

## Wall Street

Guaranty Trust Company  
Speaks Plainly About  
Business Prospect.

BY RALPH HENDERSON  
Times Special Financial Writer.

THE Guaranty Trust Company of New York speaks out rather plainly about business prospects in its current bulletin. In fact, it lays down some rather definite principles which it says the government must follow if it is to avoid all kinds of difficulties, including currency inflation and excessive taxation.

Declaring that the business structure of the country faces an important test in the termination of emergency employment under the CWA, this bank suggests that among the things which should be done to help private business to take over the resultant load is the liberalization of the federal securities act of 1933, the repeal of the permanent guarantee bank deposit plan and the reorganization of the banking system "along lines that would provide reasonable assurance against a repetition of the unhappy experience of recent years."

It does not offer any plan for reorganizing the banking system, but it implies that it has some very definite ideas along that line. If such is the case one wonders why it withholds them. It is a fair assumption that congress got behind the deposit guarantee plan because it seemed to be the best way to provide depositors with the protection they demanded and which it was thought they should have.

THE bank goes on to say that if recovery is to proceed in a normal way "it is absolutely essential that business concerns be allowed to earn reasonable profits—that is, profits sufficient to meet their obligations to attract new capital, to offer an incentive to enterprise and to provide adequate reserves against future contingencies."

It points out that the vast majority of concerns are in no position to assume the additional burdens involved in any sweeping revisions of wages and working hours under the code in order to increase consumers purchasing power and to spread work. If such revisions are ordered it predicts widespread financial difficulties.

The Guaranty believes the government should not excessively increase its expenditures or its debt, otherwise it must impose "upon business a tax burden that will defer the return of prosperous conditions for an indefinite period." It believes, further, that one of the most imperative needs of business is a scrupulous avoidance of further experimentation with currency and credit. It holds that the foundation has been laid for credit expansion more than sufficient to finance any conceivable business recovery and to support a price level high enough to satisfy the most enthusiastic advocates of "reflation."

TO more or less sum up the position of the bank, it might be said that, while it does not directly criticize the actions of the government under the new deal, it implies that it is not in favor of many of the things which have been done, and it asks, in effect, to please not go any further, but rather get back to the old order of things, so that business may know where it stands and can plan for the future.

It is not at all certain that we can get back on the old country road without getting lost, but it does not offer any suggestions in the event we do lose the way. In fact, it does not even seem to sympathize with our plight.

MINING FIRM ENTERS  
MARKET FOR CAPITAL

397,590 Shares of Capital Stock to Be Publicly Offered.

BY Times Special

NEW YORK, May 3.—The Austin Silver Mining Company, a Nevada corporation formed last February to acquire and operate under a thirty-five-year lease the eighty-five patented mining claims and certain real estate owned by the Austin Properties Corporation in the Reese river mining district, Lander county, Nevada, is entering the market for capital after having registered its stock with the federal trade commission.

Klopstock & Co., Inc., New York, are agents and underwriters for 392,500 shares of capital stock of \$1 par value, which will be publicly offered as a speculation at \$1.50 a share. Shares to be outstanding, including this offering, total 775,000 and the total authorized are one million. There is no funded debt and no preferred stock.

The offering consists of 300,000 shares of the authorized but unissued stock and 92,500 shares now outstanding. The 300,000 shares will be sold for the company's account to net the company \$1 a share. The properties comprise approximately 800 acres of developed mineral lands. The lease runs to Feb. 26, 1969.

ENGINEERING AWARDS  
DECLINE DURING WEEK

Contracts Issued in First Quarter

Amount to \$404,238,000.

BY Times Special

NEW YORK, May 3.—Engineering contracts awards for this week at \$23,585,000 are slightly above the average week to date but represent a considerable drop from last week's record total as reported by Engineering News-Record. The first four months total, \$404,238,000, is 54 per cent ahead of the corresponding period last year. During the current week state and municipal awards held up well at \$16,429,000, while federal awards dropped to \$3,507,000. Private contracts at \$3,959,000 are ahead of last week.

Highways, chiefly responsible for the state and municipal total, are \$10,635,000, the second highest week of the year in this classification. Sewerage at \$1,379,000 and bridges at \$2,980,000 are well above last week. Public buildings dropped from their record total last week to \$3,454,000 this week.

STOCK SHARES  
RALLY 3 POINTS  
AT MID-SESSION

Most Groups Strengthen as  
Pressure Lifts After  
Dull Trade.

BY ELMER C. WALTER  
United Press Financial Editor

NEW YORK, May 3.—A slow-moving rally carried the stock market 3 points to 3 points above the previous close in the morning dealings today.

Pressure lifted on yesterday's weak spots. American Telephone, with lost 3½ points in the preceding session, rose to 115½ up 1½ points, while Spiegel-May-Stern recovered 2½ points of its yesterday's loss of 8½ points. The Stock Exchange was investigating recent swings in the latter issue.

In connection with American Telephone there were reports the dividend would be reduced, but these were less in evidence today as the company's leading subsidiary reported a rise of more than 4,000 in stations in April.

Silver issues followed up upward course of silver metal. U. S. Smelting rose 2½ points to 116½ while American Smelting gained a point to 40.

All the leading issues in the industrial division rose fractions to a point. Utilities were barely steady. Rails rallied. Gold mining issues dipped slightly after a rise late yesterday. American Sugar spurted 3 points to 52 in its division. Oils were firm, as were mercantile issues and aviation stocks.

## Money and Exchange

INDIANAPOLIS BANK CLEARINGS

—May 3—

\$8,010,000,000

Debits 5,288,000,000

FOREIGN EXCHANGE

(By Abbott, Hoppin & Co.)

—May 2—

Close

Franc, France 51½

Lord, Italy 50½

Mark, Germany 50½

Guilder, Holland 50½

Krone, Norway 50½

Krone, Denmark 50½

Yen, Japan 50½

Treasury Statement

(By United Press)

WASHINGTON, May 3.—Government expenses and receipts of the fiscal year to date May 2, were as follows for the corresponding period of the previous fiscal year:

This year, Last year

Expenses. \$5,454,214,526.67 \$4,250,933,312.76

Receipts. 2,312,928,285.42 1,660,081,324.71

Surplus. 2,399,851,988.03

Can. bal. 2,288,678,819.58

Bond Prices

(By Fenner & Beane)

—May 3—

Close

Alleg Corp. 55 22½

Am & For. 55 20½

AT&T db 55 100½

Bell Steel 55 A 76

ChMSHP & P db 55 A 2000 163½

ChMSHP & P db 55 A 2000 163