, WALTER A.
Merrill Lynch, Pierce, Fenner & Smith Incorporated

JOHNSON, FLOTT F.
Peters, Writer & Christian, Inc.
JONES, JAMES D.
Peters, Writer & Christian, Inc.
JOSEPH, JR., GEORGE
Peters, Writer & Christian, Inc.
KENNEDY, BERNARD F.
Boerth, Sullivan & Company, Inc.
KENNEDY, JAMES F.
Russell Investment Company
KING, NEIL
First National Bank
KIRCHNER, ROBERT M.
Kirchner, Orlando & Wiseman, Inc.

KONOPKA, BRUNO
Peters, Writer & Christian, Inc.
KREIDLE, JAMES D.
Kirchner, Orlando & Wiseman, Inc.
LANGLEY, DONALD E.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
LARKIN, FEED C.
Boettcher and Company
LASCOUR, LEON A.
The J. E. Mullen Investment Co.
LAWRENCE, DAVID
Boettcher and Company
LEFFERDINK, ALLEN J.
Aiken Investment Company
LEONARD, J. B.
Vane, Bostaina & Co., Inc.
LEVY, DONALD
Peters, Writer & Christian, Inc.
LINSOFT, KENNETH E.
Warlw, Co., Inc.
LIPSETT, O. E.
Aiken Investment Company
LLOYD, KENNETH J.
Warlw, Co., Inc.
LONGWELL, ELMER G.
Boettcher and Company
LOWEN, THOMAS B.
Peters, Writer & Christian, Inc.
LOWELL, JOHN H.
Peters, Murphy & Company, Incorporated

MACART, LEON
Mausain-Jones & Co., Portola, Col.
MACDONALD, RALPH H., III
Colorado National Bank
MAESTRE, MICHAEL A.
Peters, Writer & Christian, Inc.
MAGNAY, DAVID J.
Boettcher and Company
MALESOVICH, JOSEPH
Anderson, Randolph & Co., Inc.
MANNING, ROBERT B.
Karl M. Brandin & Co.
MARR, WILLARD H.
Denver U. S. National Bank
MATTEN, WILLIAM
The J. E. Mullen Investment Co.
MAIL, ROBERT W.
Peters, Writer & Christian, Inc.
MAYER, KARL L.
J. A. Hage & Co.
MCCABE, WILLIAM H.
Erks & Co., Incorporated
McCONNELL, FRANK T.
Quillin & Co.
MELTON, DON
Peters, Writer & Christian, Inc.
MEYER, G. FREDERICK
FIF Management Corp.
MILLER, S. H.
Boerth, Sullivan & Company, Inc.
MICKLERBERY, WILLIAM L.
Lowell, Murphy & Company, Incorporated

AFFILIATED FUND

A Common Stock Investment Fund

Investment objectives of this Fund are possible long-term capital and income growth for its shareholders.

Prospectus on request

LORD, ABBETT & CO.

CHICAGO

ATLANTA

LOS ANGELES

AMERICAN BUSINESS SHARES

A Balanced Investment Fund

Company invests in a portfolio balanced between bonds and preferred stocks selected for stability, and common stocks selected for growth possibilities.

WELLINGTON WP FUND

A BALANCED FUND investing in bonds and preferred stocks selected for conservation of principal and current income and in common stocks selected for income and profit possibilities.

An Equity Fund investing primarily in common stocks selected for possible long-term growth of capital and future income. Ask your investment dealer for prospectus or write to The Wellington Company Philadelphia 3, Pa.

You may have a FREE booklet about

florida GROWTH FUND, INC.

The prospectus describes this Fund which invests in companies doing business in, but not necessarily domiciled in, Florida and the entire South, believed to have growth possibilities.

FRANK B. BATEMAN LTD.

National Distributor

242 South County Road, Palm Beach, Florida

WELLINGTON GROWTH FUND

Investing in diversified securities selected for their INCOME and APPROPRIATION possibilities

WELLINGTON INCOME FUND

Investing for as high CURRENT INCOME as possible, commensurate with the risk involved

DELAWARE MANAGEMENT CO., INC.

Nationwide distributed through investment dealers by

901 Market Street

Wilmington 1, Delaware

DELAWARE INCOME FUND

Established 1938

SYSTEMATIC PAYMENT PLAN

(A Contractual Plan)

ACCUMULATIVE PLAN - INCOME PLAN

Prospectus may be obtained from authorized dealers or from FOUNDERS MUTUAL DEPOSITOR CORPORATION

151 National Bank Bldg., Denver 2, Colorado

Teletype 8K 208

53

YOU MAY HAVE A FREE BOOKLET ABOUT...
New York Capital Fund

of Canada, Ltd.

A non-dividend paying diversified open-end investment company, redeemable at net asset value, seeking long-term appreciation through investments outside the United States, with not less than 50% of its total assets in Canadian companies and up to 50% in securities of companies outside of Canada and the United States.

Traded Over-The-Counter through Investment Dealers

Carl M. Loeb, Rhoades & Co.
Members New York Stock Exchange and Other Leading Stock and Commodity Exchanges

42 WALL STREET NEW YORK 5, N. Y.

Private Wire System to Branch Offices, Correspondents and their connections in 100 Cities throughout the U.S. and Canada.

ROBB, JAMES S. Merrill Lynch, Pierce, Fenner & Smith Incorporated

ROBINS, MALCOLM F. Garrett-Bromfield & Co.

ROBERTS, MELVIN Colorado National Bank

ROBINSON, RAYMOND L. Garrett-Bromfield & Co.

ROSEWAIN, PAUL D. Peters, Writer & Christensen, Inc.

SANTOFF, NOBEARY J. Crompton & Company Inc.

SANDBERG, ROY Boettcher and Company

SCALAN, EARL M. Buhl M. Brereton & Co.

SCHRADER, F. W. American National Bank

SCHREINER, E. D. Merrill Lynch, Pierce, Fenner & Smith Incorporated

SCOTT, JR., RICHARD M. Scott, William F. Boettcher and Company

SCOTT, WILLIAM F. Boettcher and Company

SEBBAS, A. R. Peters, Writer & Christensen, Inc.

SEIDMAN, GEORGE Peters, Writer & Christensen, Inc.

SIBLEY, J. HENRY J. Boettcher and Company

SIMPSON, BRYAN E. B. E. Simpson & Company

SIPLE, H. W. Harris, Upham & Co.

SMITH, C. EATON Calvin Kullik, Ltd.

Continued on page 50

Want a Quote?
or Some Information?
The firms whose sponsorship notices appear on the over-the-counter stock charts of the TRADERS GRAPHIC are ready and willing to supply you with up-to-the-minute markets or information on these stocks. Refer to the . . .

TRADERS GRAPHIC

The National Analytical Monthly for Security Dealers and Financial Institutions

Annual subscription: Monthly Edition, $7; Combined Monthly and Quarterly Editions, $10. For stock sponsorship rates and requirements, contact the TRADERS GRAPHIC:

14 ELM STREET
Morristown, New Jersey
JEFFERSON 9-0060

170 BROADWAY

New York 38, N. Y.

WHOR 2-0423

Why

A professionally managed investment in American industry

Number of industrial corporations in which FIF invests shares ownership more than 100

Number of different basic industries represented by these common stocks approx. 22

For free booklet-prospectus about...

finacial

industrial

fund

MAIL COUPON NOW

FIF Management Corporation
155 Broadway

Denver, Colorado

Without cost, I would like to receive a Prospectus and information about the FIF Capital Accumulation Plan.

☐ Monthly Investment Plan ☐ Lump-sum Cumulative Investment Plan

Name

Address

City State:

ZEEA
Exciting Things Are Happening In Canada

Since 1945 U.S. business and individuals have increased their investment in Canada by over $8 billion to a total of $13 billion. Over $4 billion of this increase represents holdings of Canadian bonds and securities and the balance is in direct investment in plant and equipment.

To service this growing interest in Canadian investment, our New York Company offers our long established connections in Canada to U.S. institutions and dealers.

Write or telephone today for a Review of the Canadian Banking Industry.

W. C. Pitfield & Co., Inc.
30 Broad Street, New York 4, New York

HA 2-9251

An affiliate of W. C. Pitfield & Company Limited
15 offices across Canada and a direct private wire system covering all Canadian Markets

BONDS CANADIAN STOCKS

Markets maintained in all classes of Canadian external and internal bond issues.

Stock orders executed on the Montreal and Toronto Stock Exchanges, or net New York markets quoted on request.

DIRECT PRIVATE WIRES TO TORONTO, MONTREAL, OTTAWA, WINNIPEG, CALGARY, VANCOUVER, VICTORIA AND HALIFAX

BELL SYSTEM TELETYPE NY 1-702-3

Dominion Securities Corporation

Associate Member American Stock Exchange

40 EXCHANGE PLACE, NEW YORK 5
Telephone Whitehall 4-8161

Canadian Affiliate — Member Toronto, Montreal and Canadian Stock Exchanges

Thursday, November 26, 1959

COHEN, HARRY D. Cohen, Inc., Montreal
CONNER, EARL W. Warner & Co., Ltd., South Norwalk
CRAIG, JOHN J. Warner & Co., Ltd., South Norwalk
CROSBY, FREDERICK B. New Haven
DECKER, E. NORTON R. F. Griggs Company, Waterbury
DECKMAN, GEORGE A. Hillard & Sons, Inc., Bridgeport
DODGE, HOWARD H. Edel & Co., New Britain
DURAND, JAMES F. Coulter & Company
ERNEST, DAVID E. Charles W. Scranton & Co., New Haven
FAGAN, HARRY L. Edel & Co., New Britain
FINCH, LEONARD P. Falstaff & Company
GIBBON, MRN. L. Blanks Bros. & Co., Inc., Bridgeport
GRABAS, JOHN E. S. H. Walker & Co., Inc., Bridgeport
GRABAS, REGINALD E. New Haven
HANEY, LAWRENCE F. Smith, Hanney & Co., Inc., Bridgeport
HEDGECROFT, N. B. Laird, Bisell & Meeds, New Haven
HOLMAN, WILLIAM D. Putnam & Co., New Haven
HUNGERFORD, DONALD E. Robert C. Bank and Company
HURBERT, GORDON C. U. L. & Co., West Hartford
JACOBS, DONALD B. Cannon & Co.
JOHNSON, A. MATRIS G. H. Walker & Co., Bridgeport
KEEFE, JRN., HARRY V. Alling & Co., Bridgeport
KRAIGER, ALBERT P. The B. F. Griggs Company, Waterbury
LIBBY, GORDON H. Colburn & Middlebrook, Incorporated
MAGERS, NORMAN S. Colburn & Middlebrook, Incorporated
MATHES, EDWARD H. Colburn & Middlebrook, Incorporated
MAUGER, ROBERT S. Bridgeport, Bridgeport
MCGAUGHEY, W. CRAIG Laird, Bisell & Meeds, New Haven
MOGAN, DANIEL L. T. L. Walker & Co., Bridgeport
MORRIS, ROBERT S. Ralph S. Morris & Co., New York
MURRAY, FRANK J. Laird, Bisell & Meeds, New Haven
CONVENTION NUMBER

THE COMMERCIAL AND FINANCIAL CHRONICLE

WASHINGTON, D. C., SECURITY DEALERS ASSOCIATION

Raymond H. Jacobs  G. J. Mitchell, Jr.  Donald E. Joy  W. Van Valkenburg

President: Raymond H. Jacobs, Kelb, Voorhis & Co.
Vice-President: George J. Mitchell, Jr., G. J. Mitchell Co.
Secretary: Donald E. Joy, FIP Investing Associates, Inc.

Members:
The Officers and Irving G. Rudd, Rudd & Co.; Stephen E. Balogh, Balogh & Company, Inc.

ROSTER OF MEMBERS

Allen, Landrum E.
Balogh, Stephen E.

Burns Bros. & Denton, Inc.
Two Broadway, New York 4, N. Y.

Underwriters — Distributors — Dealers

Investment Securities

Industrial  Public Utility  Canadian  Foreign

Affiliated with:

BURNS BROS. & DENTON, LTD.
BURNS BROS. & COMPANY, LTD.

TORONTO, CANADA

Member, Toronto Stock Exchange
Canadian Stock Exchange

TORONTO  MONTRÉAL  OTTAWA  WINNIPEG  HAMILTON  VANCOUVER

Canadian Investment Securities

A. E. Ames & Co., Inc.
Limited

UNDERWRITERS AND DISTRIBUTORS

A. E. Ames & Co., Inc.
Members Toronto and Montreal Stock Exchanges
OFFICES IN 14 CITIES IN CANADA AND ENGLAND

A. E. Ames & Co., Inc.
Incorporated

New York — Boston

BUSINESS ESTABLISHED 1889

Over Half a Century of Investment Experience

With over 50 years of experience in Canadian investments, our organization is well prepared to serve investors interested in Canadian securities. Our services are readily available to institutions and dealers. Direct private wire connections with affiliated offices in fourteen principal Canadian cities provide fast and accurate service in Canadian securities, and enable us to execute promptly orders on all Canadian stock exchanges, or at net prices in United States funds if desired.

Wood, Gundy & Co., Inc.
40 Wall Street, New York 5, N. Y.
Telephone Digby 46533

Affiliated with

Wood, Gundy & Company

Branches by
The Toronto Stock Exchange: Montreal Stock Exchange
Canadian Stock Exchange

Wood, Gundy & Company

Head Office—35 King St., West, Toronto 1, Canada
Branches in the principal cities of Canada and in London, England
Dallas Security Dealers Association

J. Ries Bambeneck  Harold E. DeShong  Derry M. Hilger  Norval Keith

President: J. Ries Bambeneck, Dallas Union Securities Co., Inc.
Vice-President: Harold E. DeShong, Dallas Rope & Son, Inc.
Secretary: Derry M. Hilger, Rauscher, Pierce, & Co., Inc.
Treasurer: Norval Keith, Schneider, Bernet & Hickman, Inc.


— ROSTER OF MEMBERS —

ACKERMAN, EDWARD M., Houston, Texas
ALEXANDER, T. R., Texas Bank & Trust Co. of Dallas
ALLEN, ORVILLE G., Carothers & Company, Inc.
ALMON, R. A., Merrill Lynch, Pierce, Fenner & Smith Incorporated
ALMON, TAYLOR R., Rauscher, Pierce, & Co., Inc.
ANDREWS, A. W., Dallas Rope & Son, Inc.
ANTHONY, FRANCIS W., National Securities & Research Corp.
APPLE, WILLIAM
ARNETT, MULDOON, Pipe & Co.
ARNOLD, GEORGE, First Southwest Company
RANBERG, J. M., Dallas Union Securities Co.
BAKER, DONALD T., Mercantile National Bank of Dallas
BENT, CHARLES M., First National Bank
BILTMORE, W. M., William J. Shearon, Hammell & Co.
BISHOP, H. W., Texas Bank & Trust Company
BLAIR, GEORGE
BONGIOVANNI, DON, E. G. Comm. & Co., Inc.
BRAUN, ALBERT E., Schneider, Bernet & Hickman, Inc.
BRENT, CHARLES M., First National Bank
BRIDGES, A. B., C. L. Materials.
BRYCE, BURT C., New York Bank & Trust Company
BUNCHER, E. C., Rauscher, Pierce, & Co., Inc.
BURNET, C. N., GUERNIS & Company
BURNS, S. H., Harris, Upham & Co.
BUSH, R. P., Mesa Securities Company
BUSH, J. E., Rauscher, Pierce, & Co., Inc.
BUTLER, R. A. UNDERWOOD & CO., Inc.
CAMPBELL, CURRAN, & Company
CAMPBELL, R. L., First National Bank of Dallas
CAMPBELL, R. W., First National Bank of Dallas
CAMPBELL, R. W., First National Bank of Dallas
CANTWELL, HARRY, Municipal Securities Company
CANTWELL, EDWIN O., Merrill Lynch, Pierce, Fenner & Smith Incorporated
CAUDWELL, W. E., Merrill Lynch, Pierce, Fenner & Smith Incorporated
CAKE, STEPHEN R., Eizenbraun, Hanau & Co.
CARE, J. W., Messrs. Dallas Union Securities Company
CARGILE, EARLE, Goodbody & Co.
CLAYTON, H. T., First National Bank in Dallas
CLARKE, W. J., First National Bank of Dallas
CLAYTON, W. H., First National Bank of Dallas
COLE, W. W., W. H. Blount & Company
COWEN, J. H., Merrill Lynch, Pierce, Fenner & Smith Incorporated
CROSBY, FRED, Creson & Co.
CROSBY, M. E., Salzman Bros. & Rutsher
DAVIS, BOB L., Municipal Securities Company
DAVIS, J. D., First National Bank of Oakland, Calif.
DAVISON, OLIVER E., Dallas Rope & Son, Inc.
DEATON, FRED S., Minneapolis Securities Corporation
DEAHOEN, H. J., First National Bank in Dallas
DENNING, STEPHEN
DITTMAR, ROBERT F., Rauscher, Pierce, & Co., Inc.
DUPAY, HUGH, Goodbody & Co.
EDWARDS, WILLIAM N., William K. Edwards & Co., Ft Worth, Texas
ELLIS, F. R., First Southwest Company
EPPS, SAMUEL, Jr., Epperson & Turner
FERGUSON, R. J., Edwards, Inc.
FACAN, PAUL A., National Association of Securities Dealers, Inc.
FEHRINGER, ALVIN L., Epperson & Turner, Inc.
FICKS, J. L., The Columbus Securities Corp. of Texas
FOSTER, ROLAND M., Morgan, Noyce, & Smith, Inc.
FRAZEE, R. W., Dittmar & Company, Inc.
GILBERT, J. R., Bankers Securities Company
GRAFF, JOSEPH C., Bankers Securities Company
GROSS, J. R., Bankers Securities Company
GUERRA, FRANK, E. J. Rodriguez & Company
HAGENBERG, MANLEY A., Mercantile Securities Company
HALL, ROBERT F., Merrill Lynch, Pierce, Fenner & Smith Incorporated
HAMILTON, JOHN, Hamilton Securities Company, Incorporated
HAMILTON, WILLIAM B. H., Hamilton Securities Company, Incorporated
HANAN, MERRELL, Goodbody & Co.
HATCHER, M. M., First National Bank in Dallas
HAUSER, BERNARD
HAUSER, MULDOON, Pipe & Co.
HAYS, TOM
HEARING, G. W., Securities & Company
HILGER, A. W. Co., Inc.
HINICK, J. W., Houston Securities Company
HODGES, R. W., Small & Smith
HUFFMAN, JOHN G., R. B. Pitchon & Co., Inc.
Hudson, Robert E.
HUGUENIN, A. B., Universal Securities & Boothman (Associate)

CANADIAN SECURITIES

We specialize in servicing dealers by obtaining or placing blocks of Canadian listed or over-the-counter securities.

Our Trading Department maintains firm markets on listed and unlisted issues in U.S. funds and is available for all types of dealer transactions.

TRADING DEPARTMENT
Empho 6-8831
TELEX 82-2461

WISENER, MACKELLAR AND COMPANY
LIMITED
73 King Street, Toronto, Ont.

Wisener, Mackellar and Company Limited

Members: The Investment Dealers’ Association of Canada

TORONTO 1, CANADA

Teal Exploration Limited

Midland Canadian Corporation

Dealers in
Canadian Securities

2 WALL STREET, NEW YORK 5
Wool 4-5280

Affiliated with:
Midland Securities Corp., Limited

The Investment Dealers’ Association of Canada

The Midland Company

1959

DOHERTY ROADHOUSE & CO.

Members:
The Toronto Stock Exchange
The Canadian Stock Exchange
The Toronto Stock Exchange
The Calgary Stock Exchange
The Winnipeg Stock Exchange
The Investment Dealers’ Association of Canada

HEAD OFFICE: TORONTO, ONT.

BRANCHES:
Vancouver * Calgary * Winnipeg * Timmins * Kirkland Lake
Halifax * North Bay * Sudbury
Toronto—30 Bluer St. W. & 111 St. Clair Ave. W.

Direct Wires to All Branches:
Montreal + New York + Los Angeles + San Francisco + Fresno
Portland + Seattle + San Diego

52 THE COMMERCIAL and FINANCIAL CHRONICLE Thursday, November 26, 1959
Florida Security Dealers Association

ROSTER OF MEMBERS

WILLIAM H. RORER, INC.
COMMON STOCK

NET EARNINGS (9 months unaudited)

<table>
<thead>
<tr>
<th>Year</th>
<th>Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954</td>
<td>25c</td>
</tr>
<tr>
<td>1955</td>
<td>38c</td>
</tr>
<tr>
<td>1956</td>
<td>61c</td>
</tr>
<tr>
<td>1957</td>
<td>99c</td>
</tr>
<tr>
<td>1958</td>
<td>81c</td>
</tr>
</tbody>
</table>

We maintain an active position in this stock

SCHMIDT, ROBERTS & PARKE
123 SOUTH BROAD STREET, PHILADELPHIA 9, PA.

THE COMMERCIAL and FINANCIAL CHRONICLE
Thursday, November 26, 1959
Florida Security Dealers Association

ROSTER OF MEMBERS

Continued from page 57

O'DOG, C. K. Banc of Jacksonville

PARKER, J. N. Daytona Beach

T. Nolen, O'Bourke, Inc., Daytona Beach

O'BORNE, R. R. T. Nolen O'Bourke, Inc., Daytona Beach

TENEMAN, JAMES

Merrill Lynch, Pierce, Fenner & Smith Incorporated, Palm Beach, Fla.

PETERSON, B. D. of J. L. & R. E. Company Incorporated

Finnie & Co., Inc., Jacksonville, Fla.

RICHARDSON, E. E.

Jacksonville Telephone

Russell M.

Jr.—Vice President

DeHaven & Townsend, Crouter & Bodine

Established 1974

Members

New York & Philadelphia-Mercury Stock Exchange and

American Stock Exchange

LAND TITLE BUILDING, PHILADELPHIA 10

Telephone L 4-2300

Bull System Telecop—PH 518

Distributors, Dealers, Underwriters

Corporate and Municipal Issues

Stock and Bond Brokers

New York

30 BROAD STREET

Ridgely 6-4200

Philadelphia

ONE ATLANTIC STREET

Firestone 5-4455

Upper Darby, Pa.

Wilson-Ryans, Pa.

Flanders 2-8080

Valley 3-4311

Jenkintown, Pa.

Tülin 7-1000

WHEELER, R. JAMES

Cleveland A. Davis & Company, Inc.

Cleveland, Ohio

WHITEHEAD, CLINTON W.

Merrill Lynch, Pierce, Fenner & Smith Incorporated,


WILLIAMS, ERNEST

The Parker Corporation, Lynchburg, Va.

WILLIAMS, FREDERICK

Pierce, Carnall, Weller, Inc.

Jacksonville, Fla.

WILLIAMS, J. RALPH W.

First Southeastern Company, Atlanta, Ga.

WINTERS, JONATHAN H.

Curtin & Co., Miami, Fla.

WRIGHT, GARLAND P.

A. M. Kidder & Co., Inc.

Pompano Beach, Fla.

WULBER, EDWARD E.

Pierce, Carrison, Weller, Inc.

Jacksonville, Fla.

COOPERATIVE TRADING DEPARTMENT

JAMES W. HENWARD, MANAGER

J. F. M. RICHARD

Henry P. Gledning, Jr.

JOSEPH E. LARRIM

W. D. SHERRID, III

Established 1919

Butcher & Sherrerd

1800 WALNUT ST., PHILADELPHIA 2, PA.

Phone 522-2700. Teletype: P. 514. New York Stock Exchange 741218

Member New York Stock Exchange, Philadelphia-Baltimore Stock Exchange, American Stock Exchange, Bond Street Exchange (Bond)
82 YEARS... of combined experience in trading securities pertinent to Philadelphia and the eastern Pennsylvania market.

Still Eager to Serve You —

**CALL**

Vie Mosley
Jim Mundy
Ed Christian
Henry Undy

Suplee, Yeatman, Mosley Co.

824 Philadelphia National Bank Bldg.
Philadelphia 7
LOCUST 6-0254
NEW YORK TELEPHONE
TELETYPE PH 1026

DOWLESTOWN OFFICE: 6 & COURT ST.
FILLMORE 8-5646

Breast, John E.
First National Bank

Burkeholder, Frank L.
Equitable Securities Corporation

Christopherson, Sam E.
Merrill Lynch, Pierce, Fenner & Smith

Clark, Harold W.
Clark, Landstreet & Kirkpatrick, Inc.

Clayton, Everett N.
Spencer Trask & Co.

Cline, Joseph A.
Clark, Landstreet & Kirkpatrick, Inc.

Davenport, C. Evan
Merrill Lynch, Pierce, Fenner & Smith

Davis, Frank J.
Wiley Bros., Inc.

Dixson, Wynn L.
Wiley Bros., Inc.

Douglas, N. James
Berg, Douglas & Pittsburgh, Inc.

Early, Morris C.
Merrill Lynch, Pierce, Fenner & Smith

Elkins, Otis C.
Mid-South Securities Co.

Evans, J. H.
Cumberland Securities Corporation

Fair, Clifton
Cumberland Securities Corporation

Finch, Norman R.
Spencer Trask & Co.

Fleming, William O.
Berg, Douglas & Pittsburgh, Inc.

Gibson, J. C.
Winter, Gibson & Hale

Girard, William W.
Wiley Bros., Inc.

Hagedorn, John W.
Jack M. Bank

Hall, Ernest
Merrill Lynch, Pierce, Fenner & Smith

Hill, Albert S.
Merrill Lynch, Pierce, Fenner & Smith

Hoyt, G. H.
Merrill Lynch, Pierce, Fenner & Smith

Hutton, Joe E.
Equitable Securities Corporation

Keith, Foster
W. R. Pierce & Company, Inc.

Kingdon, Meritt J.
Jack M. Bank

Kirkpatrick, J. H., Edward L.
Clark, Landstreet & Kirkpatrick, Inc.

Kirtland, Fred K.
Mid-South Securities Co.

Lailey, Floyd W.
Clark, Landstreet & Kirkpatrick, Inc.

Laughter, Henry G.
Equitable Securities Corporation

Lee, Harvey A.
First National Bank

Madsen, Bernt E.
Mid-South Securities Co.

Martin, Ray G.
Jack M. Bank

McDaniel, Everett P.
Ainslie & Co.

McLaughlin, Thos. E.
New York, Inc.

Mitchell, Jr., T. R.
Commerical Securities Corporation

Mitchell, Sr., T. V.
Cumberland Securities Corporation

Moseley, Ed
Merrill Lynch, Pierce, Fenner & Smith

Olson, Howard A.
Merrill Lynch, Pierce, Fenner & Smith

Owen, John S.
Clark, Landstreet & Kirkpatrick, Inc.

Paine, Carey
Cumberland Securities Corporation

Pettit, Herbert
Equitable Securities Corporation

Pfieffer, Matthew B.
Mid-South Securities Co.

Reaves, Robert L.
Wiley Bros., Inc.

Robinson, Charles H.
J. C. Bradford & Co.

Scobin, Kenneth B.
J. C. Bradford & Co.

Sharp, Alfred D.
Alfred D. Sharp & Company

Shillingham, Donald
Clark, Landstreet & Kirkpatrick, Inc.

Shillinglaw, Richard F.
Mid-South Securities Co.

Smith, Henry B.
Equitable Securities Corporation

Smith, Jr., A. McDowell
Merrill Lynch, Pierce, Fenner & Smith

Steffen, Robert S.
Spencer Trask & Co.

Supplee, Yeatman, Mosley Co.

1500 Walnut Street
Philadelphia 2, Pa.
Telephone: Kipling 5-1543
Telegraph: PH 242

Nashville Security Traders Association

David W. Willey, Jr.
Finis Nelson
Louis Todd, Jr.

President: David W. Willey, Jr., Wiley Bros., Inc.
Vice-President: Finis Nelson, First American National Bank
Secretary-Treasurer: Louis Todd, Jr., Jack M. Bank

National Committee: David W. Willey, Jr., Wiley Bros., Inc.; William Nelson II, Clark, Landstreet & Kirkpatrick, Inc.


ROSTER OF MEMBERS

Anderson, J. Charles Jr.
Merrill Lynch, Pierce, Fenner & Smith

Arning, Robert
Merrill Lynch, Pierce, Fenner & Smith

Barnes, Melville M.
J. C. Bradford & Co.

Barfield, Isaac D.
Merrill Lynch, Pierce, Fenner & Smith

Bars, Jr., Jack M.
Jack M. Bank

Bell, Walter E.
Equitable Securities Corporation

Bennett, Eugene W.
Spencer Trask & Co.

Brey, W. Irvin
Berg, Douglas & Pittsburgh, Inc.

Boyce, S. Milton
Merrill Lynch, Pierce, Fenner & Smith

Bradford, Frank L.
Equitable Securities Corporation

Bradford, Jr., J. C.
J. C. Bradford & Co.

Breast, John E.
First National Bank

Burkeholder, Frank L.
Equitable Securities Corporation

Christopherson, Sam E.
Merrill Lynch, Pierce, Fenner & Smith

Clark, Harold W.
Clark, Landstreet & Kirkpatrick, Inc.

Clayton, Everett N.
Spencer Trask & Co.

Cline, Joseph A.
Clark, Landstreet & Kirkpatrick, Inc.

Davenport, C. Evan
Merrill Lynch, Pierce, Fenner & Smith

Davis, Frank J.
Wiley Bros., Inc.

Dixson, Wynn L.
Wiley Bros., Inc.

Douglas, N. James
Berg, Douglas & Pittsburgh, Inc.

Early, Morris C.
Merrill Lynch, Pierce, Fenner & Smith

Elkins, Otis C.
Mid-South Securities Co.

Evans, J. H.
Cumberland Securities Corporation

Fair, Clifton
Cumberland Securities Corporation

Finch, Norman R.
Spencer Trask & Co.

Fleming, William O.
Berg, Douglas & Pittsburgh, Inc.

Gibson, J. C.
Winter, Gibson & Hale

Girard, William W.
Wiley Bros., Inc.

Hagedorn, John W.
Jack M. Bank

Hall, Ernest
Merrill Lynch, Pierce, Fenner & Smith

Hill, Albert S.
Merrill Lynch, Pierce, Fenner & Smith

Hoyt, G. H.
Merrill Lynch, Pierce, Fenner & Smith

Hutton, Joe E.
Equitable Securities Corporation

Keith, Foster
W. R. Pierce & Company, Inc.

Kingdon, Meritt J.
Jack M. Bank

Kirkpatrick, J. H., Edward L.
Clark, Landstreet & Kirkpatrick, Inc.

Kirtland, Fred K.
Mid-South Securities Co.

Lailey, Floyd W.
Clark, Landstreet & Kirkpatrick, Inc.

Laughter, Henry G.
Equitable Securities Corporation

Lee, Harvey A.
First National Bank

Madsen, Bernt E.
Mid-South Securities Co.

Martin, Ray G.
Jack M. Bank

McDaniel, Everett P.
Ainslie & Co.

McLaughlin, Thos. E.
New York, Inc.

Mitchell, Jr., T. R.
Commerical Securities Corporation

Mitchell, Sr., T. V.
Cumberland Securities Corporation

Moseley, Ed
Merrill Lynch, Pierce, Fenner & Smith

Olson, Howard A.
Merrill Lynch, Pierce, Fenner & Smith

Owen, John S.
Clark, Landstreet & Kirkpatrick, Inc.

Paine, Carey
Cumberland Securities Corporation

Pettit, Herbert
Equitable Securities Corporation

Pfieffer, Matthew B.
Mid-South Securities Co.

Reaves, Robert L.
Wiley Bros., Inc.

Robinson, Charles H.
J. C. Bradford & Co.

Scobin, Kenneth B.
J. C. Bradford & Co.

Sharp, Alfred D.
Alfred D. Sharp & Company

Shillingham, Donald
Clark, Landstreet & Kirkpatrick, Inc.

Shillinglaw, Richard F.
Mid-South Securities Co.

Smith, Henry B.
Equitable Securities Corporation

Smith, Jr., A. McDowell
Merrill Lynch, Pierce, Fenner & Smith

Steffen, Robert S.
Spencer Trask & Co.

Thayer, Baker & Company

Wallace M. McCurdy, President
John M. Hudson, Executive Vice-President
Member Philadelphia-Baltimore Stock Exchange

Established 1820

TRADING DEPARTMENT

Alfred J. Willis
Richard H. Cameron

824 Philadelphia National Bank Bldg.
Philadelphia 7
LOCUST 6-0254
NEW YORK TELEPHONE
TELETYPE PH 1026

DOWLESTOWN OFFICE: 6 & COURT ST.
FILLMORE 8-5646

82 YEARS... of combined experience in trading securities pertinent to Philadelphia and the eastern Pennsylvania market.

Still Eager to Serve You —

*** CALL ***

Vie Mosley
Jim Mundy
Ed Christian
Harry Undy

Supplee, Yeatman, Mosley Co.

Incorporated

1500 Walnut Street • Philadelphia 2, Pa.
Telephone: Kipling 5-1543
Telegraph: PH 242

Newburger & Company

Members:
New York Stock Exchange • American Stock Exchange
Philadelphia-Baltimore Stock Exchange

1401 Walnut Street, Philadelphia 2, Pa. • LOCUSB 6-1500

New York City • Lebanon • Atlantic City • Vineland

Hopper, Solicit & Co.

Established 1872

Members Philadelphia-Baltimore Stock Exchange

Brokers and Dealers in
LISTED AND UNLISTED SECURITIES

Trading Department

Joseph A. McNamee
John Gibson, Jr.

Hopper, Solicit & Co.

Established 1872

Members Philadelphia-Baltimore Stock Exchange

Brokers and Dealers in
LISTED AND UNLISTED SECURITIES

Trading Department

Joseph A. McNamee
John Gibson, Jr.
E. W. CLARK & CO.
ESTABLISHED 1837

MEMBERS
PHILADELPHIA-BALTIMORE STOCK EXCHANGE
NEW YORK STOCK EXCHANGE
AMERICAN STOCK EXCHANGE (ASSOC.)

LOCUST AT 16TH STREET
PHILADELPHIA 3

Telephones:
Philadelphia 5-4000
New York 3340

Germantown • Lancaster • York

MARKETS MAINTAINED
We are especially interested in
situations for retail.

HECKER & CO.

Hess & Company

Dealers in
Corporate Stocks and Bonds
Municipal Bonds

TRADING DEPARTMENT
Kingsley 5-3115

Hess, Grant & Remington
Incorporated

Philadelphia-Baltimore Stock Exchange
American Stock Exchange (Associate)
San Francisco Security Traders Association

Vice-President: Leslie J. Howard, Jr., J. S. Strauss & Co., 100 Montgomery St., San Francisco, Calif.
Secretary-Treasurer: Robert F. Loburg, J. B. Barth & Co., 100 Montgomery St., San Francisco, Calif.

BOSTER OF MEMBERS

Albert A. Hewitt, The First California Company
Leslie J. Howard, Jr., J. S. Strauss & Co.
Robert F. Loburg, J. B. Barth & Co.

OFFICERS

Chairman: Albert A. Hewitt
Vice-Chairman: Leslie J. Howard, Jr.
Secretary: Robert F. Loburg
Treasurer: Robert F. Loburg

AGENTS

California & Youngberg: Frank R. Youngberg, Jr., Youngberg; Sutro & Co., 150 Montgomery St., San Francisco, Calif.

ALL TAX EXEMPT ISSUES

GOVERNMENT — STATE — MUNICIPAL — LAND BANK
TERRITORIAL AND REVENUE BONDS

JOHNSON & JOHNSON

Investment Bankers

UNION TRUST BUILDING

PITTSBURGH 19, PENNSYLVANIA

Teletype PG 280

DIRECT PRIVATE WIRE

• NEW YORK CITY
  (Barclay 1-9095)

• REED, LEAR & CO.

Members
New York Stock Exchange
Pittsburgh Stock Exchange
American Stock Exchange (Assoc.)

Branches
New York, N. Y.
Butler, Pa.
Cook, Ill.
Johnstown, Pa.
Henderson, Ky.
Warren, Pa.

• PITTSBURGH
  (At 1-8909)

Bell Teletype — New York City: 1-1429 — Pittsburgh: PG 462

THE COMMERCIAL and FINANCIAL CHRONICLE

61

WATKINS, NORMAN
Wells Fargo Bank

WATT, WILLIAM F.
Merrill Lynch, Pierce, Fenner & Smith

WEB, ELMER L.
Barstow D. Stone & Youngberg

WOOD, LEWIS J.
First Boston Corporation

WORNER, FRANK
Lawson, Levy, Williams & Stern

THOMAS & COMPANY

PORTER BUILDING

PITTSBURGH 19, PA.

Municipal and Corporate Securities

THOMAS-HANSON INC.

2 Gateway Center, Pittsburgh 22, Pa.

Telephone: Express 1-3700

Branch Office — Philadelphia

Private Wire to Philadelphia Office
Twin City Security Dealers Association

Vice-President: Kermit B. Sorum, Allison-Williams Company, Minneapolis.
Secretary: Robert A. McCraney, Piper, Jaffray & Hopwood, Minneapolis.
Treasurer: Fred W. Hincks, Minneapolis.

FROM "HINCKS BROS. & CO., INC.

872 MAIN STREET • BRIDGEPORT 3, CONN.

Telephone BRIDGEPORT 4-4141
Midwest Stock Exchange
NEW YORK CALL WHITACRE 4-3131
Telegraph BPT 469

ROSTER OF MEMBERS

(Members located in Minneapolis unless otherwise indicated)

ALDRICH, MALCOLM M., Dean, Willett & Co.
ANDERSON, DONALD M., First National Bank of St. Paul
AUL, DONALD
Fahman & Company, Inc.
AWS, KENNETH D., Waite, Webster, Jackson & Curtis St. Paul
AWS, ROBERT
Dempsey-Tegeler & Co.
BARBOUR, F. J. CARROLL N., Piper, Jaffray & Hopwood
BECKER, CHARLES A., Dempsey-Tegeler & Co.
BERGREN, ROBERT J., First National Bank of Minneapolis
Bergson, Oscar M., Allison-Williams Company
BISHOP, RICHARD M., M. H. Bishop & Co.
BOWIE, JOHN W., National Securities & Research Corp.
BRINK, E. HARD, Hailey, Sturtz & Co., Inc.
BROWN, ROBERT W., Harold F. Wood & Co., St. Paul
BUTLER, E. PARKER, Waite, Webster, Jackson & Curtis
CARPENTER, SAM W., J. M. Dais & Co., Inc.
CLAREY, JOHN M., Keenan & Clary, Inc.
COHEN, HERB, J. M. Dais & Co., Inc.
COHEN, N. J., Kaiman & Company, Inc.
COLOWYNE, BERNARD
Darden & Lupton & Co., Duluth (Associate)
DAVIS, ROBERT G., Piper, Jaffray & Hopwood
DAVIS, WILLIAM L., Jr.
American Securities Associates, Inc.
DAYTON, LEONARD V., Smith, Barber & Co.
De MOSS, CHARLES
Harriett, Lupton & Co.
DEVINE, OWEN C.
Dempsey-Tegeler & Co.
EGGEN, GEORGE T.
Northwestern National Bank of Minneapolis
FELDMAN, GRANT A.
Piper, Jaffray & Hopwood
FERGUSON, HUGH
Sykes & Co., Inc.
FINK, WALLACE K., John Niven & Co., St. Paul
FULMER, ANDREW
E. J. Prisco & Co.
GALLAGHER, JOHN A.
Smith, Barber & Co.
GARCIA, RAY A., J. M. Dais & Co., Inc.
GARFF, DAN
Northwestern National Bank of Minneapolis
GERBER, WILLIAM H.
Kaiman & Company, Inc.
GILMOUR, ROBERT
Midwest National Bank & Trust Co.
GODFREY, DONALD
Francis J. Co. Peat & Co.
GUTER, ROBERT N., Dempsey-Tegeler & Co.
GWIN, ALPHONSE J.
First National Bank of Minneapolis
HAMMERTOOF, HOWARD
Cheek & Co., Inc.
HALTERMAN, JOHN A.
Harris, Upham & Co.
HAY, FRED
First National Bank of Minneapolis
HAZEN, DANIEL
John Niven & Co., St. Paul
HEIRONIMUS, ROGER L.
Marquardt-Jen Co.
HENNING, HARRY B.
Northwestern National Bank of Minneapolis
JACQUIN, GEORGE H.
Marquardt-Jen Co.
KALMUN, J. STEVEN
Bishop & Co.
KELLER, RICHARD
Waite, Webster, Jackson & Curtis
KINNARD, JOHN G.
John H. Dais & Company
KLEEMOND, EMIL J., Merrill Lynch, Pierce, Fenner & Smith
KOOP, J. W., W. J. & J. C. Ward, Inc.
KROGNESS, CHARLES V.
Midwest National Bank of Minneapolis
LEJERVEN, GEORGE F.
Francis J. Co. Peat & Co.
LEWIS, WILLIAM R.
Reynolds & Co.
MACGOWAN, GEORGE A.
First National Bank of Minneapolis
MACMILLAN, ROBERT F.
Reynolds & Co.
MAFFEI, BRIAN JAMES
C. D. Mahoney & Co.
MAHONEY, CONRAD D.
C. D. Mahoney & Co.
MAHONEY, JOSEPH C.
C. D. Mahoney & Co.
MAHONEY, WILLIAM
M. K. Bishop & Co.
MATCHE, PAUL E.
Waite, Webster, Jackson & Curtis
MEYER, THEODORE A.
Marquardt-Jen Co., Inc.
MILE, GEORGE N.
J. M. Dais & Co., Inc.
MILLER, ROGER E.
Kaiman & Company, Inc.
MORSAN, WILLIAM
J. M. Dais & Co., Inc.
NEETER, THOMAS
Marquardt-Jen Co., Inc., St. Paul
NELSON, DALE
North Western National Bank
OBERG, DALE
M. H. Bishop & Co.
O'CONNOR, WILLIAM G.
Dean, Willett & Co.
ODONOGHUE, JAMES
Paine, Waite, Jackson & Curtis
ST. Paul
OTTEN, GEORGE
Dean, Willett & Co.
PAIN, JOHN T., Jr.
Marquardt-Jen Co., St. Paul
PECK, ROBERT F.
Piper, Jaffray & Hopwood
PHILLIPS, GUY R.
Caldwell, Phillips Co., St. Paul
PREISHEIL, F. WARREN
Juran & Moody, Inc., St. Paul
PRYSCOTT, E. K. W.
E. J. Prisco & Co.
PRICE, WILLIAM T.
American National Bank, St. Paul
RAPPAPORT, JERALD W.
Juran & Moody, Inc.
REGIER, CHARLES
Merrill Lynch, Pierce, Fenner & Smith
RICHARD, DONALD
Dempsey-Tegeler & Co.
ROSS, JOHN
Barney St. Paul Corp.
SCHRADE, EDWARD
Barney St. Paul Corp.
SCOTT, E. W.
Dean, Willett & Co.
SCHROTFER, ELLIS
Dempsey-Tegeler & Co.
SIMMONS, ALFRED
Marquardt-Jen Co.
SNYDER, WILLIAM S.
Dean, Willett & Co.
SOULLER, M. W.
Waite, Webster, Jackson & Curtis
THORNAL, RICHARD
Gloor & Baird, Minneapolis
TULLIS, J. H.
Dean, Willett & Co.
UMBER, WILLIAM F.
Marquardt-Jen Co.
VANDERBILT, JR.
Dean, Willett & Co.
WALSH, GEORGE
Dean, Willett & Co.
WEBER, VICTOR W.
American National Bank
WEBER, ROBERT
Kaiman & Company, Inc.
WEBSTER, HARRY W.
American National Bank & Trust Co.
WEBSTER, KELLY
Waite, Webster, Jackson & Curtis
WEDWIG, GEORGE H.
American National Bank
WIDMER, RALPH D.
Kaiman & Company, Inc.
WINER, M. C.
American National Bank
WITZEL, ROBERT M.
Jenks & Company
WITTENBERG, WILLIAM R.
Waite, Webster, Jackson & Curtis
WOOD, THURSTON
Harreld F. Wood & Co., St. Paul

Wednesday, November 26, 1909

SANDERSON, ROBERT
Juran & Moody, Inc., St. Paul
SCAPA, NICHOLAS V.
J. M. Dais & Company, Inc.
SEMPF, WALTER J.
First National Bank of St. Paul
SHUTE, PRESTON B.
E. O. Smith & Associates, Inc.
SHUGHTER, A. L.
Kaiman & Company, Inc., St. Paul
SMITH, JACK P.
First National Bank of Minneapolis
SOKOL, KERMIT B.
Allison-Williams Company
SPACE, WALTER F.
Ward-Wood & Co., Inc.
STARK, HARRY W.
Kaiman & Company, Inc.
STEEL, JOHN F.
Kaiman & Company, Inc.
STEGEN, ROMAN J.
B. J. Steegen & Co., Inc.
STERNBERG, ALBERT H.
M. H. Bishop & Co.
STROM, GEORGE H.
M. M. Sybelson & Company, Incorporated
TALBOT, O. JACK
Citizens National Bank of Minneapolis
TARRAS, ARTHUR C.
A. C. Tarras & Co., Winona (Associate)
WALKER, FRANK A.
Lee Higginson Corporation
WESER, ROBERT
Kaiman & Company, Inc., St. Paul
WEST, BERT
American National Bank & Trust Co.
WENNER, KELLY
Waite, Webster, Jackson & Curtis
WERNER, K. W.
E. J. Prisco & Co.
WHEIAN, DALE S.
Kidder, Peabody & Co.
WITT, ROBERT M.
Jenks & Company
WITTENBERG, WILBUR R.
Waite, Webster, Jackson & Curtis
WOOD, THURSTON
Harreld F. Wood & Co., St. Paul

Firm Markets In

WASHINGTON SECURITIES

Direct Private Wire to
Carl M. Loeb, Rhodes & Co.,
our New York Correspondent

ESTABLISHED 1850

JOHNSTON, LEMON & CO.

MINNEAPOLIS
PHILADELPHIA-NASHVILLE STOCK EXCHANGE
BOSTON STOCK EXCHANGE (Associate)

UNDERWRITERS - DISTRIBUTORS - DEALERS

Southern Building, Washington 5, D. C.

Telephone: Sterling 3-3130
Bell Telephone: Trading Dept. WA 25, 56 & 59

Municipal Dept. WA 25

Investment Service for Seventy Years

Underwriters, Distributors and Dealers
in CORPORATE and MUNICIPAL SECURITIES

COOLEY & CO.

ESTABLISHED 1850

Members New York Stock Exchange
American Stock Exchange (Associate)
100 Florida Street, Hartford, Conn.
Hartford Electric
First Nat. Bank
So. New Eng. Tel. Systems
St. Louis
Standard Works
Towson United Aircraft

Aetna Casualty

Aetna Life


St. Louis

Phoenix Ins.

Travellers Ins.

Connecticut Securities...

are the basis of our long and pleasant relationship with brokers and dealers throughout the country. We solicit your inquiries with confidence that our specialized experience will be helpful.

GEORGE A. DOCKHAM, Vice President and Treasurer
in charge of Trading and Sales.

HINCKS BROS. & CO., INC.

Established 1897

872 Main Street • Bridgeport 3, Conn.

Telephone Bridgeport 4-4141

Midwest Stock Exchange

New York, Call Whitacre 4-3131

Telegraph BPT 469

782 MAIN STREET • BRIDGEPORT 3, CONN.

Telephone

Bridgeport Edition 4-4141

Midwest Stock Exchange

From New York, Call Whitacre 4-3131

Telegraph BPT 469
Convention Number

THE COMMERCIAL and FINANCIAL CHRONICLE

Kansas City Security Traders Association

President: James R. Gasal, Harris, Uppham & Co.
Vice-President: John F. Fogarty, Jr., Siers Brothers & Co.
Secretary: Joseph M. Crowe, Luce, Thompson & Crowe, Inc.
Treasurer: David Kramer, Bache & Co.

ROSTER OF MEMBERS

(Name and address of members in Kansas City unless otherwise indicated)

AGNON, EUGENE J.
Burlin, Bowers & McDowell
BONDANS, JOHN
Zander and Company
BRACKEN, DON
Wadell & Reed, Inc.
BRIDGES, FRANK
A. C. Alys & Company, Incorporated
BURTON, JOHN T.
Bache & Co.
CAVIS, LAURENCE R.
Dempsey-Tegeler & Co.
COHN, MIKE
Michael Securities Co., Inc.

COLE, WALTER L.
COMBET, E.A.
Midland Securities Company, Inc.
CROWE, JOSEPH M.
Luce, Thompson & Crowe, Inc.
DYER, WILLIAM L.
Dempsey-Tegeler & Co.
ELLIOTT, LANDIS
Barrett, Blish, North & Co., Incorporated
FEESE, MASON H.
Milburn, Cochran & Company, Inc.
FOGARTY, JR., JOHN F.
Siers Brothers & Co.
FRYER, CHARLES J.
H. O. Fels & Co.

GASAL, JAMES E.
Harris, Uppham & Co.
HALL, EMMA M.
E. P. Hutton & Company
HANN, ARTHUR R.
Solsam, Hamb & Co., Inc.
Topeka, Kan.
HANSON, WILLIAM L.
Wadell & Reed, Inc.
HARRIS, CHARLES M.
A. C. Alys and Company, Incorporated
HARVEY, RALPH C.
Standard & Poor's
HENRY, NABB
HILLMANN, A. W.
Wadell & Reed, Inc.
HUNTER, HAYWARD R.
George K. Baum & Company
JENNINGS, JOHN P.
Bier, Incorporated, Kansas City, Kan.
KEEGAN, ROBERT E.
Hugh W. Long & Company, Inc.
KLUS, EDWIN L.
KRAMER, DAVID
Bache & Co.
LATHAW, JOHN
E. P. Hutton & Company
LINCOLN, KEITH D.
E. P. Hutton & Company
MAHON, EDWARD G.
B. O. Christopher & Co.
MARGOLIAT, ALEX
Commerce Trust Company
MARSHALL, K. D.
MAYFIELD, HARVEY F.
Commerce Trust Company
McDONALD, CLAIRE M.
McDonald, Kansas & Company
MELSON, MYRON
George K. Baum & Company
MERRIM, FRANK W.
Buck, Fils, North & Co., Incorporated

PAUL, ELMER W.
Presidents, Wright, Miller Co.
PETERSON, DAN
A. C. Alys & Company, Incorporated
PELLEO, EDWARD F.
Midland Securities Company, Inc.
PRICE, EVELYN W.
Siers Brothers & Co.
REDDING, FRANK J.
ROSEN, JOHN P.
Buck, North & Co., Incorporated

SPARKS, RUSSELL E.
Buck, Fils, North & Co., Incorporated
STEINBERG, JASPER F.
Wadell & Reed, Inc.
STEWART, W. CLYDE
W. C. Stewert Investment Company
WAGNER, THEODORE F.
Buck, Fils, North & Co., Incorporated
WHITE, R. D.
A. L. White & Co., Inc.
WYKOFF, W. B.
R. C. Christoffel & Co.

RHODE ISLAND SECURITIES

Our Trading Department Invites Your Inquiries
On All Rhode Island Securities

Open-end Plan to Boston — Lafayette 2-6011

G. H. WALKER & Co.

15 WESTMINSTER ST.
PROVIDENCE, R. I.

BELL TELETYPE 48

DIRECT PRIVATE WIRE TO
NEW YORK, ST. LOUIS, BOSTON, HARTFORD, WATERBURY
AND WHITE PLAINS OFFICES

1941 Our Sixty-Eighth Year 1959

UNDERWRITERS • DEALERS • DISTRIBUTORS

PRIMARY MARKETS IN CONNECTICUT SECURITIES

CHAS. W. SCRANTON & CO.

Members New York Stock Exchange

NEW HAVEN

New York Rector 2-9377 • Bell Teletype NH 194

Danbury • Bridgeport • New London • Waterbury

Primary CONNECTICUT MARKETS for Dealers everywhere

Industrial-Utility Insurance-Bank State & Municipal Securities

COBURN & MIDDLEBROOK, INC.

100 Trumbull Street, Hartford 1, Conn.

Security Traders Club of St. Louis

Treasurer: Kenneth D. Kerr, Fuhr-Schmelzele & Co., Inc.
Alternates: Richard H. Walsh, Neubard, Cook & Co.; Firmin D. Fuss, Jr., Fuhr-Schmelzele & Co., Inc.

ROSTER OF MEMBERS

JARRETT, ELMER E. Neubard, Cook & Co.
JONES, EDWARD D. Edward D. Jones & Co.
KERR, KENNETH Fuhr-Schmelzele & Co., Inc.
KEELE, LOGAN White & Company
MACKEN, CLARENCE M. Neubard, Cook & Co.
MATTHEW, DAVID H. White & Company
MAY, JOHN F. Dempsey-Tegeler & Co.
MECKE, LOGAN White & Company
MILLS, R. G. R. G. Mills & Company
MORLEY, RALPH A. & B. M. White & Company
MORSFELD, EDWARD H. Morford, Moss & Hartnett
MORFELD, JOHN National Bank of St. Louis

elected: October 20, 1959

Primary Markets in UTILITIES

NEW ENGLAND SECURITIES

Open-end Telephone Wire to New York
Canal 6-1613

Boston Telephone Hubard 2-5500
Bell System Teletype—BS-142, BS-145

Providence, R.I.
Enterprise 2904
Portland, Maine
Enterprise 2904

Hartford, Conn.
Enterprise 6000

J. B. MAGUIRE & CO., INC.
31 Milk Street, Boston 9, Massachusetts

Private Wire To A. M. Kidder & Co., Inc., New York For Bank and Insurance Stocks
Security Traders Club of St. Louis

ROSTER OF MEMBERS

Continued from page 65

SANDERS, DONALD
Edwin C. Sanders & Co.

SCHNECK, Jr., GORDON
Schneck, Richter Company

SCHERP, GREGORY J.
Tasding, Day & Co., Inc.

SCHLUTTER, BERNARD L.
Newhard, Cook & Co.

SCHMILZELE, ALBERT M.
Fose-Schmelzle & Co., Inc.

SCHMILZELE, RICHARD A.
Fose-Schmelzle & Co., Inc.

SEGASTRE, JAMES
Fose-Schmelzle & Co., Inc.

SENTHIA, EDWARD
Newhard, Cook & Co.

SHAPIRO, SCHINNER
Yates, Hutter & Woods

SOBE, GEORGE
Moody's Investors Service

TAUSSIG, Bowl E.
Fusz-Schmelzle & Co., Inc.

Yates, Heitner & Woods

Tisch, Newhard, Cook & Co., Inc.

CLAYTON SECURITIES CORPORATION

MEMBERS

BOSTON AND MIDWEST STOCK EXCHANGE

AMERICAN STOCK EXCHANGE (ASSOCIATED)

79 MILK STREET,
BOSTON 9, MASS.

HUBbard 2-4065
Teletype BS-30

Portland

UNDERWRITERS DISTRIBUTORS DEALERS

PRIMARY TRADING MARKETS

Direct Telephone to New York
HAnover 2-7338

and to
Grace Canadian Securities Inc.,
New York

TAYLOR, MEL M.
Gomez, Javine & Co., Inc.

TEGUIER, JEROME F.
Dempsey-Tegeler & Co.

TENENBAUM, HARRY
Petersen, Tennessean Co.

THIES, HARRY III
Albert Theil & Sons, Inc.

VOLER, LEONARD
Giant, Voge & Co.

WALSH, RICHARD H.
Newhard, Cook & Co.

WALSH, ROBERT A.
Dempsey-Tegeler & Co.

WALSH, WILLIAM
Dempsey-Tegeler & Co.

WEBER, VINCENT C.
Weaver, Mitchell & Olson, Inc.

WHITE, EDWARD A.
White & Company

WHITE, Jr., JOHN L.
White & Company

WILLIAMS, KENNETH
Tomlinson, Kellen & Co.

WOOD, GEORGE W.
Redfield and Company, Incorporated

WOOD, CHARLES L.
The Bosport's National Bank of St. Louis

WUEST, HARRY D.
Bosport, Clay & Co.

YATES, Jr., JAMES A.
Yates, Hutter & Woods

ZINGRICH, JOSEPH C.
Fose-Schmelzle & Co., Incorporated

ZINZER, HERMAN L.
Dempsey-Tegeler & Co.

Cincinnati Stock and Bond Club

President: Taylor Alter, W. E. Hutton & Co.

First Vice-President: Charles A. Butz, Harrison & Company.

Second Vice-President: William P. Conners, Pohl & Company, Inc.

Secretary: Lee Hoefinghoff, L. W. Hoefinghoff & Co., Inc.

Treasurer: Robert Fogel, Chas. A. Hinich & Co., Inc.


MUTUAL SECURITIES FUND OF BOSTON

Prospectus on request

KELLER BROTHERS Securities Co., Inc.

ZERO COURT STREET, BOSTON
(corner of Washington Street)
Telephone Richmond 2-2530

TRADING MARKETS

AMERICAN CEMENT BOTANY INDUSTRIES INDIAN HEAD MILLS MORGAN ENGINEERING UNITED STATES ENVELOPE NATIONAL COMPANY W. L. MAXSON OFFICIAL FILMS WASTE KING

LERNER & CO.

Investment Securities

10 Post Office Square • Boston 9, Massachusetts
Telephone: Hubbard 2-1900 Direct phone between offices
Teletype BS 80

New England Markets

Established 1926

H. D.

KNOX & CO., Inc.

New York Security Dealers and

DEALERS AND BROKERS IN

UNLISTED SECURITIES

11 Broadway
NEW YORK 4
Telephone: DIGHTY 4-1308
Bell System Teletype NY 1-06

27 State Street
BOSTON 9
Telephone CAPitol 7-6520
Bell System Teletype BS 169

New York Telephone—WORTH 4-2453

DAYTON HAIGNEY & CO.

INCORPORATED

18 FEDERAL STREET, BOSTON
Teletype BS 594

Member Boston Stock Exchange

Inactive

BANK and INSURANCE STOCKS

Massachusetts

Maine - New Hampshire - Vermont

PAUL D. SHEELINE & CO.

31 Milk Street, Boston 9, Mass.
Telephone HAnock 6-6170
Teletype BS 31
Cincinnati Stock and Bond Club

ROSTER OF MEMBERS

Continued from page 67

MILLER, JACK M. Towle & Son Management Corporation
MILLER, LLOYD MORGAN, GEORGE C. V. C. & Co.
MORIARTY, JAMES F. W. E. Hutton & Co.
MUSHLER/KAMP, JOHN C. Deeds & Inтеnding Inc.
MUTZING, CARL A. Walter, Woody & Helford

MUFHEY, REUBIN W. Chas. A. Hinch & Co., Inc.
MUSSKAMP, GEORGE W. E. Hutton & Co.
NEUMARK, J. H. Middendorf & Co.
O'BRIEN, JR., HARRY W. E. Hutton & Co.
O'BRIEN, HARRY C. W. E. Hutton & Co.
O'BRIAN, JOHN J. Seawood & Mayer
OLLIER, CLETUS H. Hutton & Company
PHILLIPS, GEORGE W. D. Groshon & Co.
Pogue, Thomas Westheimer & Company
POOR, HENRY E. Merrill Lynch, Pierce, Fenner & Smith Incorporated
RANSICK, NEIL Chas. A. Hinch & Co., Inc.
REED, ROBERT L. Hill & Co.
REED, JR., GORDON Seawood & Mayer
REED, ROBERT W. Seawood & Mayer
REED, THOMAS
REITZ, CARL H. Fost, Bruch & Co.
RICHARDS, H. ARTHUR F. Field, Richards & Co.
RIFKIN, ROY E. Rosche & Co.
ROBERTS, HAROLD John E. Joseph & Co.
ROBBACH, KURT J. A. White & Company

RUTTON, WILLIAM Halsey & Co.
SCHNEIDER, PHILIP W. E. Hutton & Co.
SCHNEIDER, CARL Geo. Bussa & Co.
SCHWARZ, VIRGIL Schwarm and Company, Hamilton, Ohio
SCHWARTZ, DAVID D. W. D. Groshon & Co.
SCHWINDT, PETER Seawood & Mayer
SHAFER, EARL E. Chas. A. Hinch & Co., Inc.
SHEEHAN, ROBERT Merrill Lynch, Pierce, Fenner & Smith Incorporated
SHEPHERD, LLOYD W. Merrill Lynch, Pierce, Fenner & Smith Incorporated
SHOTT, ROBERT B. Ellis & Co.
SHEPARD, J. C. Westheimer and Company
SHEPARD, ROBERT Merrill Lynch, Pierce, Fenner & Smith Incorporated
SHEPPARD, REUBIN Seawood & Mayer
SMITH, WILLIAM H. W. E. Hutton & Co.
SMITH, ROBERT E. Distribution Group, Incorporated
Snyder, CHAS. H. Benj. D. Bartlett & Co.
STAD, LEE A. Geo. Bussa & Co.
STEFFENSON, JR., CHAS. H. The Cincinnati Stock Exchange
STEVENS, JR., JUSTIN J. W. E. Hutton & Co.
STEBBE, RICHARD F. Westheimer and Company
TREELER, CHESTER T. Rosche & Co.
THAYER, RICHARD Thayer, Woodward & Co.

THORNBURGH, ROBERT W. The W. C. Thornburgh Co.
THORNBURGH, WESLEY C. The W. C. Thornburgh Co.
TORIBAS, CHARLES H. Westheimer and Company
TOSSELL, JOHN F. Westheimer and Company
TRITTEN, THOMAS Harriman & Company
VANET, JOSEPH H. Geo. Bussa & Co.
VONDERHAAR, HARRY C. Beche & Co., Ft. Lauderdale, Fla.
WANNE, LOUIS C. Seawood & Mayer
WEHL, JOSEPH H. Westheimer and Company
WEISS, ROBERT Geo. Bussa & Co.
WELLSFORD, RICHARD F. C. J. Devine & Co.
WESTHEIMER, ROBERT Westheimer and Company
WHEELBRIGHT, RICHARD F. Ellis & Co.
WHITE, J. A. W. J. A. White & Company
WIDMANN, JR., ALBERT C. Westheimer and Company
WIDMANN, ALBERT H. Westheimer and Company
WIDMANN, JR., ALBERT C. Waldy, Westheimer & Company
WILSON, JOHN D. Vason, Sanders & Co., Cleveland
WOODFORD, WARREN Thayer, Wood & Co.
WOODY, HARRISON W. Waldy, Westheimer & Company
WORTH, WILLIAM F. Westheimer and Company
ZIEGLER, ALEXIS Merrill Lynch, Pierce, Fenner & Smith Incorporated

A.C. Allyn & Co.

MEMBERS
New York Stock Exchange
Midwest Stock Exchange
American Stock Exchange (Associate)

A.C. Allyn and Company

INCORPORATED
Investment Bankers Since 1912

CHICAGO
NEW YORK BOSTON
MIAMI BEACH

Aggressive retail distribution
for your large block of securities

Cruttenden, Podesta & Co.

Members New York Stock Exchange and other principal exchanges

CHICAGO
203 South LaSalle Street
Chicago 4, Illinois
DE 2-0500 CO-2936

SAN FRANCISCO
Cedar Rapids
DENVER GRAND RAPIDS INDIANAPOLIS
SAN MIGUEL MADISON LINCOLN OKLAHOMA
ST LOUIS PONT FAYE
FORT WAYNE MUSKOGON

NEW YORK
37 Wall Street
New York 3, New York
BO 9-2700 NY 1-4563

Working for you at the local level will be our retail organization of 141 registered representatives in key cities and communities coast to coast—with special emphasis on the Central West's great markets.

Call Joe Burke in Chicago or Stan Dawson-Smith in New York. You'll get prompt courteous attention.
Cleveland Security Dealers Association


National Committeemen: Michael C. Hardony, Ball, Burge & Kraus.

Alternates: David L. Baker, Merrill, Turban & Co., Inc.

ROSTER OF MEMBERS

(Names located in Cleveland unless otherwise indicated)

ASBECK, FREDERICK M., Wm. J. Merlick & Co., Inc.
Baker, David, Merrill, Turban & Co.
Baxter, B. CHARLES McGREE, Baxter & Company
Beding, WILLIAM E., Beding & Co., Youngstown
Bell, CLAUDE W., McDonald & Company
Bowe, ROY E., J. N. Russell & Co., Inc.
Bryan, JOHN E., Cleveland First Dealer
Buchanan, DONALD A.
Carey, WALTER J., Cunningham, Green & Carey, Inc.
Carmel, WILLARD E., Felt, Richards & Co.
CAUNTER, LEE, L. A. Caunter & Co.
Cayne, MORTON A., J. N. Russell & Co., Inc.
Cleary, JACK, Cleveland News
COIN, LAWRENCE, Lawrence Coin & Co.
Covington, HERBERT C., Harrison Buyjo & Co. Incorporated
Davis, CLARENCE P., The First Cleveland Corporation
DeGarmo, A. W., Harrison, Miller & Co.
Hosbro, ROBERT M., Diner & Co., Wilmington, Ohio
Dogge, J. O., Shaefer, Sterling & Co.

DONAHUE, JOHN R., Joseph, Mellin & Miller, Inc.
EBRICK, JAMES J., Present & Co.
Eckhardt, EUGEN F., The First Cleveland Corporation
FELNER, STEVE M., Horsholm & Weeks
FREIBURG, HUGO, W. J. Russell & Co., Inc.
Galante, PACE E., Galanter & Co.
Goodman, OLIVER E., Wm. J. Merlick & Co., Inc.
Gooch, HARRY A., Merrill, Turban & Co.
Green, WILLIAM E., Wm. J. Merlick & Co., Inc.
Griffith, JAMES D., Wm. J. Merlick & Co., Inc.
GuGGENHEIM, HOWARD, Joseph, Mellin & Miller, Inc.
HANSON, DAVID C., J. J. Devine & Co.
HARDOY, MICHAEL C., Ball, Burge & Kraus
HAWKINS, DANIEL M., Hawkins & Co.
HAYES, GEORGE H., Will & Rice & Co.
Hillyak, STEPHEN E., Wm. J. Merlick & Co., Inc.
Hotaling, A. STEPHEN, The First Boston Corporation
Huberty, RUSSELL E., J. N. Russell & Co., Inc.
Hudson, CELSON W., Wm. J. Merlick & Co., Inc.
Jaffe, GEORGE E., Jaffe, Lewis & Co.
Keller, RUSSELL E., Kohler, Butters & Co., Toledo
King, EVERT, J. N. Russell & Co., Inc.
Koester, ORIN E., Boyd & Co., Inc.
Lafferty, ALAN E., Cunningham, Green & Carey, Inc.
Lazin, ERNEST, Byck & Co.
Leёtis, FRED E., March & Co., Inc.
Lewis, MOLLOY E., Gross, Lewis & Co.
Linger, MARC, Lewis & Co.
Lisoton, CORYN L., Prescott & Co.
Long, MARTIN J., The First Cleveland Corporation
Lucas, WILLIAM J., Felt, Richards & Co.
Lynch, DONALD D., Merrill Lynch, Pierce, Fenner & Smith Incorporated
McKee, FRANK L., The First Boston Corporation
Madden, THOMAS, Baxter & Company
Masters, OLAF, Butler, Wink & Co., Youngstown
McIntyre, PATRICK C., Joseph, Mellin & Miller, Inc.
Mott, ROBERT, McDonald & Company
Nasset, JOHN K., Cake & Co.
NIXON, FRANK W., Merrow & Co.
NIXON, HERMAN B., The First Cleveland Corporation
Nrade, OLIVER E., W. J. Russell & Co., Inc.
Nash, ROBERT J., Wm. J. Merlick & Co.
Nash, CHARLES J., Wm. J. Merlick & Co., Inc.

if it's a matter of
MUNICIPALS

When you have a question involving tax-free Public Bonds you can profit from Nuveen’s specialized knowledge. Over sixty years of experience and nation-wide contacts enable us to provide...

★ Close markets and prompt quotations on all tax-free Public Bonds.

★ Underwriting knowledge that frequently develop solutions to the most difficult problems in public finance.

★ Up-to-the-minute research—information about tax-free Public Bonds available on request.

Your inquiries are invited.

Chicago
New York
Atlanta
Boston
Cincinnati
Detroit
Los Angeles
Omaha
Seattle
St. Paul

it pays to call

JOHN NUVEEN & CO.

Tax-Free Public Bonds Exclusively Since 1898

Continued on page 70
Cleveland Security Dealers Association

ROSTER OF MEMBERS

Continued from page 69


WARDLEY, RUSSELL G. Patton Reid & Co. WARDWELL, MCBURNEY Daniel & R. C. Co. WEAVER, ROBERT Huron & W. Weitz WOERHEMANN, HAROLD Paule, Worley, Jackson & Curtis


Cleveland Security Dealers Association

Bond Club of Louisville


THE ILLINOIS COMPANY INCORPORATED Members

New York Stock Exchange Midwest Stock Exchange Underwriters — Dealers — Brokers Corporate and Municipal Securities Private financing and sales negotiated

Teletype 231 South LaSalle Street Telephone

Chicago 4, Illinois

Financial 6-3400

SIXTY-NINE YEARS OF INVESTMENT BANKING Stifel, Nicolaus & Company INCORPORATED

NEW YORK STOCK EXCHANGE AMERICAN STOCK EXCHANGE MIDWEST STOCK EXCHANGE St. Louis, Missouri Chicago, Illinois

Private Wire Between St. Louis, Chicago and Moline Offices and to Haywood, Stone & Co. and Singer, Sears & Micks, Inc., New York City

THE COMMERCIAL AND FINANCIAL CHRONICLE Thursday, November 26, 1959

NSTA

31 Affiliates

4750 Members

Specialists in OVER-THE-COUNTER SECURITIES

INVESTMENT CO.

MEMBERS

Midwest Stock Exchange 208 S. Lasalle St., Chicago 4, Ill. Franklin 2-8700 DIRECT WIRES H. B. SHANS & CO. LOS ANGELES, CALIF.

DANIEL F. RICE AND COMPANY Members New York Stock Exchange and other principal stock and commodity exchanges 141 W. Jackson Blvd., Chicago 4 3rd floor 8-4206 CHICAGO UNLISTED TRADING TRADEMEMBER BOB STRAUSS, Manager

—DIRECT PRIVATE WIRES TO—

Security Dealers of the Carolinas


Vice-President: J. Heyward Silcox, Silcox and Johnson, Charlotte, S. C.
Secretary: Robert B. Dixon, United Securities Company, Greensboro, N. C.
Treasurer: Parks H. Dalton, Jr., Interstate Securities Corporation, Charlotte, N. C.

ROSTER OF MEMBERS

*ABRENTY, JR., R. E.
Interstate Securities Corporation
Charlotte, N. C.

*BARNES, JAMES G.
Carolina Securities Corporation
Raleigh, N. C.

*BARNES, JR., WILLIAM H.
Burger, Barnwell & Company
Charlotte, N. C.

*BATES, WALTER F.
Branch Banking & Trust Co.
Wilson, N. C.

*BENNETT, E. E.
Leathburg, N. C.

*BLACKFORD, JR., BENJ Y.
A. M. Law & Company, Inc.
Spartanburg, S. C.

*CLAYTON, MELVIN
Smith, Clayton & Company
Greensboro, N. C.

*CONNOR, JAMES
James Connor and Company, Inc.
Charlotte, N. C.

*CURL, JR., KAYNEL R.
Chesapeake Trust Company
Greensboro, N. C.

*DARLAN, ROBERT L.
Dixan & Co., Spartanburg, S. C.

*DAVIS, JR., THOMAS
Darsel Davis and Company
Southern Plants, S. C.

*DICKERSON, R. R.
D. R. Dickerson & Company
Charlotte, N. C.

*DICKERSON, W. R.
United Securities Co., Greensboro, N. C.

*DIXON, ROBERT B.
United Securities Co., Greensboro, N. C.

Space Age Research for Missiles and Jet Aircraft

An outstanding development by the Guardite Division of American-Marietta Company, the Mark 9 Environmental Test Chamber is capable of simulating altitudes in excess of 1,000,000 ft.

AMERICAN-MARIETTA
Pioneer Producer of Environmental Test Equipment

Man's conquest of space in the nation's missile, rocket and aircraft programs is advanced through environmental test equipment developed by A-M's Guardite Division.

With nearly three decades of specialized experience, this division designs and manufactures vacuum chambers to solve the complex problems encountered in testing complete assemblies and components of jet and rocket engines, high-altitude aircraft and its armament.

Special environmental equipment, also built by Guardite, is used internationally in testing human reactions to supersonic speeds and extreme high-altitude travel.

American-Marietta invites you to send for its new 64 page brochure, "Plants, Products, Processes." It depicts A-M's progress through creative research and strategic diversification— from the Company's inception in 1913 to its recognized position today as one of the nation's leading industrial corporations.

PAINTS • PRINTING INKS • DYES • RESINS • ADHESIVES • CHEMICALS • SEALANTS • METALLURGICAL PRODUCTS • ENVIRONMENTAL TEST EQUIPMENT • HOUSEHOLD PRODUCTS • CONSTRUCTION MATERIALS • LIME • REFRactories • CEMENT

Progress through Research
COMPLETEN LISTED
SERVICE FOR
DEALERS

DOYLE, O'Connor & Co.
135 S. La Salle St. • CHICAGO 3

BROKERS and DEALERS
With Own Wires to
Los Angeles, Cal. • St. Paul, Minn.
Madison, Wis. • Milwaukee, Wis.
Sheboygan, Wis.

William A. Fuller & Co.
Members of Midwest Stock Exchange
209 S. La Salle St. • CHICAGO 4
Tel. Dearborn 5500 • Teletype CG 166-147

PRIMARY MARKETS
REAL ESTATE SECURITIES

HICKEY & CO.
123 SOUTH LA SALLE STREET
CHICAGO 3

MR. & MRS. WALLACE H. RAYMON, HEMPSTILL, NAYE & CO., PHILADELPHIA; MR. & MRS. CLIFFORD G. REMINGTON, HESS, GORD & REMINGTON, INC., PHILADELPHIA

MR. & MRS. JAMES B. McFarland, STAND & COMPANY, Incorporated, Philadelphia; MR. & MRS. CHARLES L. WELLINGTON, JENNY, DAIRY & BAKERY, INC., PHILADELPHIA

♦VAUGHAN, M. H.
Vaughan & Company
Wilmington, N. C.

♦WACHOVIA BANK & TRUST COMPANY
Winston-Salem, N. C.

♦HARRIS, JOHN T.
Equitable Securities Corporation
Greensboro, N. C.

♦WARMATH, JOHN T.
Equitable Securities Corporation
Greensboro, N. C.

WILLIAM STREET SALES, INC.
Birmingham, Ala.

♦WILLIAMS, BEN 8.
Alex. Brown & Sons
Winston-Salem, N. C.

♦WITHERS, JR., P. T.
R. S. Dickson & Co., Inc.
Charlotte, N. C.

♦DOHERTY, JR., JOHN S.
McAlister, Smith & Pate, Inc.
Greenville, S. C.

♦ERWIN & C.
Durham, N. C.

♦EVERETT, JR., LAWRENCE R.
Selected Investments, Wilmington, N. C.

FIRST SECURITIES CORPORATION
Durham, N. C.

♦HAYNE, ROBERT S.
R. B. Haye & Company, Inc.
Durham, N. C.

♦HORSE, J. P.
American Commercial Bank
Charlotte, N. C.

♦KENT, J. ROY.
Alexander C. Furman Co., Inc.
Greenville, S. C.

♦JOHNSON, MARSHALL H.
McDaniel Lewis & Co., Greensboro, N. C.

♦KING, WILLIAM L.
Television-Electric Fund, Inc.
Belmont, N. C.

♦HILL, J. ARTHUR M.
Kuhn & Company, Inc.
Durham, N. C.

♦LAWRENCE, SIMON E.
Mutual Savings Trust Co.
Wilson, N. C.

♦LEWIS, J. H.
United Securities Co., Greensboro, N. C.

♦LEWIS, MCDANIEL.
McDaniel Lewis Co., Greensboro, N. C.

♦LEWIS, RICHARDS C.
The Sommers-Humphrey Company, Inc.
Charleston, S. C.

♦LUCAS, EDWARD R.
McDaniel Lewis Co., Greensboro, N. C.

♦MACLEOD, R. الخطط

♦MANSELL, MALCOLM S.
Virgil M. Mansell, Greenville, S. C.

♦MAY, J. STIRLING.
Stirling May & Company
High Point, N. C.

♦MAT, J. STIRLING.
J. Stirling May & Company
High Point, N. C.

♦MAKINS, ERNEST L.
E. L. Hardin & Co., Inc., Salisbury, N. C.

♦HAYS, ROBERT S.
R. S. Hays & Company, Inc.
Durham, N. C.

♦HOBSON, J. P.
American Commercial Bank
Charlotte, N. C.

♦HUNT, JR., ROY F.
Alester G. Furman Co., Inc.
Greenville, S. C.

♦HARDIN, ERNEST L.
E. L. H. Hardin & Co., Inc., Salisbury, N. C.

♦HAYS, ROBERT S.
R. S. Hays & Company, Inc.
Durham, N. C.

♦HOBSON, J. P.
American Commercial Bank
Charlotte, N. C.

♦HUNT, JR., ROY F.
A. G. Furman Co., Inc.
Greenville, S. C.

♦HARDIN, ERNEST L.
E. L. Hardin & Co., Inc., Salisbury, N. C.

♦HAYS, ROBERT S.
R. S. Hays & Company, Inc.
Durham, N. C.

♦HOBSON, J. P.
American Commercial Bank
Charlotte, N. C.
Baltimore Security Traders Association

President: Leonarz J. Butt, Mead, Miller & Co.
Vice-President: Harry J. Niemeyer, Robert Garrett & Sons
Secretary: Gilbert A. Lewis, George G. Shriver & Co., Inc.


Alternates: Charles A. Bodie, Jr., Stein Bros. & Boyce; Leonard J. Butt, Mead, Miller & Co.


ROSTER OF MEMBERS

ARMSTRONG, EDWARD J. Stein Bros. & Boyce
BAKER, WARREN S. Baker, Watts & Co.
RAMBERGER, E. CLINTON Baumgartner, Dowling & Co.
BANZER, ARTHUR L. Eastman Dillon, Union Securities & Co.
BARNES, FRANK G. Baltimore Trust Company
BERRY, ALLISON M. Robert Garrett & Sons

BLUNT ELLIS & SIMMONS

UNDERWRITERS AND DISTRIBUTORS OF CORPORATE AND MUNICIPAL SECURITIES

COMPLETE FACILITIES FOR TRADING AND BLOCK DISTRIBUTION

Members
New York Stock Exchange
American Stock Exchange (Associate)
Midwest Stock Exchange

206 SOUTH LA SALLE STREET — CHICAGO 4
Telephone Financial 6-4774

Correspondent
Clark, Dodge & Co.
New York

Unlisted
Trading Department
Private Wire System — Coast to Coast
Prompt Service
We invite your Buying and Selling orders

A. G. Becker & Co.
INCORPORATED
120 So. La Salle St. 60 Broadway Russ Building
CHICAGO 3 New York 4 San Francisco 4
And Other Cities

THE MARSHALL CO.
Investments
WE MAINTAIN MARKETS IN UNLISTED WISCONSIN SECURITIES
Trading Dept. — Otto J. Koch, Jr.
Milwaukee 2, Wis.
275 NORTH WATER STREET • BROADWAY 1-8130

THE WULRITZ COMPANY
Common Stock

This company, the world’s largest manufacturer of electronic organs, electronic pianos, and stereophonic coin-operated phonographs, is experiencing its greatest boom year. Earnings for the six months ended September 30th are sharply ahead of the like period last year. Estimated earnings for the fiscal year ending March 31, 1959, are over $2.00 per share, which compares with actual earnings of $1.27 per share for the year ended March 31, 1958. This stock selling at six times estimated earnings is attractive for price appreciation.

A report will be furnished upon request

LEASON & CO., INC.
39 South La Salle Street, Chicago 3, Illinois
Phone: STate 3-6000—TWX 364

For nearly half a century one of the West’s leading Investment Bankers

BOETTCHER AND COMPANY
MEMBERS NEW YORK STOCK EXCHANGE • AMERICAN STOCK EXCHANGE (ASSOC.)

135 SOUTH LA SALLE STREET, CHICAGO, ILLINOIS
OTHER OFFICES: NEW YORK • DENVER • COLORADO SPRINGS
GRAND JUNCTION • PUEBLO

Underwriters—Brokers Listed & Unlisted Securities

STRAUS, BLOSSER & McDOWELL
MEMBERS NEW YORK STOCK EXCHANGE • MIDWEST STOCK EXCHANGE • DETROIT STOCK EXCHANGE • AMERICAN STOCK EXCHANGE (ASSOC.)

39 SOUTH LA SALLE STREET
CHICAGO 3, ILLINOIS

NEW YORK
TELEPHONE
MILWAUKEE
ANNEX 2-7910
GRAND RAPIDS

DISTRIBUTED FOR FRASER
http://fraser.stlouisfed.org/
Memphis Security Dealers Association

Vice-President: Reed M. McPhillis, Hambrecht & Quist.
Secretary: Hollis Rogers, Hambrecht & Quist.
Treasurer: Richard D. Fletcher, Equitable Securities Corporation.


— ROSTER OF MEMBERS —

<table>
<thead>
<tr>
<th>Name</th>
<th>Firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allen, Harry</td>
<td>Merrill Lynch, Pierce, Fenner &amp; Smith</td>
</tr>
<tr>
<td>Bennett, Edwin L.</td>
<td>M. A. Saunders &amp; Co.</td>
</tr>
<tr>
<td>Benson, Herman</td>
<td>Herman Benson &amp; Company</td>
</tr>
<tr>
<td>Blake, Norman</td>
<td>Merrill Lynch, Pierce, Fenner &amp; Smith</td>
</tr>
<tr>
<td>Burch, J. C. Brown</td>
<td>Merrill Lynch, Pierce, Fenner &amp; Smith</td>
</tr>
<tr>
<td>Buxton, James Stewart</td>
<td>Mitchell, Busch &amp; Co.</td>
</tr>
<tr>
<td>Carter, Hugh Price</td>
<td>Federal Securities Co., Inc.</td>
</tr>
<tr>
<td>Dawson, Robert E.</td>
<td>Herman Benson &amp; Company</td>
</tr>
<tr>
<td>Fletcher, Richard D.</td>
<td>Equitable Securities Corporation</td>
</tr>
<tr>
<td>Foster, Walter T.</td>
<td>R. F. Hutton &amp; Company</td>
</tr>
<tr>
<td>Frank, Julius</td>
<td>Herman Benson &amp; Company</td>
</tr>
<tr>
<td>Frazee, Frank B.</td>
<td>Equitable Securities Corporation</td>
</tr>
<tr>
<td>G.Alert, Nick J.</td>
<td>Memphis Securities Company</td>
</tr>
<tr>
<td>Thomas, Jr.</td>
<td>First National Bank</td>
</tr>
<tr>
<td>Whittam, A. L.</td>
<td>James M. Reddoch &amp; Company</td>
</tr>
<tr>
<td>Werkman, August</td>
<td>Hambrecht &amp; Quist</td>
</tr>
<tr>
<td>Wilkes, Gordon</td>
<td>Hambrecht &amp; Quist</td>
</tr>
<tr>
<td>Wittigreen, James A.</td>
<td>M. A. Saunders &amp; Co.</td>
</tr>
</tbody>
</table>

Bought . . . . .
Sold . . . . .
Quoted . . . .

these common stocks:
- Consolidated Water Power & Paper Co.
- Dewey Portland Cement Co.
- General Merchandise Co.
- Nunn-Bush Shoe Co.
- Madison Gas & Electric Co.
- Keokuk-Edwards Paper Co. (Stauss & B.)

Aluminum Security Dealers Association

President: Alonzo H. Lee, Sterling, Agee & Leach, Birmingham.


— ROSTER OF MEMBERS —

<table>
<thead>
<tr>
<th>Name</th>
<th>Firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams, Ralph E.</td>
<td>Bersey Perry &amp; Co., Inc., Birmingham</td>
</tr>
<tr>
<td>Agee, Buckner</td>
<td>Sterling, Agee &amp; Leach, Birmingham</td>
</tr>
<tr>
<td>Alexander, George R.</td>
<td>Courville &amp; Company, Birmingham</td>
</tr>
<tr>
<td>Allison, Charles L.</td>
<td>Equitable Securities Corporation, Birmingham</td>
</tr>
<tr>
<td>Andrews, James C.</td>
<td>First National Bank of Mobile, Mobile</td>
</tr>
<tr>
<td>Andrews, J. Warren</td>
<td>First National Bank, Montgomery</td>
</tr>
<tr>
<td>Bonham, John</td>
<td>Sellers, Doe &amp; Bonham, Montgomery</td>
</tr>
<tr>
<td>Brownlee, Harry I.</td>
<td>Merrill Lynch, Pierce, Fenner &amp; Smith, Incorporated, Montgomery</td>
</tr>
<tr>
<td>Brownlee, John B.</td>
<td>Merrill Lynch, Pierce, Fenner &amp; Smith, Incorporated, Montgomery</td>
</tr>
<tr>
<td>Brownlee, Max J.</td>
<td>Dominion Securities Corporation, Birmingham</td>
</tr>
<tr>
<td>Brown, C. Blithe</td>
<td>Gulf &amp; Western Securities Company, Birmingham</td>
</tr>
<tr>
<td>Brown, C. Blithe</td>
<td>Gulf &amp; Western Securities Company, Birmingham</td>
</tr>
</tbody>
</table>

Buhl Building Detroit
An Address of Distinction

FINANCIAL TENANTS IN THE Buhl BUILDING
Communism, Commerce, and Commitment

Continued from page 7

Communism, Commerce, and Commitment

Specialists

In

OVER-THE-COUNTER

Securities

Scherck, Richter Company

Members Midwest Stock Exchange

320 N. 4th Street
ST. LOUIS 2, MO.

Bell Teletype SL 456

Newhard, Cook & Co.

Members New York Stock Exchange

Underwriters and
Distributors

Listed and
Unlisted Securities

Municipal Bonds

Fourth and Olive

Saint Louis

Telephone C1entral 1-5585

Branch Offices

Alton, Illinois • Clayton, Missouri • Jefferson City, Missouri
East St. Louis, Illinois

Private Wire to Clark, Dodge & Co., New York
Communism, Commerce and Commitment

Continued from page 77

nently committed to either communism or anticommunism. All this is of tremendous economic significance. Communist leaders are making a silent concerted drive to win over the noncommunist peoples and their territories in undeveloped areas. To achieve these objectives, the Communist Empire has expanded its "aid" programs to different undeveloped areas or countries of the world. This "aid" includes sending thousands of communist technicians—economic and military—to these countries. It includes training thousands of students from undeveloped areas in communist nations.

The spokesman for the Communist Empire, Nikita S. Khrushchev, says: "The Communist bloc nations are invincible as a military, economic, and political "collective." No person alone is invincible. One joins this communist bloc and becomes invincible by association. The "lofty" cause of this bloc is the World Communist Society, not that of but one nation. Given this "cause," one should make sub¬ stantial and continuing self-sacrifices for it. The more a person gives himself to a "cause," the more fond of it he becomes, the more tightly he is bound to it. To give, one must act; hence, ceaseless action directed to carrying out communist programs is the test of one's sincerity and self-discipline.

Paradox in Red Psychology

There is a paradox in this communist psychology. It destroys by constructing. It destroys a citizen's loyalty to his nation by constructing in his mind glittering "opportunities" for the "enlarge¬ ment" of his loyalty, so that it can adhere not to just one national government but to an interna¬ tional or World Government. It destroys a man's capacity for truth by constructing in his mind means of "enriching" truth by re¬ jecting essences in order to re¬ cent to the revolutionary nature of reality. It annihilates a man's religion by constructing in his mind a "higher" form of religion, the worship of oneself, one's ego instead of God. All this is in the form of a religion of humanity— even though it is not called that. It corrupts man morally by con¬ structing in his mind a "liberat¬ ing" morality devoid of all trans¬ cendental obligations in exchange for totalitarian utility. It degrades a man's individual conscience by constructing in his mind a "su¬ perior" class conscience to which is transferred fundamental personal responsibility. It ruins a man's will by constructing in his mind a "stronger" will, the col¬ lective will of the dictatorship.

To repeat, there is a satanic element in this. Communist psy¬ chology is the social tempter of our time. People have been driven to it because "Whatever deicides seems to exercise a kind of magical enchantment." And, it is this power to deceive—this commu¬ nist psychology which is employed to convert an American mentality into a communist mentality—that we must
recon with more wisely in the years ahead if we are to win this war for the minds of men and are to maintain our internal security.

The fifth challenge to our internal security is philosophy. Communist philosophy, like communist psychology, is directed toward the mind, and among non-communist people, seeks to condition the intellectual climate in order that communist tactics, strategy, espionage, and programs may flourish there. Communist philosophy is comprehensive. It pretends to be able to answer for every person throughout the world the three most profound questions: the human mind can ask — What is my origin? How should I conduct myself in life? What can I hope for at the end of life? The communist answers to these questions constitute a series of denials. Communist philosophy denies the existence of God and tells us that nature in ceaseless motion is all that exists. It explains what is, to be the fortuitous result of what has been. The Universe is the product of constant interaction, endless flux, rhythmic ebbs and flow of dynamic material forces. Similarly, communist philosophy denies that man has a soul or is destined for immortality. It claims that man is but conscious matter continuous with nature, who has emerged from a ceaseless interplay of physical and chemical elements. Communist philosophy denies the inherent individual value of a man as a free moral agent capable of governing himself and determining the course of his life, claiming that the material conditions of our environment fix immutably our future. It denies that social transformations can be brought about peacefully, insisting that "class struggle" is unavoidable, and in the final analysis, all great issues of history are decided by force or violence. This then is the core of communist philosophy. It is a total attack upon the fundamental thought and the historic goals of American society; therefore, it is a forceful challenge to our internal security. Among other things it has the effect of preparing the minds of people for opposing internal security programs and for being unfairly critical of our own democratic institutions and policies.

Conclusion

The United States has been built economically largely as a result of the intelligence, industry, and social vision of businessmen. This country has been greatly benefited by the perception and contributions of these men in maintaining a strong system in which individual initiative has been rewarded and the continued development of the United States cultivated. Businessmen have made outstanding contributions to our educational system, our social services, our industrial accomplishments, our culture of freedom, and our general welfare. The role of the businessmen gives strength and growth to our American heritage.

The communists challenge all of this and say that capitalism is doomed and the businessmen of free enterprise are on the way out. In conjunction with these insistent predictions, the communists emphasize their economic strength in the "cold war." Undeniably the businessmen of America are faced with a communist challenge. It cannot be ignored without serious consequences.

The role of American businessmen is clearly defined in this conflict. Our businessmen have been forced upon them a commitment to prove through their understanding, initiative, social vision, and resourcefulness that freedom of enterprise is far superior to any economic system which the Communist Empire can produce and that the culture which has grown around freedom of enterprise is the culture most capable of keeping with the freedom of men in our great country. This commitment can be given additional significance if study and analysis are made of the deceitful tactics of communism. This study and analysis will provide the perceptive strength to expose communist maneuvers in an enlightened and decisive way.

Mr. & Mrs. John A. Rambo, Sellers, Rue & Sonnabend, Montgomery, Ala.; Corwin L. Liston, Prescott & Co, Cleveland
Mr. & Mrs. Thornton H. Bump, Robert W. Baird & Co. Incorporated, Milwaukee; Mr. & Mrs. John A. Rambo, Sellers, Rue & Sonnabend, Montgomery, Ala.; Corwin L. Liston, Prescott & Co, Cleveland
Prosperity Period Ahead
With Stable Prices

Continued from page 11

WALTER, WOODY and
HEIMERDINGER

403 Dixie Terminal
Building
CINCINNATI 2, OHIO
Phone—Main 1-5071
Bell System Teletype CI 186

Specializing in the purchase and
sale of municipal tax bonds and
municipal revenue bonds.

ATTENTION
NASD MEMBERS
WE INVITE YOUR COMMISSION BUSINESS IN
SECURITIES LISTED ON CINCINNATI STOCK
EXCHANGE—700 REAPPRAISE 40% OF COMMISSION
LISTINGS SUPPLIED ON REQUEST

CINCINNATI'S
OLDEST INVESTMENT FIRM
ESTABLISHED 1862

GEO. EUSTIS & CO.
508 TRI-STATE BLDG.
CHERRY 1-4070

Mr. & Mrs. Neil DeYoung, DeYoung & Co., Grand Rapids, Mich.; Mr. & Mrs. Michael J. Heaney, Michael J. Heaney & Co., New York

are growing conscious that their
price decisions must be made in
response to and in the light of the
world market. American labor, too, grows
conscious of the wage-cost advantages
foreign producers possess in
attracting consumers here as well as
elsewhere.

4. Tight Credit Early in Recovery:
Credit restraint and conserva-
tive policies have permitted
and induced the resumption of
investment and the reactivation
of domestic industries.

5. Intensified Foreign Competition:
In the vailed world market,
new competitors appear.

Inflation: Despite the high levels of
activity abroad, our exports are
actually lower than in 1938. In
contrast, our imports have increased
at a fifth faster than last year,
in that industry after industry — in-
cluding such native specialties as
machine tools, automobiles and
heavy electrical equipment — we
face not only intensified competi-
tion in neutral markets, but in our
domestic markets as well. Increas-
ingly American producers

The commercial and financial chronicle
Thursday, November 26, 1959

NO CHARGE when you call our trading dept. by
DIRECT TELEPHONE NEW YORK-CINCINNATI
Worth 6-2115

• Specialists in Ohio-Kentucky-West Virginia Issues

• 40% Commission discount to N.A.S.D. members on
shares listed on Cincinnati Stock Exchange.

Underwriters-Distributors
Members Principal Exchanges
Direct Wire: Hayden, Stone & Co.
326 WALNUT STREET
CINCINNATI 2, OHIO

Phone—Main 1-0560 Teletype—CI 585, CI 252

CHICAGO DAYTON HAMILTON CHARLESTON WHEELING
ATHENS MARION HILLSBORO CHILlicoTHIE GREENSBURG, IND.
suggests an acceleration in national productivity is already under way. Properly shared, and I am hopeful that will be the outcome, this rise in efficiency will enable more of the gains in technology to be passed on to consumers in the form of greater utility, if not lower prices.

Third on the roster of forces tending to brake future inflation is the intensification of competition arising from not one but many quarters, all tending to exert a selective influence toward rewarding the efficient while eliminating the high-cost producer or distributor. I have already commented on the sobering degree to which more efficient, lower-cost producers have increased their share of world trade even as ours diminishes. But domestically, too, the emergence of new lower-cost capacity is steadily rendering obsolete the marginal producer who in the initial flush of postwar prosperity still found a market for his higher-cost product. Domestically, costs are being pared by plant relocation closer to basic material sources, by bringing fabrication nearer to final markets, thereby narrowing transportation and distribution cost. With the overhang of excess capacity, inter-product and inter-industry competition is far more active upon the price structure than in the earlier years of easy-pass-throughs of higher costs to eager buyers who in turn could repeat the process, for their customers were goods-hungry and in highly liquid position to satisfy such hunger.

A fourth factor that should contribute toward better performance is the restoration of faith in conservative central banking policy as the effective technique to be used in combating inflation. Costly as has been the experience in the first 15 postwar years, it has reminded all of us that the money market allowed to work freely on perform valiantly in restraining excessive resort to credit at one stage of the business cycle and induce investment and capital formation at another phase when that, too, is required. Those nations that have faced best in restraining inflation have relied most on the traditional tools of tight credit, restraint on govern- ment spending and a balanced budget rather than wage-cost-price controls, or the related restraints that postponed for later resolution the price problems of World War II.

Last, and perhaps somewhat wishfully on my part, is the emergence of public policy designed to restore a better balance between labor and management in collective bargaining — or to give greater weight to the public interest where labor and management jointly ignore it. I view the recent labor bill as just such an attempt to redress the balance that perhaps has swung too much to one extreme postwar as it did toward the other in the late 20s or early 30s. Management, conscious of this change in public sentiment, is more likely to resist excessive wage demands than in the earlier inflationary era, particularly when faced with intensified foreign as well as domestic competition. And labor, too, more acutely conscious of the erosion of inflation as it eats away the real value of the paycheck, may forego wage demands that outstrip the rise in national productivity. In addition, the postwar baby crop stands upon the threshold of the labor force as we enter the 60s. With each passing year they will be competing with their seniors for job opportunities and perhaps bring to an end the tight labor market and the accompanying wage premiums of the past postwar period.

In combination, these forces of (1) limited liquidity, (2) accelerated productivity, (3) intensified domestic as well as foreign competition, (4) greater and earlier resort to conservative central bank policy, and (5) a better balance in collective bargaining can do much to mitigate the tail of inflation in the 60s. The war against inflation is not yet won, nor is the end as yet too clearly in sight. But, via the various channels of communication, savers and consumers as well as businessmen ought to be alerted to reconsider the prospects of inflation in the light of these current and prospective changes in the economic environment. Conclusion

Enterprises face perhaps the best prospects since the end of World War II of having a long sustained period of prosperity and stable prices (in the aggregate, not necessarily for individual or group prices). Far more progress has already been made than is generally realized by consumers and savers alike. The inevitability

Continued on page 82

Underwriters, distributors and dealers in listed and unlisted corporate securities and municipal bonds

Lowell, Murphy & Co., Inc.
INVESTMENT BANKERS
460 DENVER CLUB BLDG. • A coma 2-4831
DENVER, COLORADO

We are interested in Investment Securities of all types for retail distribution.

Stone, Altman & Company
INVESTMENT BANKERS
First National Bank Bldg.
DENVER 2, COLO.
Telephone AMherst 6-3721
Teletype DN 580
An Investor Looks at the Oils

Continued from page 9

find a growth company in this segment of the oil industry.

Our preference is Shell. We feel Shell is an extraordinarily able oil finder in the United States and through its Canadian subsidiary has undoubtedly found tremendous quantities of natural gas in western Canada. Shell has been extremely successful in exploration and development in southern Louisiana and in the neighboring offshore area. The company has become the second largest oil producer in southern Louisiana and ranks first offshore accounting for about one-third of total offshore production. This area continues to be management's most important single area of exploration. Judging by the money spent by Shell this year in purchasing additional offshore leases, it appears that Shell will continue drilling offshore acreage for years to come. Partly reflecting a modification in accounting practices, but also because the level of activity is touching new highs in almost every category, Shell will be one of the few oil companies to report record high earnings this year. Curiously enough, despite the various favorable factors evident in Shell at the present time, the common stock is modestly priced relative to past yields, price/earnings ratio.

For the long term investor particular attention should be paid to Standard Oil (Indiana). Indiana has been outstanding for several reasons. Over half of Indiana's crude oil comes from heavily prospected Texas. The combination of more stringent prorationing and a high level of capital expenditures has accordingly penalized Indiana's earnings. Favorable results of this period in the future should come from Texas while about a third of Gulf's comes from state. Another factor is the superior record of Texas in southern Louisiana. Gulf's principal increase in earnings has come from Kansas, but the rate of growth is tapering off as other foreign sources of crude oil compete for world markets.

We believe Texaco's earnings will continue to outperform the industry's. Management has followed an obviously well laid out plan to accelerate growth by a series of supertaxative acquisitions beginning with the Shell Oil Company in 1956, followed by the purchase of the entire ownership of Seaboard Oil in 1958 and of Parnes Oil Company, the second largest importer of heavy fuel oil in the United States, in 1959. It is obvious that Texaco is not only building up its reserve of raw materials at a reasonable cost, but also expanding its control of markets as well.

It should be observed that the record of Royal Dutch is superior to Texaco's through 1957. However, the increase in the Venezuelan corporate tax rate decreased in 1958 permanently reduced the earning power not only of Royal Dutch's important Venezuelan subsidiary, but Standard (N. J.) as well. Both companies face the problem of rebuilding earning power from a reduced level under a substantially lower tax burden.

Texaco shows the greatest decline in earnings due partly to a mediocre discovery record in the United States and somewhat above average exposure to poor refined product prices on the west and east coasts. Standard Oil of

TRADING MARKETS
IN
OVER-THE-COUNTER SECURITIES

Oscar I. Kraft & Co.
530 WEST SIXTH STREET • LOS ANGELES 14, CALIFORNIA

TEL TYPE LA 478
PHONE MADISON 7-755

Private Wire
Cruttenden, Peddis & Co., San Francisco
Archie H. Chavero, San Francisco

REVEL MILLER & CO., INC.
Founded 1926

Members Pacific Coast Stock Exchange

Dealers — Distributors — Brokers

560 SOUTH SPRING ST.
LOS ANGELES 14

Bell System Teletype LA 165

Direct Wires to
John C. Legg & Company, Baltimore and New York
Cook Investment Co., Chicago

since 1887

contributing to

WESTERN PROGRESS
through public offerings and private placements of securities

WILLIAM R. STAATS & CO.

established 1887

INVESTMENT SECURITIES

640 SOUTH SPRING STREET, LOS ANGELES 14, CALIFORNIA

MEMBERS: New York Stock Exchange, American Stock Exchange (Assoc.) Pacific Coast Stock Exchange

CALIFORNIA: LOS ANGELES, SAN FRANCISCO, PASADENA, BEVERLY HILLS, SAN DIEGO, SAN JOSE, SANTA ANA, VAN NUTS, GLENDALE, PALO ALTO

ARIZONA: PHOENIX, YUMA

Net Income (in millions of dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Atlantic Refining</th>
<th>Cities Continental</th>
<th>Gulf Oil</th>
<th>Phillips Petroleum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>38.0</td>
<td>37.0</td>
<td>57.0</td>
<td>39.0</td>
</tr>
<tr>
<td>1957</td>
<td>35.7</td>
<td>50.2</td>
<td>51.2</td>
<td>50.2</td>
</tr>
<tr>
<td>1958</td>
<td>47.2</td>
<td>62.2</td>
<td>61.8</td>
<td>51.2</td>
</tr>
<tr>
<td>1959</td>
<td>39.4</td>
<td>49.3</td>
<td>64.4</td>
<td>63.5</td>
</tr>
</tbody>
</table>

Change, 1955-1959: -5.4 -12.3 +10.6 -3.3 +9.8 -9.2
% Change: -13.5 -20.3 +15.7 -6.1 +12.7 -9.2

Net Income (in millions of dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gulf Oil</th>
<th>Dutch</th>
<th>Standard Oil</th>
<th>Shell</th>
<th>Oil (Indiana)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>145.0</td>
<td>51.0</td>
<td>23.0</td>
<td>140.0</td>
<td>21.5</td>
</tr>
<tr>
<td>1957</td>
<td>173.0</td>
<td>50.2</td>
<td>24.7</td>
<td>168.0</td>
<td>24.5</td>
</tr>
<tr>
<td>1958</td>
<td>195.0</td>
<td>51.2</td>
<td>23.1</td>
<td>182.0</td>
<td>24.8</td>
</tr>
<tr>
<td>1959</td>
<td>215.5</td>
<td>50.2</td>
<td>23.3</td>
<td>201.0</td>
<td>24.2</td>
</tr>
</tbody>
</table>

Change, 1955-1959: +19.5 +20.7 +6.2 -3.7 +5.7 +5.7
% Change: +9.1 +9.3 +2.7 +2.0 +2.9 +2.0

California has turned in an average earnings record, but a better one than most companies in the domestic integrated category. The decline in Socony’s domestic earnings is so substantial that we prefer to forego the slightly higher yield prevailing in Socony as compared to Standard Oil of California.

The investment fraternity lost some of its favorable attitude toward the Jersey empire in the past year. The current dividend looks safe under most foreseeable economic conditions. Compared with the equity market generally, Jersey’s 4.5% yield provides a very handsome return for institutional investors. For primarily yield-conscious accounts, Jersey is still probably the best single oil equity for long term holdings.

In conclusion, we believe the world oil industry faces greater problems than at any time in the past 20 years. In time, these problems will be solved as they have in the past. There is little reason, in our opinion, to purchase or hold oils for capital gains at this time. However, selected oils provide good yields for the institutional investor, well supported by cash earnings, therefore, deserving attention.

**Attended the Convention**

Continued from page 29

HAMMILL, ARTHUR R.*
First Securities Co. of Chicago

HAMMILL, ARTHUR R.*
W. E. Hutton & Co.
New York City

HARDONY, GEORGE E.*
Ball, Burge & Kraus
Cleveland, Ohio

HARDY, RUBIN*
First Boston Corporation

HARRIS, S. RICHARD*
Courts & Co.
New York City

HART, MAURICE*
New York Hanesic Corporation
New York City

HAWXHURST, RALPH R.*
Bacon, Whipple & Co.
Chicago, Ill.

HEANEY, ALBERT
Grace National Bank
New York City

HEANEY, MICHAEL J.*
Michael J. Heaney & Co.
New York City

HECHT, JOHN C.
Dempsey-Tegeler & Co.
Los Angeles, Calif.

HEINZ, GEORGE E.
Walton & Co., Inc.
New York City

HENNIG, RICHARD A.
Brush, Slocumb & Co., Inc.
San Francisco, Calif.

HERZOG, ROBERT I.*
Horn & Co.
New York City

HEWITT, ALBERT A.
First California Company
San Francisco, Calif.

HOGARTH, GUY R.*
Laird, Bissell & Meeds
New Haven, Conn.

HOMSEY, ANTON E.
du Pont, Homsey & Company
Baton, Mass.

HORN, CLARENCE A.*
First of Michigan Corp.
Detroit

HORN, EDWARD A.
Kuhn, Loeb & Co.
New York City

HUNTER, WELLINGTON
Wellingon Hunter Associates
Jersey City

HUTTON, JOE E.*
Equitable Securities Corporation
Nashville, Tenn.

HYDINGER, G. L.*
Carlson & Co., Inc.
Birmingham, Ala.

ISAACS, MILTON J.*
Straus, Bloser & McDowell
Chicago, Ill.

*Denotes Mr. and Mrs.

**Dealers**

in

**OBLIGATIONS**

of

**the**

**UNITED STATES GOVERNMENT AND ITS INSTRUMENTALITIES**

**BANK, UTILITY, AND INDUSTRIAL COMMON STOCKS**

**Underwriters and Distributors of**

**MUNICIPAL, UTILITY, AND INDUSTRIAL BONDS**

**BANK, UTILITY, AND INDUSTRIAL STOCKS**

**J. S. STRAUSS & CO.**

155 MONTGOMERY STREET - SAN FRANCISCO 4

Telephone EXbrook 2-6515
Bell Teletype—SF 61, SF 62

**DIRECT WIRES**

New York City: Laird, Bissell & Meeds; Los Angeles: Stern, Frank, Meyer & Fox

Dallas: First Southwest Company

We Invite You to Hold Your 1961 Meeting at

Palm Springs Hotel

In the Heart of Palm Springs, Calif.
Attended the Convention

Continued from page 83

JACKSON, WINTON A.* First Southwest Company
Dallas, Texas

JACOBS, SIDNEY* Sidney Jacobs Co.
New York City

JACOBY, D. Paul* Astel & Co.
New York City

JOHNSON, A. MAURITZ* G. H. Walker & Co.
Bridgeport, Conn.

JOHNSON, WALTER R.* G. A. Baxton & Co., Inc.
New York City

JOLLEY, LEX* Robinson-Humphrey Company
Atlanta, Ga.

JONES, JAMES E.* Gregory & Sons
New York City

KEENAN, ARTHUR* St. Denis J. Villere & Co.
New Orleans, La.

KEENAN, JOHN J.* John J. Keenan & Co.
Los Angeles, Calif.

KELLY, EDWARD J.* Carl M. Leob, Rhodes & Co.

KENNEDY, BERNARD F.* Boworth, Sullivan & Co.

KENNEDY, SAMUEL M.* Yezak, Riddle & Co.

KERN, MARTIN* Singers, Dean & Mackie
New York City

KILMER, GEORGE A. M. Siddler & Co.
New York City

KING, ROBERT H.* Chas. King & Co.
New York City

KLEMOND, EMIL J.* Merrill Lynch, Pierce, Fenn & Smith Inc.
Minneapolis, Minn.

KRABEIN, Rudolph Hincks Bros.
Bridgeport, Conn.

KNAPP, REGINALD J.* G. C. Haas & Co.
New York City

KNOB, JOHN E.* Drexel & Co.

KOCH, OTTO J.* The Marshall Company
Milwaukee, Wis.

KOEHRN, STAR C.* F. B. Moseley & Co.
Chicago, Ill.

KOSTERMAN, P. A.* Black & Co.
Portland, Ore.

KRISAM, WILBUR* John Livermore & Company
New York City

KROSWICH, JOSEPH D.* Gregory & Sons
New York City

KRUMHOLZ, NATHAN A.* Ogden, Wechsler & Krumholz
Brooklyn, N. Y.

L. A. BAXTON & CO., INC.

LONGWELL, ELMER* Boettcher and Company
Denver, Colo.

LOVE, THOMAS J.* Geo. E. Snyder & Co.

MACKESY, T. FRANK* Abbott, Proctor & Pain
New York City

MACKIE, ROBERT A.

MAGUIRE, FELIX E.* Stroud & Company Incorporated

MAGUIRE, JAMES B.* J. B. Maguire & Co., Inc.
Boston, Mass.

MAHONEY, C. D.* C. D. Mahoney & Co., Inc.
Minneapolis, Minn.

MANNEY, IRVING* Manney & Co.
Dallas, Texas

MARCUSON, P. A.* Investment Dealers Digest
New York City

MARKHAM, EDWIN J.* Wertheim & Co.
New York City

MARKS, LAWRENCE N.* A. G. Becker & Co.
Chicago, Ill.

MASON, AUBREY L.* Mason & Lee, Inc.
Lynchburg, Va.

MEALEY, GEORGE

MCLAUGHLIN, DOMINICK

MCLAUGHLIN, DOMINICK

Hillside, N. J.

MCAFFIE, JAMES J.* Butler & Sherred

MCCLINTIC, w. M., Jr.* Strader & Company Incorporated
Lynchburg, Va.

MCLULLEY, C. RADER* First Southwest Company
Dallas, Texas

McPILAND, JAMES B.* Stroud & Company Incorporated

McGINTY, JOHN P.* McDonald & Co.
Cleveland, Ohio

MARKHAM, TIMOTHY J.*

MARKHAM, EDWIN J.*

MARKS, LAWRENCE N.*

MASON, AUBREY L.*

MEALEY, GEORGE

MCLAUGHLIN, DOMINICK

HILLIDE, N. J.

MCAFFIE, JAMES J.*

MCCLINTIC, W. M., JR.*

MCLULLEY, C. RADER*

McPILAND, JAMES B.*

Stroud & Company Incorporated


McGINTY, JOHN P.*

McDONALD & CO.

CLEVELAND, OHIO

* Donates Mr. and Mrs.

Serving Southern California since 1927

Wagenseil & Durst, Inc.
Investment Securities

626 S. Spring St., Los Angeles 14
Madison 7-5761 - Teletype: LA BA - LA 35

MEMBERS:

PACIFIC COAST STOCK EXCHANGE

AMERICAN STOCK EXCHANGE ASSOCIATE:

PASADENA REDLANDS CLAREMONT SANTA MONICA SAN DIEGO

Direct Private Wire — Gore, Fargen & Co. — Chicago

SPECIALISTS IN

WEST COAST SECURITIES

— TRADING MARKETS —

BLOCK INQUIRIES INVITED

TURNER-POINDEXTER & CO.

MEMBERS

PACIFIC COAST STOCK EXCHANGE

AMERICAN STOCK EXCHANGE (ASSOCIATE):

624 SOUTH SPRING STREET, LOS ANGELES 14, CALIFORNIA

TELEPHONE MADISON 4-4561 - Teletype LA 1010

— Direct Private Wires —

Ewert & Co., New York

Brush, Slocumb & Co., Inc., San Francisco
Attended the Convention

Continued from page 85

SACHNOFF, MOREY D.*
Cook Investment Co.
Chicago, Ill.

SACHNOFF, SAMUEL*
First National Bank
Chicago, Ill.

SALOMON, ARTHUR K.*
Salomon Bros. & Hutzler
New York City

SANDERS, SIDNEY J.*
Foster & Marshall
Seattle, Wash.

SAUNDERS, WALTER F.*
Dominion Securities Corporation
New York City

SCATTERGOOD, HAROLD F.*
Boening & Co.

SCHREER, CHAS. G.*
Wm. Tellmeyer & Co.
Chicago, Ill.

SCHUBERT, DONALD D.*
Dempsy-Toepler & Co.
Chicago, Ill.

SEELE, FLOYD D.
E. L. Zoerner & Co., Inc.
St. Louis, Mo.

SHERLEN, LOUIS "HANK"* Josephs & Co.
New York City

SHERIDAN, C. B.*
Mitchell & Company
New York City

SHORE, HAROLD*
Harold C. Shore & Co.
New York City

SIEGEL, SIDNEY A.*
Siegel & Co.
New York City

SIMMONS, HARRY*
Simmons & Co.
New York City

SMITH, BURTON*
Donald C. Sloan & Co.
Portland, Ore.

SMITH, JOSEPH E.*
Newburger & Co.

SMITH, ELDREDGE H.*
Stryker & Brown
New York City

SNOODGRASS, CHARLES K.*
Peters, Writer & Christensen, Inc.
Denver, Colo.

SPARKS, RUSSELL R.
Barrett, Fitch, North & Co.
Kansas City, Mo.

STAHN, J. F.*
Gee, Eustis & Co.
Cincinnati, Ohio

STEINS, JOHN R.*
Wm. V. Frankel & Co., Inc.
New York City

STEVENS, J. F.
Waddell & Reed, Inc.
Kansas City, Mo.

Thompson, CHAS. M.*
Pierce, Carrison, Walbern, Inc.
Jacksonville, Fla.

Thompson, WM. S.*
Carr & Thompson, Inc.
Boston, Mass.

THORSEN, LESTER J.
Glore, Forgan & Co.
Chicago, Ill.

TICH, ALFRED F.*
Fitzgerald & Company
New York City

TODD, LOUIS, Jr.
Jack M. Bass & Co.
Nashville, Tenn.

TOPOI, ROBERT M.*
Greene & Company
New York City

THOMPSON, CHAS. M.*
Pierce, Carrison, Walbern, Inc.
Jacksonville, Fla.

THOMPSON, WM. S.*
Carr & Thompson, Inc.
Boston, Mass.

THORSEN, LESTER J.
Glore, Forgan & Co.
Chicago, Ill.

TICH, ALFRED F.*
Fitzgerald & Company
New York City

TODD, LOUIS, Jr.
Jack M. Bass & Co.
Nashville, Tenn.

TOPOI, ROBERT M.*
Greene & Company
New York City

brokers - trading markets retail distribution.
Bell System Teletype SF 79
Private wire to: GOLDMAN, SACHS & Co., New York
TURKER-PONDHESTER & Co., Los Angeles

Specialists in Western Securities

فشل في التقاط الصورة
Mr. & Mrs. Charles G. Schuyer, Wm. H. Tagmayer & Co., Chicago; Mr. & Mrs. Edward V. Valinty, John Nuneen & Co., Chicago

TORPJE, JAMES V.*
Torpie & Saltzman
New York City

TORPJE, ROBERT A.
J. C. Bradford & Co.
New York

TRAVISS, JAMES A.*
Davidson & Co.
Toronto, Ont.

TRIPPE, JOHN M.
Allen Investment Co.
Denver, Colo.

VALLELY, EDWARD V.*
John Nuneen & Co.
Chicago, Ill.

* Denotes Mr. and Mrs.

WAKELEY, THOMPSON M.*
A. C. Allyn & Company
Incorporated
Chicago, Ill.

WALDRON, STANLEY*
Merrill, Lynch, Pierce, Fenner & Smith, Inc.

WALKER, GRAHAM*
Dempsey-Tegetet & Co.
New York City

WALLINGFORD, CHAS. L.*
Jannen, Dulles & Battles, Inc.

WALSH, RICHARD*
Newhard, Cook & Co.
St. Louis, Mo.

WALSTON, CARL R.
Walston & Co., Inc.
New York City

WARDLEY, RUSSELL
Fulton Reid & Co., Inc.
Cleveland, Ohio

WARNER, GEORGE
Allen Investment Co.
Denver, Colo.

WEATHERSTON, JOHN S.*
J. B. Phillips Investment Co.
Houston, Texas

WEIGNER, ARTHUR
Lehman Brothers
New York City

WEINBERG, SAMUEL*
New York City

WEISS, MORTON*
Singer, Bean & Mackie, Inc.
New York City

WELCH, EDWARD H.*
Sincere & Company
Chicago, Ill.

WELSH, HENRY C., Jr.*
Lillie & Co.

WERNER, RICHARD J.*
Burton J. Vincent & Co.
Chicago, Ill.

WHITE, JULIAN M.*
White & Co.
St. Louis, Mo.

WILEY, DAVE, Jr.
Wiley Bros., Inc.
Nashville, Tenn.

WILLIAMS, ROBERT*
Weeden & Co.
Chicago, Ill.

WILLIAMSON, E. COIT*
Schmidt, Roberts & Parke

WILSON, HARRY J.*
Harry J. Wilson & Co.
Chicago, Ill.

WITTICH, WILBUR R.*
Grimm & Co.
New York City

WOOLAM, ALBERT G.*
Clayton Securities Corp.
Boston, Mass.

WRIGHT, WM. L.*
Lester, Ryons & Co.
Los Angeles, Calif.

YOUNG, PHILIP M.*
Refines; Ely, Beck & Co.
Phoenix, Ariz.

ZIMMERMAN, W. J.*
Bingham, Walter & Hurry
Los Angeles

ZINGRAF, CHARLES M.
New York City

Wholesale and Retail Distributor
LIFE, FIRE AND CASUALTY INSURANCE STOCKS
WEST COAST SECURITIES

WALTER C. GOREY CO.
130 Wells Building, San Francisco 4
YUkon 6-2332
Teletype SF 1011 & 1012
Wire System — John C. Legg & Company, Baltimore & N.Y.C.
Truter, Singer & Co., N.Y.C.

PACIFIC COAST MARKETS

WULFF, HANSEN & CO.
EST. 1931
RUSS BUILDING, SAN FRANCISCO 4
COLLINS, MACRAS, Jr., CO.
CURTIS PAULSEN
JAMES D. HANSEN
Wire System
GREGORY & SIMS, NEW YORK CITY
Members N.Y.B.E.
With direct and connecting wires to other trading centers

Primary markets in over-the-counter securities

GAS • OILS • ELECTRONICS • UTILITIES
NATURAL GAS TRANSMISSION LINES
CALIFORNIA INDUSTRIAL, AND BANK STOCKS

J. BARTH & CO.

DIRECT LEASED WIRES TO
Refines, Ely, Beck & Co., Phoenix, Ariz. • James P. Speer & Co., Santa Fe, N.M.
San Francisco • Los Angeles • Honolulu • New York

75 years of service for Western Investors

UNDERWRITERS AND DISTRIBUTORS IN THE NATION'S GROWTH MARKET

FIRST CALIFORNIA COMPANY
INCORPORATED

MEMBERS: Pacific Coast Stock Exchange — Midwest Steel Exchange — American Stock Exchange (Associate)
SAN FRANCISCO: 300 Montgomery Street, Teletype SF 835 • LOS ANGELES: 647 South Spring Street, Teletype LA 151 • PRIVATE WIRES TO NEW YORK AND ALL DIVISION OFFICES
Offices serving investors throughout California and Nevada
A Time for Critical Decisions

Continued from page 15 always been directed by the government. Even in 1914 the Russian government was the largest employer of labor and the largest landlord. When the Communists came to power in 1917, they did not change the historical pattern under which the Russian people had lived. However, the revolution in 1917 made one extremely significant and far-reaching change, and this was the determination of the ruling party to impose upon the Russian economy a rigid framework of state planning. This was a drastic departure from the past.

Since 1917, Soviet Russia has been organized on the principles of placing the entire economy, including family life, education, agriculture, industry, and even letters, science and the arts into a planned pattern of economic development. The Kremlin authorities are determined to make tremendous gains rapidly, even if it means the loss of freedom and compelling people, especially the satellite nations, to follow a course which they would not themselves choose.

The American process of growth may be slower and almost haphazard and casual in some respects, but it is deeply rooted because the people themselves are making the decisions which determine the direction and pattern of economic growth.

If the ultimate survival of these two states is to be determined by military force, it will probably be complete and mutual destruction. If economic competition is the route chosen, the United States has certain significant advantages. We have a larger population, a larger area, and a larger amount of capital. Our people have been used to working for themselves and have a sense of economic independence. We are more democratic, and our system of government is more stable. We have a larger amount of technical knowledge, and we are more adaptable to change.

However, if economic competition is the route chosen, the United States has certain significant advantages. We have a larger population, a larger area, and a larger amount of capital. Our people have been used to working for themselves and have a sense of economic independence. We are more democratic, and our system of government is more stable. We have a larger amount of technical knowledge, and we are more adaptable to change.

Sketches Certain Facts

In order to understand the Communist challenge, we must recognize certain facts. Russia has the world's largest unbroken land mass under one flag. Her land area is approximately two and one-half times that of the United States. The Soviet population of 208 million compares to 170 million for this country. We shall not be able to exceed her in the size of her land area, her population or her labor force. She is one of the wealthiest nations in the world in minerals. She has a large part of the entire world's timber reserves. We cannot assume that if her people work hard for long hours, restrict their consumption of consumer goods, save and invest heavily in the expansion

Mountain Fuel Supply Company, Salt Lake City, Utah, reports:

Another Year of Outstanding Growth in Utah-Wyoming Area

Engaged in the production, transmission and distribution of Natural Gas now serving 82 communities in the rapidly expanding inter-mountain region.

Highlights of 1958 (end comparison with 1957)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Gas Operations</th>
<th>Net Income</th>
<th>Net Income per Share</th>
<th>Dividends per Share</th>
<th>Book Value per Share</th>
<th>Number of Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1958</td>
<td>$26,088,644</td>
<td>$3,438,800</td>
<td>$1.57</td>
<td>$.90</td>
<td>$18.87</td>
<td>155,444</td>
</tr>
<tr>
<td>1957</td>
<td>$22,520,075</td>
<td>$3,754,434</td>
<td>$1.72</td>
<td>$.90</td>
<td>$18.50</td>
<td>144,341</td>
</tr>
</tbody>
</table>

Mountain Fuel Supply Company
180 East First South Salt Lake City, 10, Utah
tion of her basic industry that she will not have remarkable economic progress in the years immediately ahead. It is not prudent for us to assume that the economic principles which gave our people such rich economic rewards will not operate in Soviet Russia. It is not wise to assume that she will eventually have trouble with Communist China or with her own people, and that her challenge to our institutions and to the Free World can be lightly dismissed. This is folly. Soviet Russia is already the second nation in the world, after the United States, in the production of steel. Her steel production exceeds that of West Germany and the United Kingdom combined. When the Russians began their first five-year plan in 1928, they produced only 4 million tons (metric ton = 2,204.6 lb.) of steel. In 1958, they produced 85 million tons and in 1959 will produce an estimated 80 million tons. The goal for 1965 is 165 to 100 million tons. Russia is second in the production of electricity and third in aluminum. The rate of increase in her industrial production over the last ten years has been estimated at 12% a year compared to about 3½% here. The increase in Soviet labor productivity has been estimated at about 6% a year compared to 2½% annually in the United States. Soviet Russia has made important economic progress since 1917. The major economic polity objectives of the Soviet Union are unmistakably clear. The government will restrict the production of consumer goods and pare its savings into the expansion of industrial equipment and plant in its determination to build economic power as rapidly as possible. Science and military production will also be given priority. The people will be promised enough goods to prevent unrest, and their standards will be allowed to improve slowly. In those areas where the Soviet authorities choose to excel, they will concentrate their efforts to surpass the United States. For example, they will concentrate on steel production and machine tools and give far less effort to automobiles, television sets and textiles. They will prop packets into space and amaze the world, while millions of families lack individual kitchens and bathrooms, electrical appliances, adequate housing, and satisfactory footwear and textiles. If desirable, they will export products below their cost of production in Russia which no private economy can do. For example, they will sell a product for $8 that costs them $10 to produce. If they can then take the $8 and buy a product abroad that costs them $14 to produce at home, they will gain. They may also export at a loss for a time in order ruthlessly to destroy the markets of another nation. These losses are absorbed by the Russian economy as a whole rather than by one exporter.

We must recognize also that the Soviet Government has control of the resources and people of East Germany, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania, Estonia, Latvia and Lithuania. Some of these countries with important resources, skilled workers, and highly efficient industries are making contributions of great value to the strength and economic power of Soviet Russia. We are therefore confronted with a challenge of great magnitude and one in which our entire way of life may be at stake. What are some of the steps we must take to be certain that we maintain the economic strength of our country, give strong leadership to the Free World, and help the under-developed nations to recognize the ideals of freedom, human dignity and constitutional government which are even more to be sought than goods or guns? We shall consider three areas.

We Need More Self-Reliance

FIRST — Since the establishment of the United States, the role of government has grown steadily larger. Today there are scores of government agencies which regulate almost every important segment of the American economy. An objective analysis of the historical trend of the role of government indicates that it will grow larger, not smaller, in the years ahead. With great modern, power-driven, mass production industries, with great organizations of labor that have the power to shut down production across the nation and with the Soviet Union challenging us as an economic and military power, it is highly improbable that government will return to the simple role of colonial days, However, if capitalism is to function at its best, it needs the utmost freedom consistent with the complex interdependence of modern life.

Millions of Americans condemn the expanding role of government. Continued on page 90
A Time for Critical Decisions

Continued from page 89

They cry out against increasing government expenditures, unbalanced budgets and high taxes. At the same time through their representatives in Congress they demand of government vast new services, Federal aid, price supports, stockpiling of products on a gigantic scale, bonuses, subsidies, easy credit and low interest rates. Scores of Federal agencies regulate almost every important sector of the economy. Approximately 100 Federal programs provide aid for states. We persist in indulging in the illusion that Federal aid does not come from local taxpayers. A critical analysis of the trend to an increasingly larger role of government offers little encouragement to those who believe that government should perform essentially only those functions which individuals, businesses and communities cannot perform, or cannot perform as well as government. If this trend is to be halted we need to show some restraint in running to government. We need far greater self-reliance, or we may slip more and more of the private economy of the United States and find ourselves finally embracing the economicsocialization which now characterizes the communist world.

SECOND—We need to look at our budget and fiscal problems. During the greater part of the history of the United States, the budget and fiscal policy of the Federal Government rested squarely on two major ideas: first, the budget should be balanced annually; and, second, any public debt should be retired as rapidly as possible. These were the policies for almost a century and a half. However, since the 1930's there has been a far-reaching and fundamental change in these concepts. The budget and fiscal policy of the Federal Government in the last twenty-five years has been based on the idea of using government revenues and expenditures to lessen the fluctuations of the business cycle and to provide economic growth with stability. Fiscal policy is expected to play a role in curbing inflation and in lessening depression. The levels of unemployment, industrial production and national income are all to be considered now in budget and fiscal policy. In general, the budget is to show a surplus with the retirement of debt in good times and a deficit with increasing debt because of heavy cyclical spending in periods of depression.

Nevertheless, the record indicates that in eight of the last twelve years we have had budget deficits and the Federal debt has increased over $35 billion. Federal expenditures reached their lowest point since World War II in 1948 when they were $18 billion. Today they are approximately $80 billion. The Federal debt stood at $352 billion in 1948 and is $289 billion now. Until the 1890's the debt of the United States increased only in time of war.

One may ask whether we are now undergoing another fundamental change in the philosophy underlying the budget and fiscal policy of the country. Instead of an occasional deficit resulting from heavy spending by the government to offset the effects of a business decline, are we now willing to have deficits with increasing regularity because of the demands of our people for services, subsidies, and benefits from government? Do repeated deficits reflect a deterioration in the ability or in the willingness of the people to pay for the expenditures they demand through the Congress? Do deficits reflect the willingness of the Congress to approve spending programs they believe the people desire but an unwillingness to present the bill for these expenditures to the people? Are these the interpretations we must put on a failure to balance the...
budget in good times with a surplus to carry us through periods of business decline when budgets generally show deficits? Even with our gross national income approaching $500 billion annually, we are not certain of a substantial surplus in the Federal budget. We are hopeful that with good fortune Federal revenues may increase sufficiently to balance the budget in June, 1960. But we now retreated historically to the position that with good fortune budgets will just be balanced in prosperity and that we shall have deficits and a steadily increasing Federal debt when business declines. Certainly one now hears little, or nothing, of any plan of debt reduction. How is a Federal debt of $289 billion to be managed, and the currency kept sound unless the people and the Congress are determined that in good times at least the costs of government must be paid and a surplus provided?

THIRD — Our position as the principal economic power of the world may lead us to indulge in unwarranted complacency and to entertain a number of questionable assumptions. For many years we have assumed that we excelled in the world in technical and productive skills and that this leadership was certain to continue. We have also assumed our foreign trade was so small in relation to our total output of goods and services that it was not significant. We conceded that other nations whose foreign trade was equal to 25 to 50% of their total output of goods and services were compelled to export in order to live. However, we assumed that for us the American market was overwhelming in its importance this contrast to foreign markets. We likewise assumed that the real problem in foreign trade was the inability of foreign nations to buy our products and not the possible ability of the United States to pay for foreign raw materials and products we require. Our position in foreign trade today. There are a number of indications that our technical and productive skills are being matched or excelled by industry in other countries, and that we are losing some markets, even in nations where industry is in the early stages of development such as Brazil. A great deal of the productive capacity of Europe and Japan was destroyed in the last war. Our industrial leadership for some years was not seriously threatened, but today our competitors are strong, and they operate in some cases with newer equipment than ours. For at least five years our relative share of the industrial production of the world has been declining. Our exports of manufactured goods have not gained as rapidly as world exports.

Our policy of supporting prices in agriculture has made it possible for other nations whose costs are higher to come into production and undersell us in markets where we sold our products. To move our agricultural products at the lower prices prevailing in world markets, our government sells at a loss which the taxpayer pays. In addition, we consume vast quantities of raw materials, and it is a certainty that we shall be compelled to import a greatly increased volume of these materials. In 1957, we imported 27% of the iron ore we used, over 46% of the copper, almost half the lead and close to 40% of the zinc we needed. Chemicals, tin, nickel and aluminum were other large imports. We need to expand our exports to pay for imported raw materials. Otherwise, we shall have to pay gold or further increase the dollar holdings of the rest of the world. Our excess of exports of goods and services over our imports are running at the rate of approximately three billion dollars a year. However, we make three large payments abroad: (1) military expenditures of over $1 billion; (2) an outflow of $2 billion of private capital; and (3) United States Government loans, grants, and an outflow of other capital of $3 billion — making total payments abroad of $7½ billion, or 4½% in excess of our income from abroad. This is a substantial deficit.

In 1958, our balance of payments deficit was $3.5 billion. This was met largely by a withdrawal of $2.3 billion in gold by foreign nations and an increase of $1.2 billion in the short-term assets these nations hold here. These gold withdrawals were the largest in any one year, but they were not large in relation to our total gold holdings of over $39 billion at the time, and they were not a matter for major concern. Furthermore, these withdrawals did strengthen some nations, and in the present world struggle other areas of economic strength in the Free World are an asset to us. The gold withdrawals so far in

Continued on page 92
Continued from page 91
1959 have been less than in 1958, but the balance of payments deficit now running at a rate of $4 billion annually is greater. This deficit may not presently pose an urgent problem, but it is questionable how long such a deficit can continue before we shall have to reduce our expenditures abroad or make other major adjustments.

A continuance of our balance of payments deficit, or an increase in the deficit, may tend to maintain upward pressure on interest rates in order to discourage the movement of capital abroad. This would also be true if there were any evidence of a loss of confidence in the dollar as indicated by the outflow of gold.

In addition to the problem of large payments abroad, it is apparent that our foreign trade may also become a matter of critical concern to us. The American market is the largest in the world, but unless we can sell our goods and services abroad in increasing volume we shall be unable to buy the raw materials and goods we must import to keep our economy operating and expanding. We shall therefore have to seek foreign markets more aggressively in competition with nations now operating with efficient, low cost equipment.

It is not impossible that the United States may now be entering a new historical period in its balance of payments position as a nation with a very large deficit. Its balance for commercial transactions is still favorable, but its total balance of payments position is now running a substantial deficit resulting in the transfer to the rest of the world of gold, and various types of short-term obligations at a rate of $4 billion annually.

The Secretary of the Treasury has wisely stated in a recent address that there must be a "new determination by all the industrial countries to face the common obligation to share in the task of providing capital to the less developed parts of the Free World." He also urged the elimination of discriminatory restrictions against imports from dollar countries. This is commendable Bankers.

It is perfectly clear that it is the steps which the Secretary of the Treasury has suggested do not correct our balance of payments deficit other less desirable steps will inevitably press for attention. The balance of payments problem is a new one for our people and it is one of the most important because it may require a greater degree of economic discipline than we have ever experienced.

We are in a time-requiring critical decisions. May I state con-
mand still larger budgets and increased spending would be more impressive if they also demanded balanced budgets instead of asking for government projects and benefits for which they are unwilling to pay.

We also need far better estimates in the Congress of the ultimate costs of projects undertaken in periods of business decline. Projects are approved for small initial expenditures which later involve enormous sums, greatly aggravate the problems in a boom and lessen the effectiveness of monetary policy. In a recession we ought only to undertake practical projects that can be rapidly initiated and completed, ordinarily within a year and a half.

SECOND—Remove the ceiling on interest rates on longer-term Federal securities so the major capitalist power of the world can manage its debt properly through the savings of its people and not add to inflationary pressures by financing deficits through short-term financing in the banks. We have no right to hold the Federal Reserve System responsible for correcting through monetary policy the problems of fiscal policy which we ourselves create by budget deficits in good times, or by a refusal to permit the payment of the going interest rates in the money markets.

Removing the interest rate ceiling will help to put an end to the profitable search for means to make Federal securities attractive without squarely facing the facts. The essential facts are that Federal securities are attractive to investors when the government shows a firm and unmistakable determination to live within its income, provides suitable maturities and pays the interest rates prevailing in the market. These are the simple fundamentals. There are no substitutes for these fundamentals. As the greatest capitalist nation in the world, we need to quit playing hide-and-seek with the principles of sound financial policy.

THIRD — Reduce sharply the expenditures under the farm programs that now encourage production of agricultural products for which there is no market except a government stockpile. With a Federal deficit of $200 billion and a record of deficits, we can ill afford to penalize the consumers of this country and build agricultural stockpiles costing over $3 billion of the taxpayers' money.

FOURTH — Reduce the corporate income tax rate of 52% which at present makes the interest of the Federal Government in business greater than that of the stockholders. By charging to government over half of many business costs, including wages, we lessen the management discipline needed to operate a business at the highest efficiency and we encourage inflation.

We must keep clearly in mind also the objective of ultimately reducing personal income taxes so the people can save more and can further raise their standards of living. We shall need an incredible volume of savings in the years immediately ahead. If American industry is to modernize and expand its plant in order to keep its economic leadership in the struggle with communism.

FIFTH—Eliminate every form of waste and extravagance both in government and in the private economy. This includes, for example, the elimination of featherbedding in any industry where it exists. In our economic competition with the Communist World and with highly efficient industry in nations of the Free World, it is completely inexcusable to waste human lives which are the nation's most valuable resources.

SIXTH—Sell American goods far more aggressively in foreign markets in order to end the deficit in our foreign payments and assure the foreign income necessary to pay for the vastly increased... Continued on page 94
A Time for Critical Decisions

Continued from page 93

Foreign raw materials we shall need.

The United States has strongly supported the reciprocal trade agreements program. At present, it would be well to stress that we do not look with favor upon the policy of those nations which restrict the import of American products by quotas, tariffs, taxes or other devices. We ask no favors in foreign markets. We ask only the right to compete. It is one thing to compete on a reciprocal basis in foreign nations, even if we are not successful in competition. It is an entirely different matter to be denied even the opportunity to compete fairly.

In this connection, we should note that the European common market has the possibility of becoming a highly successful economic venture. If the countries in the Common Market are joined by the Outer Seven nations, they may become the greatest market the world has ever known. They could offer exceedingly difficult competition to American industry. However, if we combine highly efficient, low cost industry with aggressive foreign marketing, this potential new market in Europe will offer unusual new opportunities to American business.

SEVENTH—Determine whether there are now monopoly powers in labor or business which operate to the serious detriment of the national economy. We have legislation which deals with possible monopoly in business. However, today we have big labor as well as big business. If labor has reached a position where it can exercise undue influence in excess of overall productivity and thereby inflate the cost of living for every American consumer and jeopardize the markets for American products abroad, it will be in the interest of labor and of the American people to take first steps to correct this situation. We are in a world struggle for survival, and we cannot afford the luxury of monopoly which weakens us in any sector of the nation.

EIGHTH—Reassess the Federal program of foreign grants, aid and loans, and charge one person in the government with the complete responsibility for coordinating and supervising all economic programs of the United States over the world.

In view of the large deficit in our balance of payments and the world-wide economic program of communism, we need to reassess critically every aspect of our grant, aid and loan activities. The mechanics of these activities may perhaps continue to be handled in the present government depart- ments and agencies, but the over-all direction would be more efficient and effective if one person had the full responsibility for coordinating and waging our economic offensive. This would also include the extremely important responsibility for expanding our foreign trade.

Perhaps we need also to consider establishing the policy that nations making purchases from a nation with adequate gold and hard currency balances should arrange financing terms with the seller nation and not expect to use American loans or grants.

NINTH—Revise the tax laws relative to depreciation to permit the earlier replacement of obsolete equipment. This will help to make American industry the most efficient, low-cost industry in a highly competitive world. It will also raise our own standards of living. We are the only large industrial country which has not modernized its tax laws in a major way to encourage heavy capital expenditures. The plant and equipment of the United States may well be the single most important factor in determining whether we shall meet successfully the economic challenge of Soviet Russia. A reduction in our present rate of 2 to 5% of unemployment to a more normal figure of 4% is highly desirable and will undoubtedly be attained. However, this achievement will provide only a relatively small one-time increase in production. With a Russian population of 200 million compared to our 175 million, we cannot excel in the size of our labor force. If we are to increase our output of goods and services per man-hour, which is the real test, it is imperative that we increase the size and efficiency of our capital equipment. This means we need to encourage savings for investment and the assurance that the purchasing power of the dollar will remain reasonably stable.

TENTH—Oppose vigorously
those who would fan the fires of inflation by pleading for easy money and low interest rates in the times of business boom when the best interests of the nation require a policy of restraint in the money markets. This question of easy and cheap money may become a crucial issue in the months ahead. Once a nation embarks on this policy in a period of business boom and adds to inflation as it proceeds, monetary history indicates that it becomes almost impossible to bring the policy to an end before a disastrous and sobering experience.

Our decisions on these critical problems will play a significant role in determining how we meet the economic challenges now confronting us. Although we must be strong in military defense, it seems certain that the struggle for world leadership will be determined to a significant degree by economic power.

The enlightened capitalism of this country has given us the highest standards of living in the world. It has made this nation the greatest economic power in the history of the human race. There are those who believe that the incredible material riches which it has brought our people may ultimately be the source of their greatest weakness.

If Russia with its bleak and barren materialism becomes in history the blindly insane who pushes down the economic temple of the capitalist world, it will be because weaknesses had developed in the temple before the shoulders of communism were brought against its pillars. It will not be because of the spiritual and secular strength of communism. It will not be because communism has subordinated man and exalted the state. It will be because we have failed. It will be because our ideals, our vision, our character and our minds were not equal to the challenge of democracy, freedom, and modern capitalism with its sense of social responsibility.

From the Declaration of Independence to the present day, our people have found an enriched and expanding life in the American tradition of private enterprise and political freedom. We are heirs to a priceless and costly legacy. In our hearts we know that there are no easy devices by which men or nations attain distinction and greatness. We know that sound economic and fiscal policies require principles to which men hold fast. We know that hard work and thrift require character. We know that balanced budgets rest on financial integrity.

We shall never become a nation of satisfied slaves striving solely for goods and guns. We must continue to be a nation of creative free men striving through a constantly improving economic order and political statesmanship to achieve a noble society in which the finer values of man's spirit may flower. If we have the courage to make the right decisions in these times, and if we have an abiding faith in these ideals, we shall have an inner serenity and a confident assurance as we confront the difficult problems of our time.
Inflation Can Be Licked

Continued from page 14 in this country which would tend to make the price rise gradual—namely, our enormous capacity to produce, the increasing impact of foreign competition, and so forth.

Has Inflation Already Been Licked?

As I indicated earlier, there has been a tendency for many economists in the past year to attach less and less significance to the "creeping inflation" argument. Consequently, many economists would even regard the title of my paper as being out of date. They would think that I should not be asserting that inflation can be licked, but rather that it has already been licked. I would like then to consider briefly the question: "Has inflation already been licked?"

Those who express confidence that inflation has already been licked are apparently basing their opinion mainly on the behavior of the general price level in the past several months in the face of a strong general business recovery. The facts are that during the period from May 1945 through May 1949, the Consumers' Price Index moved within the very narrow range of 123.6 to 124. The general level of prices has moved upward again slightly in the past few months, but there has never been a remarkable degree of stability in the overall Consumers' Price Index during the past year and a quarter. The reasons advanced most often to explain this stability, in the face of a strong general business recovery, are (1) an effective policy of monetary restraint, (2) the virtual elimination of the huge Federal deficit, (3) a more vigorous effort by industrial management to resist excessive wage and fringe benefit demands, and (4) increasing competition from abroad.

In appraising the stability of the general price level during the past year and a quarter, it is important to understand that stability in the overall Consumers' Price Index has masked divergent movements of the component parts of the index. For example, during much of the period the prices of services such as transportation, medical care, and recreation continued a significant advance, but their rise was offset by declining food prices, which in the past few months have again turned upward.

I believe that the behavior of the general price level in the past year and one quarter, however promising, still leaves much to be desired so far as proving that inflation has been licked is concerned. Since the end of World War II the Consumers' Price Index has risen 60%. Three-quarters of this rise took place in the movement being only from...
113.5 to 114.5 in 1955. However, beginning in early 1956 the general price level moved upward again gradually and by late 1958 had risen about 10%.

Consequently, as we look at the movement of the general price level since the second World War, it is clear that the past 15 years have been characterized by bursts of inflation in certain boom periods, but there have been periods of great stability of the general price level.

As we look ahead in the next several months, there are good reasons to fear that upward pressures on the general price level may resume. We are beginning to have some of the main ingredients for rising prices. These are, in the main, very high employment of labor and other resources, unprecedentedly high personal incomes and strong demand pressures in the consumer and capital goods industries. So, it is my conclusion that inflation has not yet been licked and that it would be a mistake to relax our guard against it. I think, however, that the inflation can be licked, and I would like to turn now to what I regard as the basic program for defeating inflation.

The Basic Ingredients for a Successful Fight Against Inflation

What are the basic ingredients for a successful fight against inflation in this country? They are to be found mainly in a well-coordinated program in the area of (1) monetary policy, (2) fiscal policy, (3) Federal debt management policy, (4) wage policy, and (5) improved public understanding of the restraints needed to avoid inflation.

Monetary Policy. First, let us take a look at monetary policy as a means to preserve a reasonable stable dollar. The Federal Reserve authorities have had their impact upon the national economy and the general price level, as well known, through their ability to influence the available supply of bank credits and thus the money supply of the country. The basic objective of the monetary authorities has been to regulate the availability of credit and the money supply for the benefit of the end of encouraging "sustainable economic growth." That is, the monetary authorities have desired to promote maximum growth, but they recognized that growth in a boom period, followed by a bust, is not growth on a sound basis. They have also recognized that growth through inflation is a delusion and cannot be sustained on a sound basis. They clearly understand that inflation is the enemy of economic growth.

I believe that sound monetary policy is the keystone of a successful fight against inflation. At the same time, monetary policy cannot do the job alone, as the authorities have stated many times, and must be aided by co-ordinated efforts in other areas of Government policy, as I shall discuss presently.

Pegged Par Value Issue

During the postwar period, and particularly since March, 1951, when the Federal Reserve was relieved of the responsibility of supporting the prices of government bonds at artificially high levels and thereby feeding the fires of inflation, the monetary authorities have done an exceedingly able and dedicated job of working for sustainable growth under conditions of reasonable general price stability. The nation has been most fortunate indeed that in recent years the Federal Reserve authorities have had the freedom to carry out their policies in the broad public interest without undue political influence. This is not to say that the

Continued on page 99

We Invde Your Inquiries IN BALTIMORE AND MARYLAND SECURITIES

STEIN BROS. & BOYCE
A Baltimore Institution since 1883
6 S. Calvert Street, Baltimore 2, Maryland
Phones: Baltimore—SAn Diego 7-8400; New York—ERect 2-3327
DIRECT WIRES TO ALL OFFICES—
LOUISVILLE, KY.       NEW YORK, N. Y.
CUMBERLAND, MD.       EASTON, MD.
PADUCAH, KY.          NASHVILLE, TENN.
MEMBERS OF NEW YORK STOCK EXCHANGE and other leading exchanges

To N.S.T.A.

Congratulations on twenty-five years of service to the industry of which we have been proud to be a part since its inception.

ROBERT GARRETT & SONS
ESTABLISHED 1840
"Build for the Future by Investing in America"

MEMBERS
New York Stock Exchange
American Stock Exchange (Associate)
Philadelphia-Baltimore Stock Exchange

Redwood & South Sts. 115 Broadway
BALTIMORE 3, MD. NEW YORK 6, N. Y.
MULberry 3-7600 BArclay 7-1919

Private Wire Between Baltimore and New York Offices

ALEX. BROWN & SONS
Established 1860
Members New York and Philadelphia-Baltimore Stock Exchanges

BALTIMORE
New York    Easton    Frederick    Towson
Washington    WInston-Salem

BROKERS AND DEALERS
Municipal and General Market Bonds
Baltimore Bank Stocks and Local Securities

Baltimore: CHASE STREETS, BALTIMORE 1, MD.
New York: 10 Wall St., New York

DIRECT WIRES AND CABLES

JOHN C. LEGG & COMPANY
Established 1858
Members New York Stock Exchange American Stock Exchange (Associate)
Philadelphia-Baltimore Stock Exchange

Samuel Coggeshall & Co., San Francisco

New York Stock Exchange
American Stock Exchange (Associate)
Philadelphia-Baltimore Stock Exchange

DIRECT WIRES AND CABLES

F. S. Mealey & Co., New York

Tampa, Fla., Odess

Corporate and Municipal Securities
Active Markets in Local Securities

Mead, Miller & Co.

Members
New York Stock Exchange American Stock Exchange (Associate)
Philadelphia-Baltimore Stock Exchange

CHARGES & CHASE STREETS, BALTIMORE 1, MD.

Direct Wire to: New York Correspondent
Carl M. Leeb, Rhoades & Co.

DIRECT WIRES AND CABLES
Inflation Can Be Licked

Continued from page 97

monetary authorities have always been correct in the timing of their policies and in the speed and strength with which they have acted to ease or restrain the availability of credit as their best judgment indicated. The Federal Reserve officials have frequently been their own strongest critics. What I would like to emphasize is that the Federal Reserve has been free to determine and carry out its policies in the broad public interest—in the interest of sustainable growth—without domination by narrow political or pressure group considerations. The country has been blessed by able and courageous leadership on the part of the Federal Reserve authorities. I would say that the prime ingredient of a successful fight against inflation is to maintain a high-cadence Federal Reserve Board, free to conduct its policies without dictation from any political group.

I emphasize this point because we are now witnessing a threat to the independence of the Federal Reserve. Sound monetary policy does not often win many votes. For some months the restricted monetary policy of the Federal Reserve has been a factor behind the rise of interest rates. This interest rate rise is the product of many forces—primarily the heavy private and public demands for loanable funds, and the declining appetite of investors for fixed income investments as prices are expected to rise. There is no doubt, however, that the Federal Reserve restriction of the availability of bank credit has played a role in rising interest rates.

In recent weeks the Federal Reserve has come under a shameful attack in certain quarters of Congress. As interest rates have risen, the prices of government bonds and other interest-bearing obligations have naturally declined. The monetary authorities have been subjected to bitter criticism because they have not proceeded to buy government bonds to aid in halting their price decline. This has been bitterly criticized because they have not moved to ease the availability of credit to halt the rise of interest rates.

I cannot say too strongly that it will be a sad day for this country if the monetary authorities are stripped of their responsibility to regulate the money supply of the country in the public interest and in the interest of sustainable growth. If we have a recession if they are made subservient to the easy money advocates in the Congress. The experience since 1901 indicates that the rise caused by non-inflationary policies and a recessive growth is a recessionary and inflationary one. This is an aspect of the effective way in which the monetary forces have been checked in the past several years, and the conviction that they have broad and deep public support, that I am encouraged to believe that monetary policy can and will be used as a powerful tool to defeat inflation.

Fiscal Policy. But, as important as monetary policy is in combating inflation, it must be accompanied by sound fiscal policy by the Federal Government. By sound, I mean that under economic conditions such as present, with inflationary forces gathering strength, the Federal Government should not only balance its budget—it should be running at least a modest surplus and retiring short-term debt.

Budget Surplus in Good Times

I have been very encouraged by the way in which the government has made efforts to get federal spending under control. The accomplishment has not been sufficiently recognized. When, in the latter part of 1957 and in early 1958, general business activity turned downward, it was recognized that a deficit of very substantial proportions would be required to depart from the mere dropping off in revenues as corporate earnings and individual incomes declined. What is often forgotten, however, is that in early 1957 there was a lot of powerful support for aggressively promoting an even larger Federal deficit by expanding government spending for public works and similar devices. There was also strong support for tax cuts as an antidote to recession.

Certainly, as events have turned out, the government has done great credit for having had confidence in the normal recuperative powers of our economy and for having resisted an even larger Federal deficit than the huge $13 billion deficit which occurred anyway as the result of declining revenues.

There is little doubt that even the $13 billion deficit in fiscal 1959 complicated the inflation problem. We can appreciate how much worse it would have been if the deficit had been larger. The general price rise which occurred in the first half of 1958, in the face of a general decline in business, probably reflected an inflation psychology impounded by the Federal deficit. Certainly, the need for the U.S. Treasury to finance this deficit has complicated the task of the Federal Reserve authorities in controlling the supply of money because so much of the Treasury financing has had to be done with the commercial banks or at least in "near-money" short-term securities.

There now seems a good chance that the fiscal 1960 Federal budget will be brought into balance. I have been greatly encouraged by the strong efforts which have been put forth to hold down Federal spending. We need to do more, as I said earlier, because in a period such as this the Federal Government should show a surplus. Nevertheless, I have been impressed by the way the general public has become aroused in support of reducing Federal spending, and for the first time in a long while we can be more optimistic that determined efforts will be made to maintain the Federal budget on a sound non-inflationary basis.

Debt Management Policy.

A third major ingredient in a successful fight against inflation is sound management of the Federal debt. It is in this area that we have our most difficult problems today. In brief, the situation in which we find ourselves is that between now and the end of this year the United States Treasury will be required to borrow $14 billion of new money to meet a seasonal deficit and attrition in the refinancing of maturing issues. In addition, the Treasury has an enormous amount of short-term debt which comes due and must be refinanced in the next several months. The market financing which lies ahead, it would be highly desirable for the Treasury to take advantage of every possible
chance to sell longer-term bonds to investors other than the commercial banks. The reason, of course, is that the sale of government bonds to the commercial banks tends to be inflationary because in making their purchases the banks create new money. On the other hand, sale of government bonds to nonbank investors is not inflationary because the Treasury draws on existing money—savings—and there is no increase in the money supply.

Interest Ceiling on Government Bonds

At the present time, unfortunately, the Treasury cannot borrow through the issue of long-term bonds. The reason is that under existing law, going back to World War I, there is a ceiling of 4 1/2% on the interest rate which the U.S. Government may pay on bonds with a maturity of five years and over. Due to the rise of interest rates since the middle of last year, the Treasury would be required to pay more than 4 1/2% in order to find a market for longer-term bonds. Thus, under existing law, the Treasury is foreclosed from selling securities with maturities of five years and over.

I would like to say, parenthetically, that the fundamental reasons why interest rates have been rising are two, namely, (1) the great demand for loanable funds throughout the country for finance homes, businesses and the Federal and state governments, and (2) the fear of inflation which has caused investors to prefer stocks to fixed income obligations. Investors who buy bonds or mortgages are anxious to obtain a high enough interest rate to compensate to some degree for the feared decline in the value of their money. Also, inflation has been an important factor toward higher interest rates because it causes inflated demand for capital funds and tends to discourage savings.

As you know, President Eisenhower asked the Congress to lift the restrictions on marketable Government bonds, as well as the rate on non-marketable U.S. savings bonds. Congress did finally give the President the right to raise the rate on savings bonds, which has just been pushed up from 3 1/2% to 3 3/4%. This is a highly desirable step inasmuch as the higher rate on the savings bonds will aid in growing a trend in which redeployments of these bonds were running considerably ahead of new sales. Most unfortunately, however, Congress refused to act on the President's request to lift the interest ceiling on marketable Government bonds. Thus, as matters now stand, the Treasury is foreclosed from selling anything but shorter-term securities.

There are many who believe that the failure of Congress to lift the interest ceiling will lead to a first-class financial crisis in coming months. I think that this view is rather extreme, but there are reasons for serious concern. During the past year the Treasury has enjoyed remarkable success in selling short-term Government securities to business corporations. As under previous legislation in the business recovery, corporations have been paying 3 1/2% on dollars of their funds above and beyond their tax liabilities into short-term Government securities and have thus made it possible for these companies to use their money without going to the money-creating banks. However, in coming months, as corporations expand their inventories and embark on capital expenditures programs, it is quite possible that not only will they fail to provide a new market for short-term Government securities, but they may even liquidate some of their holdings.

Finding a Market

If this should happen, where will the Treasury find a market for the billions of new money financing and refinancing it must do in coming months? It cannot enter the long-term market with any success because of the 4 1/2% ceiling on the interest rate. If businesses corporations should cease purchasing short-term Government bonds, the only other recourse of the Treasury would be the commercial banks. But, as we have seen, the Federal Reserve is maintaining a tight rein on the ability of the banks to expand their loans and investments. I think you can easily see the implications of this situation. Should events develop as I have suggested, short-term interest rates could go much higher in coming months than they are today, provided that the monetary authorities hold firm to their credit restraint policy. I think that you can also see that there may well be terrific pressure placed on the Federal Reserve authorities to permit the commercial banking system the reserves so that the banks can absorb short-term Governments. But this would be an undesired increase in the money supply of the country with serious inflationary consequences. In addition, it is grossly unsound in the present circumstances for the Treasury to crowd all of its financing into short-term securities because they are "near-money" in the sense that they are highly liquid and can be readily turned into cash.

Continued on page 100
Inflation Can Be Licked

Continued from page 99

experience of past booms, such as 1906-1907, indicates that this ex-
cessive near-money greatly handi-
caps the monetary authorities in their efforts to control inflation.

Consequently, sound Federal debt management can help greatly to
fight inflation. Sound debt man-
agement certainly does not mean that the Treasury should be forced
to confine itself to short-term fi-
nancing on the basis of an out-
moded interest ceiling. The cause of
fighting inflation suffered a
body blow when Congress failed to
lift the interest ceiling. This is
the one great dark spot in the
campaign against inflation. Unless
the President should call a special
session of Congress, it now ap-
pears that we shall have to struggle
along with short-term Treasury
financing until Congress
reconciles next year.

Labor Policy. The fourth major
ingredient of a successful cam-
paign against inflation is the de-
velopment of a more statesman-
like conduct on the part of
organized labor. In this respect
with respect to the wage-price
spiral. Through firm leadership
by government, and a more re-
sponsible conduct by both labor
and management, wage and fringe
benefit increases must be held
within the limits of productivity
increases. Labor leaders must
come to the realization that capi-
al equipment plays a role in the
advance of productive efficiency
to the extent of the capital the
does not share some of the
advantages. Management must
come to appreciate the need to
course to yield unprofitably to the
pressure of wage levels risen a
and to pass on the increased costs
through price increases of the
finished product.

Steel Strike Offers Hope

We could all agree on these
principles, but can we agree on
a more statesmanlike approach
by the parties in question? Frankly,
I think that the current steel
strike offers some glimmer of
hope. I have been encouraged by
the determined resistances of the
steel companies and the way in
which—up to this point—the Fed-
eral Government has refrained
from meddling with the collective
bargaining process. Furthermore,
I think it is significant that the
government has indicated it will
not support the present steel
strike and will not come around to
understanding the wage increases
based on improved productivity
are certain way to a declining
value of the dollar.

Action by the General Public.
As a final major Ingredient of a
successful fight against inflation,
we must have general public un-
derstanding of the process of in-
flation, recognition that it can be
licked by wise government poli-

cies and private restraints, and
willingness by the general public
to take action to defeat inflation.

One of the most encouraging
developments in the last year has
been the avowed demand by the
government public that the Federal
Government cut its expenditures
and reallocate funds. Unfortunately
the results may seem meager, but
I believe that the determination
made by President Eisenhower, and
public support for this stand, have
left Federal spending this year to
a considerably lower level than
the demands of high-level labor
in the case. Also, it seems clear that
the general public, including union
members themselves, have become
more aware to the delusion of the
wage-price spiral.

There are, of course, two other
major areas in which public action
can aid in the fight against infla-
tion. One of these is spending by
State and local government units.
Expenditures at these levels

---

Morrison W. Newman Win. Perry Beewa John E. Kerrigan

LOUISIANA, MISSISSIPPI, ALABAMA, GEORGIA,
TENNESSEE, SOUTH CAROLINA, NORTH CAROLINA
and OTHER SOUTHERN MUNICIPALS

NEWMAN, BROWN & CO. INC.
Investment Bankers
321 Hibernia Bank Building
NEW ORLEANS 12, LA.
Long Distance 345 & 389 Teletypes NO 189 & NO 190

IKE D. SCHARF JAMES E. RODDY JOHN J. ZOLLINGER, JR.

ActiveTrading Markets
in
LOUISIANA AND MISSISSIPPI
BANK STOCKS AND
LOCAL CORPORATE ISSUES

Scharff & Jones
INCORPORATED
TELETYPE NO 189 & 181
140 CARONDELET ST.
NEW ORLEANS 12, LA.
SHreveport, LA. JACSON, MISS.
Baton Rouge, LA. Lafayette, LA.

Jim Jones, Gregory & Sons, New York; Richard Harris, Courte & Co., Atlanta; John F. Reilly,
made aboard John F. Reilly's McPea-Ka.

FIRM MARKETS
Barnes, Hyland & Co., New York; Barrow, Reilly & Co., New York; Brewster, Stock
Exchange; Central Louisiana National Bank.

NEW ORLEANS BANK STOCKS

HOWARD, WEIL, LABOUISE, FRIEDRICHES
and Co.

UNDERWRITERS — DEALERS
DISTRIBUTORS
LOUISIANA MUNICIPALS
CORPORATE SECURITIES
NEW ORLEANS BANK STOCKS

PRIVATE WIRE SYSTEMS
PERRING & CO. and GREGORY & SONS

MEMBERS
New York Stock Exchange
American Stock Exchange (Associate)

Investment Securities
211 Carondelet St. — Tuatane 2171
TSTELTypes NO 34 & 38 (Teletype)

211 Carondelet St., Tuatane 2171
TELETYPE NO 39 (Teletype)

Whitley National Bank
dent Federal Reserve System empowered to regulate the country’s money supply toward the objective of sustainable economic growth, (2) the bringing of Federal spending under better control and the operation at a budgetary surplus in periods of great prosperity such as the present, (3) the restoration to the U. S. Treasury of the freedom to carry out its financing and debt management operations in a manner so as not to aggravate the inflation danger and if possible to help alleviate it, (4) the development of a more responsible collective bargaining approach by labor and management to the end that wages and fringe benefits are held within the limits of productivity increases, and (5) the development of better public understanding by the general public of the inflation process and a willingness to take action to defeat it.

There are encouraging signs that progress is being made in each of these five major areas to check inflation. I do not believe, as some, that inflation has been licked. Inflation is an insidious process and we must be vigilant in our efforts to combat it. The stakes are high because if inflation continues unchecked it will cause a drag on economic growth and will ultimately injure seriously, if not destroy, our free economic system. The way for this country to validate Nikita Khrushchev’s prediction that our grand-children will live under socialism is for us to fail to take the proper steps to check inflation.

—An address by Dr. O’Leary before the Connecticut Life Insurance and Trust Council, Hartford, Conn.

Bank Capital Trends

Continued from page 12

Times to fluctuate at a high level, and the long-run prospects are good. Accordingly, banks are now in a position to make their shares attractive to investors by a more liberal dividend policy as well as by other means. In these circumstances, present holders of bank shares may be expected to increase commitments. Furthermore, new investors seeking gainful employment for their funds may be attracted to bank shares. This latter source of funds for bank capital has the added advantage of broadening the ownership base.

To be sure, broadening the ownership base of a bank should not be viewed as the primary objective for a new flotation of shares. If the owners of closely held banks contribute sufficient new capital when needed supervisory authorities can have no grounds for complaint. However, it is always well to remember that an effective means of communication with the diversity of interests in a community is essential if a bank is to be alert to opportunities and responsive to the banking demands in the area it serves. Broadly based share ownership has long been recognized as a good way to establish the necessary contact and communication. When stockholders who have the right to participate in shaping the management of the bank represent a wide spectrum of community life the results of their efforts tend to be consistent with the interests of the entire area. Thus, a degree of harmony is achieved among competing elements.

Why Capital-Building Is Needed

Despite the general tenor of my remarks as regards the methods actually used by the banks to rehabilitate capital accounts, I do not mean to imply that little or no progress has been made in

Continued on page 102
Bank Capital Trends

Continued from page 101

rebuilding capital margins. By
and large, it now appears that banks have succeeded in over-
coming the major effects of capital erosion which took place
during World War II. Accord-
ingly, I suppose many have
wondered if there is any point in
continuing to refer to a "capital
problem," or whether more can
be expected in the nature of a
solution. The answer to these
queries is definitely yes; and for
several important reasons.

First, we must face up to the
fact that the times call for speedy
and substantial additions to capi-
tal. Let me repeat again, this is
a period of growth in the eco-

nomical life of our nation. Bank
customers have greatly increased
the scale of their business activi-
ties. Their own capitalizations
have expanded tremendously.
How can banks expect to serve
customers satisfactorily if they
do not likewise augment their
capital accounts?

Poorly capitalized banks are
often precluded by law from
providing their larger customers
with all the financing they re-
quire. For example, banking

Statutes typically place limits on
the amount that may be lent to
a borrower. Usually the limitation
is fixed at 10% of the capital
accounts. This is a very sound
limitation on banking operations
and experience has repeatedly
demonstrated its effectiveness in
reducing losses. But if the capital-
izations of banks do not grow
along with the banking require-
ments of their customers, the
results can be easily foretold—
competitors with the necessary
financial capacity, and not neces-
sarily banking institutions, will
fill the void to the disadvantage
of the banks. The public needs
will be served in one way or
another.

Secondly, note that I have been
describing capital developments
thus far in terms of averages. New
averages are useful measures for
many purposes, but often they
conceal more than they reveal.
Thus, the fact that capital ratios
on the average have been improv-
ing within recent years tells
nothing about any individual
bank. A great many banks are
definitely in need of stronger
capital margins. Averages for all insured

mmercial banks also obscure im-
portant geographic differences.
There are communities and re-

areas that for one reason or
another—usually rapidity of
growth—suffer from inadequate
capitalizations as measured by
any acceptable standard.

The goal of adequate capitaliza-
tion will be achieved only when
each bank has a satisfactory capi-
tal margin. While that goal can-
not be phrased in quantitative
terms for banks in the aggregate,
it can be determined for each
individual case. In making such a
determination it is necessary to
consider several relevant factors.

Of these, the most important are:
the ability of the management
to judge the quality and diversification
of assets; the deposit trend; earning
power, and the general economic
condition of the area served by
the bank.

The third, and perhaps the most
important reason why none of us
can afford to neglect the bank
capital problem is that the very
data which reveal improvement in
capital margins also could set
the stage for serious trouble.
This is because the evidence of some
improvement may give rise to
complacency among bankers and
bank supervisors. Yet we know
that the task is not finished and
that the capital problem has never
retained for long the same
characteristics or dimensions.

Banking history has taught us
repeatedly that whenever the
capital problem appears on the
way to being solved, a new and
unexpected series of events will
generate enlarged demands for
capital. In a dynamic economy
such as ours, spurts of economic
growth may touch off rapid
depthens in capital margins even
though the quality of assets is
good and times are prosperous.
By contrast, in times of declining
activity or arrested growth the
quality of assets may weaken
without actually causing a shrink-

age of capital through the poten-
tialities of loss may be present.
Thus, in quite different circum-
stances the reporting of adequate
capitalization may be deceptive.

FDIC Is No Substitute
Complacency with respect to the
capital problem has yet
another aspect. It has become the
habit in some quarters to regard
the growing size of the deposit
insurance fund of the Corporation
as an indication that the pressure
for additional capital in individual
banks is thereby lessened. I
should not have to remind
bankers that although the deposit

$
Insurance fund is increasing in dollar amount, in relation to deposits in the banking system it is growing very slowly. As a matter of fact, the fund now stands at about the same level relative to deposits as in the first year of deposit insurance. Perhaps even more important, it should be remembered that the deposit insurance fund was never intended to replace bank capital, or to do the job which bank capital must do. The fund was viewed as a second line of defense, whereas bank capitalization together with good management was viewed as the necessary first line of defense.

In a sense, the deposit insurance fund stands as a kind of mobile capital, to be used for stamping out banking troubles singly, as they arise, thereby preventing the development of multiple banking disorders reaching catastrophic proportions. The capital of individual banks, on the other hand, must carry the burden with respect to the strengthening and the growth of the banking system. The deposit insurance fund cannot be effective in the absence of strongly capitalized banks.

As I look at the record of the past decade, the improvement in bank earnings is a testimonial to increased efficiency, measured in physical terms, as well as reflection of the upward trend in money rates. The gross revenues of banks are increasing quite substantially. At the same time, improvements in operating routines and the mechanization of banking procedures promise important long-run economies in operating expenses.

For almost the first time in this generation, investors have come to recognize the attractiveness of bank shares and particularly the prospects for growth inherent in banking. This stems partly from the fact that banks have plowed back very substantial amounts of earnings in their capital accounts. At the same time, however, there have been increases in dividend payments to shareholders. Accordingly, bank shares are now more attractive than heretofore for income purposes and offer the opportunity to participate in an enterprise that may be expected to share in the general growth trend of our economy.

Summary
To summarize these remarks: We have a healthy and growing economy today. The picture of bank earnings is favorable. Furthermore, the distribution of profits before income taxes is among the leaders in the industry.
How Canada Benefits From U. S. Capital Inflow

Continued from page 13 will be met in important part by imports.

In the field of nonferrous metals, we shall have to import substantially more copper in 1970 to fill an estimated domestic need of 2.7 million tons of the metal. Industry expects that the consumption of aluminum will multiply several fold over the next decade. Even with the increased facilities for reclaiming rubber and for the production of synthetics, it is estimated that we will need 2.2 million tons of rubber imports in 1970. By 1970 U. S. consumption of petroleum is expected to reach a staggering total of 5 billion barrels per year.

I am told that Canada's growth prospects are relatively even greater than our own. The Royal Economic Commission on Economic Prospects estimated that by 1970, Canadian population will be in excess of 21 million, and that the gross national product will be in excess of $52 billion. These are increases of 23 and 59%, respectively, over the situation in 1955 when the Commission began to gather its data. They imply that the Canadian government not only will be producing but consuming much more per capita than at this present time.

This expansive prospect in our respective countries presents both an opportunity and a challenge. For our own sake, we should try to adopt a trade posture which acknowledges the necessity of cooperating as far as possible with the growth process. Our market place becomes richer and more responsive through the import of manufactured products from abroad, even though in some cases they compete with domestic production. Our problems, serious though they appear to be, cannot be solved by erecting trade barriers. For advanced economies like our own, the price of so-called self-sufficiency, a retirement in a "Fortress America," is high production costs and the waste and dissipations of resources.

Bilateral Trade
In current exports, Canada is substantially better off than the United States. Half year returns for 1959 show trade higher than last year, particularly in the second quarter, and the Minister of Trade and Commerce, Mr. Churchill III, has predicted that 1959 export trade with the world may well exceed $6 billion, to set a new high record.

It is gratifying that the U. S. market continues to be a special source of strength to Canadian exports, as it did throughout the recession. The trade is deriving its current buoyancy to a large extent from the strength of the U. S. economic recovery and this is helping in the upturn of Canadian production. The production gain, in turn, is contributing to the expansion of Canadian demand on the U. S. However, U. S. exports to Canada, while rising, have not yet fully recovered from their sharp recession slump.

The U. S. economy is now as always drawing on Canada mainly in commodities not produced at home or not produced any longer in sufficient quantities to take care of our enlarging consumption. The beneficial effects of this situation on the Canadian economy in the past two decades have been enormous. The volume of Canadian exports to the U. S. seems to have tripled since 1939.

The most interesting phenomenon has not been only their enlargement, but the bringing into production of new Canadian sources of production which previously meant so much to Canada's general growth.

If we turn to the details, the uranium export is perhaps the outstanding case of new items.
running to big figures, but there is, of course, a tremendous, and perhaps even potentially more important development in the iron ore mentioned previously, and perhaps in the currently still sizeable petroleum and natural gas exports, which in a very real sense is transforming the economy of the Canadian West. In the older trade, also, there has been enormous expansion in newpaper, lumber, nickel, aluminum, asbestos, copper, and zinc.

On the other side of the trade, our exports to Canada, which were hard hit by the recession, much harder than the Canadian domestic economy in general, an important feature of the progress this year seems to have been the revival of the automobile trade. We send Canada some automobiles, but as you know, the bulk of our exports is in parts for assembly in Canadian plants.

Canadian Auto Industry Growth

This automobile export is, I think, a good example of the evolution of the trade-investment combination. The Canadian tariff is certainly high enough to be protective in all but marginal items and this is true not only for the finished product but also, for the parts. These finished cars and parts which came into Canada originally because of the tariff and its preferential implications for Canadian assembly, have gradually opened their operations so that now, not only the bulk of the finished U. S.-type cars Canadian uses are made in Canada, but also, the major part of the parts consumed by the industry. This is the pattern of most branch plant development, and although Canadians do not always agree, we are convinced that the size of trade with Canada reflects, in a general way, its integration with production processes in the two countries.

We are, of course, fortunate to have a great measure of complementarily in the economies by reason of geography which facilitates the flow of regional items. Our two countries also have had businessmen who were willing to ride along with the national desire of young countries for industrial development. Only a small proportion of the large U. S. export to Canada is now a competitive business in finished lines. It is much more a matter of supplying Canadian production with the materials and the capital equipment that are not available within your country. The recession decline in Canadian imports from the U. S. shows the close correlation of our trade with Canadian industrial activity. Canadian consumption expenditures were well maintained throughout the recession period, but the decline in capital expenditures for the expansion of production, and the temporary transfer of consumer goods purchased out of durables, found U. S. trade to you very vulnerable.

We are aware, of course, that there is not a uniformly favorable situation in all trade items at the present time. We know, for example, that our import limitations on lead and zinc trade are unpopular in Canada. However, we have been able to amend the mandatory import program exempting imports of all transported into the United States by pipeline, rail, or other means of overland transportation. Of course, this exemption is of considerable benefit to Canada.

We could put in a word of reminder, also, that we have some difficult export problems of our own. For example, we have a coal industry which has a technological problem, complicated in the central Canadian market, not only by the rapid changeover to liquid fuels which has reduced exports, but also, by the import of these Canadian fuels into the U. S. You are helping out your Nova Scotia industry with heavy subsidies which, of course, are felt by our exporters.

This brief review of our trade, as seen from "below the border," points up that although there are one or two unresolved problems, trade in general between the two countries will grow. We hope Canadians, will be more inclined toward optimism about the prospects of their trade, in view of its steady performance in the recession. You are supplying a very large and vigorous economy in the U. S., which, by the record, is growing in importance for Canadian production year by year. The growth of trade is, of course, one way we can measure quantitatively. We hope trade relations will improve also in a qualitative sense. We will vigorously devote ourselves in that direction.

* * *

IN THE SOUTHWEST—

BOSTON SECURITIES CO.

TOWER PETROLEUM BLDG.

DALLAS 1, TEXAS

Riverside 7-9967

TWX DL 545

Specializing in—

TEXAS LIFE INSURANCE STOCKS

MANNEY & COMPANY

1309 Main St.

DALLAS 2, TEXAS

Riverside 7-4285

Teletype—DL 379

MANNEY & COMPANY

Members New York Stock Exchange

REPUBLIC NATIONAL BANK BLDG.

DALLAS

INACTIVE CLOSERLY HELD SECURITIES

Oil & Gas Securities

Mining & Industrial Issues

Local Bank & Insurance Stocks

SANDERS & COMPANY

REPUBLIC NATIONAL LIFE INSURANCE CO.

Dallas, Texas

NOW MORE THAN

$2,250,000,000.00

LIFE INSURANCE IN FORCE

AND HEADED FOR

THREE BILLION

BY JANUARY 1961
Gregory & Sons

Members
New York Stock Exchange • American Stock Exchange
Midwest Stock Exchange

72 Wall Street, New York 5, N. Y.

Telephone Whitehall 1-7600
Cable Address: GREGSONS

A. T. & T. Teletypes:
Corporate Dept.: NY 1-465
Municipal Dept.: NY 1-1691

- Underwriters of Corporate Securities
- Underwriters of State, Municipal and Revenue Bonds
- Primary Markets in over 300 Unlisted Securities
- Complete Brokerage Service in Stocks and Bonds
- Complete Research Service

Direct wires to:
Albany Kansas City
Albuquerque Los Angeles
Asheville Malone
Baltimore Minneapolis
Beloit Montgomery
Beverly Hills Nashville
Boston New Orleans
Burlington Philadelphia
Charlottesville Pittsburgh
Chicago Portland, Ore.
Cincinnati Potsdam
Cleveland Rock Island
Dallas Rome, N. Y.
Denver St. Louis
Des Moines St. Paul
Detroit Salt Lake City
Durham San Antonio
El Paso San Francisco
Farmington, N. M. Santa Ana
Fayetteville, Ark. Santa Fe
Fayetteville, N.C. Seattle
Fullerton Spartanburg
Grand Rapids Toronto
Greenwood, S. C. Tulsa
Harrisburg Utica
Houston Victoria, Tex.
Huntington, W. Va. Washington
Indianapolis Whittier
Jackson, Miss. Wichita
Joplin

Established 1928

We Offer a
COMPREHENSIVE INVESTMENT
AND
DEALER SERVICE
in
ALL CLASSES OF BONDS AND STOCKS
including
PUBLIC UTILITY–RAILROAD–INDUSTRIAL
FOREIGN ISSUES

We are Particularly Adapted to Service Firms
With Retail Distribution

Your Inquiries Solicited

P. F. FOX & CO., INC.
120 BROADWAY, NEW YORK 5, N. Y.

Telephone
REctor 2-7760

Teletypes
NY 1-944 & NY 1-945
For financial institutions

TRADING MARKETS IN SECURITIES OF

ARGENTINA  CHINA  FRANCE  NEW ZEALAND  SOUTH AFRICA
AUSTRALIA  COLOMBIA  GERMANY  NORWAY  SPAIN
AUSTRIA  COSTA RICA  GREECE  PANAMA  SWEDEN
BELGIUM  CUBA  HOLLAND  PERU  SWITZERLAND
BOLIVIA  DENMARK  ISRAEL  PHILIPPINES  UNITED KINGDOM
BRAZIL  ECUADOR  ITALY  POLAND  URUGUAY
CANADA  EL SALVADOR  JAPAN  PORTUGAL  VENEZUELA
CHILE  FINLAND  MEXICO  RUSSIA  YUGOSLAVIA

CARL MARKS & CO. INC.
FOREIGN SECURITIES SPECIALISTS
20 BROAD STREET • NEW YORK 5, N. Y.
TELEPHONE HANOVER 2-0050  TELETYPE NY 1-971

Service • Basic analysis • Market facilities

SINGER, BEAN & MACKIE, Inc.
40 Exchange Place  New York 5, N. Y.
HAnover 2-9000  NY 1-1825 & 1-4844

FIRM TRADING MARKETS
IN OVER 450 STOCKS

Direct Wires to
Saunders, Stiver & Co.  Dallas Rupe & Son, Inc.
Cleveland  Dallas
Evans MacCormack & Co.  Warner, Jennings, Mandel & Longstreth  Stone & Youngberg
Los Angeles  Philadelphia  San Francisco
Stifel, Nicolaus & Co.  St. Louis