

**Featured
inside**

Senator Floyd K. Haskell (D.-Colo.) says oil companies are openly flaunting their power and there is little effort to curb them. Though Haskell insists there are grounds for antitrust the possibility of such action from the Justice Department is remote. **PAGE 3**

The Federal Reserve Board in its quest for total control is trying to force all the banks of the nation into the System— in the face of growing defections by the banks themselves. **PAGES 5,10**

Financial reporting is essential to investors. Four areas where improvement is needed are spelled out by SEC Commissioner A. A. Sommer. **PAGE 7**

Insider trading information is listed for the first time in this issue. With information supplied by the SEC, this will be a regular feature. **PAGE 8**

Beginning next week, The Chronicle will carry a column of original material by Elliot Janeway. Janeway is an economist, advisor to presidents and stock market seer.

Statistical section. **PAGE 1A**

Daily closing prices for the week. **PAGE 6A**

Chronicle projection

Oil profits steamrolling upward

By Sidney Brown
Chronicle Economist

Last year's sensational leap in the oil industry's profit margin should not be taken to mean that some kind of a peak in profits has been reached. On the contrary, the chances are good that profits will be higher this quarter, climbing perhaps at a slower rate, but nevertheless climbing, because of the stranglehold limitation of our refining capacity which prevents output from keeping up with demand.

These points are some of the major ones developed by the Chronicle in a study last week of which way oil profits will go now. The answer is clearly up, at least in this quarter and probably next.

Earnings reports from 13 of the larger petroleum refiners show that 1973 profits on average increased 47 per cent over the admittedly stagnant earnings of 1972. The profit increase for the four U.S. partners in the Arabian

American Oil Company in 1973 averaged 51 per cent: Exxon Corp. - 59.4 per cent, Mobil Oil Co. - 47 per cent, Texaco Inc. - 45 per cent, and Standard Oil Co. of California - 54 per cent.

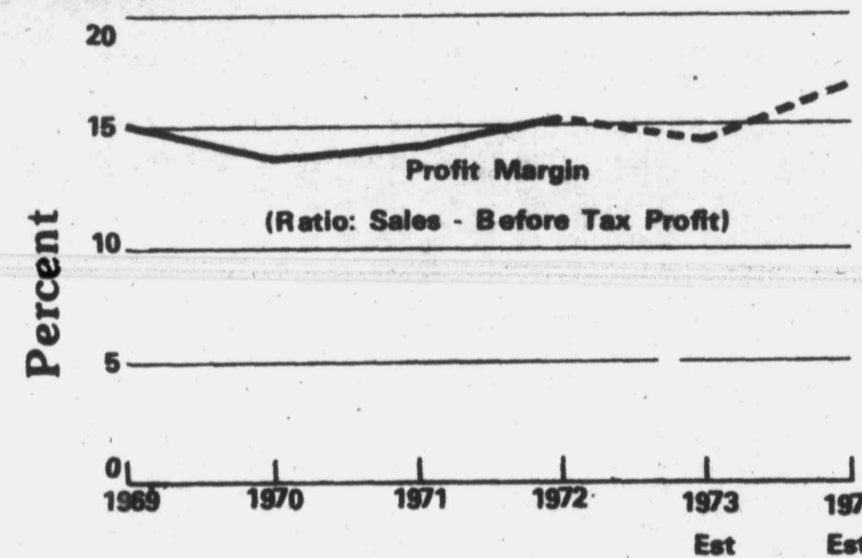
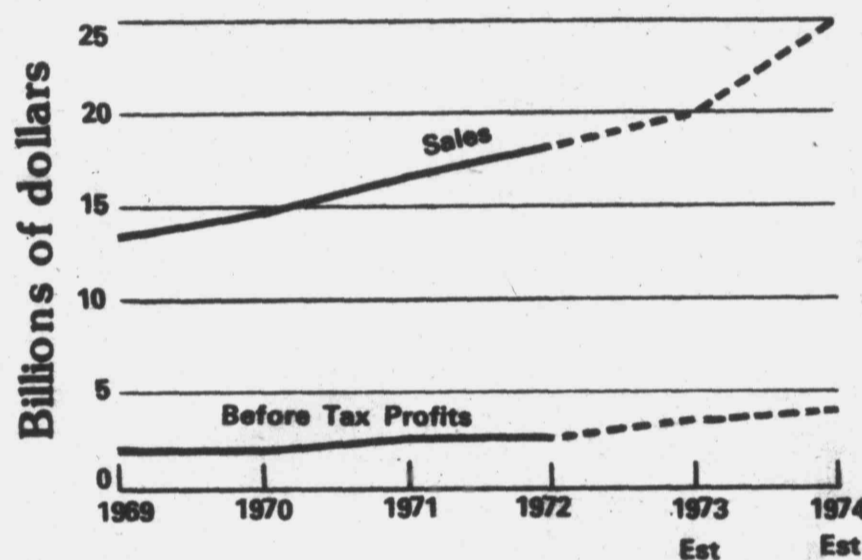
Fourth quarter earnings scaled those of the 1972 period by 60 per cent. To arrive at this overall trend, Phillips Petroleum's amazing 128 per cent increase was excluded from the Chronicle's study as was the 40 per cent drop in Standard Oil of Ohio's earnings due to a change in its accounting system. Included, however, was the 1.5 per cent fourth quarter decrease reported by Shell Oil Co. The four American ARAMCO companies enjoyed a 72.8 per cent increase on average.

Profit margin breaks loose

The profit margins of the 15 largest U.S. petroleum refining corporations ranged within a narrow 13.8 to 15.8 per cent band

Continued on page 2

FIRST QUARTER



To our readers

New offices of the Commercial and
Financial Chronicle: 110 Wall Street
New York, New York 10005
(212) 344-4242

**Antiques: new rules
for an 'old' game**

By Alice L. Priest
Chronicle staff

For investors who look for long term growth in the securities market, it is not unusual to find appreciations of 100 or 200 per cent over a period of time. There is a different kind of investment, however, that can offer even higher percentages (as much as

350 per cent) within one to two years, with little risk and with an added inherent value which usually protects the investor from losses. In addition, unlike securities which merely lie in vaults or safes, this investment has a functional value as well as an aesthetic one. For history or art buffs, even the search for the

Continued on page 4



HISTORY FOR SALE: \$25,000



NEED DISHES? \$15,000 worth.

Oil profits

Continued from page 1

between 1969 and 1972, inclusive. The first quarter range was slightly narrower, fitting between 13.9 and 15.2 per cent. (See table.) During those four years, after-tax profits were lethargic except for the drop during the 1970 recession. Before-tax profits, however, climbed 35 per cent.

The discrepancy between the before and after tax is due to the advent of such capital spending stimuli as the seven per cent investment tax credit, and straight line and accelerated depreciation options.

Despite the impressive before-tax profit improvement, the profit margin for the 15 companies on average remained within the above mentioned range as a result of the 32 per cent increase in sales revenue. At least that was true until 1973.

Way before the Middle East crisis, in the first half of 1973, the profit margin of the 15 companies abruptly parted company from prior years. The 1973 first quarter was 20 per cent higher than the corresponding 1972 profit margin at 17.6 per cent. The second quarter profit margin rose to 18.2 per cent, and the ratio of sales to before-tax profits is estimated in the Chronicle study to have reached 18.9 per cent for the full year 1973 - 3.8 per cent above that in 1972.

Under the margin profit guideline, the Cost of Living Council (COLC) can only permit a profit margin as high as any of the best two years completed after August 15, 1968. Consequently, unless absolved by the COLC rebates to customers are in order

for those companies among the 15 which have exceeded their base profit margin period. Realization of this may come as a shock to the stock market.

Why oil stocks are mushy

There is an excellent chance that one of the proposed windfall excess profits tax aimed squarely at the oil industry will see the light of day this Congressional year. Either the still to be determined formula will direct excess profits into an Energy Development Bank, or forgive the excess tax if the funds are invested to further expand production--i.e., an additional variation of the present investment tax credit.

This threat of a windfall profits tax has turned oil stocks mushy. What may, however, make mince-meat out of the oil stocks is the prospect that the companies exceeding their profits margin base will be compelled to make rebates to their customers.

This two-fold threat to profits comes at a time when a further increase in petroleum refiners' earnings is quite likely to occur this and next quarter, if not for the year as a whole. In view of the less propitious outlook for the economy as a whole, this one ray of sunshine for the stock market may be reduced by much more than the voltage cuts by some utilities.

Except for the Shell Oil Co., whose earnings stem primarily from domestic operations, the extraordinary rise in earnings principally came from profits from overseas operations, the windfall exchange advantage from, until recently, our greatly devalued dollar, and the tidal wave demand-pull increase in price. U.S. companies alone received a 119 per cent rate of return on their Middle East in-

vestment and, from hard currencies obtained from overseas sales, they were able to buy cheaper dollars, thus increasing the total profit reflow to the parent company. In addition, taxes and royalties paid overseas are not treated as ordinary business expenses but provide added after-tax profit leverage inasmuch as they are directly deducted from the corporate profits tax due.

Other profit considerations

The average price of a gallon of gasoline leaped 60 per cent in the year ending last December. The wholesale price index for petroleum products, refined, broke all records soaring 125 per cent. Last June, the price rise in this area was already 35.1 per cent above the year-ago month, and in October it climbed higher at 40.4 per cent.

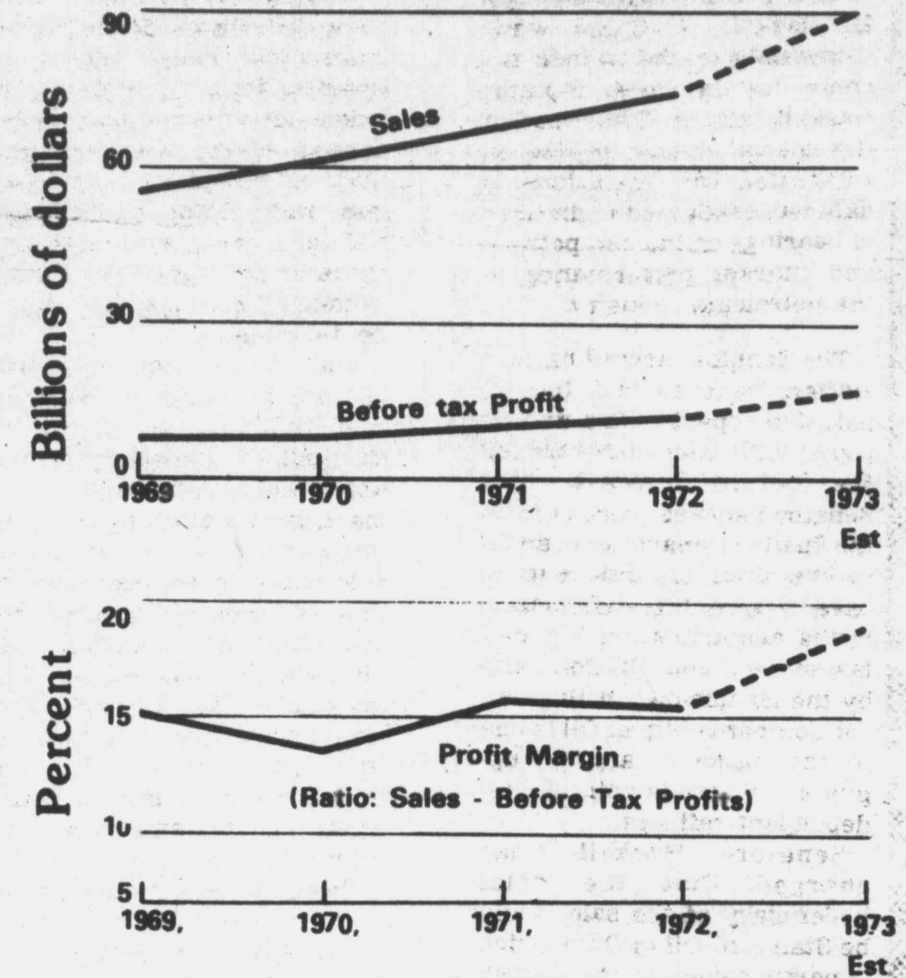
The COLC price increase guidelines permit passing through, dollar for dollar, any increase in the raw material. This is true for overseas crude as well as domestic. Also, a domestic two-tier pricing system was introduced by the COLC in August, 1973, which allows new and released oil to be sold at a free market price in proportion to the number of barrels of old oil sold at the controlled price of \$5.25.

Producing companies, obviously, should continue to maintain attractive profits. Downstream companies, however, those which buy the crude to make the heating, diesel, gasoline and other products, will not be as profitable as they were last year if product softening occurs, as in heating fuels, as a result of conservation measures and the normal workings of higher prices on usage. There is hardly any prospect, however, for any softening to occur in the price of gasoline.

The stranglehold limitations on output due to the lack of refining capacity, and the length of time it takes to build a new \$300 million refinery, are certain to buttress the price of gasoline, and the profits it contributes to the refiners, as long as the demand for such fuel is excessive.

The COLC price increase approval which took place last month, from \$4.25 to \$5.25 a barrel, takes effect this quarter following a 30-day lag. Over 1,450 drilling rigs were put into operation last year compared to a normal average annual increase of 200. The floods in April through June in

Oil Industry's Profit Margins Escalate ANNUAL



Texas, Louisiana, and other Gulf States delayed the erection of the rigs. The successful gushers, unfortunately, were held up.

Even though spot crude prices rose as high as \$18 to \$20, little volume was contracted for at that price. Most long term contracts have been executed abroad at \$10 to \$11, and about a dollar less here, and producers' profits, thus, will reflect those prices during the contract life.

Investment spending

The U.S. oil industry partly increased its investments here between 1968 through last year. Capital spending in 1968 and 1972 amounted to \$5.25 billion. It totalled \$5.6 billion in 1969, and 1970, and \$5.85 billion in 1971.

Projected spending for 1974, according to the McGraw-Hill Department of Economics, is \$6.59 billion. This 21 per cent increase is sizable but it can hardly make up for the inflation bite in the years since 1968, and the 5 to 6 per cent portion of capital spending

devoted to pollution control and not to production directly. Consequently, the lack of excess refining capacity is bound to be with us through the year. The cut-rate price wars, reflecting excess capacity, in the years prior to 1973, are not in the cards just yet.

While there was hardly any increase in capacity, the amount of domestic oil and gas extraction leveled off between 1970-1973. The Industrial Production index was 109.7 in 1970 and an estimated 108.7 in 1973. Crude oil itself declined in an estimated 30.2 last year, petroleum refining, however, increased at less than 4 per cent per annum, from 112.5 in 1970 to 125.6 in 1973. Oil imported from Arabia increased in the past two years from 4.4 per cent of total USA demand in 1972 to 8.2 per cent in 1973.

In view of the intermediate and long term foreseeable shortage of energy in general, and petroleum fuels in particular, the oil industry can expect to remain in the enviable position of being in a sellers' market.

THE CHRONICLE

NATIONAL NEWS SERVICE, INC.
110 Wall Street
New York, N.Y. 10005
(212) 344-4242

WASHINGTON BUREAU
Suite 511, 1629 K St., NW
Washington, D.C.
(202) 783-4577

BOSTON BUREAU
3 Church St.
Winchester, Mass.
(617) 729-8100

C. PETER JORGENSEN
President and Publisher

DAVID G. MUGAR
Chairman

JONATHAN M. BRICKMAN
Executive Vice President

CHRISTOPHER ELIAS
Executive Editor

SIDNEY BROWN
Editor and Economist

Advertising and Business Office: Jason W. Dade, Controller; George Engstrom, vice president; Vidian L. Roe, III, vice president; Charles Lloyd, Anthony Lombardi, asst. vice presidents; Milton Pagan, circulation manager; H.G. Stickney, business manager.

Editorial Staff: Alan J. Wax, Marilyn Much, Helen E. Shepard, Jamael Mohammed, Mary Halloran, Alice Priest, J. Robert Sherman.

Statistical Dept.: George Troester, manager; John J. Dunne, asst. manager.

Production Dept.: John Thomas, manager; Shirley Wilkerson, Malcom Bryant. Boston Production Dept.: Louise Burnham, Stanley De Passos.

NATIONAL NEWS SERVICE, INC., 110 Wall St., N.Y. 10005. Entered as Second Class Postage Paid at New York, N.Y. and at additional mailing offices. Information and prices are obtained from sources considered reliable, but its accuracy is not guaranteed. Neither the information, nor any opinion which may be expressed, constitutes a solicitation for the purchase or sale of any securities referred to herein.

SUBSCRIPTION RATES - The Commercial and Financial Chronicle, Monday Edition: In United States and U.S. Possessions \$95.00 per year; In Dominion of Canada and members of the Pan American Union \$105.00 per year. Saturday Edition: In United States and U.S. Possessions \$30.00 per year; in Dominion of Canada and members of the Pan American Union \$35.00 per year; other countries \$37.00 per year. Other Publications: Bank and Quotation Record - Monthly \$75.00 per year. (Foreign postage extra).

Note: On account of the fluctuations in the rate of exchange, remittance for subscriptions and advertisements must be made in New York funds.

OIL PROFITS TOP GUIDELINES

	Before Tax Profits	Sales	Profit Margin
YEAR 1969	\$8.5 bil	\$66.4 bil	15.1%
I QTR	2.1	13.7	15.2%
YEAR 1970	8.5	61.4	13.8%
I QTR	2.6	14.9	13.9%
YEAR 1971	10.8	68.5	15.8%
I QTR	2.6	16.8%	15.2%
YEAR 1972	11.5	74.7	15.4%
I QTR	2.7	18.3	14.7%
YEAR (Est) 1973	17.0	90.0	18.9%
I QTR	3.5	19.9	17.6%
I QTR (Est) 1974	4.2	25.0	16.8%

Source: Capital Markets Section, Federal Reserve, and C&FC estimates.

Anti-trust for the oil industry?

The roaring flames of a dragon cannot match the seething within Senator Floyd K. Haskell (D.-Colo.) when discussions on the oil industry come to the fore. Senator Haskell who is Chairman of the special Subcommittee on Integrated Oil Operations to date has conducted eight days of hearings on the competitive and market performance in the petroleum industry.

The Senator, according to a staffer, believes that the oil industry openly flaunts its power with utter disregard for the public interest. The Senator believes there is little the Justice Department can do in the area of anti-trust. A case in point, the staffer said, is the acquisition on Monday last of the Signal Oil Company by the British-owned Burmah Oil Company. Signal Oil is one of the nation's largest suppliers of crude oil to independent refiners.

Senator Haskell has charged that the chief beneficiary of the sale would be Standard Oil of Ohio which is partly owned by the British holding company. He is of the belief that the independents (previously served by Signal) will find their contracts cancelled and all of Signal's crude will go to Sohio.

Anti-competitiveness

Further evidence of the anti-competitiveness of the Signal transaction were voiced by Charles Siess, president of an independent refining company named APCO, who declared that the transaction will mean less crude oil for independent refiners who are already forced to operate below capacity because of short crude supplies.

The chairman of the board of APCO, Mark J. Millard, said the sale of Signal to Burmah "is almost a symbolic act demonstrating the inability of a national policy to protect the continued existence of independents in the oil industry against the overwhelming financial and physical resources of the majors." The Haskell aide stated it was important to note that although the Justice Department had been studying the anti-trust implications of the sale, it allowed the sale to take place.

Justice under handicap

In this instance, the staffer said, the Justice Department was acting under a handicap. To prohibit the merger, the Justice Department must be

able to prove its case. In this instance, the Justice Department requested a sixty-day review period. The oil companies' response was one of "forget it," and gave the Justice Department ten days' notice prior to consummating the deal.

Little Justice can do

The aide said the Senator is of the opinion that the Justice Department must have more authority. Given the current statutory situation, the Senator believes the oil companies will continue to have their own way barring an assist from the Administration.

No comment

Bruce Wilson of the Anti-trust Division of the Justice Department refused comment on the grounds that the Anti-trust Division is still investigating the Signal case.

Testimony

In recent testimony before the Senator's Subcommittee, Beverley Moore, an attorney with the Corporate Accountability Research Group, a

Nader subsidiary, testified that anti-trust enforcement is not sufficient and needs more vigorous "enforcement."

H. Michael Mann, Professor of Economics, Boston College, and a former director of economics for the Federal Trade Commission, testified that the monopoly powers of the oil industry go unquestioned. He told the Committee that this power, coupled with the non-competitiveness of the industry is "zapping" the consumer.

Suit

Concern with the oil industry's power was highlighted by anti-trust suits filed by the Attorney Generals of the States of Connecticut and Florida. Attorney General Gerald Robert Killen of the State of Connecticut told the Subcommittee that since filing the suit he has been continually harrassed by the oil industry in the form of complaints to the Bar Association.

Limiting anti-trust action

A possible insight into the Justice Department's attitude with regard to anti-trust actions and the oil industry can

be garnered from a recent television appearance by William B. Saxby on Face the Nation. CBS reporter George Herman asked the Attorney General where he stood on the provisions of the bills which are pending in the House and Senate on the energy crisis, which provides for some limitation of anti-trust action against the oil companies — in other words, would suspend some part of the anti-trust law, so that oil companies could work together to solve the energy crisis.

Saxby's reply was "I think that this is reasonable. For instance, we've got some conflicts going that if they weren't so serious would be amusing, because Mr. Simon says to the oil companies, you get together and do this. And they say, get together? If we even tip our hats to each other, why, we're in big trouble with the Attorney General."

"And so, if we want them to get together, we're going to have to get together under a man from Mr. Simon's office, or we're going to have to pass a law to give them more freedom to work together."

When the Haskell aide was asked to comment on the Saxby statement, the retort was it's just more of the same.

People

George F. Lang has been appointed assistant vice president in the 45 Wall Street, New York office of the Government Development Bank for Puerto Rico. Mr. Lang's duties will be in the fiscal agency department which arranges long-term and interim financing for all governmental authorities and public corporations of the Commonwealth. Mr. Lang was formerly with the Chase Manhattan Bank, with which he had been associated since 1928.

United California Bank, 660 South Spring Street, Los Angeles, has announced that Clifford W. Sheffield and Richard W. Tappey have been elected vice presidents. Mr. Sheffield is money division manager in the bond trading department; Mr. Tappey is an administrative officer in the national division.

Frederick L. Devereux III has been named vice president in charge of syndicate and trading for W. H. Morton & Co., 65 Broadway, New York City.

The New York Financial Writer's Association, Inc. has announced the following officers for 1974: William G. Flanagan, Business Week, president; George W. Wheeler, Newsday, vice president; Sidney Rutberg, Farchild Publications, treasurer;

and C. Claiborne Ray, The American Banker, secretary-assistant treasurer. Named to the board of governors were Sidney Brown, The Commercial and Financial Chronicle, the retiring president; Robert E. Bedingfield and Lowell Bonfield, of the New York Times; William E. Brown, New York News; John T. Cunniff, Associated Press; Philip Greer, Washington Post; Dorothea Brooks Jandrucko, United Press International; Stanley D. Rosenberg, the Bond Buyer, and Martin J. Sannon, Wall Street Journal.

H. Perry Collins has been elected assistant manager of the municipal bond department in the bank investment division of the National Shawmut Bank of Boston, 40 Water Street, Boston, Mass.

Richard J. Schmeelk, general partner in charge of the Canadian department of Salomon Brothers, 1 New York Plaza, New York City, has been named to the executive committee of the firm.

Robert W. Deran has been named president and chief executive officer of Wellington Management Company, Valley Forge, Pa., succeeding John C. Bogie, who will continue as chairman and president of the Wellington Group of Funds.

SEC bars former Baerwald official

The Securities and Exchange Commission has barred a former partner of the defunct brokerage firm of Baerwald and Deboer from the securities industry for selling stolen securities.

The SEC said that Charles D. Erb, Short Hills, N.J., would not be allowed to associate with any broker-dealer until December

1970, when he may make a statement.

The order was based on a settlement offer in which Erb agreed to the penalty without admitting or denying the charges.

The SEC said that Erb sold stolen warrants on Leasco Data Processing, made false entries in Baerwald's books and broke other Federal securities laws.

Alabama & Louisiana Securities

Bought—Sold—Quoted

Steiner, Rouse & Co., Inc.

Members New York Stock Exchange Inc.
Members American Stock Exchange Inc.

19 Bector St., New York, N.Y. 10006
212-422-0700
New Orleans, La.—Birmingham, Ala.
Mobile, Ala.
Direct wires to our branch offices

BANK STOCKS BANK CAPITAL NOTES

M. A. SCHAPIRO & CO. INC.
ONE CHASE MANHATTAN PLAZA
NEW YORK N. Y., 10005

Telephone
212 425-6600

Teletype
212 517-0768

Antiques: new rules

Continued from page 1

particular investment offers great pleasure.

The name of this game is antiques. To some, the very word evokes little shoppes, where women spend interminable hours browsing among bric-a-brac, geegaws and gimcracks while impatient husbands irritably wait for them to come up with a "find". But to others, the word represents a market which has risen consistently in the past ten years, outstripping the Dow Jones averages; which is far more resistant (in certain areas) to depressions and recessions; which is immediately exchangeable into foreign currency; which benefits from import-export taxation laws; which never, unless destroyed, loses its total value; and which offers its collector decorative or functional art for his home or office.

Indeed, if the "prudent man" rule is eased for fiduciaries, antiques will surely provide a lucrative area for investment.

What an antique is

By definition of the U.S. Government, an antique is any article over 100 years old. As such, it may be imported into this country without duty; may be exported without a license from the Department of Commerce. Additionally, original works of art are also excluded from tariffs. However, castings of statues produced in commercial quantities, (that is, not part of a numbered edition) or prints of graphics not in limited editions are taxed.

Antiques may be found anywhere — from a roadside flea or junk market to a dealer to an auction gallery. Purchasing an item may involve nothing more than a little shrewd bargaining with its owner, or may be as elaborate as selecting an art expert to attend an auction as an agent.

Costs of buying

Before rushing off to pick up a little of this action, however, it is important to know some of the

costs involved in buying and owning. First, a certain amount of expertise is necessary in purchasing antiques for investment. According to John L. Marion, President of Sotheby Parke Bernet, the leading auction dealer in the country, certain items withstand fluctuations in the market far better than others. Small portable items, such as boxes, gold coins, paintings, (particularly old masters) and jewelry maintain their value. Jade, semi-precious stones such as rubies, emeralds and particularly sapphires also appear in this category as does old ivory and fine porcelain. But the ultimate criteria of an object maintaining its worth, according to Marion, and indeed of being certain of gaining in value are quality and rarity. Quality can be defined as workmanship, unique methods of handling media, the condition of the object (it should be perfect) and its size. Obviously, large pieces of perfect renaissance furniture need comparable architecture to support them, which is difficult to come by when castles are no longer being built.

An agent who will supply the expertise does not come cheaply. His fees may run from 5 to 10 per cent of the object he is purchasing, in addition to his expenses in attending the sale.

Antiques purchased require storage. In some cases, when individuals buy for their own use, this becomes the dividend of the investment. Otherwise, vaults must be provided as well as special climate controls (in the case of old masters). Finally, insurance costs are high. They are based on location, type of protection needed and the value of the antique.

One of the hedges in owning a great work, however, can be lending it out to a museum or school, essentially eliminating the insurance and storage charges. Sotheby Parke Bernet recently handled such a sale of a painting on loan to the Metropolitan Museum of Art for a period of years and was then delivered directly to the auction house for sale.

Selling costs

The major cost involved in



EMBARASSMENT OF RICHES: Back room at auction house.

selling at auction (which provides the widest market to the seller) is the commission. Rates at Parke Bernet run 25 per cent of the object's selling price for articles valued under \$500, and, on a sliding scale downward for objects up to \$15,000. Items \$15,000 and over are taxed at 12 1/2 per cent. Of course, a minimum price may be established, with the concurrence of the gallery, below which the item may not be sold. It is then returned to the owner or held for a later sale. Items not sold at auction must be brought to the attention of dealers in some way, and, therefore, there are advertising costs as well as the possibility of not receiving top price. The exception to this rule is, of course, when a single masterpiece becomes available and there are perhaps two or three buyers in the world who can consider its purchase.

Nonetheless, an individual investor can, by judicious peddling, make his own good deals with other buyers.

The glamor issues

Like any other commodity, the industry has its vogues which come in and out of fashion. Depending on the area of the

country, certain objects can be obtained at low prices and sold elsewhere at high ones. A perfect example is Victoriana. While dealers could not move a piece of this gingerbread furniture in the eastern part of the U.S. several years ago, it was enjoying a boom in Texas, where bidders caused the market to rise some 300 to 500 per cent. Similarly, the Barbison School of painting enjoyed its vogue early in this century, then fell to 10 per cent of its former value, and is now moving up again, although still not approaching its original price. Currently in vogue in the U.S. are Impressionist school paintings, oriental art (sculpture and paintings as well as prints, netsukes, snuff boxes, porcelains and lacquers), 20th century American paintings, oriental and persian rugs, Americana, art deco and art nouveau. Whether the latter three categories will be able to hold their value over the long term is questionable; one sign of a fad is its acceptance in only one or two countries.

3 plus 3 equals 8

When a collector picks a certain area and specializes in acquiring examples of one particular item, the nucleus of a collection is for-

med. Each item may be purchased relatively inexpensively, but once the collection becomes representative, synergism starts to work. A fine collection put up for sale invariably produces higher prices, primarily by bringing out competitive collectors seeking to fill their own vacancies. The electricity of such an auction usually engenders higher bids for even lesser pieces.

Countering the counterfeit

There is a thriving counterfeit market feeding on the inexperienced. Factories here and in Europe are producing fakes by artificial aging of wood, canvas and porcelain. There are several ways of protecting against such forgeries and new methods are being developed daily. The first step in fending off the phonies is to acquire expertise, either through experience or by one's own. Secondly, buying through reputable dealers with written guarantees covering the authenticity of the object is a must. Sotheby Parke Bernet this year, for the first time, offers such a guarantee. Finally, scientific tests have been devised to detect

Continued on page 5

APPRECIATION OF ANTIQUES

APPRECIATION OF ANTIQUES

PERIOD	PIECE	DATE	DOLLARS
Art Nouveau	Daffodil Lamp	1971	\$ 1,800
		1973	3,750
Art Deco	Clock (Cartier)	1963	2,000
		1973	10,000
17th Century	Rembrandt Print (Woman with Arrow)	1950	500
		1967	7,250
		1973	58,000
19th Century	Gericault Drawing (The Kiss)	1963	20,000
		1973	100,000
20th Century	Picasso oil painting (La Coiffure)	1963	33,500
		1973	250,000

Pershing & Co.

MEMBERS
NEW YORK, AMERICAN, MIDWEST AND PACIFIC STOCK EXCHANGES
AND THE CHICAGO BOARD OPTIONS EXCHANGE

120 BROADWAY, NEW YORK, NEW YORK 10005
Telephone 964-4300 Teletype 212 571-1313

Fed seen destroying dual banking

By John Nash
Washington Bureau

It's doubtful whether any member of Congress understands the banking system of the United States as well as Wright Patman, chairman of the House Banking and Currency Committee. Patman sees banks as having extraordinary and unwarranted political power. More than that, he sees that vaunted guardian of the people's banks, the Federal Reserve Board, as being in the hip pocket of the institutions it's supposed to regulate.

True or not, Patman has made a case over the years that the "independence" of the Federal Reserve Board is not independence at all, but a kind of autonomy never handed over by Congress when it passed the Federal Reserve Act.

The Federal Reserve is not

audited by the General Accounting Office, the auditing arm of Congress, nor does it get its income from the Federal pot, as other agencies do. On the contrary, it actually turns over surpluses to the Treasury from its operations.

The Federal Reserve does not answer to the President, either; he must depend on whether the chairman of the Federal Reserve Board will cooperate with Presidential economic programs.

Issues challenge

All this is well known by Patman. Practically alone, in fact, he has made those points time and again. So it was no surprise that he has challenged the Federal Reserve Board's request to Congress for authority to regulate checking account deposits among nearly all the banks of the nation,

Banks are defecting from the Federal Reserve and shearing the Board of its power.

not just those who choose to join the Federal Reserve System, and thereby expand its control.

Patman, who is dean of the House and the Senate, told House members that the giant independent bureaucracy of the Federal Reserve Board desired to control the reserves of virtually every bank in the nation.

The move, he said, was a direct threat and challenge to the dual banking system, which it was, and would greatly reduce the power of

state banking authorities and the independence of small banks everywhere, which it would.

The motive of the Federal Reserve Board, in Patman's view, is that it has been losing members rapidly in recent years, and in the process being shorn of the power it guards so jealously. Now it wants the Federal Government, through Congressional legislation, to mandate that all banks remain hitched to the Federal Reserve.

The Fed's position

The Federal Reserve Board doesn't argue much with part of that. The board admits there is an increase in the number of banks giving up membership in the Federal Reserve System. What's more the number of newly chartered banks that join the system is dwindling. This means that a growing portion of the money supply, represented by the deposits of the banks that aren't joined up, is no longer subject to the monetary policy of the Federal Reserve Board. As a result the money supply may be subject to wider gyrations than is desirable for the national interest. That very point, however, is one basis of Patman's opposition to the board. It is his claim that the board does not regulate in the national in-

Continued on page 10

Antiques: new rules

Continued from page 4

the frauds. X-Ray techniques, carbon dating, cobalt testing (for porcelains) and thermoluminescence tests can authenticate the period in which the item was produced. Nothing, however, will replace the ultimate expert who must decide on the basis of his years of exposure, knowledge of art history, and aesthetic sense whether or not an object meets its requirements of authenticity.

Where the experts are

According both to Marion and Edward Cave, Senior Vice President in charge of operations, expertise in a small area can be attained through books, courses and actual handling of objects over a period of years. A new breed of experts is being trained at SPB. Most are under 30. Currently, the company has forty experts who report to Cave, each of whom is an expert in one particular field. But SPB's brains cannot be picked by laymen. It will appraise only for its own sales, for insurance purposes or for estate valuations. Marion made a specific point that SPB does not engage in appraisal for gift purposes or for resale elsewhere.

Nor are the appraisals inexpensive - 1 1/2 per cent of the value of the items appraised up to \$50,000; 1 per cent on amounts in excess of \$50,000. Minimum fee is \$100 plus any travelling expenses involved. Partial rebate of the fee is given on articles subsequently consigned to SPB for sale within a year of appraisal.

How then, can the layman find his expert? "It is nearly impossible in this country," says Cave. There are, perhaps only 100 people in the U.S. who could qualify. You might find one in a graduate school of a leading university or a museum. People who publish usually lay their reputations on the line. But the problem is that an expert must

supply two answers: What it is and what it is worth. There are many art historians who can authenticate. But the commercial value of the object requires knowledgeability of the market and the marketplaces."

Cave anticipates a time when SPB will be able to offer its experts' services to the general public for a consulting fee. "But right now," he says, "we're doing such an enormous business that we can't train our experts fast enough for the volume we have."

The investment market

Originally fine art collection was the domain of royalty. As patrons of the arts, princes and kings supported craftsmen in their retinues. With the overthrow of monarchies and the industrial revolution, only the very wealthy collected. At the turn of the century in the U.S., the main market consisted of the "400". Today that base, according to Marion, is 400,000.

Part of that rise comes from the redistribution of wealth; part from the desire, in a plastic society, for works which represent a commitment, a piece of the artist's life; part from a heightened sense of history; and part from the increase in the base of educated people with concomitant broadening of taste. Indeed, a large bulk of collectors today are in their 20's and 30's.

But the really big money today is starting to come in as pure investment. In France, one syndicate, Artemis, buying solely for investment purposes, and selling shares in its ventures, is "doing very well." Similar syndicates have started up in the U.S., but in the main, according to Marion, they have been unsuccessful, primarily because they have had insufficient expertise directing them.

One area that Cave feels has yet to be explored is corporate buying by U.S. industry. "The Japanese were over here last year, buying in large lots for their corporations,



JOHN L. MARION: Volume is phenomenal.

They carried with them huge letters of credit on U.S. banks. But with the redress in the balance of payments and the dollar strengthening against the yen, that source has dried up." Hopefully, Cave looks to U.S. investment to continue the same course. He sees corporations retaining experts in various fields in order to purchase and sell art works for them, as did the Japanese in their quest for Impressionist and 20th century American paintings. In any case, a stronger dollar makes for better buys both in Japan and Europe.

Market's liquidity

There is no question that the number of people entering the market has grown phenomenally over the past 10 years. A study done by the Antiques Dealer shows that, during the past year alone, 26 per cent of buyers were new customers. Among these, the preponderance were people under 35. What they purchased, however, consisted of only 22 per cent true antiques, although 97 per cent of the items were over 50 years old.

At a single SPB gallery in New York City alone there were more than 10,000 buyers in the 1972-73 season. (There were 200,000 people who came in merely to view at that same gallery.) Considering that a single buyer may purchase more than one item at any given auction, the volume at this one house, the largest in the country (the Sotheby

interests are the largest art sellers in the world), is astounding. There are roughly ten Sotheby permanent sales rooms around the world, and sales are also held in halls and hotels when the company has no permanent sales room in a city.

There is, according to Marion, a rough relationship between the Dow-Jones averages and the antiques market. "When people

get jumpy in the stock market, they want to put their money into something tangible. Thus, the antiques market usually holds its value or rises slightly when the Dow-Jones goes down. Later, when money gets in really short supply, prices here come down also, but always by less. Here is where your perfect, quality piece holds up. Between 1968 and 1971 when the D-J dropped some 300 points, we experienced a drop of perhaps 20 per cent."

Once a collector decides to become a seller as well, there are innumerable fringe benefits. Travel, when part of the time is spent searching for objects becomes partly tax-deductible, as part of business expense. But beware! The IRS scrutinizes such activities carefully, and, as in any other business, books must be maintained and legitimate business activity must be shown in order to take these deductions.

If, however, the hunt, competition, risk and esthetics have appeal, antiques hold out an investment that may provide the ultimate satisfaction to the investor.

For "Person to Person Service" call

Howard, Weil

Nasdaq symbol: HWLF

**CORPORATE SECURITIES
NEW ORLEANS BANK STOCKS
SOUTHERN & GENERAL
MARKET MUNICIPALS**

FULL PERIOD LINE

NEW YORK OFFICE

Members
New York Stock Exchange Inc. American Stock
Exchange Principal Commodity Exchanges

HOWARD, WEIL, LABOUISSSE, FRIEDRICH

INCORPORATED

Investment Securities

211 Carondelet St. • Tel. 588-2711

New Orleans, La.

Telex 056-276



The State of the Union

The American public again has been promised, as it has so many times before in different phraseology that "we will check the rise in prices without administering the harsh medicine of recession, and we will move the economy into a steady period of growth at a sustainable level." The President's annual State of the Union Message last Wednesday set forth the above pledge as the third of ten national goals.

Elsewhere in the same address, Nixon flatly predicted there will be no recession this year.

Unfortunately, this effort to emulate the precision-like perfection of the machine, when it works, is like a game that children play. The difference between a child's and an adult's promise, however, is obvious. The child's promise is not taken seriously, the other is accepted at face value until it is realized that the promise is not worth the paper it is printed on—like the paper dollar's purchasing power.

The stock market's reaction to the President's message reflected disenchantment, not with the goals which idealistically summed up what we all seek but with the lack of substance behind the promise. The dilemma of rising prices in times of a growth, or real recession is still with us and remains intractable to governmental corrective policies. Avoidance of a recession spells worse inflation prospects.

The President's 1970 Economic Message to Congress stated that the "integrity and purchasing power of the dollar must be assured." In the following year, his Economic Report said, "I do not intend to impose wage and price controls." On January 27, 1972, Nixon admitted that inflationary conditions called for decisive action after struggling two-and-a-half years in a vain effort to check inflation and he referred to the August 15, 1971 imposition of a price-wage freeze and subsequent controls previously disavowed. A year ago, the President was confident enough to say that "only by holding the line on Federal spending will we be able to reduce the inflation rate further in 1973." The line was held on government spending, not on inflation.

Now, it appears as though the President has relegated price inflation to a subsidiary goal. He again prescribed his original "game plan"

enunciated at the time he first took office—a Government policy to steer a "sound middle road" between plunging the economy into recession, in an attempt to halt inflation, and overly stimulating the economy, which would worsen inflation. With the January unemployment figure shooting up to 5.2 per cent from 4.8 per cent in December, the President can be expected to shift gears from a moderate rise in government spending and deficit financing to measures which will "promptly and vigorously ... support the economy." He promised in his accompanying statement that this step will be taken if a threat of a severe slowdown (not recession) should appear.

In view of continuing price inflation which has already caused more suffering to the poor and the pensioned than ever before in modern times, the time is past due for taking stringent measures in the credit control area.

The abuse of internally and externally raised funds for the incongruously higher rates of return obtained in less useful activities than obtained from more productive areas of endeavor must be put to an immediate end. Disney Worlds and New Jersey Sports and Exposition Authorities, to name a few areas we can least afford to devote scarce resources to, should be either priced out of the market when bidding for funds, or be subjected to credit controls on a priority basis. The paradoxical workings of interest rates as an allocator and rationer of funds, and self-defeating subsidies, require this approach if and when price inflation as a way of life is to be stopped as a long run phenomenon at ever increasing rates.

Nixon spoke about real gains in the past five years he failed to point out that the per capita rise in disposable (after-tax) personal income of 24.3 per cent in current dollars, and 10.7 per cent in real dollars, has been dwarfed by the incredible 35 per cent increase in personal per capita debt. All this occurred in the period since 1970 through 1973.

The root of our price inflation is non-productive debt and the sooner we try to improve on the natural workings of money flow the better chance we will have to accomplish the President's third goal.

Straight Talk

by Christopher Elias

The New Jersey sports complex issue, both the bonds and the controversy, never seems to fade away. Each week or so, it seems, some new doubt is generated and last week was no exception.

The bonds issued to finance the sports complex have been sold for some weeks now, but the post mortem over their sale are just beginning to emerge.

One such post mortem is being conducted by Marvin Katz, a man with an impressive background in municipal bond finance. Late in January Katz was commissioned by East Rutherford, New Jersey to poke about the remains of the bond issue sold to finance construction of the sports complex.

In Katz's view, the bond issue was "one of the poorest attempts to underwrite a major project that I have ever witnessed."

The conclusion is unquestionably a harsh one, but Katz has determined, in a report to James L. Plosia, the mayor of East Rutherford, that the commercial banks who participated in the underwriting of the bonds were prohibited by law from doing so.

But these "same commercial banks," says Katz, "had lent the New Jersey Sports and Exposition Authority \$50 million through the purchase of short term notes, and had this issue not been underwritten, the banks would have been faced with a default in the payment of these notes. An educated assumption would be that the banks owning the short term notes of the authority would be willing to do almost anything to prevent a default."

Katz's criticism of the banks does not stop here, however. There were fears from the beginning that distribution of the bonds among the public would be an impossible task. So, says Katz, "in order to get that distribution, the underwriters invited small stock houses, many unfamiliar with municipal bonds into the underwriting account. This is a practice not usually associated with the underwriting of municipal bonds." Katz points out that the moral pledge extended by the State of New Jersey was an ambiguous one—a fact discovered by The Chronicle when it covered the story a few weeks ago.

"With the ambiguous nature of the moral pledge," says Katz, "one would have to assume that many different stories as to the security of the bonds were passed along to the purchasers of the bonds."

An underwriter of municipal bonds both in New Jersey and New York, Katz was involved at various times in efforts to raise

money for water and sewer utilities and for industrial development bonds. He was also involved once in an attempt, eventually aborted, to underwrite a bond issue for one of the first quarterhorse racetracks in New York State. For years he was a municipal bond analyst, and he holds degrees in finance.

Practically everyone involved in the financing comes under the guns of Katz. He suggests that Touche Ross and the underwriters produced an Official Statement about the bonds that was "biased - to enable them to sell the bonds, and clearly did not present the true picture." For example, Katz says that Touche Ross & Co. developed income figures for the sports complex that included "income from the lease in the years 2006 to 2009 after the lease had expired." To be sure, there were renewal options written into the lease, but Katz charges logically that Touche Ross had "no right" to make the assumption that the Giants would renew their lease 30 years from now.

Those things left unsaid also bother Katz who says that nowhere in the Official Statement of the Sports Complex Authority has he been able to find words to say that the bonds "are speculative in nature, with the ability to pay principal and interest depending solely on questionable income projections and a dubious, not legally enforceable moral commitment by the state of New Jersey." Katz's charge of "bias," may actually be too mild. At times his own report suggests deception was more the case. For example, he points out that the Supreme Court of New Jersey has ruled that the face of the Sports Complex Authority bond had to carry this statement: "The authority is obligated to pay the principal thereof or the interest thereon only from revenues or funds of the authority and that neither the State nor any political subdivision thereof is obligated to pay such principal or interest and that neither the faith and the credit nor the taxing power of the State or any political subdivision is pledged to the payment of the principal of or the interest on such bonds or notes."

This, of course, conflicts with the understanding of many bankholders of the "moral pledge" extended by New Jersey, but Katz's point is that though the notice appears on the face of the bond it does not appear in the Official Statement, which after all, is the selling device. The clear meaning is that bondholders will find out the truth only after they've put up their money.

The four musts of financial reporting

By A. A. Sommer, Jr.

(Ed.'s note: A.A. Sommer is a member of the Securities and Exchange Commission. The opinions he expresses here are not necessarily those of the entire SEC.)

The bulk of our investment capital comes from private investors, small and large, individual and institutional.

These investors are, in most cases at least, rational people who try to make rational choices about where to invest their money. To make a rational choice in any matter, information is essential, and the possibility of a rational choice is enhanced if that information has certain characteristics.

Investors must have information that is, (1) sufficient, (2) timely, (3) reliable and (4) fairly presented.

Let me take each of these in turn and explore their implications for public accountants, reporting companies, the financial community and the Securities and Exchange Commission.

1.) In the past few years the SEC has taken a variety of actions to increase the amount of information available to investors. We have tried to increase the analytical content of filings both in textual sections and in the financial statements reported on by independent public accountants. This means that it is not sufficient to simply throw raw figures at the investor or the analyst and say in effect, "Now try to guess what it all means."

"Management must increasingly give investors the benefit of its own analysis (and who is in a better position to make an analysis?) and not engage in guessing games.

Meanwhile the accountants increasingly must monitor the integrity of the representations of management.

"Differential disclosure"

In adopting these requirements, we have recognized the fact that there are different audiences for information and that all of our requirements cannot be addressed to the average investor. We must supply the professional user with enough information to develop an in-depth understanding of corporate activities. What we have suggested, therefore, is differential disclosure, based on the needs of users, but not discriminatory disclosure since the more detailed data are available to all.

It has been suggested that this differential disclosure poses legal and practical problems for management and auditor. If specified information is important for analysts, might an individual sue because it was not made available to him in, say, the annual report? We are studying this problem and will carefully weigh the means by which the differing demands of the broad spectrum of investors can be served without creating unreasonable legal and practical problems.

It is sometimes argued that "people won't understand." This argument has little validity. One of management's duties is to communicate, and most management clearly possess the skills.

The specter of huge costs and limited benefits is also raised when new rules requiring more comprehensive data are proposed. The problem of cost cannot be and is not ignored, but the cost estimates frequently presented strain the bounds of credibility. I suspect that there is a need for the Cost Accounting Standards Board to create standards for the allocation of costs to regulatory disclosure proposals.

Timely information

2.) In addition to sufficient information, investors must receive it in timely fashion to make their economic decisions. Magificent data rarely presented will not meet the needs of investment decision-makers in a rapidly changing business environment.

Perhaps accountants over the years have devoted too much attention to the problems of reporting results of an identifiable but arbitrary time segment based on the length of time it takes the earth to circle the sun and not enough to the problems of reporting a continuum. In the next year the SEC expects to devote attention to the problem of improving the timeliness of reporting. Part of this will include additional development of our policy on forecasts, which is one approach to better reporting of a business continuum. In addition, we expect to study ways in which interim reporting can be improved and to consider other ways in which significant data about business operations can be placed in the hands of investors.

Both former Chairman William J. Casey and present Chairman Ray Garrett have publicly suggested that auditors should be more involved in the interim reporting process of their clients. This does not mean that a full interim audit should be required, but that the auditor of record should have some responsibility to assess the client's accounting decisions on a timely basis and to review all public reports prior to issuance in accordance with a reasonable set of standards developed by the profession or by the Commission.

Reliability needed

3.) Beyond sufficiency and timeliness, there is a need for reliability in financial reporting. If data are to be the basis for sound investment decisions, users of that data must be able to have confidence that the numbers reflect the reality. It is here that the accountant has the most clearly discerned role. The very reason for the emergence of the accounting profession was to give reliability to the representations of those who might be tempted to fudge in favor of their own interest.

Opinion

Audits must relate to the increasingly complex information systems of sophisticated business enterprise, rather than to the traditional ledger and trial balance. The auditor must be alert to management frauds through the manipulation of reported results by a series of non-arms length transactions with related parties. Compliance with an increasing multitude of regulatory demands must be tested.

What is needed is improved systematization of audits, better quality control over them and, perhaps above all, an increased ability on the part of auditors to approach their job with healthy professional skepticism. I have been astonished over the willingness of auditors to put aside their good judgment and uncritically follow the lead of management.

For example, management asserts it will get orders several times greater than it has ever achieved and the auditor accepts this as a basis for deferral of massive development costs. Management alleges that sales are made with no privilege of return and the auditor accepts such statements while ignoring numerous red flags that indicate major changes in selling terms suggesting that representations are of dubious validity.

Fairness doctrine

And finally, there is the problem of "fairness of presentation." While fraud and error are two sources of misleading data, an even more distressing phenomenon which occasionally appears is the use of generally accepted accounting principles to produce a misleading result.

Some management, with the concurrence of their auditors, are prepared to embellish their performance by the use of accounting tricks which reflect accounting results dramatically different from economic results. Ultimately, the market place exacts a harsh penalty for such activities.

Fairness in reporting goes beyond the financial statements, of course. It is time for independent public accountants to address themselves to the use and summarization by management of data appearing in financial statements.

The Commission is ready to assist in any way it can to improve the fairness of financial statements. It would have been well if in the past the SEC had undertaken to say early that the methods by which franchisor profits were swelled presented an inadequate picture of the underlying economic reality. Or if the Commission had early warned that land development accounting might, despite its ostensible conformity with accepted ac-

counting practices, lead the unwary into a financial desert.

In carrying out this role, the Commission has issued Accounting Series Release No. 151 which called attention to the

Letters

To the Editor:

I was impressed by your column of January 12 that referred to Paul's speech about the need for liquidity in the auction markets and the functions of the specialists. I think you handled the subject well and did justice to his various points in a balanced way.

One factor that may have been omitted from the speech relates to the final paragraph in your column in which you mention that "the existence of many market makers would also produce the liquidity needed so badly today." I think this probably is also true for a large number of stocks particularly ones with large floats and considerable investor interest.

However, although both specialists on the regional exchanges and NASDAQ dealers are free to trade in Amex-listed securities, only about three percent of the volume in stocks listed here is done on the regionals or OTC. At one time NASD urged dealers in the new NASDAQ to make a market in at least two NASDAQ stocks, but this effort lasted only two months with the result that there is no competitive market of this type for stocks listed here.

The point seems to be that although active competition can help to make tight markets, dealers cannot be required to compete and if the specialists enjoy this same privilege, they too will choose not to compete in stocks that are not profitable. It would be nice if the concept would fit the facts but particularly in the markets we are seeing today, it is difficult to muster up enough market makers to provide competition in even the better issues.

Winsor H. Watson Jr.

To the Editor:

May I congratulate you on bringing together the two sections of the Commercial and Financial Chronicle. We have subscribed to your periodical for many years and have come to depend on it to answer many of our questions with regard to information and statistics on companies and industries. This single issue makes for quicker and easier viewing and efficiency in retaining for future reference.

However, there is one deletion which you have made in your new format, and which we had come to depend on, that is, the listing of "Dealer-Broker Literature." You did give a partial list in the first edition (Jan. 7), but none at all in

problem of inventory profits in a period of rapidly rising prices. We have also called for special disclosure in a number of specific cases where defined accounting principles led to results that might not have been intended when the principle was established.

In a few cases we have asked public accountants to give us letters asserting that the accounting principles used by their clients were in the auditor's

Continued on page 20

the Jan. 14 and 21 issues. Is this to be a permanent deletion? We would appreciate it if you would consider reactivating this column.

John W. Teare, Manager
Commercial Research Dept.

To the Editor:

We commend you for your concern and effort to keep your news more current but would like to make the following request:

Please keep your Statistical Section separate (or arranged in such a way that the entire section may be removed without disturbing the news items).

As you may be aware, many subscribers have the Chronicle bound into book form each year. In more recent years, in order to reduce the weight of the volumes for easier handling and the space required for them, we have been having only the Statistical issues bound.

This has worked out to a greater advantage than we anticipated as the prices requested for "as of" dates are so much easier to locate.

While we keep copies of the other issues for a couple of years, market quotations are researched for all eternity.

Any consideration you may give our request will be greatly appreciated.

M. F. Anderson, Research Dept.

To the Editor:

As subscribers to the Bank and Quotation Record we want to thank you for your speedy service in sending the January issue to us. Never before have we gotten an issue of this publication so quickly. There is usually a month and a half lapse in information. For instance, information which is carried in the December issue has arrived in the past in January.

However, the January issue arrived January 18, 1974, which was very very helpful to us. We want to thank you again for the fast service. We know that The Commercial and Financial Chronicle is under new ownership and many changes are taking place. We wish you luck.

Stephanie Baldeo
Library

To those readers unaware of it, the Bank and Quotation Record, or the B and Q, is a publication of the Chronicle combining unique compilations of reference material for a sophisticated financial readership.

The Editor

New Chronicle feature

Insider trading viewed

Starting with this issue, The Chronicle will publish reports on insider trading. These reports are compiled from information provided to the The Chronicle by the Securities and Exchange Commission in Washington. This first report has been edited, but reader interest grows. The Chronicle will expand them.

Stocks

The stock market's concern over the oil situation continues to cause more of the backing and filling that has occurred since early November.

The market, says analyst Ralph Acompora of Harris Upham & Co., has not acted definitively to either good or bad news. This was illustrated last week by the market's reaction to Nixon's State of the Union speech and Mideast military pullbacks. Wall Street didn't believe Nixon's talk of no recession and an end of the oil embargo.

Furthermore, the government released figures last week that showed: the sharpest decline in factory orders in 17 months; a 9 per cent gain in farm prices; and a jump in the jobless rate from 4.8 per cent in December to 5.2 per cent in January—the biggest jump in four years. Additionally, the oil producing Sheikdom of Kuwait said the embargo would continue until Israel relinquishes all Arab land.

Thus, Acompora sees a testing of the Dow 800-level, with new lows if it penetrates the 840 support level. Stocks likely to suffer are drugs, hospital suppliers and high p-glamors. Stronger issues include steels, rails, food processors and retailers and building materials.

Tax exempts

Six week decline is ended

By William J. Riley
Special to The Chronicle

The municipal bond market turned strong last week after six weeks of gradually declining prices. The market had a welcome respite from the strains of heavy new financing. Only a meager \$140 million in new long term bonds was scheduled for competitive bidding contrasted to \$742 million the week before. Municipals began the week with a floating supply as measured by the Blue List total of \$1,029 million. Dealers made some price concessions on block sales to help move some of this backed up supply but these changes were not regarded as fresh declines but rather as adjustments to the going market.

As the week opened, there was a better tone throughout the bond market as traders became convinced that Federal Reserve

Continued on page 9

ACMAT Corporation. 10,000 comm. at \$3.50 — open market purchase on 12-10-73 and 75,000 comm. at \$3.50 — open market purchase on 12-11-73, by E. Clayton Gengras, Director.

AITS, Inc. 15,000 common; 5,000 at \$4.94 on 12-10-73; 2,000 at \$4.875 on 12-17-73; and 10,000 at \$4.69 — all three are open market purchase, and 21,016 common at \$2.00 on 12-31-73 — private purchase, by Isidore A. Becker, Beneficial Owner of more than 10 per cent of the Company's common stock.

Baker Oil Tools, Inc. 200 comm. (no price listed) — disposed of by Gift on 12-7-73; 4,000 comm. at \$11.5625 acquired by exercise of stock option on 12-20-73; and 1,500 comm. (no price listed) — disposed of by Gift on 12-31-73. E.H. Clark, Jr., President & Chairman of the Board.

Braun Engineering Company. 6,400 comm. at prices ranging from \$12- $\frac{1}{2}$ to \$15.00 — indirect purchase between 12-5-73 and 12-31-73, in 16 separate transactions of amounts ranging between 100 and 2,400 shares. Lawrence C. Bonnycastle, Director.

California Computer Products, Inc. 2,000 comm. at \$6- $\frac{1}{2}$ — private sale on 12-20-73; and 16,700 comm. at prices ranging from \$6- $\frac{1}{2}$ to \$8.50 — open market sale between 12-17-73 and 12-31-73, in 15 sep. transactions of amounts ranging between 200 and 3,000 shares. George M. Canova, Executive Vice President.

Canadian Pacific Limited, 3,000 comm. at \$14- $\frac{1}{2}$ — open market purchases of 12-14-73. Paul Leo Pare, Director.

Coca-Cola Company. 1,400 comm. at \$125.50 — sold on 1-2-74.

Cooper Laboratories, Inc. 27,500 comm. at prices ranging from \$5.00 to \$10.00 — acquired between 8-10-73 and 12-13-73 in 6 separate transactions of amounts ranging between 500 and 25,000 shares. Parker G. Montgomery, Chairman of the Board, President & Director.

Consumer Distributing Company Limited. 1,000 comm. at \$26.00 — open market sale on 10-13-73. Harry L. Wolfson, Director.

Diebold, Incorporated. 1,009 comm. at \$9.40- $\frac{1}{2}$, \$500.41, \$100.41- $\frac{1}{2}$, \$400.43 — open market sale on 12-26-73; and 500 comm. at \$41.00 — open market sale on 12-27-73. Daniel Maggin, Chairman

EPKO Shoes, Inc. 700 comm. at \$9.06; 3,398 comm. at \$9.06; and 17,019 comm. at \$9.06 — all private sale on 12-31-73. Paul M. Epstein, Director and Officer.

EPKO Shoes, Inc. 1,730 comm. at \$9.06; 3,320 comm. at \$9.06; and 41,665 comm. at \$9.06 — all private sale on 1-2-74. Paul M. Epstein, Director and Officer.

EPKO Shoes, Inc. 9,924 comm. at \$9.06 — private sale on 12-31-73. Arthur M. Epstein, Director and Officer.

EPKO Shoes, Inc. 24,296 comm.

at \$9.06 — private sale on 1-2-74. Arthur M. Epstein, Director and Officer of the Board and Director.

Empire Financial Corporation. 4,800 comm. at \$5.75 — open market purchase on 12-6-73. William K. Glikberg, Director.

Empire Financial Corporation. 9,600 comm. at \$5.75 — open market purchase on 12-6-73. Samuel Oschin, Chairman of the Board.

Firestone Tire & Rubber Company. 1,000 Firestone Tire & Rubber Company Common, Class A at \$13.25 — purchase on 12-6-73. R. Carl Brown, Vice President.

First Commercial Banking. 5,000 comm. at \$11.50 — controlled corporation purchase on 12-28-73. Arnold Cogswell, Director.

Fluor Corporation. 3,000 comm. at \$19.17 — acquired through exercise of option on 12-26-73. John T. Stiefel, Senior Vice President.

First National City Corporation. 6,000 at \$17.50; 11,200 at \$17.0625; and 7,200 at \$21.75 (all First National City Corporation — common stock) acquired through stock option on 1-18-73. John S. Reed, Officer.

Grand Union Company. 4,690 comm. at \$19.00 private purchase on 12-12-73. Ralph D. & Mary P. Lytle, Corporate Vice Presidents.

Hallcraft Homes, Inc. 10,000 comm. at \$8.70 private purchase of 12-10-73. John C. Hall, Chairman of the Board.

Homestake Mining Company. 2,000 Homestake Mining Company Capital Stock at \$27.00 — acquired through exercise of option on 12-21-73. Donald T. Delicate, Vice President.

Hamilton Brothers Exploration Company. 500 comm. at \$9- $\frac{1}{2}$ — open market purchase on 12-5-73, and 4,500 comm. at \$9- $\frac{1}{2}$ — open market purchase on 12-11-73. Arlyn J. Miller, Treasurer.

Hayek Corporation. 6,500 comm. at \$26.25 — open market sale on 11-27-73. Oliver G. Haywood, Chairman of the Board.

Indiana Mortgage & Realty Investors. 3,400 comm. at prices ranging between \$12.75 and \$15.00 — open market purchase between 12-14-73 and 1-8-74 in 6 separate transactions ranging between 200 and 1,500 shares. J. Fred Risk, Chairman and Trustee.

Hyatt International Corporation. 4,100 comm. at prices ranging from \$5- $\frac{1}{2}$ to \$6- $\frac{1}{2}$ — open market purchase between 12-3-73 and 12-28-73 in 6 separate transactions of amounts ranging between 200 and 1,600 shares. A. Peter DiTullio, President.

Hamilton COSCO, Inc. 18,500 comm. at \$4.50 — private sale on 12-24-73. J. Fred Risk, Director.

International Stretch Products, Inc. 150,000 comm. at \$2.00 — purchase on 12-31-73. George A. Tunick, Director & President.

Jos. Schlitz Brewing Company. 1,700 comm. at prices ranging from \$52.375 to \$55.750 — open market sale, between 12-4-73 and

12-28-73, in 7 separate transactions of amounts ranging between 100 and 500 shares; and 240 comm. (no price listed) — disposed of by gift on 12-21-73. Joseph Uhllein, Jr., Director Emeritus.

J. Ray McDermott & Co., Inc. 6,000 comm. at between 100 and 101 $\frac{1}{4}$ — open market sale on 12-20-73. Albert H. Stall, Director and Vice President.

Messanto Company. 1,000 comm. at \$45,000. Sold on open market on 12-5-73. Daniel J. Murphy, Regional Sales Director.

Mortgage Trust of America. 1,000 comm. at \$20.00 — open market sale on 12-21-73; and 1,000 warrants at \$20.00 — open market sale on 12-21-73. John F. Havens, Trustee.

McDonald's Corporation. 1,000 comm. at \$49.00 sold on 12-6-73; 500 comm. at \$55- $\frac{1}{2}$ sold on 12-14-73; and 2,550 comm. at \$54- $\frac{1}{2}$ sold on 12-18-73. Howard Clifton Hullender, Vice President.

North Central Airlines, Inc. 30,000 comm. (28,000 at \$2.50 and 2,000 at \$2- $\frac{1}{2}$) — open market sale on 12-31-73. H.P. Skoglund, Director.

Pepsico, Inc. 11,500 PepsiCo, Inc. Capital 16-2-3 per cent par value at prices ranging from \$66.00 to \$72.00 — open market sale between 12-10-73 and 12-31-73 in 10 separate transactions of amounts ranging between 100 and 2,000 shares. Victor A. Bonomo, Director and Vice President.

Pacific Leisure Enterprises, Inc. 390,000 comm. at \$1.25 — private sale on 12-1-73. Willard M.P. Wong, Director & President.

Penobscot Shoe Company. 123,265 comm. at \$4.00 sold to Company under Tender Offer on 12-10-73. Philip W. Lown, formerly Chairman of Board of Directors.

Santa Fe International Corporation. 5,000 comm. at prices ranging from \$45.25 to \$50.50 — sold between 12-3-73 and 12-21-73 in 10 separate transactions of amounts ranging between 300 and 800 shares. C.S. Collester, Director.

Uster Petroleum, Ltd. 110,392 comm. at \$1.30 private sale on 12-27-73, in 7 separate transactions of amount ranging between 100 and 72,366 shares. Robert R. Walker, Director, (Resigned December 15, 1973).

Wainco Oil Ted. 7,000 comm. at prices ranging \$6.25 to \$7.00 — open market sale between 9-20-73 and 11-2-73, in 6 separate transactions of amounts ranging between 400 and 2,000 shares; and 5,000 comm. at \$5.625 — acquired through exercise of options on 8-24-72. Robert F. Smith, Director and Vice President.

Western Company of North America. 500 comm. at \$27.00 — open market sale on 12-18-73. C.M. Holley, Vice President & Director.

Western Company of North America. 1000 comm., at \$28.50 — open market sale on 1-8-74. C.M. Holley, Vice President & Director.

Western Company of North America. 3,000 comm. at \$28.50 — open market sale on 1-2-74. Charles R. Pannill, Vice President & Director.

Government securities

Treasury market buoyant

By Robert Van Cleave
Special to the Chronicle

A considerable degree of buoyancy appeared in the Treasury market last week, somewhat hesitantly at first but it gained strength as the week progressed. Vigor was especially noticeable in Treasury bills, where rates dropped sharply.

The vigor was related in large part to additional prime rate reductions to 9 $\frac{1}{2}$ per cent by large banks, accompanied by some gingerly made markdowns in bankers' acceptances and some commercial paper rates. It was also helped along by official repurchase agreements and outright purchases for customer accounts.

The buoyancy took place against the background of an apparent improvement in the national oil situation, and further hints of an early easing of the Arabian oil embargo. These two developments tended to allay somewhat the fears of an economic slowdown made worse by a totally paralyzing energy shortage.

Announcement of Treasury plans for dealing with its February 15th maturities will be completed today, when coupon rates to be attached to the two shorter note options will be made known. These are up to \$2 $\frac{1}{4}$ billion, 3 $\frac{1}{2}$ year notes, and up to \$1.5 billion seven year notes. Both are to be sold at auction, the first on Wednesday, the second on Tuesday.

In addition, there will be auctioned up to \$300 million 7 $\frac{1}{2}$ per cent 19 $\frac{1}{2}$ year bonds, due 1988 and callable in 1985. Bonds of the same issue were first offered last August in the amount of \$500 million, of which only \$290 million were subscribed by the public at a low price of 95.05 to yield about 8 per cent. When re-opened in November, the results were considerably better. There was a substantial oversubscription, and \$300 million were awarded at 101.60 to yield 7.32 per cent to call date and 7.85 per cent to maturity. Results this time are likely to fall somewhere in between. Greatest public interest should be attracted by the 1977 notes, which happen to be both the largest and the shortest of the three choices offered.

There will be also this week the regular three and six month bill auctions on Monday and the monthly 52-week bill sale on Wednesday.

More cash will be needed, the Treasury spokesman indicated, on present indications about \$2 billion near the end of this month and another \$2 billion or somewhat more before mid-April, both issues to be short-term.

The framework of the market remains much as it has been for some time. In the immediate foreground is the continuing

Continued on page 10

The Markets

In Washington

Market Letters Digest

By John Nash
Washington Bureau

This past week the media was ballyhooing Congress' return, Congressional hearings on the oil crisis, possible impeachment proceedings against the President, the Israeli-Egyptian disengagement, the news of the highest rate of inflation in 27 years, the collapse of the Wall Street firm of du Pont Walston, and the rapidly increasing rate of unemployment.

On the surface, it would appear that these gut issues will occupy much of Congress' time in this session. For Congress, controversial issues such as these make headlines that attract the attention of their constituents which is important to them in an election year. However, these issues will mask the introduction and passage or defeat of important pieces of legislation. While the chastising of the oil industry makes good headlines, not very much will be accomplished by it to benefit the public.

Legislation

One piece of legislation important to investors is the "minimum income tax." Heretofore considered a dead issue until at least 1975, we can now look for its revival this year.

The advocates come armed to the teeth, compliments of President Nixon whose personal income tax situation has provided the fodder that Congressmen Henry Reuss and Charles Vanick require to make headlines, which in turn will force Congressman Wilbur Mills, the powerful chairman of the House Ways and Means Committee, to take positive action. However, there will not be sufficient time in this session of Congress to draft a major tax reform bill. The reforms will be piecemeal.

Because of recessionary forces which are rapidly setting in, business and industry will not be adversely affected by any tax reform. Despite the noise over oil industry excess profits, do not look for them to receive any tax penalties of consequence.

The reforms will affect basically investors in tax shelters, in particular those not related to the energy crisis. These reforms may be accompanied by a modification of the capital gains tax, by extending the holding period to a year. A reduction in income taxes for the poor and middle income people could be considered.

Bank reform

Congressman Wright Patman, chairman of the House Banking and Currency Committee, will use the credit crunch issue to bring about reforms in the commercial banking industry. He has scheduled hearings for February to study the effectiveness of the Federal Reserve Board regulation of bank holding companies and the need for reform. He considers the credit crunch and the related housing finance issue as problems approaching crisis proportions.

Pension reform

Congressman Wilbur Mills to restore some of his waning power will push for pension reform. The staffers of the House Ways and Means Committee and the House Labor Committee are close to working out a compromise. Mills, too, will take advantage of the energy crisis to bolster his image. His committee is currently drafting legislation calling for a stiff excise profits tax of more than 50 per cent on oil companies to force them to invest more heavily in research and exploration. Of interest to investors is a Mills proposal of partial Federal financing of exploratory industry work on shale oil and coal gasification.

Investor protection

The recent demise of du Pont Walston will accelerate the activities of the Senate's Securities Subcommittee and the House Commerce Committee to speed up legislation calling for the implementation of the Central Market System and regulation of the municipal bond industry.

Health insurance

In the area of health insurance do not expect too much from the Health Organization Act of 1973. The Act is not well designed as a means of stimulating in-flow of capital needed to enable HMO's to become a viable alternative to the traditional health care system. Congress will do no more than vote insurance to cover major illnesses and pay the extraordinary cost of medical and hospital care via Social Security.

The subjects discussed will represent Congressional activities for 1974. Being an election year, there will be many absentees in Congress which could have a positive or negative effect on any of the above legislation. Adjournment of the Congress is expected to be October in order that all may hit the campaign trail.

The Farm Outlook Report of Piper, Jaffray & Hopwood says that demand for the available fertilizer supply continues to strengthen as world grain prices advance. Some recommendations include: International Minerals and Chemicals which is benefiting from the rising world market price for both phosphates and potash. First half earnings ending in December 1973, nearly doubled, going from 51 cents in the previous year's first half to \$1.01. Management is forecasting \$3 to \$3.25 in 1974. Other companies liked by the firm are Horer-Anchem whose stock may show price weakness but is believed undervalued; American Cyanamid, whose Agricultural Division is expected to offset moderate setbacks expected in Industrial Chemicals Division. Earnings estimate for Cyanamid, which raised its annual dividend to \$1.40, are put at \$2.60 this year, compared with \$2.35 to \$2.40.

The Lehman Letter notes that with the discount rate at 7-1/2 per cent, no near-term change seems necessary. And a further reduction in reserve requirements on CDs and other money market instruments would make sense only when the Fed needs to add seasonal reserves which would be in March or April.

The Argus Research Corp. sees American Telephone & Telegraph on its way toward reestablishing its reputation as a sound and secure investment. It believes that the utility will again develop a record of stable growth in per-share earnings, thereby offsetting the tarnished image it acquired when earnings growth halted from 1967 to 1971 under the pressure of severe cost inflation. Earnings have surged since mid-1972, and in the year just ended per-share net rose an estimated 15 per cent to \$5.00 and the return on common stockholders' equity rebounded from 9.3 per cent to 10.3 per cent. For 1974, Argus foresees a 6.8 per cent earnings advance and the prospect of 5.6 per cent growth in earnings and dividends over the next several years. The reasons for the optimism are: AT&T is not

fuel-dependent, nor does fuel constitute a major portion of costs; massive rate increases in the last quarter of last year will only begin to benefit earnings in 1974; the quality of AT&T's earnings is much higher than that of other utilities; and AT&T is the leading participant in the growing telecommunications services market.

Harris Upham & Co.'s Market Interpretations suggests that the downtrend of 1973, and the emotional reaction late in the year, has largely discounted the softer economic trend anticipated in coming months. Although it foresees a recessionary climate this year, the letter points out that a buoyant trend in equity prices could take place. As for business activity, it should be on an upbeat in the year's second half, and if the discounting mechanism continues to work, equity prices should reflect an upward bias long before the improved economic conditions become evident.

The Dimes Letter says that American private ownership of gold, which for 40 years has been taboo, is coming soon. Two weeks ago Americans were allowed to own gold coins minted up through 1959, which it says is an obvious prelude to private gold ownership. It points out that reduction of the Interest Equalization Tax was the second indication that President Nixon is edging towards a completely free gold market. By the time the free gold market comes, says the letter, investors will be taking profits on gold and going back into the stocks they are now selling short. The reasons why gold stocks are remaining strong while the market itself has been rising in recent weeks is firstly because golds are ignoring phoney bear market rallies. Secondly, gold is reasserting itself as the prime money.

Paine, Webber Jackson & Curtis' Industry Review has adopted a wait-and-see strategy for the auto replacement parts industry. This sector is currently caught up in cross-currents that have resulted in historically low price-earnings ratios, strong

earnings trends and a negative investor psychology. But record profits for most of the companies are coming in the 1973 fiscal year, and further improvement lies ahead for this year. Paine Webber believes that the fundamentals for the strong companies in the industry remain good and will be reflected in improved replacement market performance once the negative near-term outlook is diminished. Any indication that oil imports are firming and that the Arab countries are again interested in increasing production are clues to a possible improvement in investor attitudes toward this aftermarket group. Among the stronger companies in the industry are: Champion Spark Plug Co., Genuine Part Co., Maremont Corp. and Monroe Auto Equipment Co.

Van Kampen Wauterlek & Brown, Inc.'s Biweekly Municipal Market Letter suggests that selective buying with an awareness of a probable widening of the yield curve as an investment policy for tax-exempts, in light of stable long-term rates prevailing, and short-term rates re-entering the scene. The letter views the municipal bond market in a cautious neutral period. The supply side is rather large in the municipal market, and statistics on capital spending and prospective buying needs of the industry are quite high compared with 1973. For the time being, the letter foresees a dismal economic outlook for 1974, which would call for a retreat in the level of bond prices.

Chemical Bank's Report from Europe, in its assessment of the U.S. dollar, points out that it is likely that the central banks of many nations will moderate the dollar's advance in 1974. This will be done, the report says, by a combination of direct and indirect measures including the widespread removal of restrictions that were imposed when the dollar was weakening rapidly. Any technical reaction to the recent sharp rise of the dollar is likely to be shortlived, it concludes.

Decline

Continued from page 8

activity clearly indicated a favorable and easing market policy to hold interest rates down. The reduction in the prime rate to 9 1/2 per cent had become general. U. S. Treasury bill rates were lower at the Monday auction and declined further in the open market. Banks reduced their lending rates. Commercial paper rates softened.

The largest single issue of the municipal week was an offering of \$33 million City of Springfield, Illinois Electric Revenue Bonds awarded on Tuesday, January 29, to a syndicate led by Blyth Eastman Dillon & Co. at a net interest cost of 5.482 per cent. These bonds, rated double A by Moody's, were re-offered at yields between 4.15 per cent in 1977 and 5.7 per cent in 2000-2001. There was a prompt first day response that took the syndicate balance down to

only about \$7 million, since reduced further.

Not included in the sealed bidding list was a negotiated offering on January 29 by Morgan Stanley & Co. Incorporated of \$27,500,000 Charter Township of Hampton, Mich. and \$7,200,000 City of Marysville, Mich., Pollution Control Revenue Bonds Series A. Both issues provide for anti-pollution facilities of the Consumers Power Company. They are rated A by Moody's.

A syndicate headed by Merrill Lynch, Pierce, Fenner & Smith, Inc. won the award on January 30 of City of Houston \$11.5 million A rated Revenue Bonds. Re-offering yields ranged from 4.2 per cent in 1977 and 5.75 per cent in 1996. The offering was better than two-thirds sold on the same day.

The market improvement this week enabled the Bankers Trust Company syndicate to close out on Wednesday, January 30, the \$50 million West Virginia School Building Bonds they had bought

the week before.

In the short-term field, the New York City Housing Development Corporation sold on Wednesday, January 30, \$43 million of Bond Anticipation Notes. A Morgan Guaranty Trust Company, Salomon Brothers group won \$22 million of the Notes at a rate of 4.7319 per cent. A Bankers Trust group won the remaining \$21 million of the Notes at a rate of 4.7389 per cent. Re-offered to yield 4.65 per cent the new Notes moved readily.

With few new issues to draw upon dealers turned to the secondary market on Thursday to replenish inventories. General market high grade names in the 15 to 20 year range, favored by the commercial banks, continued to be the most sought after category. Otherwise turn-over was light. Dollar quoted issues payable from traffic tolls showed little activity on the week, but a few scattered plus signs were seen.

Read the
Commercial and
Financial Chronicle

TOP WRITERS
TOP READING

Treasury

Continued from page 8

question of whether the Fed has, or has not, moved toward easy money in any decisive manner. Decisive enough, that is to say, to support a rush to buy long-term bonds in advance of a substantial bull market.

Many observers have concluded that a shift to easier money has taken place already, although the bond buyers thus far are not totally convinced. There are several items that can be cited in support of the theory.

Fed funds, for instance, which all of a sudden have assumed an overpowering role in the observers' microscopes. Interventions in the market to supply banks with temporary reserves have lately taken place at a lower level of Fed funds rates, e. g., at 1/4 or 1/2 point below 9 1/2 per cent, rather than by similar fractions above.

Furthermore, the statistics show that over a period of months, say from the end of August to the present, official operations overall have had the effect of enabling member banks to substantially reduce their obligations at the discount window; that is, from borrowings of around \$2.5 billion to \$1 billion, more or less. It is an axiom that if the Fed wishes to ease credit conditions in fact, one of its first moves should be to get the commercial banks out of debt. This unquestionably has been the thrust of operations in the recent past.

It is undeniable, moreover, that the money supply in the narrow sense (demand deposits plus currency outside banks) has been in a steep uprend since the end of September. This could not have taken place unless the banks had been supplied with adequate reserves, and the supply of reserves is almost totally within the ability of the Fed to control.

And the fact that non-borrowed reserves have gone up while borrowed reserves have been trending downward is certainly not without significance with respect to official intent.

Yet it still must be felt that the commitment of the monetary authorities to lower interest rates is considerably less than total. It does not extend, for instance, to a lowering of demand deposit reserve requirements, or to a cut in the historically breathtaking level of the discount rate.

It's as if there were a disposition to encourage market participants to mark rates down on their own, by a wink of the eye and various sly hints, while reserving the right to disclaim responsibility if the markdowns should go further than can be justified as the future unfolds. Many in the market are willing and eager to cooperate, so very little encouragement is needed.

That the Federal Reserve authorities are reluctant to go all out for a new monetary inflation is to their credit, but the fact that they give encouragement to lower rates sub rosa, as it were, is a trustworthy indicator of the overall disposition of government.

It is given more tangible form by

recent moves in the executive branch. The forthcoming budget, for example, is officially described as likely to be more "flexible." That means a larger increase in spending and a bigger deficit than a policy of restraint would call for. Unofficial estimates of the probable deficit are substantially greater than the official. This is motivated, evidently, by the same fears of a possible recession that would call for a new easy money policy.

In the same direction are the moves announced last week to encourage a capital outflow from the United States. They are by now well-known: effective abolition of the interest equalization tax, of the "voluntary" guidelines established by the Federal Reserve Board with the purpose of restraining foreign lending by U. S. commercial banks, and of the limits set by the Commerce Department on direct investment abroad by American corporations.

The apparent purpose is to prevent the new-found strength of the American dollar from going to extreme lengths, such as would vitiate the advantage in export trade that the two formal devaluations of the dollar were designed to achieve.

The recent floating of the French franc, which thereupon floated downward, is a comparable example of the growing effort for competitive national trade advantage.

All such efforts, of course, spell additional inflationary pressures internally, which gives assurance that any move toward cheaper money will be both mild and brief.

Fed seen

Continued from page 5

interest, but in the interest of itself and the banks, especially in the large money centers, that is, the wholesale banks of the nation.

Leaving the Fed

The Federal Reserve Board reports that since 1960 approximately 750 banks have left the Federal Reserve System. About 140 state-chartered banks have joined, but 1,700 newly chartered state banks have decided not to join. The Federal Reserve Board's statistics show that, at one point in 1973, checking account deposits at non-member banks was \$53 billion, while those of member banks were \$154.6 billion. With such figures to contemplate, it was easy to understand why Federal Reserve Board Chairman Arthur F. Burns said in a statement that he considered the increased powers to be "of the highest importance." He claims the proposed legislation would strengthen the ability of the Federal Reserve, as the nation's central bank, to manage the nation's money and credit. Legislation would force the growing amount of demand deposits outside the Federal Reserve member banks to be responsive to Federal Reserve action.

Wright Patman, however, was not accepting any part of the Federal Reserve's contention last week. Said Patman: "This new power is not needed by the Federal Reserve to control monetary policy and it amounts to little more than that uncontrollable bureaucratic urge to control more and more from the marble palace in Washington."

The marble palace, as it is called by many of those who have visited the Federal Reserve headquarters on Constitution Avenue in Washington is a massive, imposing structure of white marble, remote from centers of activity and hardly ever visited by tourists—who are encouraged, it

has seemed, not to stop by.

"The monetary bureaucrats know no limits to their boarding house reaches," said Patman, who warming to his subject in an interview with The Chronicle, said further: "This grab for power is even more galling when it is realized that this is the same agency which thumbs its nose at Congress and the same people who insist on keeping all activities secret and unchecked by the General Accounting Office."

"Here is an agency that lobbies desperately—and improperly—against independent audits by the GAO, while at the same time asks Congress for more and more power."

In a way Patman was fighting the kind of fight the Administration is waging now against the oil companies, insisting on an end to secrecy to justify a greater reach. In the case of the oil companies, the issue is prices; in the case of the Federal Reserve Board, the issue is power. If the Federal Reserve Board really believes it can make a case for more power, then Patman believes "the Board should open its books and let Congress and the people find out just how this massive bureaucracy works."

In general, Congress has been cool to the Federal Reserve Board in the past, and opposition from state banks and state regulators has been substantial in the past. Two years ago the Federal Reserve Board submitted a bill asking for similar authority, but no hearings were ever held. It is Patman's committee that banking legislation must get by in the House.

It's not that Patman is not scheduling hearings. Recently, he announced that he intended to hold hearings in February, not on the Fed's request for new power, but on the relationship between the commercial banks and the Federal Reserve Board. That relationship in Patman's view has always had a kind of incestuousness in it, and has been a constant subject for review by the Patman committee.

Fed ups bond market

Last week's decided lift to the bond markets, expediting the sale of new issues, is directly attributable to Federal Reserve accelerated moves to expand credit. Monetary ease began last October and last Monday's repurchase agreement (the Fed's temporary purchase of government bills to expand bank reserves) set the tone for this

week. The gloomy news that the unemployment rate leaped to 5.2 per cent in January is expected to offset the adverse impact of continuing price inflation.

Of the new issues sold this week, General Telephone Co. of the Southeast, rated A and priced to yield 8.30 per cent, and Houston Lighting & Power Co., rated triple-

A and priced to yield 7.97 per cent, failed to sell the same day. As of last Friday morning, the General were 50 per cent sold and 20 per cent remained in the pot with a concession price of \$5.00 per bond. Houston Lighting, with a \$4.00 concession to dealers, was 85-to-95 per cent sold with nothing left in the pot.

New issue bond table

ISSUE	TYPE	AMOUNT	DATE DUE	CALL FEATURES	RATING	SYND. MANAGER	COUPON (%)	DATE OF OFFERING	OFFERING YIELD	Market Yield (Bid) 1-4
Anheuser-Busch, Inc.	Debs.	\$100,000,000	2-1-99	N-C 2-1-84	Aa(M)AA(S&P)	DR	7.95	1-29	7.95	7.95
Baltimore Gas & Electric	Bonds	\$75,000,000	2-1-2004	N-C 1979	Aaa(M)AA(S&P)	FB	81-8	1-28	8.15	8.15
Bankers Trust NY Corp.	Debs.	\$100,000,000	1999	N-C 1984	Aaa(M)AAA(F)	LB	81-8	1-16	81-8	8.125
Burlington Northern Inc.	Bonds	\$60,000,000	1999	N-C 1984	A(M)(S&P)	MS	8.60	1-15	8.60	8.50
Commercial Credit Co. First Penn.	Bonds	\$75,000,000	1-15-81	.....	A(M)(S&P)	KP	8	1-24	8	8
Banking & Tr. Florida Power & Light	Notes	\$40,000,000	1-15-99	N-C 1-15-84	AAA(F)	KP	81-4	1-8	8.25	8.24
Ford Motor Co.	Bonds	\$125,000,000	1-1-2004	.....	Aa(M)A(S&P) AA(F)	BED	81-2	1-17	8.44	8.43
Ford Motor Co.	Debs.	\$60,000,000	1-15-94	N-C 1974	Aaa(M)AAA (S&P)	GS	7.85	1-16	7.85	7.87
Gen. Tel. of the Southwest	Notes	\$100,000,000	1-15-80	N-C 1-15-79	Aaa(M)AAA (S&P)	GS	7.40	1-16	7.40	7.43
Georgia Power Co.	Bonds	\$30,000,000	2004	.....	A(M)(S&P)	SB	8.25	1-31	8.30	8.25
Houston Lighting & Power Co.	Bonds	\$150,000,000	1-1-2004	N-C 1-1-79	A(M)(S&P)	MS	85-8	1-21	8.60	8.58
Idaho Power Co.	Bonds	\$100,000,000	2004	N-C 1979	Aaa(M)AAA(S&P)	LB	81-8	1-30	7.97	7.97
Johns-Manville Corp.	Bonds	\$35,000,000	1-15-2004	N-C 1979	Aa(M)A(S&P)	ML	83-8	1-16	8.32	8.33
Macy Credit Corp.	Debs.	\$75,000,000	2004	N-C 1983	Aa(M)AA(S&P)	MS	7.85	1-10	7.85	7.91
Mercantile Bancorp. Inc.	Debs.	\$60,000,000	1-15-82	N-C 1-1-81	A(M)(S&P)	LB	8	1-23	8	8
Northern States Power Oklahoma Gas & Elec.	Debs.	\$40,000,000	2004	N-C 1984	Aa(M)AA(F)	FB	81-2	1-17	8.50	8.51
Pacific Power & Light Co.	Bonds	\$75,000,000	1-1-2004	N-C 1-1-79	Aa(M)AA(S&P)	MS	83-8	1-14	8.33	8.32
Philadelphia Electric	Bonds	\$75,000,000	1-1-2004	N-C 1-1-79	Aa(M)AA(S&P)	MS	83-8	1-8	8.25	8.19
Potomac Electric Power Public Service Co. of OK	Bonds	\$75,000,000	1-1-2004	N-C 1-1-79	Aa(M)AA(S&P)	MS	83-8	1-9	83-8	8.04
San Diego Gas & Electric	Bonds	\$80,000,000	2004	N-C 1979	A(M)(S&P)(F)	BED	83-8	1-9	83-8	8.04
Singer Co.	Bonds	\$100,000,000	2004	N-C 1-1-79	Aa(M)AA (S&P)(F)	FB	81-2	1-16	8.42	8.43
Tampa Electric Co.	Bonds	\$100,000,000	1-15-2008	N-C 1-1-79	A(M)S&P	HS	83-8	1-10	8.48	8.48
Tenneco Inc.	Bonds	\$35,000,000	1-1-2004	N-C 1979	Aa(M)AA(S&P)	MS	8.25	1-23	8.25	8.18
Tenn. Valley Authority	Bonds	\$75,000,000	2004	N-C 1979	Aa(M)A(S&P)	BED	83-8	1-7	8.40	8.41
U.S. Gypsum Co.	Debs.	\$100,000,000	1-15-99	.....	A(M)(S&P)	GS	8	1-8	8.10	8.09
Wisconsin Telephone Co.	Debs.	\$100,000,000	1-15-99	.....	Aa(M)AA (S&P)(F)	S&W	81-2	1-15	8.40	8.42
	Bonds	\$50,000,000	2004	N-C 1-15-74	Aa(M)AAA (S&P)(F)	S&W	9	1-21	8.95	8.95
	Bonds	\$100,000,000	1994	N-C 2-1-84	Baa(M)BBB (S&P)	S&W	9	1-21	8.95	8.95
	Bonds	\$100,000,000	1-1-99	N-C 1-1-79	Aaa(M)AAA (S&P)	FB	8.05	1-22	8.05	8.05
	Debs.	\$75,000,000	1-1-2004	N-C 1-1-84	Aa(M)AA(S&P)	KP	77-8	1-23	7.918	7.918
	Debs.	\$100,000,000	1-1-2004	N-C 1-1-79	Aaa(M) AAA(S&P)	HS	8	1-9	8.05	8.05

Financial News Digest

In Time

Excess profits tax big mess

Feb. 4, p. 34— Never before has Congress imposed an excess profits tax on any industry in time of peace. When it was done in the past, it was to finance a war. Congressional attackers would do better to go after depletion allowances, special benefits from intangible drilling costs, and foreign tax writeoffs.

The current drive to enact such an excess profits tax comes from a response of the politicians to the deep public belief that big oil is taxed all too lightly. Perhaps it is so. But it doesn't make sense to grant special tax benefits, then take away the profits that result from these benefits. Historically, excess profits taxes belong to a war economy.

It is also true that companies can easily dodge profits taxes through wasteful spending, for instance. They might pay huge bonuses, salaries and possibly make bad investments. Such activities would contribute little to the public good, nothing to the treasury.

The excess profits tax has been imposed only three times since 1917 to make money quickly. Economists say there is no such thing as "excess" profits in a free economy, since the corporation's business is to get the highest profits it can. The adoption of the tax idea is the same as the Marxist notion that profits are exploitation.

But the argument to this is that the profits are not generated by efficiency but from outside circumstances removing normal checks allowing profit at the expense of the public. That such has brought suffering on many citizens is the argument of those now in favor of the tax, including Sen. George McGovern. He said: "Simple justice demands that no company or individual profits un-

conscionably from a national crisis." It is also advanced that the Arab embargo shortages allow companies to post higher prices than the normal markets would justify. These should therefore work for the public good—via taxation.

But what are "excess" profits? A Time economist says there's no way to measure it. "What you do is designate a time period for 'normal' profits and tax the excess over that."

In war the maximum was a 65 per cent tax on "excess" profits during WW I, 90 per cent in World War II, and 82 per cent in the Korean War. Sen. McGovern wants an 85 per cent tax on profits that exceed the "average" — and it seems that writers of bills would have to make an arbitrary choice of what is average, or normal.

Excess profits tax laws have been riddled with loopholes and exemptions. Their administration, according to Time economist Alan Greenspan, became "a howling mess."

Also in Time

OIL—Profits of the big oil companies were under fire from all quarters, including a Congressional committee and the public. Exxon, the world's largest oil company, enjoyed profits of \$2.44 billion in 1973, a 59 per cent increase over the previous year. The profits of the companies, combined with the fuel shortage, placed the image of oils at a low ebb. Other profits: **Tekaco**, 45 per cent; **Mobil**, 47 per cent; **Shell**, 28 per cent; **Union**, 48 per cent, and **Cities Service**, 37 per cent. p. 32

FOOD PRICES—The cost of food to consumers is poised for another leap up, reminiscent of last year when they rose by 20 per cent, the main villain in the rise in the cost of living by 8.8 per cent. Grains in the world are still in short supply. U.S. farm goods are being soaked up by Europe, Russia and Japan, and as a result the U.S. may be hard-pressed later in the year. Farm goods demand has sparked a new round of commodity price hikes. Last week wheat was selling for \$6.16 per bu., up \$1.75 from a year ago, on the Chicago Board of Trade. Corn was \$2.86 compared to a year ago at \$1.22. Named: **Townsend-Greenspan, Iowa Beef Processors Inc.** p. 68

WALL STREET—H. Ross Perot, the Dallas computer millionaire, closed down duPont Walston, second largest brokerage firm in the nation, after a 32-month binge in the securities industry. It was hardly noticed by the Street. Named: **duPont, Glore Forgan & Co., Electronic Data Systems, Donaldson, Lufkin & Jenrette.** p. 69

In Business Week

Here's a new auto checkup

Jan. 26, p. 32 F— From propellers for airplanes to computerized diagnostic systems for automobiles is the long spin that has gotten the **Hamilton Standard**

Div. of United Aircraft Corp., to the electronics scene.

As a result, you can now have your automobile examined and a printout will show faults and remedies, which is considerably more extensive than current diagnostic machines on the market.

The company calls its system **Autosense**, and has sold units to **Sun Oil Co.** and **General Motors' GMC Truck and Coach Div.**

Systems on the market now give a printout on engine performance, but a mechanic has to make the interpretations. Autosense does it all, even to guiding the operator on the sequences, showing data it has picked up, prints out faults and the remedies, all in only a few minutes. And the customer gets a copy, showing that the car has, indeed, been fixed. This will free mechanics to increase productivity, help relations with customers.

Hamilton Standard is looking for major buyers, such as auto makers and their dealers, fleet operators and the like.

Not only does the system detect the ills of automobiles, but guides the mechanic in punching out the proper codes to provide him with the solutions to the customers' complaints.

In Institutional Investor

Du Pont's fund house managed

January, page 39— E. I. du Pont de Nemours & Co., likes to tend to its own business, especially where its \$2 billion pension fund is concerned. So the company manages its own fund, preferring only an "advisory relationship" with money managing firms.

They feel that the in-house team is more likely to do things right and are not afraid of change. Frank L. Benedict, Jr., assistant manager of the treasury division of Du Pont and one of two managers of the portfolio fund, says, "If we're doing things exactly the way we did them five years ago, we're probably doing them wrong. And with more than 100,000 employees depending on us for their retirement income, we can't afford to do things wrong."

They have good reasons for managing the fund in-house: the staff is highly motivated, with its work tailored specifically to Du Pont's needs; they have a day-to-day relationship with brokers and investment bankers; their performance has always been more than merely satisfactory.

There is always a substantial savings, too, with in-house management; the cost of managing being less than one tenth of one per cent, including the consultant fees to **Loomis, Sayles & Co.**, Boston investment counseling firm, and Du Pont's own staff salaries. Of course, there is always the possibility that they will have to turn to some outside help due to the sheer bigness of their fund alone. Plus, they intend to revamp their bond portfolio, with some 600 issues in it now, to get it down to a more reasonable size.

But they face potential change with a positive outlook. That's been their attitude all along, and you need only to look at the record to prove it.

In Harvard Business Review

In the future: the superstore

January-February, p. 80—The supermarket you know today may become the superstore of the future, with one-stop shopping for all.

With growth of the supermarket since 1956 has come increasing competition with resultant pressure, and an intensive search for ways to offset declining profits. This brought on diversification, operations in nonfood areas. So we have fewer and larger stores with more products, and now the stage is set for a new concept—**Superstore.**

It will be slow in coming; it won't be a revolution sweeping the industry in a few years. Don't look for abrupt change, but instead for the superstore concept to coexist with the supermarket for several years.

The typical superstore will be larger than the supermarket, with about 30,000 square feet of selling space. Food and nonfood products will be integrated in the floor plan, and you will be able to pick up merchandise and services while conducting routine shopping. Superstores may have great appeal for the higher income consumers, since they consider a greater number of their purchases as routine.

Superstores will need satellite tenants, so that rather than being part of shopping malls or plazas, they may be free-standing. Food chains will have to operate some superstores in order to please their customers, hence may own rather than lease their buildings.

You can look forward to the possibility of 24-hour superstores, but this will require a *revolutionary approach to improvement* in merchandising management and store management.

While some profitability recovery is anticipated in the food chains, it will not be as much as hoped, for competition will phase out supermarket stores prematurely.

In Money

Stocks best inflation hedge

February, page 90— Your best bet against inflation is common stocks, providing a positive rate of return over a long period. And the U.S., especially, has done well in this respect.

Although stocks are not a perfect hedge against inflation, they nevertheless remain the best hedge there is, according to Harvard economist John Lintner, who feels that the "choice is largely among stocks, bonds and real estate. At certain times real estate can be quite a good hedge against inflation, but it involves a lot of management expertise."

He says stocks have a better chance than bonds as long-term inflation eats away at the principal amount of a bond, while stocks tend to appreciate with increasing inflation.

The Digest

The Chronicle "Financial News Digest" is a regular weekly feature and is edited by J. Robert Sherman. Each week major articles dealing mainly with finance and business news, along with other pertinent information, are condensed to keep our readers informed about what other leading publications have mentioned. Feature articles of special significance are headlined. The Chronicle's editors urge you to refer directly to the publications from which the condensed items are derived if you desire total context and entire content.

The "Financial News Digest" condenses:
 American Banker
 Barron's
 Business Week
 Commercial & Financial Chronicle
 Dun's
 The Economist
 Financial Weekly
 Financial World
 Forbes
 Fortune
 Harvard Business Review
 Institutional Investor
 Investment Dealers Digest
 The Journal of Commerce
 Money
 The Money Manager
 Newsweek
 Over-The-Counter Chronicle
 Personal Business Digest
 TIME
 U.S. News & World Report

In Business Week

OIL SHORTAGE—The shortage that was expected hasn't developed thus far, as oil companies leaders warn that shrinkage lies ahead. Stocks of crude oil continue to be high, estimated in mid-January at 239 million bbl., more than a year ago. Gasoline and heavy industrial oil are down 5 per cent. Jet fuel stocks are up 18 per cent, heating oil is up 28 per cent. p. 15

FEDERAL SPENDING—The \$305-billion sought by the Administration in the 1975 budget will be bolstered with more funds to prevent a recession, with increased spending said to be earmarked for public service employment and defense hardware. A so-called "second budget" is being prepared by the Office of Management & Budget, which is looking for projects that will create many jobs fast. p. 19

BORROWING—There has been no fall-off in demand for loans to corporations, and it appears that rates of interest may stay higher and the demand for credit firmer. Inflation will be higher than ever before, say some bankers. Named: First National Bank of Boston, First Pennsylvania Bank, First National City Bank, United California Bank of Los Angeles, Manufacturers Hanover Trust, Industrial National Bank of Providence, Morgan Guaranty Trust, First National Bank of Chicago, Harris Bank of Chicago, Crocker National Bank of San Francisco. p. 20

NEW ENERGY—Shell Oil won the right to drill for geothermal energy on federal land with a bid of \$3.2 million for a tract in the Geysers area north of San Francisco. This heralds the new energy frontier. A bigger surprise came from the City of Burbank, Calif., which bid more than \$1 million for well sites in Nevada. Named: Republic Geothermal Inc., San Diego Gas & Electric Co., Magma Power, Pacific Gas & Electric Co., Union Oil, Thermal Power, Signal, Occidental Petroleum, Thermogenics Inc. p. 22

RESIDUAL CRUNCH—Electric utilities are feeling the pinch of a shortfall of the heavy, black, bottom-of-the-barrel residual, of which about 90 per cent is imported from the Mideast. It was felt that since this oil is less profitable, it could be imported while the oil companies got the upper barrel gasoline, light oil and jet fuel instead. The strategy backfired. The East Coast depended on about 90 per cent import for its needs, now is being hard-pressed. Named: Consolidated Edison Co., New England Electric System, San Francisco Pacific Gas & Electric Co., General Motors Corp. p. 22

TAR SANDS—Canada assumed a standoffish attitude in the matter of tar sands oil development in Alberta, turning down a \$6 billion loan offer from the Japanese, was more receptive to an idea by Petrofina Canada Ltd., to lead a five-company group to build a crude plant with capacity of 125,000 barrels a day in the Athabasca region. Named: Pacific Petroleum, Hudson's Bay Oil & Gas, Murphy Oil, Candel Oil, Royal Dutch-Shell. p. 23

AUTOS—Used car dealers are singing the blues. They are plagued by the virtual collapse of the big-car market, much demand, short supply of small cars; high financing costs, downpayments; big inventories. The dealers are holding up, hoping for the best. p. 24

SALE—Ford Motor Co. will sell 20 per cent of Philco-Ford Corp. to White Consolidated Industries Inc. of Cleveland. p. 25

BEER—PepsiCo., Inc., wants to close its Brooklyn plant which makes the Rheingold Corp. beer it acquired last year, but the Teamsters sought an injunction to keep the plant from closing. PepsiCo. also seeks buyers for its plants at New Bedford, Mass., and Orange, N.J. p. 25

VW SWITCHES—Two of Volkswagen's lines, the air-cooled Squareback and Fastback will be dropped. A new car, more expensive, with front engine and front-wheel drive, will come on stream. It's the Dasher, to be followed by two other models, one more, one less expensive than the Dasher. p. 31

DEFENSE SPENDING—Slowdowns may be seen in the new Administration budget in the area of the fancy, big new weapon programs. Named: Rockwell International, McDonnell Douglas, General Dynamics, Raytheon, Martin Marietta, Chrysler, General Motors. p. 32

NUCLEAR RACE—U.S. firms are moving fast toward getting in on the European nuclear power stakes. Fighting it out are Westinghouse and General Electric. p. 34

SPOT OIL GLUT—Speculators' tanks are full to almost overflowing, as they held oil expecting a shortage to develop. It didn't, and a price plunge occurred, especially in gas oil, which is used primarily for heating. Panic buying of late 1973 is reining in to a leisurely pace. p. 35

TIRED BANK—Crocker National Corp., of San Francisco, may shed its conservative image now that Thomas R. Wilcox has assumed the presidency. He moved over from Wall Street, is one-time vice-chairman of First National City Corp., and Blyth Eastman Dillon & Co. p. 40

POLLUTION CONTROL—Union Carbide has developed a new system *Ucarsep*, for ultrafiltration to clean waste streams. This will be indispensable to firms that have to meet federal deadline in 1977 for effluent controls. Named: Romicon Inc., Amicon Corp., Roll Coater Inc., Arvin Industries Inc., Abcor Inc., Dorr-Oliver Inc., Westinghouse Electric Corp., Aerojet-General's Envirogenics Div., Gulf-Atomic Corp., Du Pont. p. 56 B

KEEPING TRACK—The U.S. would like the trading nations of the world to adopt a uniform electronic system to keep track of 750,000 freight containers. This electronic technology will scan, label, and control containers, produce printouts of information after containers have been seen electronically. Named: Sea-Land Service, American Export Lines Inc., Computer Identics Corp., U.S. Lines, Farrell Lines. p. 56 G

MARKETS—H. Ross Perot, once a hero on Wall Street, has turned his back on it, announced that he was throwing in the towel for the duPont Walston & Co., after big losses. p. 60

Also in Business Week

Du Pont blows out dynamite

Jan. 24, p. 74 D— Boom! Goodbye dynamite, hello Tovex. E. I. du Pont de

Nemours & Co., will blast out of the dynamite-making field and concentrate instead on its new water gel type explosive that's safer and just as effective as dynamite.

DuPont has been concerned about the problem of accidental explosions of dynamite virtually since it first made it in 1880, determined five years ago to find a safer product. Hence Tovex.

The new explosive is based on ammonium nitrate, expected to take over an open share of the small-sticks (of dynamite) market of 300 million pounds a year. That's doubted by Max E. Colson, chairman of Atlas Powder Co., a division of Tyler Corp. He says dynamite's safety record has been excellent over the years in comparison to the enormous tonnage produced. Says a spokesman for Hercules Inc., "Tovex is more like a new model in the Chevy line, not a replacement for the horse and buggy."

Says DuPont: When you fire a bullet into Tovex, it doesn't blow up, but dynamite does. A 40-lb. weight dropped on it doesn't set it off, but a 10-lb. weight explodes dynamite; burning consumes it, but a blaze will detonate dynamite.

Manufacturing it is a lot safer, too, with fewer employees needed, plenty of automation. DuPont expects to open a fourth Tovex plant in Seneca, Ill., in another year. The market for it grows at only 5 per cent a year, but it's profitable, promises to continue that way.

In The C & F Chronicle

ECONOMY—Industry needs to show in 1974 that it is the master of production without inflation, says economist Sidney Brown in "Outlook for 1974." The special outlook reflects views of 32 leaders of government and industry. pp. 1, 36

OPTIONS TRADING—The Securities and Exchange Commission is set to begin an investigation of options and the organized exchange market for trading them. They have been traded since April on the Chicago Board of Options Exchange as part of an SEC pilot program. p. 2 x

SEC PLAN—A plan unveiled by the SEC will require less paper work by brokers, and a closer watch on their activities. A single-form report system is being worked out. p. 4

PEROT—There was trouble aplenty for the Dallas millionaire as the news came out that he was negotiating to sell duPont Walston assets to other brokerage houses. Named: DuPont Glove Forgan, Electronic Data Systems, Harris Upham. p. 5

SNOWMOBILES—A heavy blow is certain to be dealt to this industry in the energy crisis and the further restrictions on luxury purchases. Named: Coleman Manufacturing Co., Brunswick Corp., Yamaha, Outboard Marine Corp., Leisure Vehicle Corp., American Machine & Foundry, Textron, John Deere, Bombardier Ltd. p. 5

STOCKS—A stock broker trying to avoid being overly bearish, says he has to dig deeper and harder and is having some trouble. John Smith, a partner in Fahnstock & Co., sees new uncertainties arising out of the oil embargo. p. 8

BONDS—Corporate issues are expected to go to 9 per cent this year—provided the oil shortage eases. But short term rates will probably continue downward. Named: Salomon Bros. p. 9

CAPITAL OUTLAYS—Spending for plant expansion and modernization will be up 12 per cent in 1974, according to projections. Great, if true. p. 11

OIL—Mitsubishi of Japan is negotiating with Great Canadian Oil Sands Ltd. for a multi-billion dollar complex for oil refining and petrochemicals in the tar sands area of Alberta province. p. 11

In Financial Post

AEROSPACE—Canadians are hoping that the demand from American airplane manufacturers will not lessen, but merely shift to different priorities in the type of aircraft, thus continuing subcontract work here, despite the jet fuel shortage. Named: CAE Electronics Ltd., Douglas Aircraft Co. of Canada, McDonnell Douglas Corp., Japan Air Lines, Pratt & Whitney, Continental Air Lines, British Airways. p. 1

GOLD—At center stage this week were gold stocks, with world prices around \$138 an ounce, and gains were notable. Named: Giant Yellowknife Mines, Dome Mines, Sigma Mines. p. 2

NATURAL GAS—Exploration should really take off, since it is much underpriced in comparison to oil. But it will not mean much new drilling activity, the same as the crude oil crisis didn't spark any drilling boom. The reason is that federal and provincial political moves have scared off investors. Named: Alberta & Southern Gas Co., Pacific Gas & Electric Co., Canadian Arctic Gas, and TransCanada Pipe Lines Ltd., Pan-Alberta Gas Ltd., and Gas Metropolitan. p. 5

THE C\$ RISING—Investment dealers think the Canadian dollar, which is just under the US \$1.01, will rise slowly for the rest of the year due to higher oil revenues and large long-term capital inflows needed for energy-related projects. It is believed that the French franc floating won't have much influence on the C\$. p. 8

TRADE—Chemetics International Ltd., will provide \$40 million worth of equipment and services, including five plants for a chemical complex in Yugoslavia, after negotiations were completed with the Yugoslavian ambassador. Montreal Canadiens hockey player Frank Mahovlich, whose parents were born in Yugoslavia, will endorse Yugoslavian products to the Canadian public. He's been retained by Canadian Industries Ltd., parent company of Chemetics. p. 12

WHEAT—Canada may be asked to help out in the U.S. wheat shortage, at least until the new crop comes in June. It could happen—if the U.S. brings its own hauling equipment, for Canada lacks the necessary transport equipment. Named: Canadian National and Canadian Pacific Railways. p. C-2

TURBINES—Facilities for back up power in the U.S. has brought a new market dimension to the gas turbine engine business, which may get a big boost from U.S. power brownouts. Named: International Harvester Co. p. C-5

LUMBER—Marketers in the West Coast of lumber and plywood are viewing the future with crossed fingers in an iffy situation for their U.S. market, which has been listless. Named: Taiga Wood Products Ltd., MacMillan Bloedel Ltd., Seaboard Lumber Sales Co. Doman Industries Ltd. p. C-7

In Forbes

Onassis giving way to sheiks?

Feb. 1, p. 21— The \$800 million refinery that Aristotle Socrates Onassis proposes to build along the shores of the Granite State of New Hampshire, may be more glitter than gold, and the shipping magnate may at long last be losing his touch.

An oddity about the Golden Greek is that his public life is private and his private life is public. A longtime acquaintance says deals like the New Hampshire one are too big these days for a lone wolf to handle. He'll have to change his style to get the big financing needed for such a big deal, but open corporate balance sheets and partners are not Ari's way.

At the moment more than half of his fleet of 60 tankers are in the spot market, in which they are rented for single voyages rather than on long term contract.

And the big oil companies are holding back on lengthy leases because of the Arab oil embargo. Plus, bunker oil is short, and Onassis' 23-plane Olympic Airways is suffering the same fuel shortage as the big airlines—less travel, more costs for oil.

The question is broached: does Onassis need a captive market for his ships, and is that why he wants now to refine oil instead of carrying it? His proposed New Hampshire refinery off the Atlantic in Durham, with a big offshore tanker terminal, would be the largest in the U.S., is being fought fiercely by environmentalists. He's backed by Governor Thomas, but you can't count Onassis chickens before they're hatched. An example is the failure two years ago of his plan to expand the Greek economy after considerable publicity. The deal included a \$400 million refinery and power plant and aluminum complex. And a big deal for low-priced Arab crude collapsed.

It is said that Onassis has big Arab oil sources in his back pocket, but it's strongly doubted.

While the current situation is not likely to hurt Onassis in the pocketbook (he is reputed to have personally spent \$20 million in his first year of marriage to Jacqueline Kennedy) it may tarnish his Croesus reputation.

And of course, the reason Onassis' deals raise so many eyebrows is because of his mysterious ways, but then, that is part of his mystique. It is true that the public knows more about the "private" life of Ari and Jackie Kennedy Onassis than they do about the public life of the superstar businessman.

In Financial Post

Canadian case of patricide

Jan. 26, p. 11 — Extraordinary, to say the least, is the case of the Hy-Hoe Corp., which makes backhoe excavators, and which recently opened its Canadian facilities at Arnprior, Ont. In the process, it committed patricide, killing off its parent company in the U.S., the Hydraulic Machinery Co., Milwaukee.

The company built a \$1 million, 48,000 square foot plant on 8 acres of land and employs 27 persons which will eventually rise to 70. It received a grant of \$303,600

from the Department of Regional Economic Expansion.

The company expects sales of \$5 million in 1974, with the sale of more than 100 excavators, according to company president A. E. Joslin.

Mr. Joslin bought Hy-Hoe of Canada for \$1 (it was only a company name) and got HMC for \$1 million, then closed it out. He managed to do all this from a base of operations in the A. E. Joslin Machinery & Equipment Ltd., which he had been running since 1949.

He felt that Arnprior was a better place for Hy-Hoe than Milwaukee, for natural gas is in good supply, (their major energy source), and there seems to be an adequate supply of steel for gear boxes, and engines. And there seem to be no immediate problems about shortages: All in all, a novel situation!

In Financial World

Surveys of the industries

Jan. 30, p. 23— Surveys of industries are broken down into 22 specific groups and ranked by FW's Appraisal Rating. The breakdowns are given here, with the top three in each group.

In aerospace and aircraft: Rockwell International, United Aircraft, Martin Marietta.

Amusements, leisure publishing: Time Inc., Dun & Bradstreet, Walt Disney.

Auto, truck parts: General Motors, Ford Motor Co. and Ford Motor Canada.

Banking, finance, real estate, insurance: Household Finance Corp., C.I.T. Finance, Beneficial Corp.

Building & supplies: Weyerhaeuser, Georgia-Pacific, Johns-Manville.

Chemicals, plastics: DuPont, Eastman Kodak, Union Carbide, Rohm & Haas. (Rated A+).

Containers, glass, paper: Continental Can, International Paper, Kimberly-Clark.

Drugs, cosmetics, medical supplies: Procter & Gamble, Colgate-Palmolive, American Home Products.

Electronics, electrical: General Electric, Zenith Radio, Emerson Electric.

Food, beverages, tobacco: Kraftco, Beatrice Foods, Reynolds Ind.

Home & office furnishings, jewelry: Singer, Whirlpool, Rubbermaid.

Machinery, instrumentation: Bearings Inc., Caterpillar Tractor, Timken Co.

Metals, mining: International Nickel, Phelps Dodge, Aluminum Co.

Multi-industry: Minn. Mining & Mfg., Borg-Warner, Amer. Cyanamid.

Office equipment, data processing, telecommunication: Amer. Tel. & Tel., IBM, Mountain States Tel.

Oil, gas, coal: Exxon Corp., Mobil Oil, Texaco.

Retailing: Sears, Roebuck, Federated Department Stores, Winn-Dixie.

Services: Amer. Dist. Telegraph, Ryder System, Rollins Inc.

Steel products and suppliers: National Steel, Inland Steel, U.S. Steel.

Textiles, apparel: Brown Group, Burlington Industries, Celanese Corp.

Transportation and equipment: Union Pacific, Norfolk & Western, General American Trans.

Utilities: Texas Utilities, Houston Light & Power, Cinn. Gas & Elect.

Also in Financial World

News, opinions on active stocks

Jan. 30, p. 70— Here is some information about active stocks that may be of interest to the investor:

Amcord Inc. is a diversified company, with a major portion of sales and earnings still coming from cement. It is speculative on the basis of success of its leisure activities efforts.

American Hospital Supply, had estimated earnings last year of \$1.15; shares are liberally appraised.

First Chicago Corp., is sound long term investment, earned \$1.32 a share in 1973, may rise 10 per cent in '74.

Fluor Corp., has bright prospects for the long haul; shares are fully priced at 54 on NYSE. A 3-for-2 stock split has been declared.

W. R. Grace, is reasonably priced for income and long-term price recovery.

Homestake Mining, is volatile, not suitable for the average investor.

International Foodservice Systems, a businessman's recovery speculation.

Kaiser Aluminum, a recovery speculation.

Murphy Oil, with shares at 84 on the NYSE, not unreasonably priced on earnings of \$7.25 a share.

Santa Fe Industries, for long term growth possibilities.

Stauffer Chemical, has a potential for price recovery.

Union Carbide, is a sound holding for long term, yields 6 per cent from \$2.10 dividend.

Utah International, worth holding for the long term.

Also in Financial World

GASOLINE LIMIT— Amoco Oil Co., has an unpublished study that says Americans will change their driving habits significantly if and when the price of gasoline tops out at 80 cents a gallon, when their tolerance ends. . . . p. 12

RAILROADS—Federal planners are going to eliminate 26,000 miles of bankrupt Northeast railroads to manageable size by cutting duplicating facilities such as parallel track of competing roads. Named: Penn Central, Norfolk & Western; Boston-Albany, Boston & Maine. . . . p. 12

AT&T COMPETITION—The Federal Communication Communications Commission is going to create competition in the telephone and telegraph industry, with AT&T as a target, but it isn't going to carve up AT&T markets. . . . p. 12

OUTLOOK—Most economists see a "mini-recession" coming in 1974. Some even see a depression. The world may be sitting on an economic time bomb with a short fuse. One thing is certain: investors will have to live with uncertainty for an uncertain length of time p. 14

THE MARKET—From the debris of last year new hope emerges for a better 1974 in the stock market. Such hopes for the future as "dramatic rally," "major bottom," and "illusory capital spending projections." Many companies are named p. 18

In Barron's

ARMS RACE—Both the Israelies and Arabs were buying military jets for their war. It appears that defense outlays for defense spending may augur well for the aerospace firms for years to come, if the energy crisis doesn't get worse than already contemplated. Named: McDonnell Douglas, Northrop, Rockwell International, Boeing, Lockheed, Bell Helicopter Co., Grumman Corp., Bankers Trust, Bank of America, General Dynamics. . . . p. 3

DAY IN COURT—The hearings on the First Home Investment Corp. of Kansas Inc., will be held next month, and its former president, David W. Bush, will have his say, who clashed head-on with the federal bureaucracy. . . . p. 5

BANKS—Some 30 London financial institutions are in trouble, with 20 of them getting help from top commercial banks, others floating around for a lifeline. This is the worst bank collapse in Britain since the 1930s. Per-share price drops of 15 banks are listed. . . . p. 9

NEW MARKETS—The horizons for titanium are broadening, as it enjoys a new life in non-military applications. Named: Consolidated Edison Co., Central Power & Light Co., Oregon Metallurgical Co., Astro Metallurgical Corp., Titanium Metals Corp. of America, RMI Co., Allegheny Ludlum Industries Inc., and NL Industries Inc., National Distillers and Chemical Corp., U.S. Steel, Howmet Corp., Martin Marietta Corp., Teledyne Titanium Inc., Titanium West Inc. . . . p. 11

In USNWR

OIL EMBARGO—Even if Henry Kissinger's belief that the Arab cutoff will be eliminated in the near future, those in the know insist that the energy crisis is here to stay. U. S. refinery runs are beginning to lag due to shortage of crude oil. . . . p. 13

BIG OIL—Executives of the leading oil companies appeared before Sen. Jackson's committee, reporting the degrees of their rising profits. Exxon reported 1973 profits up 59 per cent over 1972. Mobil, up 47 per cent; Texaco, 45 per cent, and Shell 28 per cent. Oddly enough, Shell reported fourth-quarter profits down 1.5 per cent, in sharp contrast to others. . . . p. 15

HOUSING—While some home buyers are benefiting from a slack market, easier credit, less price inflation and distress sales, building contractors were hoping for an upturn in housing starts, which may come about soon. . . . p. 30

INVESTMENTS—The "smart money" goes to real estate and common stocks to keep ahead of the inflation jump. Both are for a period of years. Some authorities recommend putting money into antiques, diamonds, art and coins. But quality stocks are a key strategy, along with land and income-producing real estate. . . . p. 37

TAXES—You can expect many tax changes this year, as Congress prepares for tax reform with some due to pay more, some less. Oil profits will be hit, along with capital gains and minimum tax rates to get to loopholes used by the wealthy. . . . p. 48

CHINA TRADE—U.S. suppliers are seeing open doors in mainland China in areas from auto parts production to oil drilling. Named: the Rucker Co., Standard Oil (Indiana), Glencoe Works, Litter Industries, Boeing, United Aircraft. . . . p. 55

Also in USNWR

Other nations may ape Arabs

Feb. 4, p. 32— Could America, long the world's greatest "have" nation, become one of the "have not" nations? It may become a reality in some basic raw materials, as some nations assume the same attitude the Arabs adopted in their oil embargo.

Other nations may follow that lead, shut off supplies of a broad list of materials necessary to function.

The U. S. depends on imports for all of its rubber, for manganese, cobalt, chromium, tin, nickel, aluminum and platinum. Demand grows and so does concern. By 1985, the country could require imports of about half of its raw materials needs, including iron ore and lead.

Countries are cooperating to keep up the prices. For instance, producers of bauxite, used for making aluminum, will meet in Guinea this month to form a common front; Zambia and Zaire will coordinate production of copper production to keep up the prices. The danger in this is that while there may not be a complete shutoff, there will be sharp price increases, not only from the producers, but from the competing nations.

It all means for this nation that the search for alternates, will be speeded up, along with development of synthetics. Current stockpiles of commodities will carry the U.S. load for a while, but solutions must be found soon. The nation has only 6 per cent of the world's population, but consumes one third of the world's mineral output each year.

In Newsweek

Seeking a leak in the oil dike

Feb. 4, page 70— A funny thing happened on the way to the year 2072. Shortages! Food. Oil. Natural resources. Doomsday? No! But an extraordinary combination of isolated events. Yes!

Henry C. Wallich, columnist, says that the prediction a couple of years ago that doomsday would appear in about 100 years seems to be coming true, but isn't.

The current world shortfall in just about everything started with bad crops around the world, and an explosion of food prices. These problems will continue into 1974, then disappear.

Then came a boom in the world's nonfood commodities amidst inflation that was caused by other forces; the depreciation of the American dollar was there. The boom is likely to come to a halt. But the devalued dollar and world wage inflation, will probably keep prices higher.

Atop all of the aforementioned came the oil shortage, and for this cartel there is no precedent, so coping in the world market is a hazardous business. One of the big problems from this is that others will imitate the Arabs, such as copper, bauxite, manganese and chromium, all of which may not cripple the world economy. The world can if it must, do without. But when the sudden scarcity of resources we have known intimately occurs, there is

damage aplenty.

The trick here is that the cartel can break down. For instance, if they put up the price much higher over cost and reduce the supply, there may come about some sort of cheating by one member of the cartel over another. Efforts are being made by the victims to bring this about. Political and economic inducements will be used. To make and keep a cartel working, all the producers must participate, otherwise it will break down.

Maybe a rational approach to the scarcity price will result in a compromise with the oil producers. It may be the best possible solution and work to our mutual benefit.

Also in Newsweek

OIL HEAT—A Congressional committee under Sen. Henry Jackson, put the barons of seven giant oil companies under the gun. The heat was on big oil, as attempts were made to get to the facts in the oil shortage. Jackson said that "the oil companies are cheating the U.S. public," but didn't prove it. Officials from the companies who testified: Exxon, Gulf, Mobil, Shell, Texaco, Standard of California, Standard of Indiana. Their reaction was that there was a "tinge of McCarthyism in the air." p.64

EARNINGS GUSHER—Just as the oil companies were testifying that they had nothing to do with the oil shortage, the figures on profits came out, figures showing an embarrassment of riches amid scarcities and soaring prices. For instance, Exxon's profits for 1973 were \$2.4 billion, an increase of 59 per cent over the previous year, an all-time record for any industrial company in any society in world history. Reports of other companies were also startling. Named: Exxon, Texaco, Mobil, Shell, Union, Cities Service, Gulf, Standard of California, Standard of Indiana, Atlantic Richfield, Continental, and Phillips. p.65

BROKEN BROKER— duPont Walston, second largest brokerage firm in the nation, closed up shop after months of losses, possibly a precursor to similar troubles on Wall Street. However, after H. Ross Perot's announcement of his intentions to close, it was business as usual on The Street. Losses were estimated at \$50 million. This left the New York Stock Exchange with 524 member-firms, down from 646 at the end of 1968. Thirty four alone went out of business in 1973. Big board firms had lost \$200 million through August. p.67

AUTOS—New car sales are coming up short as the public gives the chill to the gas guzzlers, with a 30 per cent slump compared to a year earlier. Used car auction sales are slow, an indicator that new car sales will continue to be down. Dealers were hopeful that someone would buy all those big cars. After all, said one, "they just can't turn them into \$4000 flower pots." p.69

In Fortune

Things are getting better

February, p. 9— Things are getting better. The signs are there. It is expected that the economic slowdown will be both

brief and mild. There is a villain, of course. It is oil's rising prices and the effects on world trade.

That which looked so bleak a couple of months ago is not so bad after all, at least not since the Arabs eased their embargo of oil on the Europeans and Japanese, which helps to increase the non-Arab flow of oil to the U.S.

So, business can go ahead and plan with greater confidence, push that estimated 12 per cent capital outlay for 1974. To top it all off, there is an indication that there will be increased spending of consumer goods and services in the spring. Furthermore, The Administration plans to expand the budget, housing mortgages are up, inventories are healthy. While a downturn in the GNP is expected in this quarter, there is likelihood of a spring upturn in the economic slowdown.

The forecasts for 1974 were beset with uncertainties, but they now seem to center on the world rather than on domestic questions. And they all have to do with oil prices. All nations will pay more for oil, about 2 per cent of GNP, and that may depress demand for oil. Hence, the value of the U.S. dollar has risen because it relies less on imported oil than Japan and Western Europe. Thus the U.S. goods will be less competitive in countries whose currencies have fallen. The value of the dollar is up 10 per cent against the other major currencies. Those countries may cut industrial activity to offset increased oil prices, and our export volume could fall off a year from now.

It appears that oil-importing nations will try to curb foreign exchange, which would crimp economic activity around the world. However, it could have a desired effect: a decrease in inflation. These pressures won't seriously threaten the U. S. business outlook, certainly they don't seem likely to produce depression.

Good news: A plethora of the oil supply and resultant lower prices are seen before too long in the results of careful econometric studies. The current world price of around \$10 a barrel for oil will have to lead to reduced imports from the producer's cartel and an increasing abundance of supply.

The buyers and sellers of oil will have to find ways for payments which will be acceptable to each, for the problem will in the end be resolved. Measures to this end are in negotiation; there are novel problems.

And again, as in everything else this year, people will have to live with the certainty of uncertainties.

In Money

Now's the time to buy stocks

February, p. 88— The lows in multiples and deflation of stock values on Wall Street, apparently have resulted from several considerations, but now's the time to buy. Boston investment counselor David L. Babson, president of David L. Babson & Co., says that deflation comes from bond yield competition, the energy crisis, and inflation itself. He thinks investor uncertainty and low P-E multiples present an opportunity: "Values are the best they've been in years. Values are always better when people are pessimistic." The question for the investor is whether assumptions used to determine multiples are too pessimistic. At least, some say, the market's view for the short term is very gloomy. All you have to do is find the right values.

In Business Week

Machine fills potholes fast

Now a crew of four can do in an hour what a crew of four used to do all day. They fill potholes in the roads and streets, saving money and the patience of motorists. All this thanks to a machine called Asphalt Mobile, developed by Irl Daffin Associates Inc., of Lancaster, Pa., and introduced a month ago.

At each new pothole, the truck used in the process is rigged to make up fresh batches of hot asphalt which is spread over potholes and tamped down. It holds up real well. The old type of cold patches used to break up almost immediately.

The Daffin Associates is 85 per cent owned and entirely run by 70-year-old millionaire Irl Daffin, who gets his ideas from farmers who like to tinker. That's where he gets his kicks, from developing things and then selling them.

The new vehicle costs between \$75,000 and \$80,000, is 32 feet long, carries enough sand and mix to make 12 tons of asphalt to fill holes three minutes after arriving on the scene. The price doesn't include the truck. Highway officials like it. The machine is the little brother of Daffin's Concrete-Mobile, which he brought out in 1964. It makes on-site cement; pours 1 cu. yd. in 2 1/2 minutes from a total batch of 8 yards at a time. He dial-mixes the ingredients, making just enough for each job. Trucks are two-way radio-controlled, are easily moved from place to place according to need.

Mr. Daffin has developed many other useful machines, including a device that separates steel filings from one another, feeds them into a cement mixture which makes an ultra strong reinforced concrete.

Daffin is the developer of the automatic hay baler, bought the New Holland Machine Co. to do it. The baler became a success throughout the world. Daffin later sold New Holland after getting its sales up to \$30 million, to Sperry Gyroscope Co., in 1947.

In Journal of Commerce

Japanese bond flotation due

Jan. 31, p. 1— Abolition of the interest equalization tax (IET) by President Nixon will enable Japanese firms to float an estimated \$1.5 billion worth of bonds in the U.S. market over the next year or more.

Removal of foreign portfolio investment restrictions will enable them to bring about big improvements in their balance of payments situation.

Furthermore, it will enhance the opportunity for a greater flow of American currency in Japan. Said a securities firm spokesman in Japan, "We see a good market for securing impact loans and flotation of bonds in the U.S. which will do wonders for our long-term capital account. An increasing number of our companies now will be raising funds in America."

Some 130 Japanese corporations have applied to the Japanese Finance Ministry to float bonds outside of the country. Much of the money they raise in the U.S. will be used for investments here and in other nations. Their fiscal year begins April 1.

SECURITIES NOW IN REGISTRATION

(N) INDICATES ADDITIONS IN SINCE PREVIOUS ISSUE

(R) ITEMS REVISED

(I) INITIAL PUBLIC OFFERING

Other Companies in Registration

AMDAHL CORP.

1180 Kern Ave., Sunnyvale, CA, Oct. 29, 1973 filed 600,000 shares of common, to be offered at \$28 per share. The company, which is in the computer systems business, will use its proceeds for finance, development, and investment. C.E. Unterberg, Towbin Co., NY; and Hambrecht & Quist, San Francisco, CA will manage the underwriting. Offering expected in Feb. (I)

AUTODYNAMICS, INC.

2 Barnard St., Marblehead, MA, Oct. 26, 1973 filed 300,000 shares of common, to be offered at \$5 per share; 30,000 shares of common, to be offered at \$5.50 per share (reserved for issuance upon exercise of warrants); and 30,000 warrants to purchase common. The company develops, manufactures and markets electrically powered vehicles. Proceeds will be used for debt repayment and to provide funds for development. Gotham Securities Corp., NY will manage the underwriting. V. 206, p. 1931.

AUTOSTOP CORP.

20 R. Republic Rd., North Billerica, MA, July 6, 1973 filed 250,000 shares of common, to be offered at a maximum of \$6 per share. The company engages in the development of an automatic radar braking system, and the proceeds are to be used for general corporate purposes. B.F. Cotzin, Woolf & Co., Worcester, MA, will manage the underwriting. Offering expected in Feb.

BARNES MORTGAGE INVESTMENT TRUST

100 Federal St., Boston, MA, Oct. 26, 1973 filed \$25,000,000 of senior subordinated notes due Dec. 1, 1980. The company invests primarily in first mortgage construction and development loans. Drexel Burnham & Co., and Bache & Co., NY will manage the underwriting. V. 216, p. 2070.

BORG WARNER ACCEPTANCE CORP.

1 IBM Plaza, Chicago, IL, Jan. 8, 1974 filed \$50,000,000 of senior debentures due Feb. 1, 1999, to be offered at 101 per cent. The company, which is engaged in the finance business, will use its proceeds for debt repayment. Goldman Sachs & Co. NY will manage the underwriting. Offering expected in early Feb. V. 217, p. 224.

BOWEN & RUDY GALLERIES, INC.

6922 Hollywood Blvd., Suite 810, Los Angeles, CA, Aug. 24, 1973 filed 200,000 shares of common, to be offered at \$9 per share. Mullane, Wells & Co., Chicago, IL will manage the underwriting.

BROADWAY-HALE CREDIT CORP.

600 S. Spring St., Los Angeles, CA, Jan. 23, 1974 filed \$50,000,000 of notes due 1982, to be offered at 100 per cent. The company, which purchases customer receivables of Broadway-Hale Stores will use the proceeds to retire debt. Morgan Stanley & Co., will manage the underwriting. Offering expected on Feb. 13.

CNA REAL ESTATE MANAGEMENT CORP.

July 30, 1973 filed 5,000 units of limited partnership interest, to be offered at \$1,000 per unit. CNA Investor Services, Inc., Chicago, IL will manage the underwriting.

CVI LASER CORP.

200 Dorado Place, S.E. Albuquerque, NM, Oct. 29, 1973 filed 250,000 shares of common, to be offered at \$3 per share; 250,000 common stock purchase warrants, to be offered at \$3 each (each warrant 1-2 share each); 25,000 common stock purchase warrants, to be offered at \$0.01 each; and 25,000 shares of common, to be offered at \$4.05 per share, offered in units consisting of one share of common and one warrant to purchase one half additional share of common. The company, which is basically engaged in coating lenses, mirrors and similar optical machines in order to control high power laser beams, will use its proceeds to increase company capacity, repay loans and to add to company funds. Doherty and Co., Albuquerque, NM will manage the underwriting. V. 217, p. 1993.

CAMBRIDGE MEMORIES, INC.

696 Virginia Road, Concord, MA, Jan. 11, 1974 filed 364,843 shares of common, to be offered at \$16 per share (350,000 shares by the company and 14,843 shares by selling stockholders). There is also an additional 25,000 shares of common issued to underwriters to cover over-allotments. The company, which develops, manufactures and markets add-on memory systems for use with IBM computers, will use its proceeds to purchase facilities and production equipment and for additional working capital. Alex Brown and Sons, Baltimore, MD, will manage the underwriting. Offering expected Feb. 14. V. 218, p. 1481.

CHEMICAL AMERICAN CORP.

992 High Ridge Road, Stamford, CT, July 17, 1973 filed 250,000 shares of common, to be offered at a maximum of \$4 per share. The company manufactures and merchandises products recycled from waste materials. Consortium Investors Corp. will manage the underwriting.

CONSOLIDATED INTERNATIONAL, INC.

2020 Corvair Ave., Columbus, OH, Dec. 28, 1973 filed \$750,000 sinking fund debentures due 1989, to be offered at 100 per cent. The company, which purchases and sells at wholesale and retail automotive replacement parts and consumer hard goods items, will use its proceeds to discharge indebtedness and provide additional working

capital. Ohio Co., Columbus, OH, will manage the underwriting. Offering expected in late Feb.

CORDIS CORP.

125 N.E. 40th St., Miami, FL, Dec. 28, 1973 filed 160,000 shares of common, including 10,000 by selling shareholders, to be offered at \$35 per share. The company designs, manufactures and sells specialized medical products and services. Proceeds will be used to purchase equipment, as advances to a subsidiary, and for general corporate purposes. C.E. Unterberg Towbin Co., and F.S. Moseley Estabrook Inc., NY, will manage the underwriting. V. 218, p. 1721.

DND TELETRONICS, INC.

1156 Mohawk St., Utica, NY, Sept. 28, 1973 filed 300,000 shares of common, to be offered at a maximum of \$5 per share; 30,000 warrants, to be offered at \$0.01 each and 30,000 shares of common issuable upon exercise of warrants, to be offered at \$5.50 per share. The company, which designs and manufactures various products for the telecommunications industry, will use its proceeds for product development, and to increase working capital. Gotham Securities Corp., and R.A. Wolf & Co., Inc., NY, will manage the underwriting. (I)

DIACON, INC.

4812 Kearny Mesa Rd., San Diego, CA, Nov. 12, 1973 filed 283,225 shares of common, to be offered at \$9.50 per share; and 12,000 shares of common, to be offered at \$11.40 per share and issuable upon exercise of warrants (total includes 225,000 by the company, 35,725 by selling shareholders, and 22,500 to cover over-allotments). The company designs, develops, manufactures and markets semiconductor packages. Proceeds will be used to retire indebtedness, finance and capital purposes. Crowell, Weedon & Co. Los Angeles, CA, will manage the underwriting.

DIAL-A-INTERNATIONAL INC.

645 Madison Ave., NY, Oct. 29, 1973 filed 145,000 units, to be offered at \$2.75 per unit. The company is newly organized and will offer a medically supervised program of weight reduction. Proceeds will be used for rental of offices and other start up operation costs. JJ Krieger & Co., NY will manage the underwriting.

EDUCATIONAL BOOK PUBLISHERS

1500 N.E. 131st St., North Miami, FL, Sept. 27, 1973 filed 280,000 shares of common, to be offered at \$2.50 per share. The company is in the business of publishing and marketing an encyclopedia which concentrates on black people. Proceeds will be used to reduce debt and to provide funds for operating. A.J. Carma & Co., Inc. will manage the underwriting. Offering expected in Feb.

ENTERTAINMENT COMMUNICATIONS, INC.

555 City Line Ave., 6th floor, Bala Cynwyd, PA, Dec. 28, 1973 filed 100,000 units, consisting of 1 share of common and 1 callable warrant to purchase 1 share of common, to be offered at \$15 per share; 10,000 units, consisting of 1 share of common and 1 callable warrant to cover over allotment, to be offered at \$15 per share; 10,000 warrants, to be offered at \$0.01 per warrant; 110,000 shares of common, to be offered at \$22.50 per share, reserved for issuance upon exercise of warrants; and 10,000 shares of common, to be offered at \$18 per share, issuable upon exercise of warrants. The company, which is in the business of radio broadcasting, will use its proceeds for reduction of bank loans incurred in connection with the acquisition of radio stations. Babbitt, Meyers & Waddell, Pittsburgh, PA, will manage the underwriting. (I)

GENERAL PET CORP.

16 Passaic Ave., Fairfield, NJ, July 31, 1973 filed 150,000 shares of common, to be offered at a maximum of \$5 per share. The company manufactures and distributes products for pets and their care. Ralph B. Leonard & Sons, Inc., NY will manage the underwriting. (I)

HICA MARTIN, INC.

919 Third Ave., NY, Nov. 19, 1973, filed 400,000 shares of outstanding common to be offered at \$21.75 per share. The company deals with the processing and dyeing of nylon yarn. Reynolds Securities, Inc., NY, will manage the underwriting. Offering expected early Feb.

HAIR TRIGGER, INC.

East Glenwood Place, Santa Ana, CA, July 31, 1973 filed 250,000 shares of common, to be offered at a maximum of \$6 per share. The company is in the development and distribution of skin, hair and scalp conditioners and aids. Leason & Co., Inc., Chicago, IL will manage the underwriting.

INDUSTRIAL DEVELOPMENT BANK OF ISRAEL, LTD.

9 Ahad Haam, Tel Aviv, Israel, Nov. 30, 1973 filed \$50,000,000 of 7 1/2 per cent registered capital notes, due 1999, to be offered at \$1,000 per note to non-residents of Israel. Proceeds will be used as part of the capital of the Bank, Capital for Israel, Inc. will manage the underwriting. Offering in expected Feb. 11. V. 203, p. 1342.

INTAROME FRAGRANCE CORP.

429 West 53rd St., NY, Sept. 13, 1973 filed 120,000 units, comprised of one share of common stock and one warrant, to be offered at a maximum of \$2.50 per unit; 120,000 shares of common, to be offered at a maximum of \$4.50 per share; 12,000 shares of common, to be offered at a maximum of \$2.74 per share and 12,000 common stock warrants to be offered at \$0.01 each. The company, whose proceeds will be added to its general funds, blends and sells "fragrance compounds." Braun, Hess & Co., will manage the underwriting. V. 217, p. 31.

INTERNATIONAL LEISURE INDUSTRIES, INC.

5090 N.E. 14TH Ave., Fort Lauderdale, FL, Aug., 1973 filed 500,000 shares of common and 500,000 warrants (to be offered in units of one share and one warrant), at \$4.40 per unit. The company develops foldable ladders and self

propelled lawn mowers. American Shareholders, Inc., Orlando, FL will manage the underwriting. (I)

ITEL INVESTORS GROUP II

One Embarcadero Center, San Francisco, CA, Nov. 20, 1973 filed 15,000 limited partnership units, to be offered at \$1,000 with a minimum purchase of 6 units. The company is to purchase approx. \$50,000,000 of the virtual memory version of IBM System 370 central processing units and/or peripheral equipment manufactured by IBM and others and lease them to third persons. duPont Walston, Inc., NY will manage the underwriting.

JACUZZI BROS. INC.

11511 New Benton Highway, Little Rock, AR, Nov. 14, 1973 filed 430,000 shares of common (185,076 by the company and 244,924 by selling shareholders) to be offered at \$22 per share. The company designs, manufactures and sells pumps and water systems. Proceeds will be used for capital expenditure and working capital. William Blair & Co., Chicago, IL; and Salomon Brothers, NY, will manage the underwriting. Offering expected in early 1974.

JENN-AIR CORP.

Indianapolis, July 27, 1973 filed 245,000 shares of common. The company manufactures ranges, grills and ventilating systems. The proceeds will be used for equipment and working capital. Shearson, Hammill & Co., Inc., NY will manage the underwriting. (I)

LEE PHARMACEUTICALS

144 Santa Anita Ave., South El Monte, CA, Nov. 9, 1973 filed 275,000 shares of common (50,000 by the company, 200,000 by selling stockholders, and 25,000 subject to over-allotment option). The company, which develops, manufactures and markets products for preventive and restorative dentistry, will use proceeds to increase its working capital. Birt, Wilson & Co., Inc., San Francisco, CA, will manage the underwriting. Offering expected in Feb. V. 218, p. 121.

MATRIX COMMODITIES, INC.

28 King St., NY, Oct. 29, 1973 filed 200,000 shares of Class A common, to be offered at \$5 per share. The company is in the business of trading commodity futures. Phillips, Appel & Walden, Inc., NY will manage the underwriting. Offering expected in Feb.

MEDENCO, INC.

Suite 1800, Five Greenway Plaza East, Houston, TX, Nov. 16, 1973 filed 467,198 shares of common, to be offered at \$12 per share, (24,725 shs. by selling stockholders, and 42,473 shs. to cover over-allotments). The company, which is principally engaged in providing health services, will use its proceeds for debt repayment. Reynolds Securities Inc., NY, will manage the underwriting. Offering expected in Feb. V. 216, p. 183.

Important Notice

The tabulations excluded issues filed prior to July 1973 for which specific offering dates have not been announced. These issues will be reinstated when information regarding the dates when the offerings are to be made is available.

METAL SALES MANUFACTURING CORP.

4001 Produce Lane, Louisville, KY, Nov. 6, 1973 filed 50,000 shares of cumulative convertible preferred stock with a par value of \$15, to be offered at \$20 per share; 15,000 shares of common, issuable upon exercise of warrants, to be offered at \$8.75 per share; and 15,000 warrants to purchase common. The company manufactures and markets metal roofing and siding panels. Proceeds will be used to provide funds for additional working capital. The Ohio Co., Columbus, OH will manage the underwriting.

METROFLIGHT INC.

1974 Sproul Rd., Broomall, PA, Oct. 19, 1974 filed 1,250,000 units consisting of 1,250,000 shares of common and 1,250,000 warrants, to be offered at \$0.60 per unit. The company, which operates commuter flights, will use its proceeds to lease equipment, reduce loans and for working capital. Burnside & Co., Inc., NY will manage the underwriting. Offering expected April 10.

MONOLITHIC MEMORIES, INC.

Sunnyvale, CA, April 20, 1973 filed 630,000 shares of common, (520,000 by the company and 110,000 by stockholders). The company manufactures integrated semiconductor memory circuits. Proceeds will be used for working capital and other purposes. Loeb, Rhoades & Co.; New Court Securities Corp., NY; and Seidler, Arnett, Spillane & Harris, Inc., Los Angeles, CA will manage the underwriting. (I)

NUCLEAR & ENVIRONMENTAL PROTECTION, INC.

163 Murphy Rd., Hartford, CT, Dec. 27, 1973 filed 70,000 shares of common, to be offered at \$9 per share. The company, which develops, manufactures and sells nuclear and occupational safety and protective products, will use the proceeds for expansion, and to increase working capital. Alpha Capital Ventures Corp., NY, will manage the underwriting. Offering expected in mid-February. V. 217, p. 575.

PACIFIC RESOURCES, INC.

239 South Beverly Dr., Beverly Hills, CA, July 6, 1973 filed 800,000 shares of common and 1,600,000 warrants, to be offered in units, of one share and two warrants, at \$0.75 per unit. The company, which conducts exploration for commercially mineable ore bodies, will use its proceeds for working capital and other corporate purposes. Willis Burnside & Co., Inc., NY, will handle the underwriting.

PAGINATION, INC.

New Englander Industrial Park, Holliston, MA, Sept. 28, 1973 filed 174,000 shares of common, to be offered at a maximum of \$0.75 per share; 17,400 warrants to be offered at \$0.01 each; and 17,400 shares of common issuable upon exercise of the warrants, to be offered at \$4.15 per share. The company is completing development of a 35mm computerized projection platemaking system for sale to the graphic arts industry. Proceeds will be used for R&D marketing, and manufacturing of the system and to repay debt. Cotzin, Woolf & Co., Worcester, MA, will manage the underwriting.

PINE FOREST ASSOCIATES

Aug. 7, 1973 filed 206 units of class A limited partnership interests, to be offered at \$25,000 per unit. Financial Service Corp. of America, Atlanta, GA, will handle the underwriting.

POLYDEX CHEMICALS LTD.

421 Comstock Road, Scarborough, Ontario, Canada, Oct. 29, 1973 filed 200,000 shares of outstanding common, to be offered at \$8 per share. The company deals in the manufacture and sale of Dextran synthetic chemical compound and derivatives. J.D. Winer & Co., Inc., NY, will manage the underwriting. V. 216, p. 230.

PRIME COMPUTER, INC.

23 Strathmore Rd., Natick, MA, Dec. 11, 1973 filed 450,000 shares of common, to be offered at \$8 per share. The company, which is engaged in the design, manufacture and sale of small and medium sized computers, will use proceeds to repay debt and provide working capital. Clark, Dodge & Co., Inc., NY will manage the underwriting. Offering expected Feb. 6.

ROGUE INDUSTRIES, INC.

1795 Antelope Rd., White City, OR, July 30, 1973 filed 250,000 shares of common, to be offered at a maximum of \$5 per share. The company produces and sells softwood plywood. First California Co., Inc., San Francisco, CA will handle the underwriting.

SANTA FE INTERNATIONAL CORP.

Union Bank Sq., S. Tower, PO Box 1401, Orange, CA, Jan. 15, 1974 filed 900,000 shares of common, to be offered at \$45 per share. The company, which is primarily a service contractor to the international oil industry, will use its proceeds to increase its funds, and to expand for general corporate purposes, including capital expansion and property development. Dean Witter & Co., Inc., San Francisco, CA; and Blyth Eastman Dillon & Co., Inc., NY, will manage the underwriting. Offering expected in mid-Feb. V. 217, p. 486.

SEEBURG INDUSTRIES, INC.

767 Fifth Ave., NY, Nov. 9, 1973 filed 255,000 shares of outstanding common, to be offered at \$26 per share. Through a subsidiary, the company is engaged primarily in the manufacture and sale of coin-operated phonographs, amusements games and vending games. Allen & Co., Inc., NY, will manage the underwriting.

SOUTHWEST CHEMICAL SERVICES, INC.

2410 Two Shell Plaza Houston, TX, Nov. 2, 1973 filed 586,000 shares of common, to be offered at \$15 per share (400,000 by the company and 186,000 by selling stockholders, and 40,000 subject to a 30 day option granted to underwriters). The company, which provides certain services for the plastics industry, and producing specialty chemicals, will use its proceeds for plant improvement and expansion projects. White, Weld & Co., Inc., NY will manage the underwriting.

STEER WEST, INC.

2711 Garden Bd., Monterey, CA, Sept. 21, 1973 filed 10,000 units of pre-organization subscriptions for limited partnership interests, to be offered at \$1,000 per unit, with a minimum purchase of 10 units. The partnership would purchase, feed, and sell slaughter cattle. Steer-West Securities, Corp., Monterey, CA, will manage the underwriting. V. 214, p. 1835.

TALIA DEVELOPMENT CORP.

15300 Ventura Blvd., Sherman Oaks, CA, July 27, 1973 filed 125,000 shares of common, to be offered at a maximum of \$27 per share. The company sells raw land for recreational purposes. London Securities Ltd., NY, will manage the underwriting.

TELEMED CORP.

9950 W. Florence Ave., Schiller Park, IL, Dec. 5, 1973 filed 380,000 shares of common, to be offered at \$25 per share, (100,000 by the company; 250,000 by selling stockholders; and 30,000 to cover over allotment). The company, which provides services and equipment to medical facilities to assist physicians, will use its proceeds to retire indebtedness, to purchase equipment, and for working capital purposes. G.H. Walker, Laird Inc., NY, will manage the underwriting. Offering expected in Feb. V. 217, p. 3. (N)

TITLESEARCH, INC.

301 Citizens Commonwealth Center, Charlottesville, VA, Aug. 15, 1973 filed 52,000 shares of \$1.32 convertible preferred; and 67,600 shares of common reserved for issuance upon the conversion of preferred stock, to be offered at a maximum of \$2 per share. Anderson & Strudwick, Richmond, VA, will manage the underwriting.

VARO SEMICONDUCTOR, INC.
2800 W. Kingsley, Garland, TX, Nov. 6, 1973 filed 800,000 units, consisting of 1 share of common and 1 warrant to purchase 1-2 share of common, to be offered at \$25 per unit; and 400,000 shares of common, issuable upon exercise of warrants, to be offered at \$22.50 per share. The company produces solid state high voltage rectifiers for use in consumer and industrial electronic products. E.F. Hutton & Co., Inc., NY, will manage the underwriting. Offering expected in mid-Feb.

VICTORIA STATION INC.
150 Chestnut St., San Francisco, CA, Nov. 5, 1973 filed 465,500 shares of common (350,000 shs. by the company, 80,500 shs. by selling stockholders, and 35,000 shs. to the underwriters to cover over-allotments if any), to be offered at \$16 per share. The company is in the limited menu restaurant business. Proceeds will be used for debt repayment and to develop new restaurant business. Robertson, Colman, Siebel & Weisel, San Francisco, CA, will manage the underwriting. V.216, p.531.

WESTERN ACCEPTANCE CO.
2107 Grand Ave., Kansas City, MO, Dec. 28, 1973 filed \$50,000,000 of debentures due 1994, to be offered at 100 per cent. The company, which since 1961 has purchased from Western Auto & Supply Co. Certain customer receivables arising from retail credit sales by independently owned and operated stores associated with Western Auto, will use its proceeds to make the initial purchase of customer receivables, which have arisen from sales by Auto's Co. owned stores. Blyth Eastman Dillon & Co., Inc., NY, will manage the underwriting.

ZONDERVAN
1415 Lake Drive S.E., Grand Rapids, MI, Sept. 27, 1973 filed 363,883 shares of common, to be offered at a maximum of \$12 per share. The company develops market materials used in communicating the evangelical Christian faith. William Blair & Co., NY, will manage the underwriting. (1)

Oil-Gas Real Estate

ADA OIL EXPLORATION CORP.
6910 Fannin, Houston, TX, July 20, 1973 filed \$20,000,000 of formation subscriptions for partnership interest, to be offered \$1,000 per unit. The company was organized to purchase and operate oil and gas producing properties. ADA Securities Corp., Houston, TX will manage the underwriting. Offering expected Feb 4.

AMERICAN PROPERTY INVESTORS IV
1776 S. Jackson St., Denver, CO., Dec. 11, 1973, filed 60,000 unit of limited partnership interests, to be offered at \$500 per unit, with a minimum investment of \$2,500. The partnership will invest primarily in approved commercial real estate which is leased to others. Blyth

Eastman Dillon & Co., Inc., NY; Kelly & Morey, Inc., Denver, CO., will manage the underwriting.

AMERICAN REALTY TRUST
2000 Jefferson Davis Hwy, Arlington, VA, July 2, 1973 filed \$15,000,000 of senior subordinated debentures due 1983. The company is a real estate investment trust. Proceeds will be used for debt repayment. Supple-Mosley Inc., Philadelphia, PA; and BG Dickinson & Co. Des Moines, IA will manage the underwriting.

BANCAL INVESTORS
400 California St., San Francisco, CA, Oct 10, 1973 filed 1,650,000 shares of beneficial interest, to be offered at a maximum of \$20 per unit. The company has been established to invest in a diversified portfolio of mortgage and real property investments. Dean Witter & Co Inc. San Francisco, CA; and Paine, Webber, Jackson & Curtis Inc. NY will manage the underwriting.

BLACK GIANT OIL CO
1304 Ave L, Cisco, TX, Sept 28, 1973 filed 300,000 shares of common, to be offered at a maximum of \$1 per share; and 30,000 shares of common stock underlying warrants, to be offered at a maximum of \$125 per share. Proceeds will be used to finance drilling programs in Australia, repayment of debts, and towards acquisitions and other corporate purposes. Willis E. Burnside & Co. Inc., NY will manage the underwriting. (1)

BEARD OIL CO.
Suite 200, South, 2000 Classen Bldg., Oklahoma City, OK, Dec 21, 1973 filed 350,000 shares of common, to be offered

at \$6 per share, (300,000 shares by the company and 50,000 shares by a selling shareholder); 35,000 shares of common, to be offered \$6, to cover allotments; 17,500 warrants to purchase common stock, to be offered at \$0.01 per warrant; and 17,500 shares of common, to be offered at \$7.20 per share, issuable upon exercise of the warrants. Proceeds will be used primarily to drill development and exploratory wells, to acquire oil and gas leases and to retire a loan. Danes Cooke & Keleher, Inc., NY will manage the underwriting. Offering expected in mid-February.

CENTRAL MORTGAGE AND REALTY TRUST
928 Grand Ave, Kansas City, MO, Oct 17, 1973 filed 750,000 shares of beneficial interest, to be offered at \$22 per interest. The company has invested and intends to continue to invest primarily in short-term first mortgage construction and development loans on commercial and residential properties. Stern Brothers & Co. Kansas City, MO, and Dain, Kalman & Quail, Inc, Minneapolis, MN, will manage the underwriting. V.218, p.497

CHARTER INVESTMENT CO
2008 First Maryland Bldg, 25 South Charles St, Baltimore, MD, Nov. 15, 1973 filed 2,500,000 shares of common, to be offered at \$20 per share. The company, which is a new closed-end diversified investment company will invest at least 50 per cent of its assets in real estate investment trusts, will invest its net proceeds in securities and certain funds. duPont Walston, Inc. NY, will manage the underwriting

New Issue Calendar as of February 1

FEBRUARY 4 (MONDAY)

ADA Oil Exploration Corp.
(ADA Securities Corp.) \$20,000,000 units.
Corporate Investment Trust Fund, Second Monthly Payment Series
(Bache & Co.) 10,000 units.
Northwest Distillers Inc.
(Anchor Securities Inc.) 140,000 common.
Patrick Oil & Gas Corp.
(Patrick Programs, Inc.) 2,400 interests
Public Service Co. of Indiana
(Bids at noon) \$50,000,000 bonds

FEBRUARY 5 (TUESDAY)

Security Pacific Corp.
(First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Dean Witter & Co., Inc.) \$100,000,000 notes.
Security Pacific Corp.
(First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Dean Witter & Co., Inc.) 50,000,000 debentures.
Tucson Gas & Electric Co.
(Blyth Eastman Dillon & Co., Inc.) \$15,000,000 preferred.
Union Electric Co.
(Bids at 11 am) \$70,000,000 bonds.
Union Pacific Railroad
(Salomon Brothers) \$15,000,000 certificates.

FEBRUARY 6 (WEDNESDAY)

New York State Electric & Gas Corp.
(Bids to be received) 1,000,000 preferred.
New York State Electric & Gas Corp.
(Bids to be received) \$60,000,000 bonds.

FEBRUARY 11 (MONDAY)

IDS McCulloch Oil Exploration Development Program-1974
(Investors Diversified Services, Inc.) \$30,000,000 interests.
Industrial Development Bank of Israel, Ltd.
(Capital for Israel, Inc.) \$50,000,000 notes.
Kensal Drilling Ltd.
(W.E. Burnet, Inc.) 425,000 units
Lee Pharmaceuticals
(Birr, Wilson & Co., Inc. \$40,000,000 notes,

FEBRUARY 13 (WEDNESDAY)

Broadway-Hale Credit Corp.
(Morgan Stanley & Co., Inc.) \$50,000,000 notes.
Ohio Edison Co.
(Bids at 11. 450,000 preferred.
Comstock Gold, Silver & Cooper Inc.
(Willis E. Burnside & Inc.) 800,000 common.
Southern California Edison Co.
(Bids at noon) \$100,000,000 bonds.

FEBRUARY 14, (THURSDAY)

Cambridge Memories, Inc.
(Alex Brown & Sons) 364,843 common.

Columbus & Southern Ohio Electric Co.
(Dillon, Read & Co., Inc.) 200,000 preferred.
First National Boston Corp.
(First Boston Corp.) \$100,000,000 notes.
Pennsylvania Power Co.
(Bids at 12 noon) 80,000 preferred
Southern Bell Telephone & Telegraph Co.
(Salamon Bros.) \$300,000,000 debentures.
Vibratronics Inc.
(Koss Securities Corp.) 150,000 common
Southern Pacific Transportation Co.
(Bids to be received) \$15,000,000 certificates.

FEBRUARY 20 (WEDNESDAY)

Allegheny Power Co.
(Bids at 4 pm) 2,500,000 common.
Carolina Power & Light Co.
\$65,000,000 preferred.
Consolidated Edison Co. of NY.
(Bids at 11 am) \$150,000,000 bonds.

FEBRUARY 21 (THURSDAY)

Texas Power & Light Co.
(Bids at noon) 300,000 preferred.
Texas Power & Light Co.
(Bids at 11 a.m.) 50,000,000 bonds
Brooklyn Union Gas Co.
(Bids at noon) \$20,000,000 preferred.

FEBRUARY 25 (MONDAY)

Consolidated Edison Co. of New York
(Bids at noon) \$150,000,000 bonds.

FEBRUARY 26 (TUESDAY)

Appalachian Power Co.
(Bids at 11 a.m.) \$50,000,000
Appalachian Power Co.
(Bids at 11:45 a.m.) 200,000 preferred.
Daystrol-Scientific Inc.
(Engler & Budd Co.) 200,000 common.
Texas Electric Service Co.
(Bids at 11 am) \$40,000,000 bonds.
Texas Electric Service Co.
(Bids at noon) 300,000 preferred.

FEBRUARY 27 (WEDNESDAY)

Brooklyn Union Gas Co.
(Bids at 11 a.m.) \$35,000,000 bonds.
Brooklyn Union Gas Co.
(Bids at noon) \$20,000,000 preferred.

FEBRUARY 28 (THURSDAY)

Regal Muffler Centers Inc.
(BI Planning Security Corp. of NY)
Prime Computer, Inc.
(Clark, Dodge & Co., Inc.) 450,000 common.
Puget Sound Power & Light Co.
(Bids at 11 am) \$30,000,000 bonds.

MARCH 5 (TUESDAY)

Public Service Electric & Gas Co.
(Bids at noon) \$100,000,000 bonds
Orange & Rockland Utilities
(Merrill Lynch, Pierce, Fenner & Smith Inc.) \$20,000,000 common.
Orange & Rockland Utilities, Inc.
(Bids at 11 a.m.) \$30,000,000 bonds.

MARCH 6 (WEDNESDAY)

Public Service Corp. of New Hampshire
(Kidder, Peabody & Co., Inc.) \$20,000,000 bonds.
Public Service Corp. of New Hampshire
(Kidder, Peabody & Co., Inc.) 650,000 common.
Central Illinois Public Service Co.
(Bids at noon) \$35,000,000 bonds.

MARCH 12 (TUESDAY)

Detroit Edison
(Bids to be received) 690,000 preferred.
Louisiana Power & Light Co.
(Bids at noon) \$10,000,000 preferred
Louisiana Power & Light Co.
(Bids 11 a.m.) \$45,000,000
Portland General Electric
(Bids to be received) \$25-30,000,000 common.

MARCH 13 (WEDNESDAY)

Southwestern Bell Telephone Co.
(Bids to be received) \$200,000,000 debentures

MARCH 19 (TUESDAY)

Indianapolis Power & Light
(Bids at noon) 200,000 preferred.
Mississippi Power
(Bids to be received) 150,000 common.

MARCH 20 (WEDNESDAY)

Narragansett Electric Co.
(Bids to be received) \$10,000,000 bonds.

MARCH 26 (TUESDAY)

Texas Electric Service Co.
(Bids at 11 a.m.) \$40,000,000 bonds.
Texas Electric Service Co.
(Bids at noon) 300,000 preferred.

MARCH 27 (WEDNESDAY)

Pacific Power & Light Co.
(Bids at 4 p.m.) \$55,000,000 common.
Laclede Gas Co.
(Bids to be received) \$20,000,000 bonds

MARCH 28 (THURSDAY)

American Electric Power Co.
(Bids to be received) 7,000,000 common.

MARCH 29 (FRIDAY)

Lone Star Gas Co.
(Bids at noon) \$60,000,000 debentures.

APRIL 1 (MONDAY)

Texas Gas Transmission Corp.
(Dillon Read & Co.) \$40,000,000 debentures

APRIL 2 (TUESDAY)

Wisconsin Power & Light Co.
(Bids at 11 am) \$35,000,000 bonds.

APRIL 8 (MONDAY)

Kentucky Utilities
(Bids at 11 a.m.) \$25,000,000 bonds.

APRIL 10 (WEDNESDAY)

Metroflight Inc.
(Willis E. Burnside & Co., Inc.) 1,250,000 units.
Delmarva Power & Light Co.
(Bids at 4 p.m.) 1,400,000 common.
Delmarva Power & Light Co.
(Bids at 11 a.m.) \$35,000,000 bonds.
Maxwell Harman Enterprises, Inc.
(Dania Securities Inc.) 500,000 common.

APRIL 16 (TUESDAY)

Southwestern Electric Power
(Bids at 11 a.m.) 200,000 preferred.

APRIL 18 (THURSDAY)

Arkansas Power & Light
(Bids at noon) \$40,000,000 bonds.
Philadelphia Electric Co.
(First Boston Corp.) \$75,000,000 preferred.

APRIL 23 (TUESDAY)

New York Telephone Co.
\$200,000,000 bonds.

APRIL 30 (TUESDAY)

New Orleans Public Service Co.
(Bids at 11 a.m.) \$32,000,000 bonds.

MAY 1 (WEDNESDAY)

Sierra Pacific Power Co.
(Bids 11 am) \$25,000,000 bonds.

MAY 21 (TUESDAY)

Interstate Power Co.
(Bids at 3:45 p.m.) \$5,000,000 common.
Pacific Gas & Electric Co.
(Bids at 11:30 am) \$150,000,000 bonds

MAY 22 (WEDNESDAY)

Interstate Power Co.
(Bids at noon) \$5,000,000 preferred.
Interstate Power Co.
(Bids at 11 a.m.) 17,000,000 bonds

CITIZENS & SOUTHERN REALTY INVESTORS
33 North Ave. NE Atlanta, GA. Nov. 9, 1973 filed 1,000,000 shares of beneficial interests, to be offered at \$36.625 per share. The company is a real estate investment trust established for the purpose of investing in mortgage loans and owning real estate. Lehman Brothers, Inc. NY; Dean Witter & Co. Inc. San Francisco, CA; and Robinson-Humphrey & Co. Inc. Atlanta, GA. will manage the underwriting. V.218, p.607

CONTINENTAL ILLINOIS REALTY
Suite 500, 606 Wilshire Blvd., Santa Monica, CA, Dec. 19, 1973 filed \$25,000,000 of senior subordinated notes due 1981, to be offered at \$1,000 per note. The company is a real estate investment trust. Lehman Brothers, Inc., NY; and Dean Witter & Co., Inc., San Francisco, CA will manage the underwriting. Offering expected in early 1974. - V. 218, p. 735.

CONVEST ENERGY OIL & GAS PROGRAM
July 30, 1973 filed 5,000 units of limited partnership interest, to be offered at \$1,000 per unit. Convest Security Distributors and Chase Investment Services of Boston will manage the offering.

DYCO PETROLEUM CORP.
Gelco Bldg., 1300 South Second St., Hopkins, MN, Aug. 17, 1973 filed 600 units of participation and interests in Dyco Petroleum Corp. Oil and Gas program 1974, to be offered at \$5,000 per unit. The partnership was organized to invest in oil and gas drilling. Dain, Kalman & Quail, Inc. Minneapolis, MN will manage the underwriting

DYCO PETROLEUM CORP.
Gelco Bldg 1300 South Second St. Hopkins, MN, Aug 17, 1973 filed 800 units of participation in the company oil and gas program, to be offered at \$5,000 per unit. Dain, Kalman & Quail, Inc. Minneapolis, MN will manage the underwriting. (1)

GRAY TOOL CO.
7135 Ardmore St., Houston, TX, Dec. 28, 1973 filed 450,000 shares of common, to be offered at \$15 per share (300,000 shs. by the company and 150,000 shs. by selling shareholders); 30,000 shs. of common, to be offered at \$15 per share; to cover over-allotment. The company, which designs and manufactures oilfield equipment for offshore onshore oil and gas wells and industrial products, will use proceeds to reduce short term debts, plant construction and new equipment, and to increase working capital. Rotan Mosle Inc., Houston, TX, will manage the underwriting. Offering expected in early March. (1)

GROWTH REALTY INVESTMENT LIMITED PARTNERSHIP
2 E. Fayette St., Baltimore, MD, Jan. 23, 1974 filed 3,000 limited partnership interests, to be offered at \$1,000 per interest, with a minimum purchase of 2 interests. The partnership will invest in residential and commercial real estate. Legg, Mason & Co., Inc. Baltimore, MD; and Wood, Walker & Co., Inc., NY, will manage the underwriting.

HANOVER PLANNING CO. INC.
5 Hanover Square, NY, Dec. 21, 1973 filed 4,000 units representing limited partners capital contributions in the 1974 Hanover Drilling program, series II, Ltd. a limited partnership to be formed and preorganized subscriptions to aforementioned units at \$5,000 per unit; and 42 shares representing general partners initial capital contributions in the 1974 Hanover Drilling program, series II, Ltd., a limited partnership to be formed at \$5,000 per share. The partnerships will be formed to explore for oil and gas. Selhan, Inc., NY will manage the underwriting. Offering expected in early Feb. V. 218, P. 293.

HARTMAN GROUP SECOND FUND, LTD
Suite 1720 Travelers Tower, Southfield, MI, Oct 29, 1973 filed 10,005 partnership units, to be offered at \$500 per unit, with a minimum subscription of \$2,500. The partnership was formed for the purpose of investing in improved real estate. Group Investment Managers, Inc. is the managing corporate general partner.

HEITMAN MORTGAGE INVESTORS
12th Floor, 225 Franklin St., Boston, MA, Oct. 31, 1973, filed \$30,000,000 of senior subordinated notes due 1980, to be offered at 100 percent. The company is a real investment trust. Bear, Stearns & Co. NY will manage the underwriting. Offering expected Feb. 4.

HILLIARD OIL & GAS, INC.
2200 Sand Hill Rd., Menlo Park, CA, Dec. 27, 1973 filed 250,000 shares of common, to be offered at \$10 per share. The company is engaged in oil and gas explorations and production. Proceeds will be used to reduce short term debt and to add to working capital. Underwriters to be named. V. 218, p.1651.

IDS-MCCULLOCH OIL EXPLORATION DEVELOPMENT PROGRAM-1974
10680 Wilshire Boulevard, Los Angeles, CA, Nov 9, 1973 filed \$30,000,000 of interests in an Oil and Gas Exploration and Development Program, to be offered at \$1,000 per unit, with a minimum subscription of \$5,000. The limited partnerships will engage in exploration for and development of oil and gas. Investors Diversified Services, Inc. Minneapolis, MN, will manage the underwriting. Offering expected Feb. 11.

IDS REALTY TRUST
IDS Tower, Minneapolis, MN, Sept 6, 1973 filed \$101,002,650 of Series C subordinated debentures due Oct 31, 1988. A real estate investment trust organized in Dec. of 1971 to invest in a portfolio of real property investments. The net proceeds will be used to repay short-term borrowings. Investors Diversified Services, INC., Minneapolis, MN will manage the underwriting. -V 217, p 919

I.R.E. REAL ESTATE PARTNERS, LTD., SERIES IV
201 Selvilla Ave., Coral Gables, FL, Nov. 16, 1973 filed 20,000 units of limited partnership interests, to be offered at \$500 per unit, with a minimum purchase of 5 units. The objective of this company is to acquire for investment, improved income producing real estate. Investors Tax Sheltered Real Estate, Inc., is the General Partner.

JUSTICE MORTGAGE INVESTORS
505 N Ervay, Dallas, TX, Oct 29, 1973 filed 800,000 shares of beneficial interest, to be offered at \$24 per share. The company is a business trust which invests in real estate mortgage loans. Kidder, Peabody & Co. Inc. NY will manage the underwriting. V 217, p 739

KENAI DRILLING CO.
551 Fifth Ave., NY, Sept. 12, 1973 filed 425,000 units to be offered at \$4.50 per unit. Each unit will consist of one share, one warrant exercisable in 1977, at an initial price of \$ 4.50 and one warrant exercisable in 1975, at an initial price of \$3. The company was incorporated in April 1973 to acquire two companies engaged in the oil business in Alaska. Proceeds will be used for acquisitions. W.E. Burnet, Inc. NY will manage the underwriting. Offering expected Feb. 11.

LEAR PETROLEUM CORP.
200 Tower Petroleum Bldg., Dallas, TX, Jan. 9, 1974 filed 375,000 shares of common, to be offered at \$9 per share; 37,500 shares of common, to be offered at \$9 per share, to cover over allotment; and 20,000 shares of common, to be offered at \$11.52 per share, issuable upon exercise of a warrant to be sold to the underwriter. The company, which explores for, produces and sells oil and gas, is also engaged in the intra state gather transportation and sale of natural gas, will use its proceeds to reduce debt, and to increase working capital. Lentz, Newton & Co. San Antonio, TX, will manage the underwriting. Offering expected in Mid-Feb. V. 217, p. 1685. (1)

MAENNER-AMERICAN PROPRIETES
10050 Regency Circle, Omaha, NE, Nov. 6, 1973 filed 25,000 units of preformation limited partnership interest, to be offered at \$100 per unit with a minimum purchase of 25 units. The partnerships will invest in income producing real property. First Mid America Inc., Lincoln, NE will manage the underwriting.

MAY PETROLEUM INC.
1435 Republic National bank Bldg., Dallas, TX, Aug. 24, 1973 filed 2,400 units of participation in the company's series C Drilling Programs, to be offered at \$5,000 per unit. May Securities Corp. Dallas, TX will manage the underwriting. (1)

MASSMUTUAL MORTGAGE & REALTY INVESTORS
1295 State St., Springfield, MA, Nov. 20, 1973 filed \$40,000,000 of senior notes due 1980, to be offered at 100 per cent. This real estate investment trust will use proceeds to reduce short term borrowings. White, Weld & Co., Inc. NY will manage the underwriting. V. 216, p. 919.

MIDLAND MORTGAGE INVESTORS TRUST
1800 Midland Center, Oklahoma City, OK, Nov. 28, 1973 filed \$22,000,000 of convertible subordinated debentures due 1988, to be offered at 100 per cent; and an indeterminate amount of shares of beneficial interest issuable upon conversion of the debentures. The company is a real estate investment trust which invests primarily in short term mortgage construction and development loans. Smith, Barney & Co., Inc.; Reynolds Securities Inc.; and Stone & Webster Securities Corp., NY will manage the underwriting. V. 217, p. 880. Offering expected early Feb.

MIDLANTIC MORTGAGE INVESTORS
60 Park Place, Newark, NJ, Oct 26, 1973 filed 1,250,000 shares of beneficial interest, to be offered at \$20 per share. The company is a real estate investment trust formed to invest primarily in short-term construction, land acquisition and development loans. GOLDMAN, Sachs & Co; and Reynolds Securities Inc, NY will manage the underwriting. Offering expected in Feb.

MID-HUDSON LAND PARTNERS
680 Fifth Ave., NY, Jan. 19, 1974 filed 2,000 units of limited partnership interests, to be offered at \$1,093 per unit, with a minimum purchase of 2 units. This partnership will invest in undeveloped real estate in New York state. Scherl, Egner & Bassuk, Inc., NY, will manage the underwriting. Offering expected in mid-Feb.

MULTIVEST GROWTH PROPERTIES
28 State St, Boston, MA, Sept 7, 1973 filed 825,000 units consisting of one share of beneficial interest and one warrant to purchase one share of beneficial interest. The company has been created to invest in diversified real estate. Shearson, Hammill & Co. Inc. NY will manage the underwriting

PACIFIC WEST REALTY TRUST
2500-81st Ave. SE, Suite 200B, Mercer Island, WA, Sept 28, 1973 filed 1,250,000 shares of beneficial interest. The trust's investment policy is to acquire income producing properties, to which the proceeds will be applied. PW Securities, Inc. NY, will manage the underwriting.

PATRICK OIL & GAS CORP
744 W Michigan Ave, Jackson, MI, Oct 23, 1973 filed 2,400 1974 combination program limited partnership interests, to be offered at \$5,000 per unit. The Partnership will be formed to acquire and operate prong oil and gas properties and to drill exploratory and development wells. Patrick Programs, Inc, Bloomfield Hills, MI, will manage the underwriting. Offering expected Feb 1. V218, p1137.

ROWAN CO., INC.
1900 Post Oak Tower, 5051 Westheimer Rd., Houston, TX, Jan. 23, 1974 filed 750,000 shares of common, to be offered at \$33.50 per share. The company, which is in the business of contract drilling of oil and gas wells for others, will use the proceeds for construction and other capital expenditures. Lehman Brothers, NY, will manage the underwriting. Offering expected in late Feb.

SPECTRUM REAL ESTATE INVESTMENT TRUST
Alcoa Bldg, One Maritime Plaza, Ste. 900, San Francisco, CA, Sept. 21, 1973 filed 400,000 shares of beneficial interest, to be offered at a maximum of \$25 per share with a minimum purchase of 40 shares. The Trust primarily will make equity investments in income producing real estate. Spectrum Financial Group, Inc. San Francisco, CA will manage the underwriting. Offering expected early '74. (1)

TESORO 1974-A and 1974-B EXPLORATION PROGRAM, Ltd.
8700 Tesoro Dr., San Antonio, TX, Jan. 9, 1974 filed \$8,000,000 of limited partnership interests, to be offered

at \$1,000 per interest, with a minimum investment of \$5,000. The partnership will engage in exploratory drilling in the U.S. and Canada. E.F. Hutton & Co., Inc. NY, will manage the underwriting. Offering expected in early April.

UNION AMERICA MORTGAGE & EQUITY TRUST
9595 Wilshae Blvd., Beverly Hills, CA, Dec. 28, 1973 filed \$25,000,000 of senior subordinated notes due Dec. 31, 1980, to be offered at \$1,009. The company, which is a diversified real estate investment trust, will use its proceeds to reduce short term borrowings incurred to finance newly made investments. Lehman Brothers, Inc.; and White, Weld & Co., Inc., NY, will manage the underwriting. V. 215, p. 1414.

Utilities

ALLEGHENY POWER SYSTEM, INC.
320 Park Ave., NY, Dec. 21, 1973 filed 2,500,000 shares of common, to be offered at \$20 per share, at competitive bidding. Proceeds will be used to finance construction. Bids expected on Feb. 20, at 4 p.m. V.216, p.1703.

APPALACHIAN POWER CO.
40 Franklin Rd., Roanoke, VA, Jan. 16, 1974 filed \$50,000,000 of first mortgage bonds; and 200,000 shares of \$100 cumulative preferred stock, to be offered at competitive bidding. Proceeds will be used to repay debt and for construction. Bids expected at 11 a.m. on bonds, and 11:45 a.m. on the preferred, on Feb. 26. V. 218, p. 1.

GENERAL TELEPHONE CO. OF THE SOUTHWEST
3632 Roxboro Rd., Durham, NC, Dec. 28, 1973 filed \$30,000,000 of first mortgage bonds, series due 2004, to be offered at competitive bidding. Proceeds will be used for debt repayment. Offering imminent. -V.218, p.1848.

HOUSTON LIGHTING & POWER CO.
611 Walker Ave., Houston, TX, Jan. 4, 1974 filed \$100,000,000 of first mortgage bonds, due 2004, to be offered at competitive bidding. Proceeds will be used for debt repayment and for construction. Offering imminent. -V. 218, p. 1723.

MONTANA POWER CO.
40 E. Broadway, Butte, MT, Dec. 19, 1973 filed \$60,000,000 of first mortgage bonds due 2004, to be offered at competitive bidding. Proceeds will be used for debt repayment and for construction. V. 218, p. 1394.

NEW YORK STATE ELECTRIC & GAS CORP.
4500 Vestal Parkway East, Binghamton, NY, Jan. 8, 1974 filed \$60,000,000 of first mortgage bonds; and 1,000,000 shares of \$25 serial cumulative preferred stock, to be offered at \$26 per share, at competitive bidding. Proceeds will be used to repay debt incurred for construction. Bids expected at 11 a.m. on the preferred and 12 noon on the bonds, on Feb. 6. V. 218, p. 1848.

OHIO EDISON CO.
47 N. Main St., Akron, OH, Jan. 11, 1974 filed 450,000 shares of \$100 cumulative preferred stock, to be offered at competitive bidding. Proceeds will be used for construction and for debt repayment. bids expected at 11 a.m., on Feb. 13. V. 218, p. 910.

PENNSYLVANIA POWER CO.
1 East Washington St., New Castle, PA, Jan. 11, 1974 filed 80,000 shares of \$100 cumulative preferred stock, to be offered at competitive bidding. Proceeds will be used for debt repayment, and to finance construction. Bids expected at noon, on Feb. 14, V. 217, p. 1148.

PUBLIC SERVICE ELECTRIC & GAS CO.
80 Park Place, Newark, NJ, Dec. 20, 1973 filed 4,500,000 shares of common, to be offered at \$18.75 per share. Proceeds will be used for debt repayment. Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. Offering imminent. V. 218, p. 295.

PUBLIC SERVICE CO. OF INDIANA
100 East Main St., Plainfield, IN, Jan. 7, 1974 filed \$50,000,000 of first mortgage bonds, series T, to be offered at competitive bidding. Proceeds will be used to repay debt and to finance construction. Bids expected at 11 a.m. (Chicago time) on Feb. 4. V. 218, p. 1407.

PUGET SOUND POWER & LIGHT CO.
Puget Ppwer Bldg., Bellevue, WA, Jan. 16, 1974 filed \$30,000,000 of first mortgage bonds, due March 1, 2004, to be offered at competitive bidding. Proceeds will be used to repay debt incurred for construction. Bids expected on Feb. 28, at 11 a.m. V. 218, p. 1723.

SOUTHERN CALIFORNIA EDISON CO.
2244 Walnut Grove Ave., (PO Box 800) Rosemead, CA, Jan. 14, 1974 filed \$200,000,000 of first and refunding mortgage bonds, series CC, due 1999, to be offered at competitive bidding. Proceeds will be used to reimburse the company for funds expended for construction. Bids expected on Feb. 13, at 9 a.m. V. 218, p. 1906.

SOUTHWESTERN PUBLIC SERVICE CO.
SPS Tower, 6th & Tyler Sts., Amarillo, TX, Dec. 21, 1973 filed 200,000 shares of \$100 cumulative preferred stock, to be offered at \$102 per share. Proceeds will be used to repay debt and finance construction. Dillon, Read & Co., Inc., NY, will manage the underwriting. Offering imminent. V. 218, p. 1780.

TUCSON GAS & ELECTRIC CO.
220 W. 6th St., Tucson, AZ, filed 150,000 shares of \$100 cumulative preferred, to be offered at \$102 per share. Proceeds will be used to repay debt incurred for construction. Blyth Eastman Dillon & Co., Inc.; and First Boston Corp., NY will manage the underwriting. Offering expected Feb. 5. V.218, p.1834. (N)

UNION ELECTRIC CO.
1 Memorial Dr., St. Louis, M, Dec. 11, 1973 filed \$70,000,000 of first mortgage bonds due 2004, to be offered at competitive bidding. Proceeds will be used to retire debt incurred for construction. Bids expected on Feb. 5. V. 216, p. 2029.

Reg. "A's"

ACCURATE ELECTRONICS INC.
14545 Friar St., Van Nuys, CA, Nov. 15, 1973 filed a Reg. A covering 209,167 shares of common, to be offered at \$1.20 per share (199,167 shares are restricted to registered holders of the company's 8 per cent series A convertible debentures).

ALASKA HOTEL PROPERTIES INC.
208 N. Franklin St., Juneau, AK Dec. 3, 1973 filed a Reg. A covering 250,000 shares of common, to be offered at \$2 per share. V.211, p.1473.

AMERICAN ACUPUNCTURE MEDICAL INSTRUMENTS INC.
1001 South Andrews Ave., Ft. Lauderdale, FL, Nov. 26, 1973 filed a Reg. A covering 500,000 shares of common, to be offered at \$1 per share. The company was formerly known as American Acupuncture Machine & Equipment Corp. First Broward Securities Inc., Ft. Lauderdale, FL, will manage the underwriting. Offering expected early Feb.

AMERICAN RECREATIONAL PRODUCTS INC.
15104 Highway 99, Lynwood, WA, Dec. 4, 1973 filed a Reg. A covering 300,000 shares of common, to be offered at \$1 per share.

BEVERAGE CORP. OF FLORIDA
12965 Northeast 14th St., North Miami, FL, Dec. 5, 1973 filed a Reg. A covering 125,000 shares of common, to be offered at \$4 per share.

BRATSKELLARS, INC.
6922 Hollywood Blvd, Suite 810, Los Angeles, CA, Aug. 24, 1973 filed a reg. 'A' of 200,000 shares of common, to be offered at \$9 per share. Wald & Co., Inc., San Rafael, CA will manage the underwriting.

CAPEHART HOSPITAL SUPPLY CO. INC.
433 Liberty St., Little Ferry, NJ, Aug. 3, 1973 filed a Reg. A covering 150,000 shares of common, to be offered at \$3 per share. This company was formerly known as Capehart International Medical Corp. Hervat Mankalco & Co., Bergenfield, NJ will manage the underwriting.

CINEVIDEO INTERNATIONAL CORP.
1050 Midland Bank Bldg., Minneapolis, MN, Dec. 11, 1973 filed a Reg. A covering 175,000 shares of common, to be offered at \$1.15 per share.

CLOTHES-OUT, INC.
214 Merle May Plaza, Des Moines, IA, Aug. 6, 1973 filed a Reg. A covering 125,000 shares of common, to be offered at \$4 per share. First Iowa Securities Ltd., Des Moines, IA will manage the underwriting.

CONSOLIDATED INTERNATIONAL PICTURES, INC.
1330 Leyden St., Denver, CO, July 26, 1973 filed a Reg. A covering 2,000,000 shares of common, to be offered at \$0.25 per share. Tell & Co., Phoenix, AZ will manage the underwriting.

DELTA STEEL CORP.
1745 E. Factory, Tucson, AR, Dec. 4, 1973 filed a Reg. A covering 500,000 shares of common, to be offered at \$1 per share. V.217, p.829.

DIVERSIFIED MACROWAVE APPLICATION INC.
Dubulin Hall, Blue Bell Office Campus 1770 Walton Rd., Blue Bell, PA, Sept. 24, 1973 filed a Reg. A covering 180,000 shares of common, to be offered at \$2.75 per share. JJ Krieger & Co., will manage the underwriting.

EARMARK AUDIO RESOURCES, INC.
449 Putnam Ave., Hamden, CT, Sept. 12, 1973 filed a Reg. A covering 250,000 shares of common, to be offered at \$2 per share. Kennedy Peterson Inc., East Hartford, CT will manage the underwriting.

FEPTO INC.
2201 Washington Ave. North, Minneapolis, MN, Oct. 23, 1973 filed a Reg. A covering 140,000 shares of common, to be offered at \$1.50 per share. Anchor Securities Inc., St. Paul, MN will manage the underwriting. Offering expected in Jan. (1)

FORT DAVID LABORATORIES, INC.
14350 N.W. 24th Ave., Opa Locka, FL, Oct. 15, 1973 filed a Reg. A covering 90,000 shares of common, to be offered at \$4 per share. Hurlish Solomon, Hollywood, FL, will manage the underwriting.

GEOHERMAL ENERGY & MINERAL CORP.
325 South Third St., Suite 1, Las Vegas, NV, Nov. 16, 1973 filed a Reg. A covering 100,000 shares of common, to be offered at \$2.50 per share. Priestly & Pace Securities Inc., Las Vegas, NV will manage the underwriting.

GROWTH RESEARCH & MANAGEMENT INC.
110 East Blvd., Universal City, TX, Dec. 6, 1973 filed a Reg. A covering 62,500 shares of common, to be offered at \$2 per share. The company was formerly known as Military Services Investment Advisors Inc.

GUARANTEE FINANCIAL CORP. OF CALIFORNIA
1177 Fulton Mall, Fresno, CA, Nov. 30, 1973 filed a Reg. A covering 763 shares of common, to be offered at \$2 per share.

HYDRO TECHNOLOGY INC.
677 Oak Lane, Kaysville, UT, Sept. 7, 1973 filed a Reg. A covering 300,000 shares of common, to be offered at \$1 per share. Olsen & Co., Salt Lake City, UT will manage the underwriting. (1)

I.M.O.K. INVESTMENT CORP.
R.R. 1, Brookville, OH, Dec. 3, 1973 filed a Reg. A covering 994 shares of common, to be offered at \$500 per share.

IMAGE MAGNIFICATION INC.
538 Bloomfield Ave., Verona, NJ, Oct. 29, 1973 filed a Reg. A covering 250,000 shares of common, to be offered at \$2 per share. GOTHAM Securities Corp., NY will manage the underwriting. (1)

INCOM INC.
205 Chapin St., Southridge, MA, Nov. 28, 1973 filed a Reg. A covering 10,000 shares of common, to be offered at \$50 per share. V.211, p.472.

JEWELS BY MARTINEZ INC.
8 West 36th St., NY, Oct. 1, 1973 filed a "Reg. A" covering 100,000 shares of common, to be offered at \$5 per share. Brooks Hamburger Securities Co., Inc., NY NY, will manage the underwriting. Offering expected late Feb. V.217, p.880.

MAXWELL HARMAN ENTERPRISES, INC.
123 Hodgden Hall, Tufts University, Medford, MA, March 29, 1973 filed a Reg. A covering 500,000 shares of common, to be offered at \$1 per share. Dania Securities Inc., Rye, NY will handle the underwriting. Offering expected April 10. (1)

MED DATA INC.
2715 Marshall Court, Madison, WI, Dec. 6, 1973 filed a Reg. A covering 50,000 shares of common, to be offered at \$4.40 per share. The company was formerly known as Instant Ideas. FPC Securities Corp., Madison, WI, will manage the underwriting.

MIV INC.
120 E. 8th St., Cincinnati, OH, Nov. 30, 1973 filed a Reg. A covering 52 shares of common, to be offered at \$2,000 per share.

NORTHWEST DISTILLERS INC.
3516 North Lilac Dr. Minneapolis, MN, Nov. 5, 1973 filed a Reg. A covering 140,000 shares of common, to be offered at \$2.50 per share. Anchor Securities Inc., Minneapolis, MN will manage the underwriting. Offering expected Feb. 4.

O'CONNOR, MCLAUGHLIN & PAYNE, INC.
University Club Bldg., Salt Lake City, UT, July 5, 1973 filed a Reg. A covering 250,000 shares of common, to be offered at \$2 per share. Universal Underwriting Service, Inc., Salt Lake City, UT will manage the underwriting. (1)

OIL INTEREST LTD.
Aug. 31, 1973 filed a Reg. A covering 4,500,000 shares of common, to be offered at \$0.10 per share. Barton & Co., Inc., Denver, C will manage the underwriting. (1)

OMNIBUS GROUP INC.
3445 Peachtree Rd., N.E., Ste. 925, Atlanta, GA, Oct. 29, 1973 filed a Reg. A covering 75,000 shares of common, to be offered at \$6 per share. The company was formerly known as Omnibus Management Corp. Higgs Inc., Knoxville, TN, will manage the underwriting. Offering expected in early Feb.

OVERTRANSPORT, INC.
955 Main St., Bridgeport, CT, Oct. 23, 1973 filed a Reg. A covering 100,000 shares of common, to be offered at \$5 per share. Philips, Appel & Walden Inc., NY will manage the underwriting.

PACIFIC CROSS INTERNATIONAL
431 South 3rd East, Ste. 100, Salt Lake City, UT, Nov. 29, 1973 filed a Reg. A covering 100,000 shares of common, to be offered at \$1 per share. E.H. Coltharp & Co. Salt Lake City, UT will manage the underwriting.

PLEASURE INDUSTRIES, INC.
3367 5th Ave. South, Fort Dodge, IA, Aug. 10, 1973 filed a Reg. A covering 111,250 shares of common, to be offered at \$4 per share. First Iowa Securities, Des Moines, IA, will manage the underwriting.

REGAL MUFFLER CENTERS INC.
1311 Northern Blvd., Manhasset, NY, Oct. 29, 1973 filed a Reg. A covering 150,000 shares of common, to be offered at \$1 per share. BI Planning Security Corp. of New York, Farmingdale, NY will manage the underwriting. Offering expected Feb. 28. (1)

SEMI-DYNE ELECTRONICS CORP.
44 Bennington Ave., Freeport, NY, Dec. 3, 1973 filed a Reg. A covering 125,000 shares of common, of which 114,600 shares are offered by the underwriter and 10,400 shares are offered by certain shareholders for account of selling stockholders, to be offered at \$4 per share. Alpha Capital Ventures Corp., NY will manage the underwriting. V.216, p.612.

SNOW GOOSE ENTERPRISES LTD.
Gaysville VT, Nov. 26, 1973 filed a Reg. A covering 200,000 shares of common, to be offered at \$2.50 per share.

SUNBANC CORP.
60 Boylston St., Boston, MA, Aug. 2, 1973 filed a Reg. A covering 250,000 shares of common, to be offered at \$2 per share. Christian-Paine & Co., Inc., Hasbrouck, NJ, will manage the underwriting.

TELCOA INTERNATIONAL CORP.
16 Church St., Greenwich, CT, Oct. 10, 1973 filed a Reg. A covering 160,000 shares of common, to be offered at \$3 per share. Universal Underwriting Service Inc., Salt Lake City, UT will manage the underwriting. (1)

TEXT CRAFT INC.
2828 West Weldon Ave., Phoenix, AR, Nov. 29, 1973 filed a Reg. A covering 83,077 shares of common, to be offered at \$3.25 per share, with a minimum purchase of \$2,925.

TULE CANYON TUNGSTEN MINING CORP OF NEVADA
401 East Fremont, Ste. 9, Las Vegas, NV, July 9, 1973 filed a Reg. A covering 1,532,164 shares of common, to be offered at \$0.25 per share. Western First Western Securities Co., Spokane, WA, will manage the underwriting. (1)

VARIETAL VINTNERS, INC.
200 Park Ave., Suite 1502, NY, May 29, 1973 filed a Reg. A covering 100,000 shares of common, to be offered at \$5 per share. Dewey, Johnson & George, Inc., NY, will handle the underwriting. VIBRATRONICS INC.
7805 S. E. 27th Mercer Island, WA, Nov. 13, 1973 filed a Reg. A covering 150,000 shares of common, to be offered at \$1 per share. Koss Securities Corp. NY, will manage the underwriting. Offering expected Feb. 14. (1)

VISTA LABS INC.
182 Housatonic Ave., New Milford, CT, Aug. 1973 filed a Reg. A covering 100,000 shares of common, to be offered

at \$5 per share. Gotham Securities Corp., NY, will manage the underwriting.

WELLINGTON ASSOCIATES LTD. INC.
129 Trinity Pl., Decatur, GA, Nov. 21, 1973 filed a Reg. A covering 1,000,000 shares of class A common, to be offered at \$0.50 per share.

WORLD WIDE SPORTING GOODS, INC.
555 Broadhollow Rd., Melville, NY, July 27, 1973 filed a Reg. A covering 200,000 shares of common, to be offered at \$2.50 per share. Braun, Heas & Co., NY, will manage the underwriting.

Bank Holding Co.

BANKERS TRUST NEW YORK CORP.
280 Park Ave., NY, Dec. 21, 1973 filed \$50,000,000 of series D debentures due 1981, to be offered at 100 per cent. This registered bank holding company will add part of its proceeds to equity capital, and part to its general funds. Lehman Brothers, Inc., NY, will manage the underwriting. V.218, p. 1723.

CAPITAL FIRST CORP.
1700 Market St., Philadelphia, PA, Dec. 28, 1973 filed \$50,000,000 of convertible subordinated debentures due 1994, to be offered at 100 per cent; and an unspecified amount of shares of common reserved for issuance upon conversion of debentures. This bank holding company will add its proceeds to its general funds. Katz, Needleman & Co., Inc., Washington, D.C., will manage the underwriting. Offering expected Feb. 7.

FIRST NATIONAL BOSTON CORP.
100 Federal St., Boston, MA, Jan. 18, 1974 filed \$100,000,000 of notes due July 15, 1981, to be offered at 100 per cent. This bank holding company will add its proceeds to its general funds. First Boston Corp., NY, will manage the underwriting. V.218, p.1848.

NEW ENGLAND MERCHANTS CO., INC.
Prudential Center, Boston, MA, Oct. 19, 1973 filed \$15,000,000 of debentures due 1998. This bank holding company will use proceeds for debt repayment. Kidder, Peabody & Co., Inc., NY will manage the underwriting.

SECURITY PACIFIC CORP.
561 South Spring St., Los Angeles, CA, Jan. 18, 1974 filed \$100,000,000 of notes due 1982; and \$50,000,000 of debentures due 2004, both to be offered at 100 per cent. This bank holding company will invest its proceeds in equity of the principal subsidiary, repayment of borrowings, and for general corporate purposes. First Boston Corp; Merrill Lynch, Pierce, Fenner & Smith Inc., NY; and Dean Witter & Co., Inc., San Francisco, CA, will manage the underwriting. Offering expected on Feb. 5. V.219, +7375, p. 19.

Mutual Funds

AMERICAN GENERAL OPTION INVESTORS, INC.
3910 Keswick Rd., Baltimore, MD, Nov. 9, 1973 filed 2,000,000 shares of common, to be offered at \$25 per share; and 200,000 shares of common (registered to cover over-allotments), to be offered at \$25 per share. The company is a new, closed-end, diversified management investment company whose primary objective will be to seek revenue in the form of premiums from writing puts and calls. Goldman, Sachs & Co.; Reynolds Securities Inc.; E.F.Hutton & Co., Inc., NY; and Alex Brown & Sons, Baltimore, MD, will manage the underwriting.

AMERICAN OPTION WRITERS FUND
6 Central Row, Hartford, CT, Oct. 19, 1973 filed 700,000 of limited partnership units, to be offered at \$15 per unit. The company is a closed end investment company formed primarily to earn income from writing option contracts against a portfolio for securities. Advent Co., Hartford, CT, will manage the underwriting. V. 213, p. 1469.

CORPORATE BOND TRUST, SERIES 1
140 Broadway, NY, Nov. 28, 1973 filed 10,000 units. The company is a unit investment trust. Paine, Webber, Jackson & Curtis, Inc., NY is the depositor.

CORPORATE INVESTMENT TRUST FUND SECOND MONTHLY PAYMENT SERIES
c-o Bache & Co., Inc., 100 Gold St., NY, Oct. 26, 1973 filed 10,000 units. The trust consists of a diversified portfolio. Bache & Co., Inc. will manage the underwriting. This offering is expected Feb. 4. (1)

GOLDEN GATE INCOME SECURITIES, INC.
44 Montgomery St., San Francisco, CA, Oct. 19, 1973 filed 2,400,000 shares of common, to be offered at \$25 per share, with a minimum purchase of 40 shares. The company is a new, closed end, diversified management investment company. Dean Witter & Co., Inc., San Francisco, CA; and First Boston Corp. NY will manage the underwriting.

GOLDEN GATE INCOME SECURITIES, INC.
44 Montgomery St., San Francisco, CA, Oct. 19, 1973 filed 2,400,000 shares of common, to be offered at \$25 per share, with a minimum purchase of 40 shares. The company is a new, closed end, diversified management investment company. Dean Witter & Co., Inc., San Francisco, CA; and First Boston Corp. NY will manage the underwriting.

GOVERNMENT SECURED INVESTMENTS, INC.
P.O. Box 7650, 550 Laurel St., San Francisco, CA, Oct. 11, 1973 filed 100,000 shares of common, to be offered at \$25 per share, with a minimum initial purchase of \$1,000. The company is a newly formed, open-end nondiversified management investment company. American Express Asset Management Co., will manage the offering.

HARRIS, UPHAM-TAX-EXEMPT FUND, SECOND SERIES
120 Broadway, NY, Oct. 31, 1973 filed 7,500 units. The Fund is a unit investment trust formed for the purpose of investing in tax exempt bonds. Harris, Upham & Co., Inc., NY will manage the underwriting.

INDEX FUND OF AMERICA, INC.
P.O. Box 7650, 550 Laurel St., San Francisco, CA, Oct. 11, 1973 filed 3,500 shares of common, to be offered at \$150 per share. The company is a newly formed, open-end diversified management investment company. American Express Asset Management Co., will manage the underwriting.

LEXINGTON INCOME FUND, INC.
177 North Dean St., Englewood, NJ, Aug. 21, 1973 filed 100,000 shares of capital stock, to be offered at \$10 per share with a minimum purchase of \$250. Lexington Management Co., Englewood, NJ is the investment advisor.

MUNICIPAL BOND FUND, SERIES 10
c-o Paine, Webber, Jackson & Curtis Inc., 140 Broadway, NY, Oct. 10, 1973, filed 20,000 units. Paine, Webber, Jackson & Curtis Inc., NY, Dean Witter & Co., Inc., San Francisco; and Reynolds Securities Inc., NY, will handle the underwriting.

ST. PAUL LIFE FUND, INC.
10709 Wayzata Blvd., Box 1386, Minneapolis, MN, Sept. 7, 1973 filed 1,000,000 shares of common at \$0.01 par value. Shares of this open-end diversified investment are sold only to insurance companies, and to trustees or to other managers of pension, profit sharing or similar plans. Imperial Financial Services, Inc., Minneapolis, MN will manage the underwriting.

TDP&L INVESTMENT ACCOUNT "B", INC.
28 State St., Boston, MA, Nov. 28, 1973 filed 250,000 shares of common, to be offered at \$100 per share. The company is a diversified, open-end investment company. Thorndike, Doran, Paine & Lewis, Inc., was named investment manager.

UNITED INCOME INVESTMENT PROGRAM
1 Crown Center, P.O. Box 1343, Kansas City, MO, Nov. 7, 1973 filed \$10,000,000 of monthly investment programs under which an investor makes regular monthly investments at a price of \$30 to \$350 over a ten year period. The program offers an opportunity to indirectly accumulate shares of United Income Fund, which is a class of shares of United Fund Inc. Waddell & Reed, Inc., Kansas City, MO, is the depositor.

Issues Filed With SEC This Week

AMERICAN INCOME FUND - 1974
450 Kennecott Bldg., Salt Lake City, UT, Jan. 25, 1974 filed 10,000 limited partnership units, to be offered at \$1,000 per unit. The partnership will invest in income-producing properties.

D.H. BALDWIN CO.
1801 Gilbert Ave., Cincinnati, OH, Jan. 25, 1974 filed 3,380,983 shares of common; 182,160 shares of 4 per cent class C series 2 cumulative convertible preferred stock; 77,588 shares of 4 per cent class C series 3 cumulative convertible preferred stock; and 359,748 shares of 8 per cent class D cumulative preferred stock. The offer is made in connection with future acquisitions. This registered bank holding company is engaged in the manufacture and sale of keyboard musical instruments. (N)

BELDEN & BLAKE & CO. LIMITED PARTNERSHIP + 2-B
702 Tuscarawas St., W., Canton, OH, Jan. 28, 1974 filed 100 limited partnership units, to be offered at \$7,500 per unit, with a minimum subscription of 1 unit. The partnership will engage in oil and gas drilling and exploration activities.

BOSTON OIL LTD. 1974
501 Southwest Tower, Houston, TX, Jan. 28, 1974 filed 150 units of limited partnership interests, to be offered at \$20,000 per unit. The partnership will explore for and produce oil and gas.

BROOKLYN UNION GAS CO.
195 Montague St., Brooklyn, NY, Jan. 24, 1974 filed 200,000 shares of series D, \$100 cumulative preferred stock; and \$30,000,000 of first mortgage bonds due 1999, to be offered at competitive bidding. Proceeds will be used to reduce debt incurred for construction. Bids expected at noon on the preferred stock, and at 11 a.m. on the bonds, on Feb. 27. (N)

CAROLINA POWER & LIGHT CO.
336 Fayetteville St., Raleigh, NC, Jan. 29, 1974 filed 650,000 shares of preferred stock, to be offered at \$102.50 per share. Proceeds will be used for debt reduction. Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. (N)

CHEMICAL FINANCIAL CORP.
33 E. Main St., Midland, MI, Jan. 25, 1974 filed 380,000 shares of common, to be offered at \$35.75 per share, in connection with a proposed reorganization whereby Chemical Bank & Trust Co. would become a wholly-owned subsidiary of the company at a 1-for-2 basis.

COLUMBUS & SOUTHERN OHIO ELECTRIC CO.
215 North Front St., Columbus, OH, Jan. 23, 1974 filed 200,000 shares of cumulative preferred, to be offered at \$103 per share. Proceeds will be used to reduce debt incurred for construction. Dillon, Read & Co., Inc. NY; and Ohio Co., Columbus, OH will manage the underwriting.

DIE MESH CORP.
629 Fifth Ave., Pelham, NY, Jan. 28, 1974 filed 200,000 shares of common, to be offered at \$10 per share. The company, which is in the business of expanded and

perforated metal, nickel-electroplating and the development and manufacture of electric passenger cars, will apply its proceeds to production of electric passenger vehicles and other capital purposes. (N)

ENERGEX CORP.
600 Houston Natural Gas Bldg., Houston, TX, Jan. 29, 1974 filed 1,800 units of participation in Vance Sanders Drilling Program-1974, to be offered at \$5,000 per unit plus possible additional assessments of \$500, with a minimum subscription of 1 unit. Vance, Sanders & Co., Inc., Boston, MA, will manage the underwriting. (N)

ENERGY MANAGEMENT CORP.
Suite 2410, 1600 Broadway, Denver, CO, Jan. 28, 1974 filed 5,000 units of pre-formation limited partnership interests to be offered at \$1,000 per unit, with a minimum subscription of \$5,000. The limited partnerships will engage in the drilling of gas and oil wells.

FIRST ABILENE BANKSHARES, INC.
401 Cypress St., Abilene, TX, Dec. 22, 1974 filed 15,000 shares of common; and 37,500 shares of common, to be offered at \$31.33 per share, in connection with the proposed following exchange offers: with the Hereford State Bank at one share of the company and \$175.00 cash for each share of the bank; and with the Bank of Commerce at one of the company for each 13 3/4 share of the bank. (N)

FISCHBACH & MOORE, INC.
545 Madison Ave., NY, Jan. 25, 1974 filed 149,215 shares of outstanding common, to be offered at \$51 per share from time to time. The principal business of the company is electrical and mechanical contracting.

E.F. HUTTON TAX-EXEMPT FUND, NATIONAL SERIES 12
1 Battery Park Plaza, NY, Jan. 25, 1974 filed 11,250 units of the fund (including 3,750 units registered for resale by the depositor). The fund is a \$7,500,000 diversified portfolio of interest-bearing municipal bonds. E.F. Hutton & Co., Inc., NY is the depositor.

KEDCO MANAGEMENT CORP.
816 Union Center Bldg., Wichita, KS, Jan. 28, 1974 filed \$5,000,000 of pre-organization subscriptions and interests in limited partnerships, to be offered at \$5,000 per interest. The partnership will engage in the exploration and development of oil and gas properties.

MEASUREX CORP.
10475 Imperial Ave., Cupertino, CA, Jan. 25, 1974 filed 705,331 shares of common (600,000 by company and 105,331 by selling shareholders), to be offered at \$24.25 per share. The company, which develops, manufactures, and markets digital-computer process control systems primarily used in the manufacture of paper and other products, will use the proceeds to repay a portion of outstanding borrowings. Blyth Eastman Dillon & Co., Inc., NY, will manage the underwriting.

NATIONAL GYPSUM CO.
325 Delaware Ave., Buffalo, NY, Jan. 24, 1974 filed 141,215 shares of common, to be offered at \$8.34 per share, in connection with the proposed merger of Binning's, Inc. into the company at a date to be determined.

NORTHWEST BANKING CORP.
4 East Washington St., Quincy, FL, Jan. 25, 1974 filed 200,000 shares of common, to be offered at \$13.784 per share, in connection with a proposed exchange offer with the Quincy State Bank on a 1-for-10 basis.

NUVEEN TAX-EXEMPT BOND FUND, SERIES 54 CHECK-A-MONTH PLAN
209 South La Salle St., Chicago, IL, Jan. 28, 1974 filed 150,000 units (including 50,000 units registered for resale), to be offered at \$105 per unit. The fund is a diversified portfolio of tax-exempt interest bearing bonds. John Nuveen & Co., Inc., NY is the depositor.

ORANGE & ROCKLAND UTILITIES, INC.
75 West Route 59, Spring Valley, NY, Jan. 24, 1974 filed \$30,000,000 of first mortgage bonds, series N, due 2004, to be offered at competitive bidding. Proceeds will be used for debt repayment. Bids expected at 11 a.m. on March 5. (N)

ORANGE & ROCKLAND UTILITIES, INC.
75 West Route 59, Spring Valley, NY, Jan. 24, 1974 filed 1,500,000 shares of common, to be offered at \$14.75 per share. Proceeds will be used for debt repayment. Merrill Lynch, Pierce, Fenner & Smith Inc., NY, will manage the underwriting. (N)

POPULAR BANCSHARES CORP.
110 East Flagler St., Miami, FL, Jan. 28, 1974 filed 1,980,000 shares of common, to be offered at \$4.00 per share, in connection with a subscription offer to shareholders on a 1-for-2 basis; and 609,254 shares of common, to be offered at \$4.00 per share, in connection with an exchange offer with the Bank of Miami on a 38-for-1 basis. The company is a bank-holding company.

SAFETY FUND CORP.
470 Main St., Fitchburg, MA, Jan. 23, 1974 filed 131,500 shares of common, to be offered at \$43.25, in connection with a proposed merger of First Safety Fund National Bank into the company on a 1-for-1 basis.

SAMBO'S RESTAURANTS, INC.
3760 State St., Santa Barbara, CA, Jan. 28, 1974 filed 1,600 joint venture interests, to be offered at \$5,000 per interest. The offering is made by the company of two separate programs, one for the restaurant managers, and one for investment groups. Proceeds will be added to company revenues.

SMOKE-CRAFT INC.
850 30th St., Albany, OR, Jan. 29, 1974 filed 213,902 shares of outstanding common. (N)

SOUTHERN BELL TELEPHONE & TELEGRAPH CO.
67 Edgewood Ave., S.E., Atlanta, GA, Jan. 25, 1974 filed \$300,000,000 of debentures, due Feb. 15, 2014, to be offered at 100 per cent. Proceeds will be used to repay debt incurred for construction. Salomon Brothers; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Goldman, Sachs & Co.; Kidder, Peabody & Co., Inc.; and Lehman Brothers, Inc., NY will manage the underwriting.

SPORTS REAL ESTATE PARTNERSHIP & DEVELOPMENT ASSOCIATION
c/o Edward G. LeRoux, Jr., General Partner, Rehabilitation Way, Woburn, MA, Jan. 28, 1974 filed 400 units of limited partnership interests, to be offered at \$3,000 per interest. This limited partnership will acquire interest in and develop land in Winter Haven, FL.

TESORO PETROLEUM CORP.
6700 Tesoro Dr., San Antonio, TX, Jan. 23, 1974 filed 100,000 shares of common, to be sold upon the exercise of warrants. The company, which is in the oil and gas business, will use the proceeds for additional working capital.

THERMO ELECTRON CORP.
101 First Ave., Waltham, MA, Jan. 29, 1974 filed 330,000 shares of common, to be offered at \$28.75 per share. The company, which develops, manufactures, and markets products utilizing technologies related to thermodynamics, will use its proceeds for debt reduction, for working capital and other corporate purposes. White, Weld & Co., Inc.; Lehman Brothers Inc.; and C.E. Unterberg Towbin Co., NY, will manage the underwriting. (N)

TEXAS POWER & LIGHT CO.
1511 Bryan St., Dallas, TX, Jan. 23, 1974 filed \$50,000,000 of first mortgage bonds due 2004; and 300,000 shares of cumulative preferred stock, to be offered at competitive bidding. Proceeds will be used for construction. Bids expected on the bonds at 11 a.m., and on the preferred at 12 noon, on Feb. 21. (N)

TEXAS OIL & GAS CORP.
2700 Fidelity Union Tower, Dallas, TX, Jan. 23, 1974 filed \$35,000,000 of first mortgage bonds, series E due 1984, to be offered at 101 per cent. The company, which is engaged primarily in gathering, processing, transporting and selling natural gas, will use the proceeds to repay debt and to expand gathering systems and to acquire properties. Kuhn, Loeb & Co.; and First Boston Corp NY, will manage the underwriting. (N)

WAINOCO 74 CO.
Suite 600, 700 Milam Bldg., Houston, TX, Jan. 29, 1974 filed \$10,000,000 of limited partnership interests, to be offered at \$10,000 per interests, (also registered is a 10 per cent overall of \$1,000,000). The partnership will drill for oil and gas. (N)

Effective Registrations

DILLON, READ & CO. INC.
Anheuser-Busch, Inc. \$100,000,000 of 7.95 per cent sinking fund debentures, due Feb. 1, 1999, rated Aa by Moodys and AA by Standard & Poors, offered at 100 per cent plus accrued interest on Jan. 29, by Dillon, Read & Co., Inc., NY.

Southwestern Public Service Co. 200,000 shares of 8 per cent cumulative preferred, offered at \$100 per share plus accrued by dividends, on Jan. 29, Dillon, Read & Co., Inc., NY.

FIRST BOSTON CORP.
Baltimore Gas & Electric Co. \$75,000,000 of 8 1/4 per cent first refunding mortgage bonds, due Feb. 1, 2004, rated Aaa by Moodys and AA by Standard & Poors, offered at 99.72 per cent plus accrued interest, to yield 8.15 per cent, on Jan. 28 by First Boston Corp., NY; Halsey, Stuart & Co., Inc., Chicago, IL; White, Weld & Co., Inc.; Smith, Barney & Co., Inc.; Kidder, Peabody & Co., Inc.; and Paine, Webber, Jackson & Curtis, Inc., NY.

FRIEDMAN-MANGER & CO.
Hibachi House Inc. 350,000 shares of common, offered at \$0.50 per share, on Jan. 17, by Friedman-Manger & Co., Passaic, NJ.

JOHN NUVEEN & CO., INC.
Nuveen Tax-Exempt Bond Fund, Series 53 Check-A-Month Plan, 120,000 units, offered at \$101.88 per unit, with a minimum investment of \$5,000 on Jan. 15, by John Nuveen & Co., Inc., NY.

LEHMAN BROTHERS, INC.
Houston Lighting & Power Co. \$100,000,000 of 8 1/4 per cent first mortgage bonds due 2004, rated Aaa by Moodys and AAA by Standard & Poors, offered at 101.758 per cent plus accrued interest to yield 7.97 per cent, on Jan. 30, by Lehman Brothers, Inc.; Blyth Eastman Dillon & Co., Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; and Salomon Brothers, NY.

MERRILL LYNCH, PIERCE, FENNER & SMITH INC.
Missouri Pacific Railroad Co. \$10,875,000 of 8 1/4 per cent equipment trust certificates, series LL, offered on Jan. 29, to yield from 7.75 per cent in 1975 to 8.20 per cent in 1980, by Merrill Lynch, Pierce, Fenner & Smith Inc., NY; and Halsey, Stuart & Co., Inc., Chicago, IL.

Public Service Electric & Gas Co. 4,500,000 shares of common, offered at \$19.75 per share on Jan. 29, by Merrill Lynch, Pierce, Fenner & Smith, Inc., NY.

MORGAN STANLEY & CO.
Commonwealth Edison Co. 750,000 shares of \$8.40 cumulative preferred stock, offered at \$100 per share plus accrued dividends, on Jan. 27, by Morgan Stanley & Co., Inc.; and Salomon Brothers, NY.

PRESCOTT, BALL & TURBEN
PBT Tax-Exempt Bond Fund, Third Series, 3,000 units, offered at \$1,002.50 per unit on Jan. 16, by Prescott, Ball & Turben, Cleveland, OH.

SALOMON BROTHERS
General Telephone Co. of the Southwest \$30,000,000 of 8.25 per cent first mortgage bonds due 2004, rated A by both Moodys and Standard & Poors, offered at 99 1/2 per cent, plus accrued interest, to yield 8.30 per cent on Jan. 31, by Salomon Brothers, NY.

Prospective Offerings

AMERICAN ELECTRIC POWER CO. (3-28)
Jan. 28, 1974 it was reported that this company plans the offering of 7,000,000 shares of common to stockholders of record March 28 on a 1-for-10 basis. Underwriter — Competitive bidding. Bids expected on March 28.

AMERICAN TELEPHONE & TELEGRAPH CO.
Jan. 24, 1974 it was reported that this company and its subsidiaries plan to raise approximately \$4,000,000 through outside financing of debt and equity, including preferred stock, sometime this year. In addition, the company hopes to receive authorization for another 50,000,000 shares of preferred. Method of sale to be determined. V. 218, p. 1615.

ARKANSAS POWER & LIGHT CO. (4-18)
Jan. 28, 1974 it was reported that this company plans the sale of \$40,000,000 first mortgage bonds. Underwriter — Competitive bidding. Bids expected on April 18 at noon.

CALIFORNIA-PACIFIC UTILITIES CO.
Jan. 14, 1974 it was reported that this company plans the sale of approximately 150,000 shares of common, sometime in mid-1974. Underwriter — Expected to be Dean Witter & Co., Inc., San Francisco, CA. V. 205, p. 1790.

CENTRAL ILLINOIS PUBLIC SERVICE CO.
Jan. 28, 1974 it was reported that in addition to the sale of first mortgage bonds, the company plans the sale of \$20,000,000 of common stock, later this year. Method of sale is to be determined.

CENTRAL ILLINOIS PUBLIC SERVICE CO. (3-6)
Dec. 24, 1973 it was reported that this company plans the sale of \$35,000,000 of bonds. Underwriter — Competitive bidding. Bids — Expected March 6, at noon. -V. 218 p. 1481

CONSOLIDATED EDISON CO. OF NEW YORK (2-20)
Nov. 12, 1973 it was reported that this company plans the sale of \$150,000,000 of bonds due 2004. Underwriter — Competitive bidding. Bids — Expected Feb. 20, at 11 a.m.

DELMARVA POWER & LIGHT CO. (4-10)
Jan. 14, 1974 it was reported that this company plans the sale of \$35,000,000 of first mortgage bonds. Underwriter — Competitive bidding. Bids expected April 10, at 11 a.m. V. 218, p. 1394.

DELMARVA POWER & LIGHT CO. (4-10)
Jan. 14, 1974 it was reported that, in addition to the sale of bonds, this company plans the sale of 1,400,000 shares of common. Underwriter — Competitive bidding. Bids expected on April 10, at 4 p.m. V. 218, p. 1394.

DETROIT EDISON CO. (3-12)
Jan. 28, 1974 it was reported that this company plans the sale of about \$69,000,000 of preferred. Underwriters — Morgan Stanley & Co.; Blyth Eastman Dillon & Co.; and Lehman Brothers, NY. Offering expected March 12.

EUROPEAN INVESTMENT BANK
Jan. 14, 1974 it was reported that this bank plans the sale of \$60,000,000 of euroco bonds in the international capital market. Underwriter — N.M. Rothschild & Sons. V. 215, p. 144.

GENERAL CRUDE OIL CO.
Jan. 7, 1974 it was reported that this company plans the sale of 500,000 shares of outstanding common. V. 208, p. 91.

GENERAL TELEPHONE CO. OF THE SOUTHEAST (1-31)
Dec. 17, 1973 it was reported that this company plans the sale of \$30,000,000 of first mortgage bonds due 2003. Underwriter — Competitive bidding. Bids — Expected Jan. 31, at 11 a.m.

HEWLETT-PACKARD CO.
Jan. 28, 1974 it was reported that this company plans to raise \$75,000,000 through the sale of long-term non-convertible debentures. Method of sale is to be determined.

IDAHO POWER CO.
Jan. 24, 1974 it was reported that this company plans the sale of \$40,000,000 of debt sometime in late 1974. Underwriter-Competitive bidding. V. 218, p. 1848.

IDAHO POWER CO.
Jan. 14, 1974 it was reported that this company plans the sale of about \$25,000,000 of debt sometime in mid-1974. Underwriter — Competitive bidding. V. 218, p. 1848.

INDIANAPOLIS POWER & LIGHT CO.
Jan. 28, 1974 it was reported that this company plans the sale of about \$60-65,000,000 of debt sometime in March. Method of sale to be determined.

INDIANAPOLIS POWER & LIGHT CO. (3-19)
Jan. 28, 1974 it was reported that, in addition to the sale of debt, this company also plans the sale of about \$20,000,000 of preferred. Method of sale to be determined. Offering expected on or about March 19.

INTERSTATE POWER CO. (5-22)
Dec. 17, 1973 it was reported that this company plans the proposed sale of securities, the company plans the sale of \$17,000,000 of first mortgage bonds; and \$5,000,000 of preferred. Underwriter — Competitive bidding. Bids — Expected May 22, 11 a.m. for the bonds and noon for the preferred.

INTERSTATE POWER CO. (5-21)
Dec. 17, 1973 it was reported that in addition to its proposed sale of securities, the company plans the sale of \$5,000,000 of common. Underwriter — Competitive bidding. Bids — Expected May 21, at 3:45 p.m.

KENTUCKY UTILITIES CO. (4-8)
Jan. 28, 1974 it was reported that this company plans the sale of \$25,000,000 of first mortgage bonds. Underwriters — Competitive bidding. Bids expected April 8.

LACLEDE GAS CO. (3-27)
Dec. 31, 1973 it was reported that this company plans the sale of \$20,000,000 of first mortgage bonds due March 15, 1999. Underwriter — Competitive bidding. Bids — Expected March 27, at 11 a.m. -V. 215, p. 1907.

LONE STAR GAS CO.
Jan. 24, 1974 it was reported that this company plans the sale of \$45,000,000 of bonds. Underwriter-Competitive bidding. Bids expected on March 12, at 11 a.m. V. 217, p. 1228.

LOUISIANA POWER & LIGHT CO. (3-12)
Dec. 24, 1973 it was reported that this company plans the sale of \$45,000,000 of bonds. Underwriter — Competitive bidding. Bids — Expected March 12, at 11 a.m. -V. 217, p. 2017.

MANUFACTURERS HANOVER CORP.
Jan. 28, 1974 it was reported that this company plans to offer \$150,000,000 in debt, which includes \$100,000,000 in 30-year sinking fund debentures and \$50,000,000 in 7 1/2 year notes. Methods of sale are to be determined.

MISSISSIPPI POWER CO. (3-19)
Jan. 28, 1974 it was reported that this company plans the sale of 150,000 shares of preferred. Underwriter — Competitive bidding. Bids expected on March 19 at 11 a.m.

MISSOURI PACIFIC RAILROAD (1-29)
Dec. 17, 1973 it was reported that this company plans the sale of 600,000 shares of common, sometime in 1974. V. 218, p. 735.

NARRAGANSETT ELECTRIC CO. (3-20)
Dec. 31, 1973 it was reported that this company plans the sale of \$10,000,000 of first mortgage bonds. Underwriter — Competitive bidding. Bids — Expected March 20. V. 215, p. 519.

NEW ORLEANS PUBLIC SERVICE CO. (4-30)
Jan. 14, 1974 it was reported that this company plans the sale of \$32,000,000 of 30-year first mortgage bonds. Underwriter — Competitive bidding. Bids expected April 30, at 11 a.m. V. 214, p. 551.

NEW YORK TELEPHONE CO. (4-23)
Dec. 31, 1973 it was reported that this unit of American Telephone & Telegraph Co. plans the sale of \$200,000,000 of mortgage bonds. Method of sale to be determined. Offering — Expected April 23, -V. 218, p. 361

NIAGARA MOHAWK POWER CORP.
Dec. 10, 1973 it was reported that this company plans to raise about \$189,000,000 through debt and equity, sometime around mid-1974. Methods of sale are to be determined. V. 218, p. 1507-1588.

PACIFIC GAS & ELECTRIC CO. (5-21)
Dec. 3, 1973 it was reported that this company plans the sale of \$150,000,000 of 32-year first mortgage bonds. Underwriter — Competitive bidding. Bids — Expected May 21, at 11:30 a.m.

PACIFIC POWER & LIGHT CO. (3-27)
Jan. 28, 1974 it was reported that this company plans the sale of \$55,000,000 of common. Underwriter — Competitive bidding. Bids expected on March 27 at 4 p.m.

PHILADELPHIA ELECTRIC CO. (4-18)
Jan. 7, 1974 it was reported that this company plans the sale of about \$75,000,000 of preferred stock. Underwriters — First Boston Corp.; and Drexel Burnham & Co., Inc., NY, are expected to manage the underwriting. V. 218, p. 1803.

PHILADELPHIA ELECTRIC CO.
Jan. 7, 1974 it was reported that in addition to the sale of preferred stock, this company plans the sale of \$100,000,000 of long term bonds in June; and \$125,000,000 of bonds in Dec. Underwriter — Competitive bidding. V. 218, p. 1803

PIEDMONT NATURAL GAS CO.
Nov. 26, 1973 it was reported that this company plans the sale of up to \$18,000,000 of debt sometime in 1974. Underwriter — White, Weld & Co., Inc. NY.

PORTLAND GENERAL ELECTRIC CO. (3-12)
Jan. 28, 1974 it was reported that this company plans the sale of \$25-30,000,000 of common. Underwriters — Blyth Eastman Dillon & Co., NY; and Dean Witter & Co., San Francisco, CA. Offering expected on March 12.

PUBLIC SERVICE ELECTRIC & GAS CO. (3-4)
Jan. 21, 1974 it was reported that this company plans the sale of \$100,000,000 of 30-year first mortgage bonds. Underwriter — Competitive bidding. Bids expected on

March 4, at noon. V.218, p.1873.

PUBLIC SERVICE CORP. OF NEW HAMPSHIRE (3-6)
Jan. 28, 1974 it was reported that this company plans the sale of \$20,000,000 of first mortgage bonds. Underwriters — Kidder, Peabody & Co. Inc.; and Blyth, Eastman Dillon & Co., NY. Offering expected on March 6.

PUBLIC SERVICE CORP. OF NEW HAMPSHIRE (3-6)
Jan. 28, 1974 it was reported that, in addition to the sale of bonds, this company plans the sale of 650,000 shares of common. Underwriters — Kidder, Peabody & Co., Inc.; and Blyth Eastman Dillon & Co., NY. Offering expected March 6.

PUBLIC SERVICE CO. OF NEW MEXICO
Jan. 14, 1974 it was reported that this company plans the sale of about \$15-\$18,000,000 of preferred sometime in mid-1974. Underwriter — Kidder, Peabody & Co., Inc., NY managed a previous offering of common for this company. V.216, p.1491.

PUBLIC SERVICE CO. OF NEW MEXICO
Jan. 14, 1974 it was reported that, in addition to the sale of preferred, this company plans the sale of about \$30-\$32,000,000 of first mortgage bonds. Underwriter — Competitive bidding. V.216, p.1491.

SAVANNAH ELECTRIC & POWER CO.
Dec. 17, 1973 it was reported that this company plans the sale of approximately \$20,000,000 of first mortgage bonds in April. Underwriter — Expected to be Stone & Webster Securities Corp.; and Kuhn Loeb & Co., NY.

SHAWMUT ASSOCIATION INC.
Jan. 7, 1974 it was reported that this Association plans the sale of \$30,000,000 of 25-year debentures, sometime early this year. Underwriter — Salomon Brothers, NY.

SIERRA PACIFIC POWER CO. (5-1)
Dec. 17, 1973 it was reported that this company plans the sale of \$25,000,000 of first mortgage bonds. Underwriter — Competitive bidding. Bids expected May 1, at 11 a.m.

SOUTHWESTERN ELECTRIC POWER CO. (4-16)
Jan. 28, 1974 it was reported that this subsidiary of Central & Southwest Corp. plans the sale of about \$20,000,000 of preferred. Underwriter — Competitive bidding. Bids expected April 16 at noon.

SOUTHERN PACIFIC TRANSPORTATION CO. (2-14)
Jan. 21, 1974 it was reported that this unit of Southern Pacific Co. plans the sale of \$15,000,000 of equipment trust certificates. Underwriter-Competitive bidding. Bids expected on Feb. 14. V. 218, p. 989.

SOUTHWESTERN BELL TELEPHONE CO. (3-13)
Dec. 24, 1973 it was reported that this company plans the sale of up to \$200,000,000 of debentures. Underwriter — Competitive bidding. Bids — Expected March 13. V.218, p. 807.

TEXAS ELECTRIC SERVICE CO. (3-26)
Dec. 17, 1973 it was reported that this company, a subsidiary of Texas Utilities Co., plans the sale of \$40,000,000 of first mortgage bonds. Underwriter — Competitive bidding. Bids expected March 26, at 11 a.m.

TEXAS ELECTRIC SERVICE CO. (3-26)
Dec. 17, 1973 it was reported that, in addition to its proposed bond sale, this company plans the sale of 300,000 shares of \$100 par preferred. Underwriter — Competitive bidding. Bids expected March 26, at noon.

TEXAS GAS TRANSMISSION CORP. (4-1)
Dec. 17, 1973 it was reported that this company plans the sale of \$40,000,000 of debentures. Underwriter — Dillon, Read & Co., NY. Offering expected April 1.

TUCSON GAS & ELECTRIC CO.
Jan. 14, 1974 it was reported that this company plans the sale of \$25-\$30,000,000 of 30-year first mortgage bonds, sometime in spring, 1974. Underwriter — Blyth Eastman Dillon & Co., Inc.; and First Boston Corp., NY are expected to manage the underwriting. V.218, p.1834.

UNION PACIFIC RAILROAD (2-5)
Dec. 24, 1973 it was reported that this road plans the sale of \$15,000,000 of equipment and trust certificates due annually 1975-89. Underwriter — Competitive bidding. Bids expected Feb. 5, at noon. V.217, p.2178.

UTAH POWER & LIGHT
Jan. 14, 1974 it was reported that this company plans the sale of about \$40,000,000 of first mortgage bonds, sometime in late 1974. Underwriter — Competitive bidding. V.218, p.838.

UTAH POWER & LIGHT CO.
Jan. 14, 1974 it was reported that this company plans the sale of about \$35,000,000 of preferred sometime in May. Underwriter — Competitive bidding. V.218, p.838.

UTAH POWER & LIGHT CO.
Jan. 14, 1974 it was reported that, in addition to the sale of bonds and preferred, this company plans the sale of about \$24,000,000 of common, sometime in late 1974. Underwriter — Competitive bidding. V.218, p.838.

WESTERN BANCORP.
Jan. 14, 1974 it was reported that this company plans the sale of \$100,000,000 of eight-year notes, in late Feb. Methods of sale are to be determined. V. 207, p. 1446.

WISCONSIN POWER & LIGHT CO. (4-2)
Dec. 17, 1973 it was reported that this company plans the sale of \$35,000,000 of 30-year first mortgage bonds. Underwriter — Competitive bidding. Bids — Expected April 2, at 11 a.m.

Security salesman's corner

Family counselling offers best service

By John Dutton
Special to the Chronicle

I know a successful salesman who specializes in plans for people in their thirties and early forties who need to do something about their eventual retirement. There are those who tell him, "I just can't make ends meet - how can I invest?"

Then the salesman sits down

Four musts

Continued from page 7

judgement the best ones which could have been selected in the circumstances rather than simply falling within the range of acceptability.

The competitive urge

I would touch upon one other matter before concluding this article. Competition is the touchstone of our economic life. But we have learned that unrestrained competition, competition blind to other values, may turn into a harmful monster. I think the accounting profession must reexamine its competitive instincts.

I practiced law; I know that clients pay bills, that clients educate kids and pay mortgages; I know that losing clients is painful - to ego as well as purse. But I would suggest that perhaps the accounting profession should reexamine its approach to competition. I think that frequently this competitive zeal has resulted in cutting an edge here and there, and often that sliver off the edge is rationalized by saying that after all each alternative accounting principle is considered generally accepted.

And frequently this competitive urge has resulted in willingness on the part of accounting firms to give clean opinions when the competition insisted upon a dirty one. Many of these cases that come to the attention of the Commission involve auditors who succeeded other auditors fired because of their unwillingness to see it management's way.

I do not for a moment deny that accounting firms can differ honestly in their opinions, or that often dissension between client and auditor deriving from other causes is masked by asserting that it stems from disagreements about accounting principles. Still, I would suggest that any accounting firm that succeeds another in circumstances where there is some reason to think the withdrawal or removal of the former relates to disputes over financial presentation had best exercise considerable caution before encouraging the potential client to believe that it is more flexible than its predecessor.

I would suggest, too, that those financial statements and the judgements reflected in them might be examined by the SEC staff somewhat more critically than would otherwise be the case.

with them and shows them how. He makes up a statement that looks like this: "Total annual income needed at age 60 or 65: Social Security -; Pension -; Annuities -; Income from savings -; Total -; Balance needed -."

Whatever the balance, \$1,000, \$3,000 or \$5,000 or more, he tells his reluctant investor, "OK, now we know how much you will need at age 65. Multiply that figure by 12 1/2 and you will know how much you will have to save, if it is invested at 8 per cent, the rate now being paid on high grade investment bonds."

A program

Assume a person is now aged 35. He has an annual income after taxes of \$15,000 a year and is spending all of it. How could he save \$50,000 in thirty years, which would provide him with an hypothetical income of \$4,000 per annum if invested at 8 per cent, unless he had a windfall or an

Dealer-broker literature

Business and Financial Conditions—survey—Morgan Guaranty Trust Company, 23 Wall St., New York, N. Y. 10015 **Canadian Merchandising Industry**—report—C. J. Hodgson Securities Ltd., 2 Place Ville Marie, Montreal H3B 2E2, Que., Canada. Also available is a report on **Imperial Oil**.

Current Market—appraisal—Elkins, Morris, Stroud & Co., Stock Exchange Bldg., Philadelphia, Pa. 19103. Also available are chart analyses of **Standard Oil of California**, **Sun Oil Co.**, **Bethlehem Steel**, **Exxon**, **American Smelting & Refining**, **Fluor Corp.**, **Pullman, Inc.**, **Norfolk & Western**, **Chesapeake System**, **Georgia Pacific**, **Deere & Co.**, **Ralston Purina** and **First Mississippi Corp.**

Automotive Replacement Parts Industry—review with individual reports on **Champion Spark Plug Co.**, **Genuine Parts Co.**, **Maremont Corp.** and **Monroe Auto Equipment Co.**—Paine, Webber, Jackson & Curtis, Inc., 140 Broadway, New York, N. Y. 10005 Also available is an analysis of **Burlington Northern**.

AMERICAN ELECTRIC



POWER COMPANY, Inc.

256th Consecutive Cash Dividend
on Common Stock

A regular quarterly dividend of Forty-seven and a half cents (47 1/2¢) per share on the Common Capital Stock of the Company, issued and outstanding in the hands of the public, has been declared payable March 9, 1974, to the holders of record at the close of business February 8, 1974.

W. J. ROSE, Secretary

January 22, 1974.

unexpected increase in income?

Although there can never be any guarantee of the future performance of any investment or interest rate, it is a mathematical certainty that capital will double itself, at 7 per cent, compounded semiannually, in approximately eleven years.

Often there is idle capital invested in now-faded slow-growing low income common stocks, or an excess in a savings account, or even non-used real property that can be converted into a lump sum start on a long term program for the acquisition of an income oriented mutual fund which offers systematic monthly saving toward the goal of financial independence.

If the investor is self-employed, such a plan can be acquired under the Keogh Act, which offers the additional advantage of tax exemption on all or part of the annual investment as well as its interest. Even a figure as low as \$25 per month is available on excellent plans. Every three months dividends paid on the shares are automatically reinvested. Capital gains are also reinvested.

Of course this specialist is careful to explain that dividends now paid on the funds he offers may be lower or higher in the future. The mutual funds he is now selling offers a current return of above 7 per cent, based on present price.

A family counsellor

All people have a hazy idea that someday they will need more capital or more income. The opportunity for an informed salesman to assist many people who would like to live well and yet have a sensible plan for saving and

investing is widespread. All over the country there are young people who could save \$100 per month and still live well, if they had someone who could show them how.

This specialist, for example, has been able to help reduce the annual cost of life insurance for some of his customers by reinsuring them with decreasing term insurance at much lower annual premiums than life insurance-savings policies. The cash values obtained now go into the mutual fund, which is also augmented by the savings in annual premiums. An extra \$50 to \$100 per month can be saved by studying living habits and suggesting minor changes. (Changes in insurance programs can only be made if there is no change in physical condition, and the investor is young enough so that his premiums would remain low.)

This type of planning and counselling is the highest form of service to the public. Any salesman who devotes his talents and efforts to the important task of helping people become more self-reliant and independent, is engaged in a most beneficial undertaking.

One case that this salesman recently concluded entailed the sale of a boat that was no longer needed, the conversion of \$4,300 in a 5 per cent savings account, the change of \$30,000 of life insurance (20 payment life) to \$50,000 term at 60 and the cash redemption value

was also placed in the mutual fund along with the other sums realized. The young couple that made this adjustment have also decided they could invest a minimum of \$100 a month, just by making a few adjustments in their expenses. The husband now does the yard work, saving \$50 per month, and the wife has cut about \$50 from her household expenses by cutting out cigarettes and a few less trips to the beauty parlor (she had her sister come over and do her hair - it looks better than ever!).

Now, should the husband die before 65, he will leave her \$50,000 instead of \$30,000 in the life insurance settlement, plus the additional value of the mutual fund saving plan. If he lives, he has a good chance of having accumulated a sizeable retirement fund that will provide living expenses at the time he will need it most.

Consecutive dividend
payments since 1939

Panhandle
Eastern

Pipe Line Company

Quarterly Dividend

50¢ per Common Share

Payable March 15, 1974

Record February 15, 1974

Declared January 30, 1974

Cyril J. Smith
Secretary

Houston, Texas 77001

SOUTHERN NATURAL
RESOURCES, INC.

Birmingham, Alabama

Common Stock Dividend No. 3

A regular quarterly dividend of 37.5 cents per share has been declared on the Common Stock of Southern Natural Resources, Inc., payable March 15, 1974 to stockholders of record at the close of business on February 28, 1974.

RONALD L. KUEHN, JR.
Secretary

Dated: January 25, 1974

DIVIDEND NOTICE

About 725,000 owners of Exxon Corporation will share in the earnings of the Corporation by a dividend of \$1.10 per share declared January 30, 1974 and payable March 11, 1974 to shareholders of record February 8, 1974.

1974 is the 92nd consecutive year in which cash dividends have been paid.

EXXON CORPORATION

QUARTERLY DIVIDENDS SINCE 1935

NATIONAL
DISTILLERS
CHEMICAL
CORPORATION

DIVIDEND NOTICE

The Board of Directors has declared a quarterly dividend of 22 1/2¢ per share on the outstanding Common Stock, payable on March 1, 1974 to stockholders of record on February 11, 1974. The transfer books will not close.

January 24, 1974

RAMSEY E. JOSLIN,
Vice President-Financial

DIVISIONS NATIONAL DISTILLERS PRODUCTS CO.
U.S. INDUSTRIAL CHEMICALS CO.
BRIDGEPORT BRASS CO.
ALMADEN VINEYARDS, INC.
TEXTILE

UGI
CORPORATION

336th CONSECUTIVE
DIVIDEND

The Board of Directors has declared a quarterly dividend of 33c per share on the Common Stock of the Company, payable March 29, 1974 to holders of record February 28, 1974.

C. L. LADNER,
Vice President-Finance

Philadelphia, Pa.
January 22, 1974

152nd Dividend
Pullman
Incorporated

Quarterly Cash Dividends
Consecutively Paid
For Over 106 Years

A quarterly dividend of thirty-seven and one-half cents (37 1/2¢) a share will be paid March 14, 1974 to stockholders of record February 8, 1974.

SAMUEL B. CASEY, JR.
President

M. W. Kellogg
Pullman-Standard
Pullman Transport
Leasing Company
Swindell-Dressler
Trailmobile

Aloe Coal Company
Berry Metal Company
The Canadian Kellogg
Company, Limited
Canadian Trailmobile Limited
Empresas Tecnicas Asociadas
Pullman, S.A. (Mexico)
Heat Research Corporation
Kellogg Continental B. V.
Kellogg International
Corporation
Mahon Industrial Corporation
F. C. Torkelson Company
Trailmobile Finance Company
Trailor, S.A. (France)