Steel Industry's Deadly Roadblock: Broad Ignorance of Its Problems

By T. F. Patton, Chairman of the Board, American Iron and Steel Institute and President, Republic Steel Corp., Cleveland, Ohio

Spokesman's appraisal of steel's basic problems stresses the lack of understanding of the industry's economics and the vital need to improve communications with the public and government. Emphasizes, also, the necessity for industry and the government to have mutual respect for each other and confidence in each other. Points out the industry has faced and overcome tough problems before, and confidently expects steel to forge ahead once profit-inadequacy is recognized and measures taken to allow a fair chance to compete. Flattly rejects proposal to divert dividends to modernization-spending instead of to the owners.

First a word about the immediate outlook for our industry. As many know, most of the major steel companies concluded new labor agreements early in April. The results of the labor negotiations are noteworthy for several reasons:

1. This is the first time a settlement was ever reached in advance of the expiration of the existing contract.

2. The new contracts contain, unlike the prior contracts, no provisions granting automatic increases at stated intervals — nor do they contain provisions for automatic cost-of-living increases.

3. They are open-end contracts terminable by either party on 90 days' notice, rather than at a fixed date.

4. It is estimated that employment costs under the contracts will increase approximately 2½% per year, against 3½% per year under the expiring contracts, and 6% per year from 1940 to 1950.

This constitutes progress in reducing the rate of employment cost increases. But I hasten to point out that steel shipments per manhour have increased at the rate of only 1.1% per year since 1940. Consequently, the 2½% increase in employment costs is about 50% greater than the historical rate of increases in steel shipments per manhour.

As a result of the labor settlement, the industry has experienced a drop in incoming orders and cancellation of some existing orders, with a resulting reduction in the rate of operations. Steel users now are stocked up, inventories are decreased — and this may continue throughout the third quarter, which we expect will be the low quarter of the year, operation-wise.

All indications are that in the fourth quarter, there will be a pick-up in business. How far and how high it will go will depend on the pace of the economy, particularly the hard goods sector. This is the current situation in steel, as I see it.

Basic Problems Affecting the Future

Now, some thoughts about basic problems affecting the future of the industry.

There are critical times for steel. There has never been a time when our industry loomed larger in public discussion than now. Unfortunately, not all of this discussion has been reasonable or constructive.

Yet, public discussion generally is far better than public indifference. The more the American people are urged to think about the steel industry, the more likely they are to begin to understand its problems and to support sound solutions for them.

At the outset I may point out that our industry has faced and overcome many tough problems before. We have a great dynamic industry, a competent, skilled working force, and able men in management.

I have not the least shred of doubt that the steel industry, in spite of today's problems, will continue to be in the future, as it has been in the past, a cornerstone of our national economy.

The steel industry is (Continued on page 26)
The Security I Like Best...

A continuous feature in which each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

JAMES ANDERSON, JR.
Manager, Research Dept., Underwood-Hewitt & Company, Inc., New York City

Russell Stover Candies, Inc.

Sales of Russell Stover candy have reached a new high in each of the last 20 years, regardless of periods of weakness in the economy. Candy has been enjoyed by people as a high quality handmade product and has been particularly in demand during the Christmas season.

Russell Stover Candies has been an integral part of the candy industry for nearly a century. Its products have been enjoyed by generations of families, and its reputation for quality and excellence continues to grow.

Recent years have seen a significant increase in consumer demand for Russell Stover products, particularly during the holiday season. The company's continued success is attributed to its commitment to excellence in taste, presentation, and customer service.

This year's forecast for the candy industry is promising, and Russell Stover Candies is well-positioned to capitalize on this growth. The company's diverse product offerings and strong brand recognition make it a continues attractive investment opportunity.

This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.
Taking a Short and Long Look at the Stock Market

Author, "Battle for Investment Survival!" and "Checklist for Buying Stocks"

One of Wall Street's best known brokers disagrees with one of the reasons currently advanced to explain the market's decline, and offers an insight as to what he looks for in selecting a stock. Mr. Loeb opines price inflation is continuing to become a "gray area" in investment decisions and offers the following so-called "cash well" is too narrow. A well-informed investor discovers the early warning signals in the stock market. He explains why one must be a "cash well" to make money. On the last page are his facts straight on his well-known views regarding "market clarification", points out errors made in valuations of stocks; and discusses possible need to wait out the market's downturn to arrive at a new basis or key to the next round of market profits.

Things have been changing so fast that the ink is dry before the story is completed. I bought my first security some time back in 1920 or before that. Very luckily, I got badly hurt in 1929, and I think the Dow dropped from 50 to 85. I went through the 1929-32 period. I came to realize anything like the TV-radio-newspaper and magazine coverage this recent decline has received. It has been the most potent weapon of the World Series. It is the serious type of thing it is having on the market. The decline has been bad enough—but not as bad as they paint it.

They speak of $20 billion in losses. I am sure the investors know that the prices quoted for the Security State are not the figures that the New York Stock Exchange is not the price quoted for the whole company. It is true, too, that everybody knows that much of the losses that are starting to look up together are paper losses or a sharpening of paper profits.

It is true that this kind of headlining frightens some people. It is just a fact that the tide is going to remain motionless. Things also seem to be these communicators think the market has declined to a frighteningly low level. They seem to forget—or may they don't know—that a lot of people were afraid the market was going to drop to 400 to 550 or, for that matter, to 600. When the Dow hit around 1957 levels in 1957. They also seem to forget that the admittedly overpriced growth and glamour stocks started down 13 months ago and the Dow itself five months ago. Of course everybody wants the market to know what is wrong with a market. It is a much better way to think about what the various possibilities as well as I do. So I won't repeat the 3 or 10 well known reasons or excuses, or what you want to call them.

Certainly the implications of the steel pricing argument was a major factor in breaking confidence. Here was a case where neither the Dow nor Hattie's nor the market's or the constant也是 Marlboro's. A market's decline is only a shadow. It is true that this is a serious type of thing it is when the decline is being reported.

SEC Investigation

The SEC investigation is an important, influence. Like the overpricing of the Dow that had to be corrected, the result is going to be some more in correcting abuses that will still exist in the business. Like medicine that tastes bad but does you good in the end, it has been unpalatable, especially to many new investors. It also has another important current effect. It is used to be years ago that all the shares actively traded could be put on a stockbroker's quotation board. Now we have new shares in new issues in this new industry never before publicly owned that have come into public circulation. This has changed the rules. Now investors must be more careful in buying and selling the stocks.

In some quarters this has been overdone. The effect of the investigation is that for a time, until we all get to know the rules, it is sure to be going to be bygone. Now, the same thing is going to be lost to the market as an investment.

Another factor in the decline is the large number of new investors against registered representatives to service them. They are not going to be able to go it alone, any more than the major broker in the major newspapers. All the newspapers have been written in the financial press and talked about in the financial press. And that is a good thing. So I won't repeat them.

I don't think that the new share

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Thursday, June 7, 1962

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JAMES ANDERSON, Jr.
Manager, Research Dept., Underwood, Nunnally & Co., Houston, Texas

Russell Stover Candies, Inc.

Sales of Russell Stover candy have been shown to have risen in each of the last 20 years, regardless of periodic weaknesses in the economy. Candy market have been enjoyed a high quality, high group of chocolates since 1824. Until May, 1960, Russell Stover was divided as three parts, the one producing the brands, which were then merged into a producer corporate for several years thereafter. In October, 1960, the first public offering of the common (the records show it was privately held) was made. Over the years Russell Stover has grown to be one of the largest manufacturer-retailer of chocolates. Sales have increased from $6.5 million in the fiscal year ended Aug. 31, 1961, and could reasonably reach a $40 million mark by the beginning of the fiscal year March 31, 1963. You are the company to be believed on this account of hand-dipped chocolates (a process resulting in high quality candy). Top quality of product has always been a basic Stover trademark, and are maintained at all three factories for the purpose of strict adherence thereto.

About 30% of total sales is returned from each store to the home office for re-processing. The company disposed of a substantial portion of its unprocessed appliance business and concentrated on developing a well diversified military business which it will be a major factor of the leading companies in the space age.

Concentration on research and development is one of the outstanding features of Russell Stover. The company is known for its work on re-entry vehicles, gas turbine engines, missile components and mobile communication units. One project worth mentioning is magneto-hydrodynamics which shows great promise as a new and efficient means of generating commercial electric power.

In its government contract work, Avo has stressed the importance of comprehensive research and development. Avo contract is the major project that the company has been working on for several years in addition to its contracts with major defense contractors. Avo contract is expected to be completed by the end of the year.

New management is successfully increasing profit margins. Factors that have contributed to the improved financial position include better utilization of existing assets, increased sales, increased distribution, and increased inventory and accounts receivable. Growth in profitability is being obtained through combining and inorganizing the various businesses, as well as through improved internal controls. This has not only been beneficial to Avo, but has also been a positive factor for the stockholders. Avo stock is currently trading at $20 per share.
Takina a Short and Long Look at the Stock Market

By Gerald M. Loeb, *Partner, E. H Aston & Co., New York City

Author, "Battle for Investment Survival" and "Checklist for Buying Stocks"

One of Wall Street's best known brokers disagrees with one of the reasons commonly advanced to explain the market's decline, and offers an insight as to what he looks for in selecting a stock. He feels that more like the situation is going to continue and a "properly managed, selected and honestly priced" issue, is therefore, preferable to fixed dollar obligations or a creditor position. He explains that one must be a "honest wolf." He lays the raised straight on his well-known views regarding "discrification," points out errors made in valuation of stocks; and discusses possible need to wall out the market's decline to arrive at a new basis or level to the next round of market profits.

Things have been changing so fast that before the ink is dry the situation has changed.

I bought my first security some time back in 1929 or 1930. I sold it, of course.

Very luckily, I got badly hurt in 1929. I think the Dow dropped from 100 to 85. I went through the 1929-32 period.

I can recall anything like the TV-radio-newspaper and magazine coverage this recent decline has received. It has been the practice in the World Series than the serious type of thing it really is.

The market has been bad enough—but not as bad as they paint it.

They speak of $20 billion of losses in this market; but any one of us trading in a quarter of a million shares of American Telephone is not the price quoted for the whole company.

I can tell you, too, everybody knows that much of the losses that are startlingly lumped together are paper losses or a shrinkage of paper profits.

The stock market is still the kind of headlining frightens some people and at times the desire to get to the game.

It seems as if these commentators think the market has declined to a frighteningly low level. They seem to forget—or may be, they don't know—that a lot of people were afraid the market was too high with the Dow at 400 in 1929, or, for that matter, with the Dow around current levels in 1939. They seem to forget that the admittedly overpriced growth and glamour stocks started down 13 months ago and the Dow itself five months ago.

Of course everyone wants to know what is wrong with the market. I think investors know the various possibilities as well as I do. So I won't repeat the 8 or 10 well known reasoning or excuses, or whatever you want to call them.

Certainly the implications of the steel pricing argument was a major factor in breaking confidence. Here was a case where neither profits nor earnings were anything like the 1929-32 situation.

The sad fact is that this new loss is the beginning of a new sad nightmare. The newspapers have learned in new industries in recent years, but that doesn't mean anything. They are not of themselves. Thus, their existence must be advertised—

SEC Investigation

The SEC investigation is an important influence. Like the overpricing that had to be corrected, the SEC must take action to stop the practice or whatever you wish to call it. They are not of themselves. Thus, their existence must be advertised—

In some quarters this has been overdone. The effect of the investigation is that for a time, until we all get to know the new rules, it is, usually going to be a period of hesitation. Hence support is going to be lost to the market as an inevitable evil.

Another factor in the decline is the large number of new investors. Our new Registered Representatives to service them, I think they have far too much of the advantages in owning common stocks and not a little as to their nature. Wall Street has always been a two-way street. In the long run it has treated those who really just not something into it very well. Those who try to get something for nothing fare no better in Wall Street than anywhere else. It makes sense to buy a stake in the future of America—if you know what the stake is and what you are paying for it. Anyone who looks at the record of hogs and hens over the years of even the best stocks should know they fluctuate widely and should think that into their investment calculations. I don't think the new share.

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Bulls and Bears—and Goats

The most disheartening feature of the recent stock market treading is the shortening, by way of both commission and omission, in its interpretation. Commission-wise, we again see the time-worn rationalization of market performance with hindsight; and, omission-wise, complete ignoring of the Break's implications which again invalidate the commonly held illusions about the Stock Exchange's basic functioning.

Even President Kennedy, whom we complimented a fortnight ago for his citation of the 1966-67 record as exemplifying the chaotic stock market-business divergence, "has pulled the rug out from under us. For at his following week's (May 23) news conference, he interspersed three more examples of such divergence, with a digover to the contradictory illusion:

"The economy, which is moving steadily forward, is the best stimulant to the stock market—the most natural one. The economy is stimulant; unemployment is down; while, therefore, I think that the stock market will follow the economy!"

Treasury Secretary Dillon, a knowledgeable and sophisticated ex-Wall Streetite, speaks in general to the interrelationships of business conditions and stock market performance, as chairman of an Economic Advisory Committee to the press after the post-Break White House conference, although—as disclosed in his address to the N. Y. Financial Writers Association of which the author is a member—again swang over to propounding the pure and simple fact of a "disregardful" of its inflation expectations as this is his Break's single cause. This means the rise of over 50% in stock prices with an un-inflationary unchangeable, what of course "from prices from 1958 to 1962."

...and sundry persist in clinging to the fiction of market-business correlation (the specifics of which the author is not yet to see).

When the "unsatisfactory" state of business (including sometimes that absurd refinement, "the boom's vigor is disappointing") is not cited as the cause of the market's performance, observers turn to their own favorite "grapes."

The "Gripe" List

Pre-eminent in this "grape" category of course is the President's war on the steel industry, with the talk to businessmen's confidence. But this event was announced on April 11 when the stock averages already had been in a four-month high, decline from their mid-December high, and five weeks before its renewed precipi-

tation. Furthermore, there is obtusely contrary evidence about the market's reaction to a hostile-to-business President. That name Roosevelt's advent to the White House was followed by a three-year price-ascending bull market. And the business-building Mr. Truman's 25 to 1 odds-on victory over Mr. Dewey was followed by a price doubling bull market, amidst his entire four-year term.

Budget-decelerating is another leading item now exploited to the very full. Whereas governments with their inflation, has always been inter-

preted as a bullish market marker, now, as yesterday asserted by Mr. Eisenhower after the Republican Convention ... and yesterday's "reckless spending programs" of the Kennedy Administration, motivated the previous Monday's stock market decline.

Before I close, we get a strange interpretive twist from the Administration's spokesmen, namely the Economic Advisers' boss Heller as well as Secretary Dillon's declaration that the inflation is not our way of life. They hold that, because prices already up, the momentum prices are falling deflation is not inflationary, and that investors now recognize that this is so.

Among the "goats" trod out by Stock Exchange President Fund-

ston shortly after Black Monday's market闭 essential were the Tax- withholding the last day of the month, the Securities Markets, (Actu-

ally, many believe that the Friday ac-

tuals should chase the investor from the market through buying during the month (at market's closing), the market has not been between three years ago. Sometimes the "margin" becomes a specific speculative capital gains.

The New York Herald Tribune's comment on the "shocks in Wall Street's market-wise, with its White House subscription, con-

cluded with a call for "stronger, initia-

tive on the part of its staff" in addition to "action in the Central Banks, prices, and balance of payments."

The Stock Exchange's Rate

The subject of the breakdown, and the hindsight squabbling over the causes is the disregarded re-con-

firmation of the Stock Exchange's role as, in large part, a gambling route. Witness from the Exchange's President, "the market is down; the "natural" actual myth—as exemplified by the hour late tickets under the Exchange's self-generated inflation.

Fund Shareholders' Scarekkeeping

And, as we have asked previously, why is the over-estimation of numbers scarekeeping of their stable in their holders' feelings of impoverishment and hence reluctance to buy goods, of any sort—will not be more valid than the loss of money, whether buying or not buying. Market of dividend is now the same as the buying of stocks. The public, wise, is not to be made to buy any single stock at the market's closing, the market's clearing, the market's services.

Incidentally, should the general decline in exchange volume of the reporting quarter, will pub-

lic relations-consciousness with portfolio turnover, drive results which lead the funds to engage in quarter-end dumping and decline-ac-

company-rate—corresponding to Blue Chip market inflation during bull market periods?

The Basic Tragedy

Most devastating is the evidence that after 28 years, all the supposed ac-

curacies regulation and presumed accuracy, speculative excess is still rampant over the com-

market, that the economy with depression, and/or pun-

ishment, are taxonomic strategies in tax policy.

H. M. Frumkes Co.
Admits Lewison

Murray Lewison has joined H. M. Frumkes Co. & New York Stock Exchange, as a general partner.

Prior to this association with Frumkes, he was a registered representative with Bear, Stearns & Co.

Lewison was formerly Presi-

dent of Rent-a-Bag Company, and with the Spence-

cor—Philadelphia Corporation. He has also been a sales consultant for many industrial and consumer products.

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Gold Stocks and the Bears

By Dr. Ira E. Coughleagh, Enterprise Economist

Back to the mines for another look at the gold supply in monetary terms and for important news.

While colleges and universities all over the land are selecting from this year's crop of graduates, those "most likely to succeed" in the future are the gold miners. In this selective process, you now hear the booming boardroom toast about gold stocks. Sources of gold are now looked upon as the surest of all investments on Wall Street.

Regardless of how you may view this gold problem, or the possible solution to it, there is now the liveliest interest in gold stocks and mining property shown since October 1960. Everyone realizes that with the practically fixed costs of production, gold mines can earn good dividends or even more if gold prices rise. Canada has already reaped some modest benefits along these lines, by raising its gold mines from 92½ cents (in our money). This has meant that rates of $35 per ounce should be available to all gold producers.

Interest in Gold Stocks

In other nations, it is no crime to own gold coins or gold bars. But, it is a crime for an American citizen to own gold. (They can own a couple of coins, however.)

Since Americans can't own gold itself, those who'd like to own gold can do so by buying stock in mining companies. There are some attractive ones to choose from.

Homestake Mining Company

This is the largest gold producer in North America. It has paid dividends every year since 1879, except between 1943 and 1945 when the government in them to suspend operations. Home is now at 49 and pays a 5% dividend.

Dome Mines, Ltd.

This is one of the leading Canadian gold producers, with indicated reserves of about 2,475,000 tons (enough for four years' operations). In addition, Dome owns 51% interest in Campbell Red Lake Mines, Ltd., and a 65% interest in Sigma Mines, Ltd., plus other lesser investments in oil, copper and gold companies.

Dome Mines, Ltd. has 1½, trading as sole capitalization. These shares are listed on N. Y. S. E. and in Toronto. Current price is around $35 with a 5% dividend. Dividends have been paid in each year since 1918. The company owns sole control of a major subsidiary, the Red Lake, a much newer mine. It has a four-year ore reserve (about 1,200,000 tons at 0.65 ounces to the ton). Outstanding common, 3,999,500 shares, are also listed both in New York and Toronto. Current price is around $14, with a $4 dividend. Dome's 1½, respected gold equity, earning about $1 a share, to cover its 5½ dividend.

Kerr-Addison Gold Mines, Ltd.

Kerr-Addison is one of the lowest cost producers in North America, and Canada's largest. It is reported to have reserves of over 9 million tons. This stock sold, for several years, at $20 a share, or above. In late 1960, however, in exploration at below the $6.00 level, proved disappointing, and the stock dropped 46% in market price, although it was back to nearly $7 a share a year later. Many analysts think this adverse drilling development has been over-discussed, and favor the stock at current levels of around $8.75, particularly since it yields around $5 on the present $8.80 dividend. There are 4,730,302 shares outstanding, and listed in Toronto.

Giant Yellowknife Gold Mines, Ltd.

This is another favorite among gold financiers. The mine is located up in the Northwest Territories of Canada, which makes it a little more costly to operate than one closer to civilization. Reserves, however, are high at a 3% grade. The mining is well planned, and management is supplied by McIntyre. Giant Yellowknife has 4,300,000 shares of common, selling around $5.00. Shares are listed on Toronto Exchange. Current price is around $11, with a 5% dividend.

Other Companies

Other interesting Canadian mines include Aurora, selling at $9.75 and paying $1.20; Kelish, with very rich ore assaying 1.25 ounces; the well known 205 of Lavington; and the 127 of South Saskatchewan. These are all listed in Toronto. Other Canadian companies which could be added to the list are Gold Fields, Goldcorp, and the Gold of the Canadian Pacific.

Junior Analysts, Elects Officers

The New York Society of Junior Security Analysts has elected the election of John L. May of F. Eberstadt & Co. as President of the Society for the 1962-63 term. Other officers elected were Peter F. Way of L. J. E. D. Edie, Vice-President; William N. W alling of Empire Trust Company, Treasurer; Andrew P. T. O., Neuberger & S e r n a n, Secretary. Mr. May succeeds Hans R. Reinich who will continue as a member of the Board of Directors for the ensuing year.

Since its beginning two years ago, the NYSSA has grown from a membership of less than 40 to 70 to where it is now considered to be the second largest financial society in the country. Its members represent more than 120 New York brokerage firms, commercial banks and investment organizations.

The NYSSA's most important function is that of updating the NYSSA Digest, which has been an invaluable tool for the investment analyst. There are many opportunities for the interchage of ideas and information among investment analysts engaged in research in various branches of finance and economics.

Salvador, Silver Adders

Cleveland, Ohio — Mark E. Mirsky has been appointed a Silver and Stiver Co. Terminal Tower, member of the Mid-West Stock Exchange. He was previously with Livingston, Wil¬

Mutuals of Monticello

The Mutual of Monticello Insurance Co. has been elected to the Board of Directors, with the election of Donald A. Young, President of F. Eberstadt & Co., and W. E. B. Sanders, Secretary of the company. The new board includes: F. Eberstadt & Co., 65 Broadway, New York 6, N. Y. (2653) 5

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Vice President

Donald A. Young

Vice President

Robert Smith

Secretary and Treasurer

F. EBERSTADT & CO.,
Managers & Distributors, Inc.
65 Broadway, New York 6, N. Y.

June 4, 1962

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Tax-Exempt Bond Market

By DONALD D. MACKAY

The markets for state and municipal securities are the largest in the world, and have their greatest growth potential in the future. Both of these features are attributable to the tax-exempt bond market, which has been especially strong in recent years. The tax-exempt bond market has been especially strong in recent years.

Dillon and Taxes

Some states and cities are so dependent on income taxation that they have no other source of revenue. The tax-exempt bond market is a major source of funds for these states and cities.

The taxable portion of these issues includes both new and refunding issues. The new issue market has been especially strong in recent years.

Larger Issues Scheduled for Sale

In the following table we list the bond issues of $1,000,000 or more in face value which are to be auctioned at public sale.

<table>
<thead>
<tr>
<th>Date</th>
<th>Issue</th>
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<tbody>
<tr>
<td>June 7</td>
<td>Albuquerque Sch. Dist., N. Mex.</td>
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<td>June 8</td>
<td>Free S. D. No. 10, N. Y.</td>
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<td>June 9</td>
<td>New York, N. Y.</td>
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<td>June 10</td>
<td>College of the Holy Cross, N. Y.</td>
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<td>June 11</td>
<td>Detroit S. D. Employees Retire.</td>
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<td>June 12</td>
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<td>June 14</td>
<td>Iowa State Bd., Ia.</td>
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<td>June 15</td>
<td>Louisiana State Bd. of Education</td>
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<td>June 16</td>
<td>Grand Forks, N. D.</td>
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<td>June 17</td>
<td>Agricultural &amp; Mechanical College of Texas</td>
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<td>June 18</td>
<td>Alaska (State of)</td>
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<td>June 19</td>
<td>Montana (State)</td>
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<td>Harwich, Mass.</td>
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<td>June 21</td>
<td>Indiana State Bd., Ind.</td>
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*We maintain active trading market in:

Lance, Inc.

Common Stock

R. S. DICKSON & COMPANY

IN CUSTODIAN FOR

National Monetary Stock Exchange

New York, N. Y.

Charlotte, N. C.

Baltimore, Md.

Cincinnati, Ohio

Chicago, Ill.

New York, N. Y.

June 6, 1962 Index—3,077.7

*No apparent availability.

MARKET ON REPRESENTATIVE SERIAL ISSUES

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June 6, 1962 Index—3,077.7

*No apparent availability.
Steel's Profit Problem Involves a Crucial Battle

By Allison R. Maxwell, Jr.,* President, Pittsburgh Steel Co.

Pittsburgh, Pennsylvania

Steel industrialists attack the Administration for its "flagrant disregard for facts," unconstitutional behavior, and anti-business, socialistic policies. They charge that the Federal Reserve has provided easy money for itself and not the industry, and that it has not been opposing easy credit for any industry. And, time after time, they have warned us of the financial dangers that these steelmen . . . have been urging us to avoid ever since we entered the depression.

Then, during the days that followed, a series of events occurred. An avalanche of government action and regulation was thrown down at the steel industry—a total of 24 days of new or stricter regulations for a steel company. And the threats to come were only hinted at.

I want to make it clear from the outset that I am speaking not as a spokesman for this industry, and not as the president of a company that is a major steel producer, or as an individual who has been sub¬ pressed or blackmailed or until this analysis has been completed. My comments of my thoughts have not been cleared, approved, or controlled in any way by American Iron and Steel Institute, or by any officials of other steel companies. I am speaking as an independent steel producer, independent of one of the smaller companies, independent of the industry, and I have considered that this is strictly my own. My theme is this:

Number One Objective

First, the steel industry is faced with grave economic problems. While we have been speaking of gross profits, we have been talking about the steel industry. In the past, we have had the most favorable market conditions, the most favorable market for steel that we have ever known. But now, the market is changing, and we are facing a new situation. We are not going to get away from this economic problem, and we are not going to get away from this economic problem. We have to face it, and we have to face it.

Recapitulation

The steel industry is one of the most important industries in the nation. It is one of the industries that has contributed most to the nation's economic growth. It is one of the industries that has contributed most to the nation's economic growth. And its profits have been a source of national pride.

The industry has been subjected to a number of attacks, and it is a source of some concern. But the attacks have been based on facts, and the industry has been able to defend itself. And the industry has been able to defend itself.

Conclusion

In conclusion, I would like to say that the steel industry is one of the most important industries in the nation. It is one of the industries that has contributed most to the nation's economic growth. And its profits have been a source of national pride.

* A. R. Maxwell, Jr.
DEALER-BROKER
INVESTMENT LITERATURE
AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FINDS MENTIONED WILL BE PLEASING
TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Bond Market—Review—Salomon
Brothers & HutcHer, 60 Wall St., New York 5, N. Y. Also available—
a discussion of the Commercial Banks and the Municipal Bond
Markets.

Business Outlook—Discussion, in current issue—"Investment Monitor".
Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y.

Investment Opportunities in lead-
ing industries—Data on selected issues—H. Hart & Co., 72 Wall Street, New York 5, N. Y. Also available are data on Delta Air Lines, Pan American World Airways, National Airlines and Western
Air Lines.

Japanese Market—Review—The Daiwa Securities Co., Ltd., 149
Broadway, New York 6, N. Y.

Broadway, New York 6, N. Y. Also available is a list of the Japanese
Department Store In-
dustries.

Japanese Market—Review—Yamashita Securities Co. of New
York, Inc., 1 Wall Street, New York
5, N. Y. Also available are data on Dai Nippon Printing Co., Ltd., Toppan Printing Co., Ltd., and Toshiyama Printing Co., Ltd.

Life Insurance Companies—Com-
parative data—David L. Bonser &
Company, Inc., 89 Broadway, Bos-
ton, Mass.

Locking Ahead—Bulletin—Robin-
schein & Co., Inc., 138& Cheetham
Street, Philadelphia, 2 Pa.

Market Outlook—Discussion in
June—H. Hart & Co., 72 Wall St.,
Stone & Co. Incorporated, 23
Broadway, New York 4, N. Y.

Market Outlook—Discussion—M. Fluegel, Bul-
lard & Smyth, 26 Broadway, New
York, N. Y. Also available are comments on Nenoxa Chemica1 and Consolidated Launderies.

Market Outlook—Review—Brand,
Grunert & Seigel, Inc., 67 Broad
Street, New York 4, N. Y.

Market Outlook—Comparative—
Winlow, Cohen & Stelton, Incor-
porated, 30 Broadway, New York 4,
N. Y.

Market Outlook and Selected
Securities—Review—H. Hart & Co.,
1 Chase Manhattan Plaza, New York 20, N. Y.

Over-the-Counter Index—Folder
showing an up-to-date compari-
tive table between the listed Industrial stocks used in the Dow-Jones Averages and the 36 over-the-
counter industrial stocks used in the National Stock Exchange Averages, both as to yield and market performance over a 2-
Year period.

Frudent Man's Portfolio—Bulletin—Schweitzer & Co. of
York, New York 6, N. Y.

Public Utility Common Stocks—
Comparative figures—G. A. San-
ton & Co., 92 Wall Street, New York
5, N. Y.

Allied Chemical—Data—Colby &
Company, Inc., 35 State Street, Bos-
ton, Mass. Also available are comments on Associated Dow
Goods, Gulf American Land and
Texaso.

Amerada Petroleum Corporation—
Discussion—Sutro Bros. & Co., 80
Fifith Avenue, New York 1, N. Y.
Also available is a discussion of
Crown Cork & Seal Co.

Amerada Wheaton—Loeb—Loebl &
Co., 223 East Mason Street, Milwau-
kee, Wisconsin, 3, N. W.

Bankers Trust Company—Analysis—
Richard F. Williams & Co., 621 South
Spring Street, Los Angeles 14, Calif.

A. J. Rayless Markets—Memo-
randum—American Capital Corp.,
204 North Central Ave, Phoenix 12, Ariz.

Drill & Howell—Memorandum—
Folke, Weitzen, Jackson & Carles,
25 Broadway Street, New York 5, N. Y. Also available are memo-
randum on Chrysler Corp., Louis-
ville & Nashville, and Revell.

Bell Telephone Co. of Canada—
Analysis—Sheehy, Inc., 307 Web-
ster St., Chicago 9, Ill.

California Packing Corp.—Anal-
ysis—Dean Witter & Co., 43 Mont-
gomery St., San Francisco 4, Calif.

Chemical Union Co., Ltd.—
Study—Annett & Co., Ltd., 220
Bay St., Toronto 1, Ont., Canada.

Continental Assurance Company—
Analysis—William Blair & Co.,
135 South LaSalle Street, Chicago
6, III.

Dynamic Stock Company, Inc.—
Report—Flomemhant, Seidler &
Company, Inc., 69 Broad Street, New
York 5, N. Y.

Elastir Storage Batteries—Review—
New York 207 Wall Street, Philadelphia, 2, Pa. Also available are reviews of Minnibuy & Chemicals, Philippine, National
Institution, H. H. Robertson, Standard
Oil of New York, Y. S. Freight
and Convertible Bonds.

Amerada Petroleum Co.—
Review—Mitchum Jones & Templeston, Inc., 650
Broadway, Los Angeles 14, Calif.

General Portland Cement Co. —
Discussion—H. Hart & Co., 72
Wall Street, New York 5, N. Y. Also available are comments on
Chicago & Mississippi River Harves-
ter Co., and a list of National Harvester Co., and a list of
American Credit—Bulletin—Richard
Shephy, Inc., 1505 Pennsylvania Ave.,
Washington 24, D. C.

Globe Union—Survey—Sheehy &
Company, Inc., 307 Webster St., Bos-
ton, Mass. Also available are data on
American Securities—Bulletin—E. F.
Daimuth, Inc., 1505 Pennsylvania Ave.,
Washington 24, D. C.

International Oil Outlook—Study—
Sheehy, Inc., 1505 Pennsylvania Ave.,
Washington 24, D. C.

Investment in Oil—Bulletin—
H. Hart & Co., 72 Wall Street, New
York 5, N. Y. Also available are
data on Oklahoma City, New
York, N. Y.

New National Bank—Bulletin—
John F. W. Sterling, 50 Wall Street, New
York 5, N. Y.

Philadelphia Insurance—Bulletin—Hea-
ron, 50 Wall Street, New York 5, N. Y.

Electric Storage Batteries—Review—New
York 207 Wall Street, Philadelphia, 2, Pa. Also available are reviews of Minnibuy & Chemicals, Philippine, National
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New National Bank—Bulletin—Hea-
ron, 50 Wall Street, New York 5, N. Y.

Philadelphia Insurance—Bulletin—Hea-
ron, 50 Wall Street, New York 5, N. Y.
Investing Temporarily Idle Corporate Funds

By Daniel M. Kelly*, Partner, Solomon Brothers & Halpern, New York City

Corporate treasurers with temporary idle funds are advised to stay clear of exotic and science fiction short-term investments, and are counseled to keep dollar funds in more traditionally described media. Mr. Kelly concentrates on how to exploit opportunities to best up bond yield without impairing safety and liquidity. This includes a discussion of the types of explanation of the money market, and case by case illustrative discussion of preferable yields for similar maturities, and a word about the market conditions for the short-term instruments. Until a good bunch comes, Mr. Kelly opines he will make very limited use of the market, although it might be close to present levels for the summer. He labels it an exercise in futility to sit with idle funds trying to guess the trend of short term rates.

I intend to discuss the investment of nonfinancial corporations’ temporarily available funds. I propose to do this by (1) defining a little into some of the money market history; (2) defining the essence of the term ‘temporary investment funds;’ (3) outlining the major categories of such investments; (4) listing media suitable for such investment; (5) discussing certain portfolio problems and especially the question of whether to keep qualified by time and experience, I make the management of a short-term portfolio (6) and, finally, analyzing both trends in which such temporary investments are traded.

No so very many officers of nonfinancial corporations bothered to put idle corporate bank balances to work, and even fewer regarded such invest-mental activity, I think, as really understandable in the light of those times. In those days, money daily, money very easily was “easy.” Easy money meant, for example, a 4% yield on 90-day U.S. Treasury bills, and 2½% return on 90-day U.S. Treasury bonds. Under such money market circumstances it is not at all surprising that corporate treasurers, as a group, showed little interest, and exerted even less effort, in putting temporary funds to use.

But as money rates rose corporate indifference to short-term investment opportunities gave way to attention which led to investigation. This led to increasing corporate participation in the short-term investment market. And recently this participa- tion, original and lagged, laggard to its development, and offenders to the point of timidity in applica-tions, has now come of age. It has increased in tempo and intensity and character and in a way that is worrisome.

Finds Trend Toward Exotic Investments Dangerous

This development is beneficial to the corporate money market. The property is being better managed through fuller understanding of employment of excess funds increases the dimensions of the money market. But this market movement, not unlike most market movements, already shows signs of overextension. This is evidenced by the way humor of commercial comment is becoming more and more evident. It is frequently reported that some corporate de-posits grow nervous if aizable balance is left on deposit more than ten minutes. I am sure this is emphasis through hyperbole but there may be a ghost of the truth in their rather rueful wit. In addi-tion there are signs of a shift in “wheeling and dealing” attitude towards this investment area now creeping into the public press. Initially, “how to invest idle corporate funds” articles in publications soberly assessed the very real benefits to be derived from temporary short-term instruments. Nowadays this erstwhile enthusiasm of the market is being given way to a more glamorous marketing analysis smacking strongly of science fiction.

Of course a newly evidenced interest in what might be called “smart money” may also be due in part, to the less abundant current sup-ply of staple short-term paper which, naturally, is registered in a market structure on standard type short-term instruments. In any event, the most recent article I came across was in fact praise the time-tested bread and butter, and better-modern techniques and of short-term inves-tment. These are described in grow-ing terms the delights of invest-ment in Euro dollars; in dollar deposits in foreign banks; in for-eign currency hedge operations; in bank guaranteed lire financing; and last, but not least, reverse repurchase agreements.

In themselves these financing techniques are not unique in the money market. They serve a financing need, particularly corporates involved in interna-tional operations, and afford spe-cialized investment opportunities for professional money market by corporates. In any event, and, in fact, these days as virtually riskless investments are marketed in a money market, they must be immediately welcomed by all and all for all reasons.

Recalls Credit Anstalt Disaster

To the money market novice this all probably sounds enticing but, is it? The enthusiasm generated by such articles, The inducement to fore-take the bread and butter in-vestment media for the more exotic investment instrument is a pick up in yield. But under a normal set of circumstances an in-crease in yield compels an in-crease in risk. This is true to the demonstrates that the short term mar-ket by its very nature is a dangerous. In fact, short term markets in the past have triggered some of the world’s financial crises. Perhaps some may remem-ber the gold market crisis of the the then prevailing short term investments. In turn, lent on somewhat longer terms and at slightly higher rates and yields to intermediates, and then to work in still longer term investments, to the sub-sequent failure of Credit Anstalt which even in France and intensified the iron grip of the world depression in 1931.

Moreover, this disastrous chain of financial events was liberally sprinkled with guarantees. France could have put the funds directly to work in Austria and reap the latter return. Other lender nations chose to keep the rates and exercising safety—short term market. They confused the appearance of a short-term investment with the reality of a long-term market, and learned the middleman’s guarantee was in certain circumstances, no proof at all.

Warms Short Term Should Be Self-Liquidating

I submit that there is a world of difference between investing temporarily idle corporate re-serves, which may be called into action on little or no notice, in normal short term investment channels, and their commitment to financial operations which can only be handled by resorting to elaborate and complicated financ-ing devices. Short term obliga-tions suitable for temporary cor-porate investment are, or should be self-liquidating on their face either through market channels or maturity. Unsuitable ones lack something on their face and, or, elaborate complicated endorsement. To insert in such a work the word ‘self-liquidating’ may be a nice exercise in semantics, but is not an elimination of risk.

For investment purposes, then, here are three kinds of idle corporate funds? In a way we re¬gard the secondary reserve funds of banks. Experience has taught us that the secondary reserve funds of banks should have virtually instantaneous availability. This is imposed on their investment em-ployment a special requirement which is liquidated under any and all foreseeable circumstances. So, while corporate funds, and even the secondary reserve funds of banks may be employed in self-evidently liquid investments for they, unlike the latter, have no recourse to a central reserve bank, and it would certainly seem inopportune for them to run into a multitude of assets to be forced to borrow because of insufficient assets, when needed, turned out to be less liquid than they should be.

Puts

If this is a valid view of the nature of idle corporate funds then it important that their investment employ-ment standards similarly ma¬terialize to those imposed on banks by the nature of bank secondary re¬serve funds. If this be the case the holy grail of the Investment employment of temporary idle corporate funds is first — safety; second — liquidity, and last and least — yield. I believe that any income derived from the investment of idle corporate funds is to be re-garded, as a kind of financial manna, and that a commensurate em¬phasis on yield in the administra¬tion of such funds may impair their liquidity or not their safety. Just what investment instru¬ments measuring up to these re¬quirements are available to the corporate user of idle corporate re¬serves?

There are a number of cate¬gories but the heart of the short term investment market is in the United States. We can only mention here, that it constitutes the only group of securities which affords a consist¬ently dependable supply of invest¬ment.

Short Term Media

First and foremost in this group are U.S. Treasury bills and other U.S. Treasury obligations maturing within the required period of 90 days which, for the reasons of this discussion we shall put at one alternate, and Wall Street terminology the phrase “short term” may be used to describe any maturity up to five years.

Next are the securities issued by instrumentalities of the Fed¬erated States, the Federal Reserva¬tion (F.o.R.), Federal Reserve Banks, and quasi-governments.

Then come bankers’ acceptances; commercial paper; finance paper; negotiable bank certificates of deposit, a relatively new instrument not to be confused with the traditional time deposit, and repurchase agreements.

Other types of acceptable short term securities are railroad equip¬ment trust certificats and the mortgage bonds of the states, backed by various bonds issued by various local governments and by various public au¬thorities. The income derived from such securities is exempt from present Federal income taxation, usually, from income taxes imposed by the states in which the taxes are raised.

As of now, taken together, these categories of short term securities comprise the staff of life of the corporate short term portfolio. The most recent addition to their ranks was the already mentioned negotiable bank time certificate of deposit. With the passage of time, however, new investment instruments will be devised and added.

Of course, there is also such investment outlets as the tradi¬tional money market and various kinds of paper with technical, if esoteric, market value. But these are not part of this discussion.

Continued on page 10

*By Daniel M. Kelly, Partner, Solomon Brothers & Halpern, New York City

6,153,140 Common Shares
(For Value 25 Netherlands Guilders Per Share)

Philips N.V.
(N.V. Gemeenschappelijk Basis van Aandeelen Philips' Gloeilampenfabrieken)
(A Netherlands Corporation)

The holders of Philips N.V. Common and Participating Preferred Shares are offered the right to subscribe for additional Common Shares at the rate of one additional Common Share for each five Common Shares and for each five Preferred Participating Shares outstanding on May 29, 1962, as more fully set forth in the Prospectus. The subscription offer will expire at the close of business on June 22, 1962.

Subscription Price $33 or 118.75 guilders per Share

Rotterdamse Bank N. V. is the manager of the offering and of the European Bankers, but will not participate in the solicitation or offering in the United States.

Smith, Barney & Co., as United States Dealer Manager, has agreed to form and manage in the United States a group of Participating Dealers to solicit subscriptions for additional shares of the Company's Common and Participating Preferred Shares, and to exercise of Rights, subject to the terms and conditions set forth in the Prospectus. The offer is not being underwritten.

Copies of the Prospectus may be obtained in any State from Smith, Barney & Co. and other Participating Dealers, including Burnham & Company, in which the participating dealers are named. The same securities in compliance with the securities laws of such State.

Smith, Barney & Co.
Rotterdamse Bank N. V.
Burnham & Company

(N.V. Gemeenschappelijk Basis van Aandeelen Philips' Gloeilampenfabrieken)
(A Netherlands Corporation)

Smith, Barney & Co.
Rotterdamse Bank N. V.
Burnham & Company

Subscription Price $33 or 118.75 guilders per Share
Investing Temporarily in Corporate Funds

Continued from page 9

which, for reasons already mentioned, can lead to high levels of easy liquidity through market arbitrage. I am not going to try anyone's patience by discussing those instruments. Salomon Brotcher & Hambrecht recently put together a booklet entitled "Portfolio for Investors," which contains a little booklet entitled "Short-Term Investments," which does that job quite well.

Obtaining Better Yields Without Hurting Safety and Liquidity

I propose, instead, to explore the potential advantages and disadvantages of each type of security; their yield, their value in market downturns, their share of market liquidity and their price risk. Perhaps I may be able to make this paper more concrete by referring to certain quotation sheets which are available in that context.

Now let's look at various types of short-term securities.

Treasury bills are issued on a discount basis and are paid at par, the face amount, at maturity. They come out each week in competitive auctions and are traded in the open market on a discount basis. These bills have the broadest market, the narrowest spread between bid and ask, and a very small number of amounts that any other short-term security can approach. In liquid, the economists refer to them as one of the "green-eyed monsters" and the banking system uses them as a sort of interest bearing base. New issues come out each week or every few days to almost any week. Thus, the supply of Treasury bills is very responsive to the demand by corporate investors. The longer the maturity, as a general thing, the shorter the supply and, therefore, the higher the yield and the greater the dollar price. For all practical purposes, there is always a time when bills maturing in thirty or more days are not available for purchase at some price which will, of course, depend on the relative amplitude of scarcity of supply, as well as the market's current rate picture.

The then and now paid off bill is a somewhat different story. For example, on May 17, 1976, the "at par" quotation, on May 17, 1986, the "at par" discount basis bid, 2 1/4% discount basis bid, 1 1/2% discount basis bid, and 1 1/4% discount basis bid was 2 1/2% or 1 1/4% discount basis bid was $1 million bills. A normal spread of 1 1/4% discount basis was about 2 1/4% discount basis bid was 2 1/2% discount basis bid was 3% discount basis bid was 4% or 5% discount basis bid was 5 millEine dollars. These bills have the broadest market, the narrowest spread between bid and ask, and a very small number of amounts that any other short-term security can approach. In liquid, the economists refer to them as one of the "green-eyed monsters" and the banking system uses them as a sort of interest bearing base. New issues come out each week or every few days to almost any week. Thus, the supply of Treasury bills is very responsive to the demand by corporate investors. The longer the maturity, as a general thing, the shorter the supply and, therefore, the higher the yield and the greater the dollar price. For all practical purposes, there is always a time when bills maturing in thirty or more days are not available for purchase at some price which will, of course, depend on the relative amplitude of scarcity of supply, as well as the market's current rate picture.

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Influence of Lower Margins on Stock Prices

By Daniel J. Berrell

Recent decline of stock market prices focuses attention on possible governmental action in that a hot and powerful weapon is the ability of the Federal Reserve Board to reduce margin requirements. This action has been taken six times in the past, mainly with good results. While the margin reduction measures will have three major characteristics.

The precipitous decline of the stock market in recent days has made headlines throughout the world. Editorial writers, economists, and stock market analysts have poured forth a torrent of words to explain why the market fell, and from the injured public, cries have arisen, "Why doesn't the government do something about it?"

From the statements of the President, the Secretary of the Treasury, and the various members of the Board of Governors we know that the government is concerned about the decline and is taking whatever steps necessary to help. The most obvious weapon in government hands is the ability of the Federal Reserve Board to lower margin requirements under Section 7 of the Securities Act of 1934. This device was employed six times since passage of the 1934 Act. Its effect on stock prices was as follows:

**Past Performance**

PAST PERFORMANCE: On Nov. 1, 1937 the Federal Reserve Board reduced margins from 30% to 20%. A week before the change, the Dow-Jones Industrial Average was at 134.43 (Oct. 25). The Index climbed to 138.04 (Oct. 31) and the change was in effect at 122.11 (Nov. 6). A month later (Dec. 1) it was down to 122.11; however, the average remained at 122.11 through March 29, 1938 (Feb. 26, 1938), and the trend was upwards for the balance of the year. Again, when the change was made (May 25, 1938) it was down to 110.95, which was a net loss for the half year of 23.35.

Effective Feb. 1, 1947 margin requirements were reduced from 50% to 40%. A week before the change, the Dow-Jones Index was at 642.49 (Jan. 25) the Dow-Jones Index was at 610.69 (Feb. 8). However, on March 12, 1947, the average had fallen to 560.13, and six months later it went up to 873.51 (Aug. 1). The Index was left at 315.81 (Aug. 1). The results of the half year, then, was a slight gain of 2.93.

On March 30, 1948 margins were lowered from 75% to 50%, the Index was at 117.80 (Mar. 23), the D.J. Index was at 178.45 on the day of the change. A month later (April 29) the Index was up to 199.95, but in six months (Aug. 20) it had declined to 217.43 for a net loss of 10.16 during the period.

On Jan. 15, 1958 margins were lowered from 75% to 50%. As of Jan. 8, the Dow-Jones Index was at 445.61, declining to 443.20 on the day of the change. One month later it was up slightly to 445.70 (Jan. 22); a month later (Feb. 14) it went up to 458.40, and on the 25th of next month (July 15) up to 478.82 for a net gain. Out of a net gain of 242.30.

The last margin reduction took effect on July 27, 1960 and involved a 20-point drop from 99% to 70%.

A week before the action (June 27) the D.J. Index was 642.49 and in the following one month it went down to 601.78 on the day of the change. Thereafter, it picked up, and on the 25th of next month (Aug. 3) it was up to 638.15, four weeks later (Aug. 26). At the end of the six month period the Index was up to 643.59 for a gain of 643.59.

There is no definite action that can be taken by the Federal Reserve Board in this case. The action will probably be a three to five month moratorium without any official announcement.

First of Mich. Elects V.-P.

DETROIT, Mich.—Milton J. Pappas has been named Vice-Presi-
dent and Underwriting and Research Depart-
ding the firm's President, W. V. Gilbert.

Mr. Pappas was most recently associated with Merrill, Turben & Co., Cleveland, Ohio, in the New Business Department. Prior to this he was a trust investment officer with the Cleveland Trust Company.

Johnston Joins Paine, Webber

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—George L. John-
ston has become associated with Paine, Webber, Jackson & Curtis, 24 Federal Street, members of the New York and Boston Stock Exchanges. Mr. Johnston was formerly municipal bond manager for Goldman, Sachs & Co.'s Boston office.

**Institutional Investment in Ohio**

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities.

The offering is made only by the Prospectus.

**New Issue**

June 1, 1962

125,000 Shares

**VACCO VALVE CO.**

Common Stock

(Without Par Value)

Price $4.00 per Share

Copies of the Prospectus may be obtained in any state only from such of the undersigned, or their agents or nominees in such state, as may lawfully offer such securities in such state.

**CALIFORNIA INVESTORS**

Los Angeles


New York


New York

Peters, Writer & Christensen, Inc. Craig Hallum, Kninnard, Inc.

Denver

Wall Street's Slump
And Its Repercussions

By Paul Einzig

Dr. Einzig explains the repercussions of our stock market slump on Europe's stock exchanges; probes the reasons for the decline; and views the implications of the movement of capital in the de- reasonably well

sure will resume its former upward course; not, inflation and deflation will continue run concurrently, to the grave detriment of the individual investor. The case Wall Street is bound to dive-

Even if the trade unions feel duty bound to ignore any unem-

employment threat through of-

cially sponsored policies, they would be wise to ignore the possibility of unemployment, and hold off a move through a major Wall Street slump and its repercussions. If Black Monday's crash is not a simple presage of another Great Depression, it may well be a genuine foreshadowing of an important change in the post-war world.

Haire Elected By Mutual Funds

ELIZABETH, N. J. — John R. Haire has been elected Vice-President of Fundamental Investors, Diversified Investment Corporation, New York, Inc. Mr. Haire holds the additional title of Chairman of the Investments Committee.

The mutual fund official is also Executive Vice-President of Anchor Corporation, a financial holding company whose subsidiaries include Hugh W. Long and Company, national distributor of the Homeowners Loan Corporation, investment advisor to the safety and casualty division of the Liberty Life Insurance Company.

Mr. Haire became Vice-President of the New York stock Exchange, Mr. Haire was associated with Nutter, McClennen & Fish in Boston and Chicago and to William H. Vanderbilt and was an officer of a number of Vander- linter enterprises.

S & S Inv. Company

S. & S. Investment and Securities Dealers Co. has been formed by offices at 52 Wall Street, New York City, to engage in securities business. The company is a member of the Securities and Exchange Commission and will be a principal of the firm.

Cohen, Lebay Branch

Cohen, Lebay, Appo & Co., Incorporated has opened a branch office at 37-37 North Main Street, New York City under the management of Russell H. Cohen, President.

Darius in Minneapolis

MINNEAPOLIS, Minn.—Darius R. Siders is a new branch office in the Soo Line Building under the management of Russell H. Cohen.

Dempsey-Tegeler Office

Open in the Soo Line Building under Mr. Tegeler & Co., Inc. has opened a branch office in the Halle Building under the management of H. Martin Bullock.

1962 Steel Production

By Joel Hunter, *President, Crucible Steel Company of America*

A comfortable level of ingest production — 107 million tons which is 16 million short of record high in 1955—is predicted for 1962 production. There is no talk of a decline down. Large proportion of our over-capacity is attributed to obsolete equipment which probably will never be used. The sharp reduction in new plant orders is said to have been way out of proportion to the price change. Confidence is expressed that the difficult challenge of cost reduction— to which much attention has been directed in recent years—will continue to be the main concern of everyone in the industry.

Nobody buys steel these days unless he needs it. Buyers are not interested in the price going up—all they know is that they need it. The prices for some grades of steel have shown a downward trend, but this has been due to the production going down, and this in its turn has been due to the fact that the demand for steel is down.

On the contrary, as best we can tell, business will be better in the latter part of this year going into 1963. Inventories will be well balanced by the end of the year, and the steel industry will benefit directly from these general conditions.

So much for the immediate outlook.

Much of Our Over-Capacity

Is Obsolete

Before this year, if ever, we should like to see a couple of observations made before we get any more dis- cussion of steel.

It is said there is much more production capacity in the world than this country will ever require. We are told the difference is not true, but I am sure a very large percentage of production can be cut back with very little in productivity that it is non-com- petitive and will probably never see competition. Should we examine these figures to prove this point but I have no reason to believe any of these figures are even accurate.

The steel industry is in a well-publicized and well-advertised condition. So well-publicized, in fact, that failure of the industry is almost a certainty. Yet, increased capacity has brought a sharp sell-off in steel company equities on the stock ex- changes and perhaps even on the ef- fect locally. In this latter case it is all out of proportion. Such a small price change is hardly a matter of life and death. If a price increase is not forthcoming now, we must face the prospect of selling steel at the same time sell more steel. In this way we may counter rising costs of labor. There are long term factors that are working against our ability. There is nothing easy about this, but I am confident we can get through it.

As the situation develops in the next few years, I will make a few observations. I believe the re- sponse to this challenge will be highly successful. 

*“A* talk by Mr. Hunter before the National Industrial Conference Board, New York City.

First Columbus Branch

CINCINNATI, Ohio—The First Columbus Corporation has opened a branch office at 710 South Vine Street Library Building under the management of John P. Hoosh.

First Princeton Branch

MONTCLAIR, N. J.—First Princeton Bank opened a branch office at 35-37 North Main Street, near the new addition of the Phoenix Building, under the direction of Phillip W. Peters.

With Cyrus Lawrence

Cyrus J. Lawrence and Sons, 115 Broadway, New York City, mem- bers of the Union Stock Exchange, and the American Stock Exchanges, an- nounced on Thursday that Mr. Vere- enville K. McVickar to their staff. Mr. McVickar previously was with Montgomery, Scott & Co.

With CalM. Investors

SANTA BARBARA, Calif.—Arnold J. Marks of the Santa Barbara Union Stock Exchange, and of the Green- enville K. McVickar to their staf. Mr. McVickar previously was with Montgomery, Scott & Co.
Money and Credit Outlook

In the Next 12 Months

By William S. Renchard,* President, Chemical Bank New York Trust Company, New York City

Examination of factors bearing on money and credit conditions anticipatesample and not excessive credit will be available to finance an important increase in the volume of expenditures. Adequate bank credit is seen, also, for interim financing, for refinancing major federal credit or the movement of goods in international trade. Business improvement generally predicted for the 12 months ahead is not expected to outstrip supply. The problem listed as our biggest problem but the Administration is believed to be fully capable of dealing firmly with it.

Having agreed to participate in this economic expansion Japan, I was naturally thinking about it and I might start out with one or two observations on the economic situation in that country and might start out with one or two observations on the economic situation in Japan, but I am not going to talk about the subject of my remarks.

The economic situation in Japan is extremely tight, that is, Japanese foreign exchange banks are experiencing a demand for credit. For example, the most recent short-term certificates sold by banks in Japan, this month, were at rates ranging from 0.3 to 0.5 percent below the rate on U.S. bank certificates.

The U.S. dollar is generally expected to continue as a strong currency in the foreign exchange markets. This fact is due to the weakness of the yen and the strength of the dollar.

**Federal Reserve Bank of St. Louis**

**Digitized for FRASER**

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*Address* by Mr. Renchard before the Federal Reserve Bank of St. Louis (Annual Economic Conference of the National Industrial Conference Board, New York City, May 17, 1962.

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Form Brokerage Bookkeeping Corp.

The first complete, independent data processing service bureau designed expressly for New York area brokerage firms has been established by Brokerage Bookkeeping, an automation system by an automation consulting firm.

The service is geared to produce the paperwork requirements of individual brokers, including all stock, margin accounts, and transaction support, with maximum efficiency and on a regular time schedule regardless of volume.

According to Seth Rosenbaum, president of Brokerage Bookkeeping, "We are in the process of developing the service for a wide range of firms. We have been approached by several firms who are interested in having us develop a system to meet their needs. We are currently working on a few projects and expect to have some of them up and running soon."

**Richter Opens Branch**

Richter & Co., member of the New York Stock Exchange, has opened a branch office at 1711 Broadway (40th Street), New York, N.Y.

James Richter of Richter & Co. has appointed Abraham Bell as vice-president and branch manager of the new office.

The brokerage firm's headquarters is at 260 Madison Avenue, New York, N.Y.

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Contact us for more information: [Contact Information Here]
PUBLIC UTILITY SECURITIES
BY OWEN ELY

American Electric Power Company

American Electric Power is an international utility company with a combined net utility system, with annual revenues of $352 million, that is the largest in the Northern Hemisphere in highly-industrialized areas of seven states, the area serving 10.5 million people. These states (which are contiguous) are Ohio, Indiana, Kentucky, West Virginia, Michigan, Pennsylvania and New York. Interconnected, the inter-state utilities are the world's most complex transmission and distribution system. In addition to these systems, AEP has a smaller electric utility in the Tennessee Valley. This Tennessee Valley Authority was the largest single power producer in the world in the mid-1950s.

In 1961, the Tennessee Valley Authority was involved in a series of rate-making cases that brought about a large role of leisure time. The AEP Company was also a key player in the electric utility industry during this period, as it was one of the largest and most successful utility companies in the United States.

1961 revenues were 34% residential, 15% commercial, 38% industrial and 9% farm and institutional. The overall System rate base is low relative to the System rate base of $3.8 billion, reflecting the low cost of electricity in the low cost of electricity in the area. AEP's $630 million rate base was scheduled for completion in 1964 in the Tennessee Valley. System rate base is $7 billion, $1.9 billion with the year's peak load of 4.1 kw and average kw indicating about 24% reserve capacity. System size is expected to reach 8,000,000 by the Spring of 1962.

Capital structure is conservatively as follows at the end of 1961.

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<th>Par Value</th>
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*At the present time the AEP stock price appears to be the best of the major utility issues in the market. While the price may be low, it is in line with the generally lower price level of the major utility issues.

The American Electric Power Company is one of the major utilities in the United States, with a combined net utility system in seven states. The company operates in the Ohio, Indiana, Kentucky, West Virginia, Michigan, Pennsylvania, and New York areas. The company's 1961 revenues were $352 million, and the rate base was $7 billion. The company has made significant investments in transmission and distribution systems, and is well-regarded for its efficient operation. The company is known for its commitment to customer service and for its role in shaping the future of the electric utility industry.
Progress is more than a word. Progress is schools for on-the-grow children ... modern medical facilities for the entire community ... civic centers and centers of worship. Progress is buildings going up, aspirations going up, too. Progress is the steel industry of the Nineteen Sixties, as different from the steel industry of the Twenties as the futuristic car in the automobile show is from the surrey with the fringe on top. The numerous family of steels has grown vastly in number, in composition, and in structure; and through the wonders of research the members of this remarkably useful family of materials have been almost completely revolutionized. But, most of all, progress is people constantly on the go toward tomorrow and tomorrow and tomorrow. U.S. Steel, now in its 61st year, is proud of the part it is playing—and will continue to play—in this progress.
The Commercial and Financial Chronicle ... Thursday, June 7, 1962

The State of TRADE and INDUSTRY

Signs of fatigue crept into the improvement of business activity in May. This is the consensus of Purchasing Executives submitting their latest report on the pulse of the economy. Last month's survey is based on the composite opinion of purchasing agents who comprise the National Association of Purchasing Agents Business Survey Committee, whose Chairman is E. F. Andrews, Vice-President in Charge of Purchases, Allegheny Ludlum Steel Corp., Pittsburgh, Pa.

Both new order and production improvement rates show deterioration in the past 30 days. Those reporting a drop-off of new orders rose to the highest percentage recorded since February, 1961, while those reporting increased new orders slipped to a level touched only one other time since March, 1960.

New Orders Better Same Worse
May ... 34 45 21
April ... 42 44 14
Precedent May ... 36 46 18
April ... 38 32 10

Each of our other indicators also reflects some lagging condition of the recovery rate during May, and while some members appear to the return of the upturn in the rate of growth to be a little more noticeable. It is a situation which will have to be closely watched and analyzed to determine whether the symptoms reflect only a temporary improvement or the onset of something more serious.

In last month's report, we remarked that the majority of our committee saw topping out in 1962, but cautioned that 26% did have misgivings about the latter part of the year.

Commodity Prices
Though more survey respondents report higher prices than lower prices, only 5% to 4%, the gap is the narrowest in nine months. Indeed, from this situation there is a large increase in the "no change" regardless of past trend that prices are generally the same as last month, by 87%. This stability peak is highest in almost all months, and is up 11% from April and 16% from March.

Sales

Some, clearly, of the pressures that had been building under prices have relaxed in spite of the ever-growing need for profit improvement. Fear of Federal knuckle-rapping appears to be a factor, along with too oft-mentioned competitive climate which continues to rule the market place.

Purchased Materials Inventories
A close look at our charts reveals that inventory accounts had a sudden September last year, on a modest scale through the end of 1961. At the start forth with considerable gusto in the new year, reaching a peak in the first quarter. During the last two months, however, the rate of accumulation has dropped sharply. In May, 23% of our members added to their inventories, down from 34% in April, and 44% in March, and 18% reduced their stocks. It is difficult to see any more boost to continued improvement stemming from this force for the near future.

Some further cutting back is to be expected from the 36% who last month, in reply to a special question, indicated they considered their inventories higher than desirable.

The increasing rate of improvement in employment, note improvement rates for 1962.

The Increasing Rate of Improvement in Employment, Note Improvement Rates for 1962.

DIVIDEND NOTICE

Caught in the web of its own internal friction and the shifting of the federal funds out of the country, the nylon industry indicated that for the week ended Saturday, June 2, data from all cities of the United States from which it is possible to obtain weekly figures will be 4.1% above those for the corresponding week last year. This would mean that the total stand would be $28,121,375,355 for the same week in 1961.

Continued on page 47

DIVIDEND OPPORTUNITIES

EAGLE VALLEY INDUSTRIES, INC.

The Board of Directors of Eagle Valley Industries, Inc., meeting on the 16th Committee of Directors of the Preferred Stock, for the first half year ending June 30, 1962, payable July 6, 1962, to stockholders holding such shares of record at close of business June 15, 1962. The record number of shares of Preferred Stock of the Company, convertible into, and designated as, 9.5% Cumulative Preferred Stock, 1st Series, of Eagle Valley Industries, Inc., will be payable in accordance with the provisions of the Articles of Incorporation and bylaws of the Company.

THOMAS R. CAMPBELL,
Secretary

CERRO CORPORATION

The Board of Directors of Cerro Corporation has declared an extra dividend payable July 6, 1962, in shares of common stock amounting to three per cent of the common stock (registered in the name of each stockholder) to be paid June 30, 1962.

The Board of Directors of Cerro Corporation has declared a quarterly dividend of $1.50 per share payable in cash on the above date.

NATIONAL mercantile corporation

The Board of Directors of National Mercantile Corporation has declared a regular quarterly dividend of 27.75 per cent (1.2775 per share) payable in cash on the above date.

COLUMBUS AND SOUTHERN OHIO ELECTRIC COMPANY
May 29, 1962.

The Board of Directors of Columbus and Southern Ohio Electric Company has declared a quarterly dividend of 15 per cent (1.50 per share) payable July 15, 1962, to stockholders of record at close of business June 15, 1962.

CONTINENTAL BAKING COMPANY Preferred Dividend No. 94

The Board Directors of Continental Baking Company has declared this day a quarterly dividend of $0.75 per share on the outstanding stock of said company, payable July 1, 1962, to stockholders of record at close of business June 15, 1962.

Common Dividend No. 69

The Board of Directors of Continental Baking Company has declared a regular quarterly dividend, for the second quarter of the year 1962, of 51% per share on the outstanding Common Stock, payable July 1, 1962, to holders of record of such stock at the close of business June 15, 1962.

MORTON HOSTESS
Morton, Ill.
Advice for the Investor

By Roger W. Babson

Dean of the stock market forecasting analysts advises against selling investment-grade stocks today, but does question whether the time is opportune to resume investing in the stock market. In tendering this advice, Mr. Babson is mindful of the market's rally since the past two years. Nevertheless, he is dubious of low yields and had hoped to see it gradually corrected.

During the past week, almost everyone has been asking what has happened to the stock market. The newspapers have said "nothing like 1929." The Dow-Jones Industrial Average is off only 22 points from the time high which occurred at the start of 1962. The Industrials have suffered less than the small-cap stocks. On the other hand, almost everything has suffered somewhat.

Real Estate, Automobiles, and Commodities

The newspapers, television, and radio have made so much of the big break that people are getting it into their heads that everything should go down in price. Therefore, whether they are looking for houses, automobiles, or even orange groves, they expect bargains, and they pay no attention to the prices of a month ago. This especially applies to the cars of which there is a surplus and the dealers are trying hard to convert them into cash.

The banks are getting frightened and have begun to ask their customers to reduce loans. They really have no reason for being frightened; but bankers are easily scared because it is not their money which they are losing, but rather the money of their customers. They do not know that their customers will want to use their money to buy bargains for themselves, and hence the bankers must be prepared to take care of these. Most bankers were much disturbed by President Kennedy's actions when he lost his temper over the price of steel. They feel that President Kennedy is not business and profits, and, perhaps, is too favorable to the labor leaders. Even the brokers are beginning to feel this way, owing to the SIC investigations. So a few brokers are even unjustly saying that the past week will go down in history as the "Kennedy Break."

Mutual Funds

There has been a great sale of mutuals during the last two years. It is reported that over $33,000,000,000 are in the mutual funds today. Most of the stock exchange funds are indulging in the sale of mutuals. They are allowing a commission of one-eighth of one percent on listed stocks, and cannot afford to have their salesmen go out and solicit small investors for this fee; but they get about 50% on the sale of mutual funds which commission they can divide with the salesmen.

When a salesman sells a thousand dollars worth of mutuals, the operators of the Fund generally must enter the stock market and buy the stock in the amount of stock, listed or unlisted. This has bolstered the stock market during the past two years. It will be more difficult to sell mutual funds and redemptions will increase. The stock exchange funds may be listed and go down in price when a break such as we have had occurs. Therefore, the stock exchange funds and operators have been one cause of the declines in the stock market. The dividends on mutual funds may not be reduced, excepting the so-called bonus dividends which result from capital gains, which the Funds may not get for a while.

What Will the Stock Market Do Next?

It is evident that there have been many bargain hunters who have bought stocks the past week. This has caused some rallies. However, do not believe that all is well. There are many sure spots to be cleaned up by foolish investors, although general business is continuing good. As I have mentioned many times before in this column, there is too wide a gulf between the high prices that stocks have been selling at and their dividends. These low yields are unnatural and must be corrected. I had hoped to see it corrected by a gradual and orderly decline. However, there should give much more attention to what stocks are yielding. Recent low yields cannot continue indefinitely; without some improvement in business and dividends, the situation can be corrected only by reducing the price of stocks. I advise against selling investment-grade stocks today, but I question whether the time has come to resume investing in the stock market. I say this notwithstanding the market has rallied and is acting more normally.

First Boston Corp.

In New Quarters

The First Boston Corporation, one of the country's largest investment firms, has moved its New York office to new and larger quarters. The corporation now occupies the 8th, 7th and 6th floors at 20 Exchange Place. The 50-story building was formerly headquarters for City Bank Farmers Trust Company.

The First Boston Corporation is one of the largest firms in the field of underwriting new issues of securities and is also a leading dealer in U. S. Treasury securities, municipal bonds and corporate bonds and stocks.

The 7th floor, on which the firm's reception room is located, houses the trading and sales organization. The Buying and Research Divisions of the Underwriting Department are on the 8th floor, while the Securities Cage and Accounting and billing functions are on the 6th floor.

The new air-conditioned offices are decorated in traditional style in the executive and public sections, and functional elsewhere.

Forms Financial Factors

LONG BEACH, Calif.—David L. Hansen is engaging in a securities business from offices at 256 Siena Drive, under the firm name of Financial Factors.

The Constant Search for a Better Way

Research and organization of the Bell System are vital factors in improving your communications services and holding down cost

The zest for discovery is a powerful factor in the vitality of the Bell System and its far-reaching progress in communications.

Today there are more than four thousand scientists and engineers at Bell Telephone Laboratories. They conduct research in behalf of the Bell System and its far-reaching progress in communications.

In one organization, your telephone service would surely cost you more and the quality would be less. Behind the day-to-day research for communications is a program of basic scientific research into wholly new ideas, principles and materials.

Out of it have come discoveries that have brought far-reaching benefits not only to telephone users but to many other businesses and the defense of the nation. It was the basic scientific research of the Bell Laboratories that resulted in the invention of the transistor, one of the highest technological advances of all time.

The electronic "brains" that are capable of guiding missiles first took form in bold adventuring along unknown paths by Bell Laboratories scientists.

Telephone research and development, which have brought so much to so many, have but touched the fringe of still greater progress to come.

BELL TELEPHONE SYSTEM

Owned by more than two million Americans

VOICES OVER A BEAM OF LIGHT. Labeled in a series of optical mirror developments at Bell Telephone Laboratories, this new model is a solid state type using a ruby crystal and capable of continuous operation. The optical mirror (or "fiver") generates a kind of light beam that may some day transmit telephone calls, TV and data. Could conceivably carry far more communications than any radio system. Also a remarkably precise tool for study of atomic processes.

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http://fraser.stlouisfed.org/
The Market... And You

BY WALLACE STREET

Heavy trading and erratic gyrations by prices continued in this week's market, as the Industrial and Transportation industrials on average still hold their ground, despite a loss of 17, being established last week when the wild flies gave a broad limit of 367 for the New York 613.

The market gyrations were probably caused by a rounding up of assorted quality and also by a sudden change of position. The market pressure wasn't around. For the general list, the balance between gains and losses remained much maintained except for the stronger issues, and a number of Mondays, that have started to emerge as a standard term.

The Strange Face

The strange face in this group was the once-steady American Telephone and Telegraph Co. and the other dividend spinners such as IBM, Polaroid, etc. For the general list, it did little drastic despite the ideas of new low levels, and then well above the 8% low that it had posted during the much more earlier reaching of a week ago. In contrast, IBM was still slipping to new level and then a number of new lows were the poorest prices for the stock. The other issues didn't appear to be equivalent to new lows for the old shares dating back to 1929 after an.

The others in the wide-moving groups were also busy carving out new lows, with Polaroid still less than 1929, $10.50, and the others, including such a Beckman, and other instruments in that unhappy category.

Some Optimum Emergence

The ability of the general list to weather the storms of recession, without sinking further and further into new low ground was a kind of optimism, as least among the professionals. At least, there was a near agreement that so far the damage hasn't been catastrophic. And some of the gloom was slowly evaporating.

Back in 1920 when all the talk was of recession, the list dropped from 234 in March to 94, and to a low of 566 late in October, was back to 247, and has so far proceeded to add more than 115 to that level.

So far in this reaction, the onus has been from a peak of 724 in 1929, an average of 224, and a low of 725, to a low of 576 on May 28, or up from a 566 low, by the ratio of a hair less than 2%.

And all of the so-called speculative references to 1929, while insalubrious, has been including some of the market spectators. Certainly, for the general run of issues it hasn't been the 1929 price-wise, merely in the trading statistics and not so much because of the vast number of stockholders. Rather, the high has been the new issue supply of stock and the spread among a number of millions of stockholders and their ratio, with another, a low of 576 in May, 28, or 566, and the gains in a hair less than 2%.

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SECURITY SALESMAN'S CORNER
BY JOHN DUTTON

Amateur Speculators and Investors

A security salesman should be able to recognize an amateur speculator and evaluate his current motivations, because there are times when these people dominate the buying and selling of securities by individuals. During the past decade we have seen an ever-increasing participation in the speculative market. This could be termed "amateur speculators." Unless a security salesman understands these people, and what makes them tick, he will not be able to do business with them. Most amateur speculators must have some or all of their capital eventually. They cannot be classified as substantial clients who will become the year in and year out, customers of a dedicated security salesman.

Nevertheless, much business can be consummated with these individuals and often they are a recurring phenomenon of the investment business, such as the seven year plague, or the periodic swarms of locusts that infest various parts of the universe, let us analyze their motivations and try to understand them. Incidentally, many of these people will now remain a more reluctant and non-participating element in the securities, speculating, and investing rodeo during the next few months or years—this is only a personal opinion and may be of much interest or validity.

What Motivates an Amateur Salesman?

Barurn not only was right, he was no hypocrite. The phenomenon of the amateur speculator is to "Get Something for Nothing." He is the same person who has forced your filling station, and your super-store, to ask you, "Do You Save Stamps?" He is easily motivated because of his primal urge to make money, quickly, and without sacrifice of time, study and work. He is the fellow who is manipulated by skilful press agents, advertising agencies, and politicians who make promises they can never keep and they usually buy what is offered. They eagerly sought the glamour stocks, the "fast growers;" the "new issues;" that moved to a premium, and that made a "penny stock" in a couple of months. The ordinary man in the security markets from one hundred times earnings, to space, uranium, and what finally were termed the "junk stocks." They cared not for yield, for quality, for management, for earnings, or reasonable price earnings ratios, their motivation was simple, "acquisitiveness." This may sound harsh, but it was not so long ago that the saying was current around the board-rooms that "the only people who have made any money in this market are those under 40 years of age"—remember?

The second and primal motivation of the amateur speculator is his great need and desire for "self-preservation." All of us have this need but the amateur speculator will buy stocks that are overpriced. If he is a prudent stock holder during a bull market, never sell when he has profit because he doesn't want to pay the capital gains tax, or because he believes he should make a larger profit—then he refuses to take his loss because he won't face reality and admit that he already has it. These are the people who will win big with stocks that will not recover in the next "bull market." They never adjust their maps, they never look for a "shaky foundation.

The investor has basic values. He plans a trip, he marks his map, he decides whether or not the objective is worth its cast in time, energy, and expenditure. The investor is a realist. He is the fellow who didn't chase stocks to the sky—he didn't overbuy and run his bank to obtain additional purchase power during the past decade. He lives simply, and with a recognition that there are natural laws in this universe that govern not only the price level of common stocks, but everything else. The investor who still desires: (1) Safety of his savings to the greatest extent possible; (2) A return on his investment that is commensurate with the risk he takes; (3) An investment that can appreciate in price due to the creation of value behind it, from the expenditure of effort of the people who are producing the profits that will create more wealth for the shareholders (if the investment happens to be an equity, or a discount preferred, or bond).

I have a friend who is an investment dealer who specializes in high grade income producing bonds, common stocks, and mutual funds. He has bought a clientele during the past 10 years that consists solely of investors. It has not been an easy road. On Monday, May 29, when the papers were blaring forth with headlines, "Wall Street Crash, Greatest Since 1929," he had the largest day of sales to his customers of mutual funds during 1962. I expect that he will continue to do more business as this market re-adjusts to reality, earnings, yields, and the future prospects of well managed, sound companies whose obligations are available in the market, and where these equities can also be bought at sensible prices in relation to their earnings and income produced.

An amateur speculator is a very desirable customer during "bull markets" and he will always be with us. But an investor is more difficult to locate—you see, "He doesn't want something for nothing" and he is greatly outnumbered by those who do.

Chicago Analysts to Hear

CHICAGO, Ill.—William S. Vaught, President of the Eastman Kodak Company, will address the luncheon meeting of the Investment Analysts Society of Chicago today (June 7) at the Midland Hotel.

FOR BEATING THE ELEMENTS,
COPPER'S YOUR BEST BUY

These screws are made of Everdur® metal—pure copper with a little bit of silicon and manganese added. They're a terrific buy for jobs like fastening the planking of a hull, crossbars on an electric power pole, or any hardware exposed to the elements. They'll never rust—will stand up in all kinds of weather. Even in salt water. And they're so strong and tough, you could drive them into unlined oak with a power screw-driver if you wanted to put them to the test. Six 1/4-inch #8 screws weigh just over 1/2 ounce, contain about a penny's worth of copper at the refinery price. Of course, after you add the cost of alloying, fabrication, packaging, marketing, they cost considerably more. But they are still a terrific buy—

as are their counterparts, machine screws, bolts, nuts, nails—because the cost of not using them can be a great deal higher. This is but one simple example of the hundreds of ways copper and copper alloys can help prevent or reduce our nation's appalling annual losses from rust and corrosion.

ANACONDA®
First National City Bank, New York, returned to San Francisco December 31, 1926.}
man of 20 just starting work to¬
day, and putting away his first
dollar toward his retirement, will
find that the value of that dollar
has shrunk by over 67% by the
time he retires.

Cause and Effect

The stable cost-price relationship
amongst many growth
planning do not currently exist.
Instead, we have some prices held
down by arbitrary government
edicts while others rise under the
pressure of government inflation.
Wages and fringe benefi-
ties, one of the largest cost items
for many companies, are rising
due to government intervention in
the collective bargaining process.
Uncertainty pervades and
that uncertainty raises total ex¬
"nalities have become
seems to become
President Kennedy does have
good reasons for being concerned
about our country's economic
health, but he shouldn't be too
surprised. It is only seeing the
consequences of his own policies and
actions coming home to roost.

Nat'l Securities & Research Elects

Lawrence R. Kahn has been
selected Senior Vice-President, In-
vestments, by the Board of the
Senior Vice-President, Sales, of

National Securities & Research
Corporation, 120 Broadway, New
York, N. Y.

Mr. Kahn will be a member of
the Company's Investment Com-
mitee and directly
charge of Investment Research at A. C. Benge.

Mr. Kahn was formerly Vice-President in
charge of Investment Research at A. C. Benge.

Mr. Smith joined National in
1961 as Manager of the Per-
chares, Trusts and Institutional
Department following six years of
law practice. He later became a
Regional Vice-President, first in the
San Francisco area, and then in Chicago. In 1961 Mr.
Smith returned to New York as
Sales Vice-President.

Mr. Smith graduated from
William's College and the For-
nal Law School. He resides at
55 Hillside Road, Rye, N. Y.

Paul Aschkar

_forming own co.

[Special to The Commercial Chronicle]

LOS ANGELES, Calif.—Paul J.
Aschkar has formed Paul J.
Aschkar & Co., Inc., at 639 South Spring Street to en-
gage in a securities business.

Foret W. Shipley will be associated with the new firm as a vice-
president in charge of the trading department. Both
were formerly with the Los An-
gelos office of Ribbin, Miller & Co., of which Mr. Aschkar was
Manager.

MUTUAL FUNDS

BY JOS. P. POTTER

Leave It to Heaven

"Do your duty, and leave the rest

to heaven," said Pierre Corneille.

This apt quotation was recalled
last week by the belenegueurs
who charged that the bond mar-
time had little action in May for
classical reasons. With the market
undergoing the worst sifting
around, a number of Wall Streeters, who should have known better,
were revelling furiously for the
profit. Thus little action.

When the market rebounded,
of the bond funds in the
Financial District were quick to
chortle that "the funds are buy-
ing." the function of the
market is absurd and can only be
explained away by the fear
that the market is only
sharply staged amidst hectic trading. If funds have
responsibility beyond protecting
the investment of their army of
stockholders, it has never been set
forth clearly in the past
that they will not do that
last because the asset value
behind the coxcomb.

So it was something of a
disappointment to the National
Investment Company Institute, at the end of
last week's frenzied trading.
"We statements that the
funds were heavy buyers of
the funds is long past; the first
weeks of this month. . . . The
rema-

The Funds Report

The total net assets of American Mutual
Fund at April 30 were $109,423,704, or $9.37 a share, according
to the semi-annual report. This compares with $108,126,118, or

New York Stock Exchange

The quarterly portfolio during the latest quar-
ter included Atlantic Refining,
Crowell Zennes, shoeing-Val
Tennessee Gas Transmission,
Western Airlines and West-
house Air Brake. Over the
same three-month span, this
covered the middle point in
the midyear point in
1961.

Funds owning the largest
volumes of stock in the same
funds included Beneficial
Financial, Campbell Soup, Columbia
Broadcasting, J & m's Fund,
Goodyear Rubber, Great
Atlantic & Pacific Tea Co.,
International Minerals &
Chemicals and International
Telephone and Telegraph.

Boston Fund closed the first quar-
ter of its fiscal year on April 30,
1962, with $7.51, or $10.33 per share.

The company also reported
the attainment of Gull State Utili-
ties and Radio Corp. of America
which was the first time the
fund had been committed to
contributed funds in anyRoll Call.

The Chase Fund of Boston in its
report for the six months ended
April 30, 1962, put total net assets
at $30,036,735, equivalent to $7.59 a share. Comparable figures at
Oct. 31, 1961, were $1,708,960, and
$9.46.

Total net assets available for in-
vestment of over $100 million were
announced by President of Colonial Fund, Inc., in
the quarters ending April
30. On April 30 net assets totaled
$167,883,206, or $17.64 a share.
New holdings include American
Steel & Wire Co., 50% cumulative
dividend; United States Steel,
Amer. Airlines, etc.

Total asset value for the
Colonial Fund, Inc., at April 30
was $129,500,000, or $172.62 a share.

On April 30 net assets totaled
at $90,883,206, or $10.27 per share.

reasons, is the
The market is

Mr. Kahn was formerly with
the American Trust Company of
New York at the time of his
appointment.

Mr. Smith holds a Bachelor of
Science degree from New York
University and a Master of
Business Administration from
Chicago's Graduate School of
Business.

Lester, Ryons Adds

(A Special to The Financial Chronicle)

LOS ANGELES, Calif.—Joseph N.
Lester, Ryons & Co., 263
South Hope Street, members of
the Eastern Group of
Pacific Coast Stock Exchanges. He was for-
merly with Marache & Co.

WELLINGTON FUND

A Name to Remember When Investing

wellington]

- a Balanced Fund seeking conservation of capital, reasonable cur-
rent income, and profit possibilities.

Ask your investment dealer for prospectus or write to

Wellington Company, Inc.

Philadelphia 3, Pa.
Taking a Short and Long Look at the Stock Market

Continued from page 3

writes a round-and-rounded view. I think that the biggest seller this year has been the non-broker group, and blocks, has been the small stockholding.

Doubts We Are Through With Inflation

This is one of the current given for the decline in which I can not agree. That is that we are through with inflation. The latter word has been used with a meaning attached to a period of currency devaluation and herein, and elsewhere, we have all assumed the cost of living and in- creased it.

It has increased values in some directions—decreased them in others.

It costs more to put up a factory.

On the other hand, it puts a squeeze on corporation profits. So that the condition on general was a rise. I think that we are increasing both.

The very concern of Washington about inflation by ignoring the fact that conserving about inflation and wages and prices in this country is a most dangerous—Is not—is not. We are far from going to continue to buy less.---the cost of living is going to continue to rise. A properly managed, selected, and time equity position is continuing a continuing inflation and fixed dollar obligations, or a creditor position could mean losing less—but whether a lessor position would pay. A well invested investments based on equities will work out to better advantage.

One Man's "A Lone Wolf" To Make Money

To talk about successful investment for a bit, there is a truth that is consistently profitable in the market. And one must be a "lone wolf". Not really a "wolf" of course—I am not thinking of the "wolf" at the market, but rather a term it- nately a "lone man", completely indepen- dently, isolated, and involved in my own personal views on the market. This is the only way to make money in a bull market.

In my opinion, the bull market is not over yet. The market is still in a bull market and is likely to continue so.

It is easy to stand up and scream—"Be a lone wolf—don't follow the crowd." It is a thousand times more difficult actually to do. Because the crowd is right for a while and sometimes a long while.

I remember back in 1929 telling a few hundred people in a very loud voice that the market was going to go down. I thought that the market was going to go down; I thought that the market was going to go down.

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The election was one of the main events of the Bond Club's annual Field Day at the Sleepy Hollow Country Club. Election of H. Lawrence Bogert, Jr., of Eastman Dillon, Union Securities & Co., as President, and Edward B. Young of the Federal Reserve Bank of New York, as Secretary, was held.

Two new members of the Board of Governors were named for three-year terms. They are A. A. Pournelle, Smith, Barney & Co., and W. J. H. Silliman, U.S. Department of the Treasury.

Robert A. Powers, Smith, Barney & Co., was Chairman of the Board.
As We See It

large, for a century and a half held steadily to the view that government should not attempt to perform what it (it) must always be exposed to insuperable duties, and for the protection of which no human knowledge or wisdom—pointed to the industry of private people—and of directing it towards the employment hospitals to the Interests of society.

Voices are still heard in the land against diversification of beliefs, and doubtless with sincerity, but the record of official actions in Washington makes it clear enough that no such ideas prevail in the national capital, and if one may judge from the fact that, as is generally, is not held by the great rank and file which have all too often become mere lip service, it is proper to lead and guidance from Washington.

It is, of course, customary to say that the situation is much better now than it was with the New Deal which took advantage of the terrible 1930's depression to install all manner of innovations in Washington and to lead the people to believe that it is to their own advantage to subject themselves to them, that they must look for salvation. It is certainly true that the New Deal followed the now famous phrase of President Franklin D. Roosevelt, a phrase that has long been the subject of criticism and even ridicule.

It is not our place to indulge in discussion of the economic programs of the New Deal, but it is clear that they have been successful in providing work for millions of people, and in improving the standard of living for those who have been unemployed. It is also clear that the programs have been effective in reducing the volume of business and in preventing a return to the high inflation of the 1920's.

The New Deal has made many enemies, and some of them are dishonest and even criminal. But it is also true that many of the leaders of the New Deal have been sincere in their desire to bring about economic recovery and to end the depression. It is for this reason that the New Deal is still a controversial issue, and that its future will be determined by the outcome of the presidential election in November.
Steel's Profit Problem

Continued from page 7

plants, and this arouses controversy.

Profit Trends

Steel industry profits have been scored repeatedly by a distinguished array of critics. Politicians, labor leaders, pseudo-economists, and many well known socialist, propagandists have at various times denounced our profits as "exorbitant," "shameful," "fantastic" and even "fabulous." Even recent industry profits (in the range of $700 to $900 million a year) are cited as evidence of "unreasonable and exorbitant" gouging. Excessive profits have been the battle cry for attacks on steel by those who seek to extend the coercive control of government over private business.

And now this time-tested, anti-business strategy is being used again. The White House points to the profits of a few companies, for one or two quarters, labels them among the highest on record, and implies that we are profiteering.

This charge, however, has never gained much acceptance with the financial community and investing public. They view our profits at 5 to 6% return on our current $13.7 billion in total investment, and on our annual sales volume of $25 billion at the range of $13 to $14 billion; and they fail to find the glimmer in it. They appraise our financial record, and regard our profits as uncertain and sporadic. Some are beginning to question the wisdom of all steel investments.

And so we find profits—indispensable the single prerequisite to progress—surrounded by confusion and misunderstanding. The very word evokes political emotions, when this serious hour calls for objective study of the facts. The course of future legislation, therefore, will depend in large measure on this industry's ability to create greater understanding of our profit problem.

To this end, I would like to offer a new approach to understanding profits. It is not my intention to overwhelm this paper with statistics; but the problem is not simple. My purpose is to present steel's profit problem as it relates to economic forces. Profit analyses are most commonly based on time comparisons. For example: what did the industry make in 1961 as compared to 1960, or in 1961 versus '55 or '50? But when profits are analyzed using time on the basis for comparisons, some important facts are concealed.

Profits do not fluctuate because of time. They are directly related to a consideration that is the most important being: (1) cost-price relationships, and (2) volume. For many years now, profit losses have been uniformly reduced by the 52% income tax law, to avoid the distortions caused by changes in tax regulations; and a annualized to prevent a permanent relationship to invested capital. So, they provide a valid basis for comparison of performance.

First, to reflect the influence of cost-price relationships, we can select four periods during these past 12 years: 1950-51, 1953-54-55, 1957-58, and 1960-61. These periods were free from strikes—the strikes having occurred before each period—and reflect the after-effect on cost-price relationships.

Second, to reflect the influence of volume, we can use quarterly sales in each of these periods. This lets us evaluate profits at several more levels of sales activity, for valid comparisons. Analysis of industry earnings for one or two quarters—by a few companies—White House style—is not nearly so revealing as study of the earnings of 36 separate quarters at 36 different volume levels—showing the average trend for 36 quarterly returns by 16 companies representing 87% of the industry.

Note that the first dot on the left shows profit at a quarterly sales volume of $2.5 billion, amounting to just over 12% return on invested capital. At right, profits on quarterly sales of about $3.7 billion amounted to just under 12% return on invested capital.

Chart No. 4

Here is what happened to our profit-volume path in the 1960-61 period, following the 116-day strike in 1960.

Chart No. 5

Here is what happened to our profit path during these past 12 years. Note the descending levels of return on investment following each change in the cost-price relationship. Here is the result of the cost-price squeeze. Here is the predictable effect of the reduction of our profit potential. Let's analyze this chart.

Chart No. 6

Let's compare profits during periods of equivalent sales volume over these 12 years. On quarterly sales volume in the range of $2.6 to $2.8 billion; our profit amounted to a 14.4% return on investment in 1950-61. It declined to 10% in the 1953-54-55 period. It slipped to 5% in 1957-58; and reached 2.7% during 1960-61. On the same sales volume, our profit as a percentage of total return on investment is approximately one-fourth of what it was 12 years ago.

Chart No. 7

Let's compare profits at an equivalent range of return. Let's...
take the 10 to 12% range for example. The 1953-55 period could be expected to generate this return on average quarterly sales of $5 billion. To generate this return, requiring 1960-61 required average quarterly dollar volume of $4 billion—double the sales volume required.

This analysis conforms to established accounting principles in every detail. But from an accounting standpoint, the evidence is unavailable. Further, analysis will show that profit returns on sales follow the same trend. We have, when, and returns on invested capital, because these relate to the availability of funds for new equipment. However, the practice of picking up values of context, and minimizing the distort, means that we have to study this approach.

Chart No. 8

This chart shows the specific net profits and invested capital, taken from annual reports for the same companies. Note that we have preserved the same cause-and-effect relationships and periods. We have invested returns as they relate to growth in investment. The numbers show how capital investment has climbed during the years, increasing from $3.8 billion in 1950-51 to $11.2 billion in 1960-61. The table shows what has happened to our after-tax after-tax net income per cent of these investments. It has dropped from 11.7% to 4.7% following the 1930s strike and again to 5.8% following the 1950s strike.

I realize that any analyst can lift any social or political motive into the din and mimic realm of conclusions, but I think that the evidence can be no confusion here. These are unarguable facts. And ugly as they are, we must face them; and we must probe still deeper to uncover the cause.

Some proponents of big government can look upon these facts with joy. They see our laws of wasting profits on funds required to replace worn out obsolete equipment; and funds required to modernize with new equipment—equipment that would reduce our costs to competitive levels. To begin with, dig into the profit trends we have explored and you will find that they are inflated. In fact, they are penalizing.

It is a history of the relations of capital, because of tax rules and accounting practices because of the regulation of depreciation allowances. Over the past 12 years, construction costs have risen. We have needed far more depreciation than we have been allowed, just to stay even—just to keep abreast of the wear and tear on existing facilities. Amendment of tax regulations to permit realistic depreciation policies is in order.

One rule regulating anything less than full replacement of worn dollars justified for inflation are not enough; to compete on fair and equal terms with foreign producers. And as noted speakers in the steel industry have repeated, time and again, profit provision can't come soon enough.

In the absence of adequate depreciation, we have been forced to rely more heavily on profits for income to reinvest—profits that we have already seen, profits are shrinking. So we have gone back, and returned to heavier borrowings. We have gone on further, and increased capital borrowings and the sale of stock in order to make up for capital erosion. We have increased our debt, dollar-denoted stockholders' equity, and greatly mortgaged our future earnings. Yet we have been able to keep pace with our favored foreign competitors.

Liberalized depreciation rules and tax credit legislation now before the Congress will, without question, serve to ease this problem. But we have failed to provide the final answer as some would have us believe, since we are in the future, do not make up for inflation in past. So they do not change our problem: to meet the competition, we must increase our profits.

The Route to Socialism

Let's turn now from economics to politics. By reviewing economic trends, we can do a great deal to shape capital, and move them into the future. But let's not capitalize on the labor's ingenuity in the game of politics, and by one way to play the game that we're engaged in. We are.

Contrary to popular belief, socialistic governments do not spring up out of nowhere. Change in government by regi-
Steel Industry Roadblock: Ignorance of Its Problems

Continued from page 1

suffering from a profit squeeze which is thwarting our efforts to continue the already needed modernization of our plant.

To attain adequate profits and to keep our plants running, industries like these, we need a business climate where our industrial product will have a profit margin in line with our costs, and that kind of climate can grow. Such a business climate can only be created if the gains in productivity which are being made in industry are reflected in lower prices, which in turn would mean lower taxes and a better adjustment in the income tax bracket of individuals.

To that end it is important that those in positions of government hold in check all attacks on the business community, and in particular the steel industry.

We must understand that capital and profits are essential to the operation of American business. They must be recognized for their importance as well as for individuals.

It is equally important that leaders of industry, in the interest of their jobs to understand the problems that exist in industry, as well as the impact on the business community.

Industry and government, it seems to me, must seek the same objectives of a nation economically healthy and able to defend its freedom — an ever-expanding economy, at home and in our foreign markets. This is a modern and efficient... an end to inflation and its hardships on production.

Since there should be agreement on the necessity of opening up what roadblocks stand in the way of progress.

Overcoming Today's Roadblocks

One confronting the steel industry at this moment is that there exists a tremendous amount of idle capacity in American industry. It is true that many of these industries are going out of business, and in the process, creating unemployment.

Yet another problem that we are facing is the fact that our industry is not being utilized to its full capacity. This is partly due to the fact that we are not utilizing our full capacity in the production of steel.

The steel industry provides a great many people with jobs, but this is not enough. We must also be concerned with the quality of the steel produced and the effect it has on the consumer.

This is where the steel industry roadblocks come in. We must overcome these roadblocks to ensure that we are producing steel that is of the highest quality and is being utilized to its fullest potential.

Profit Are Not Adequate

Let me turn now to the second question that I believe is before the public: Is the steel industry policies which are adequate to fulfill its responsibilities to its shareholders, its customers, its employees, and the country as a whole or not.

The answer to this question must be "no."

One of the things that has been done in technological advancements, tighter cost controls, and increased efficiency has been the continual reduction in our costs and margins. Many steel yards are left to measure corporate profits. No matter whether it is put up against earnings of the steel industry, our profits are not adequate as indicated.

Consequently, no matter where the necessary funds come from, either through the raising of equity, or borrowing, these funds must depend upon adequate profits.

A Matter of Public Concern

Now we come to the third major question that is in the public's mind. Is the steel industry to be concerned, because a modernization of the steel industry is vital to the continued progress of our national economy.

The way to help achieve this goal. Informed public understanding can be very important. The steel industry must talk to the public on the need to solve their employment problem. Informed public understanding can help to overcome the government to revamp our tax structure to the urgent importance of keeping American steel facilities competitive with the rapidly advancing steel facilities.
**American Iron and Steel Institute:**
Statistical data mainly comprising monthly reports on the operations of establishments engaged in the manufacture of iron and steel products.

**Consumer Credit Outstandings of Federal Reserve Banks:**
Monthly data on the outstanding balance of consumer credit at Federal Reserve banks.

**Federal Reserve Bank of St. Louis:**
Monetary and financial data, including Federal Reserve note and coin issues, deposits, and Federal Reserve banks.

**Gross National Product:**
Economic data on the total value of goods and services produced in the United States.

**Household Income and Wealth:**
Data on income and wealth distribution among households in the United States.

**Industrial Production:**
Data on the output of industrial plants in the United States.

**Labor Force:**
Data on the labor force in the United States, including employment and unemployment.

**Money Stock:**
Data on the supply of money in the United States.

**National Income and Product:**
Data on the national income and product of the United States.

**Personal Income:**
Data on personal income in the United States.

**Retail Sales:**
Data on retail sales in the United States.

**Stock Market:**
Data on the performance of the stock market.

**Wholesale Prices:**
Data on wholesale prices in the United States.
S. Bellevue 21, debt
Business—A general
service. Proceeds—For salaries, sales promotion and
employed, equipment, property, etc., Underwriter.
Office—126—02 Northern Blvd., Corona, N. Y. Underwriter—Bernard L. Maddox, N. Y. Offering—In July.

A. L. Steel Corp.
inventories, equipment, etc., Underwriter—Baruch Bros.
Office—126—02 Northern Blvd., Corona, N. Y. Underwriter—Bernard L. Maddox, N. Y. Offering—In July.

Accurate Packaging Corp.
Feb. 28, 1962 filed 80,000 common. Price—By
mass. (max. $75) Business—Manufacture of electronic test instruments and component parts. Proceeds—For new
projects, debt repayment and other corporate purposes. Office—2435 White Plains Rd., N. Y. Underwriters—Fisler & Co., Inc., 120 Broadway, N. Y.

Acorn & Siegel & Co., Inc.
May 21, 1962 ("Reg. A") 100,000 common. Price—$1.15. Business—a general advertising and technical publishing service. Proceeds—For salaries, sales promotion and

Air Reduction
March 27, 1962 filed 200,000 common. Price—By amend¬
ment (max. $12) Business—Debt consolidation of current

Aerodynamic Controls Corp.
May 28, 1962 filed 20,000 common. Price—$3. Business—Application of electronic and air photography developments in the field of geodetic surveying and

AeroSystems Technology Corp.
products. Proceeds—For new products inventory and working capital. Office—126—02 Northern Blvd., Corona, N. Y. Underwriter—Chase Securities Co., N. Y.

Air Master Corp.
March 26, 1962 filed 100,000 shares of class A common,
stock, of which 50,000 shares are to be offered for public
subscription. Office—520 South First St., San Jose. Proceeds—For capitalization. Underwriters—$13. Business—Building and sale of
air conditioning, exploration, and general corporate ex-
Astrom A. Jaffee, E. A. Malloy, etc. Underwriter—E. A. Manning, Ltd., Toronto.

American Bolt & Screw Mfg. Corp.
Dec. 29, 1961 filed 200,000 common. Price—By amend¬
ment (max. $13) Business—Manufacture of standard and special
fasteners and accessories. Proceeds—For debt repayment,
development of corporate subsidiaries. Proceeds—For
debt repayment, equipment and other corporate pur¬

American Cardboard & Packaging Corp.
Jan. 5, 1962 filed 150,000 common. Price—$3.50. Business—Company plans to construct special type homes, and
engage in the general contracting business. Proceeds—For
main office—C. F. N. Y., Underwriter—S. D. Fuller & Co., N. Y.

American Fidelity Corp.
May 1, 1961 filed 150,000 common. Price—$1.11. Business—A small business investment company. Proceeds—For
investment of $423—02 Market St., Indianapolis. Underwriter—Reynolds & Co., Indianapolis, Ind., and Crut¬
tenden, Podesta & Miller, Chicago.

American Laboratories, Inc.

Feb. 26, 1962 filed 200,000 common. Price—By amend¬
ment (max. $13) Business—Development of research, and medical laboratories. Proceeds—For debt repayment and work¬
ing capital. Office—100 Main Ave., Clinton, N. J. Underwriter—Equity Securities Corp., N. Y.

American Gas Co.

Mar. 27, 1962 filed 548,532 common to be offered for
subscription by stockholders on the basis of one new
shares for each share held. Price—By amendment (max. $55). Business—Transportation, distribution and sale of
gas. Proceeds—For debt repayment and equipment. Off¬
er—548 S. 24th Ave., Omaha. Underwriter—Churen¬
ten, Podesta & Miller, Chicago.

American Modular Manufacturing Corp.
Nov. 27, 1961 filed 200,000 common. Price—$2.50. Busi¬
ness—A manufacturer of mobile homes and house
parts. Proceeds—For general corporate purposes. Proceeds—For general corporate purposes. Proceeds—For
main office—C. F. N. Y., Underwriter—S. D. Fuller & Co., N. Y.

American Morganage Investors.

Oct. 21, 1961 filed 1,500,000 shares of beneficial interest.
Price—$15. Business—Underwriting, and holding trust
which plans to invest in first mortgages. Proceeds—For
debt repayment. Proceeds—For debt repayment. Proceeds—For
development of corporate subsidiaries. Proceeds—Office—100 Main Ave., Clinton, N. J. Underwriter—Equity Securities Corp., N. Y.

American Options Corp.

Feb. 15, 1962 filed 200,000 common. Price—$5. Business—Company plans to sell "puts and calls" and to
cover in the trading of futures options and other cor¬
pore purposes. Office—120 Broadway, N. Y. Underwriter—Pravot Securities, Inc., N. Y.
American Phoenix Cos., Inc.

American States Life Ins. Co.
Mar. 22, 1962 filed 300,000 common shares offered in Interamérica Business—General & capital. 2
products. For general corporate purposes. Office—14 W. 25th St., N. Y. Under¬writer—Mortimer B. Burn¬

Ascot Publishing Co., Inc.
magazines. For general corporate purposes. Office—15 Wall St., N. Y. Under¬writer—Mortimer B. Burn¬

Ascot Texile Corp. (6/11-15)

Asbestos Products, Inc.

Atlantic Capital Corp.

Atmospheric Controls, Inc.
furnaces, humidifiers and related products. Proceeds—For equipment, inventories and working 2
ington, D. C. Offers—Indefinitely postponed.

Aubry Manufacturing Co.

Atlantic Mfg. Corp.

Australian Outback Ltd. (7/2-6)

Ampulles, Inc.
Apr. 23, 1962 filed $7,575,000 of participating units in Ampulles Hi-Capacity Gas & Oil Corp. Price— 2
$77.50. Business—Design and manufacture of hospital use holding tanks. Proceeds—For capital, 2
plant expansion and working capital. Office—26 Essex St., Hacken¬

Apco Mark Corp.
May 5, 1962 filed 7,500,000 of 6% conv. subord. de¬ 2
bentures due 1999 to be offered in $100 units; also 2
49,993 shares of $3 cumulative preferred stock and 250,000 2
common shares to be offered for subscription by stockholders 2
of each of the respective classes on the basis of one 2
new share for each 10 hold. Price—For debentures, at 2
par; for preferred stock, $30; for common stock, $15. 2
Proceeds—For debt repayment. Office—1900 W. Slau¬
sen St., San Pedro, Calif. Underwriter—None.

Argus Fund, Inc.
Feb. 12, 1962 filed 800,000 capital shares to be 2
offered in exchange for 2,000,000 of 6% convertible 2
subordinated debentures due 1987 to be offered at $12.50 per 2
share of net asset value (expected at $12.50 per share). 2
Business—Investment company. Proceeds—For debt 2
management and investment in diversified industries which plans to participate in the long-term progress of recovering and expanding the United States diversified financial busi¬nesses. Proceeds—for investment. Office—1119 Torrey Pines Road, La Jolla, Calif. Dealer—Manager—Argus 2
Fund, Inc., Chicago. Underwriter—None.

Argus Inc.
May 29, 1962 filed $4,000,000 of 6% convertible subordi¬ 2
related equipment. Proceeds—for debt repayment and working capital. Office—9950 W. Touhy Ave., 2
Chicago. Underwriter—Freiheit, Mehlberg & Co., 2
Chicago.

Army Nav.Nav. Inc. (7/16-20)
Dec. 30, 1961 filed $6,000,000 of convertible subordi¬ 2
nated debentures due 1966 and 30,000 common stock warrants to be offered for sale at $1,000 each 2
debt and 60 warrants. Price—By amendment. Business—Manufacture of hydraulic system devices and 2
parts for the aircraft and missile industries, etc. Proceed¬
ceds—for debt repayment and the purchase of addi¬
tional equipment. Office—22 Industrial Ave., Little 2
Ferry, N. J. Underwriter—Glimis & Co., Inc., N. Y.

Ascot Publishing Co., Inc.
Inc., N. Y.

Ascot Texile Corp. (6/11-15)
Feb. 25, 1962 filed 100,000 common. Price—By amend¬

Ascot Texile Corp. (6/11-15)
Feb. 25, 1962 filed 100,000 common. Price—By amend¬
Caribbean Capital Corp.


Cass-O-Matic Coppon Corp.


Central Acceptance Corp. of Delaware


Central Acceptance Corp. of Pennsylvania


Century Real Estate Investment Trust


Chemical Coatings Corp. (7/16-20)


Cheese Hill Industries, Inc.

Nov. 1, 1961 filed 300,000 common. Of which 225,000 are to be offered by the company and 75,000 by the selling stockholders. Price—$5. Business—Design and manufacture of women's, men's and junior fashion wear, accessories, and dreeses. Proceeds—For debt repayment, working capital and general corporate purposes. Office—Clayton Securities Corporation, 222 S. Broadway, New York, N. Y. Underwriter—Oberg-Hoppe & Co., Inc., N. Y.

Child Guidance Toys, Inc.

Mar. 25, 1962 filed 100,000 common, of which 70,000 are to be offered by the company and 30,000 by the selling stockholders. Price—By amendment (max. $12.50). Business—Design, development and production of electronic toys. Proceeds—For working capital. Office—1125 Clove Ave., Brooklyn 9, N. Y.; Underwriter—J. R. Willison & Besse, New York.

Chromicards, Inc.


Chief Industries, Inc.


Cincinnati Gas & Electric Co. (6/21)


Cineline, Inc.


Cinerama, Inc.


Clan Food Co.


Clarks Cable Corp.

April 5, 1962 filed 497,500 of 6% conv. subord. debentures due 1972 to be offered for subscription by common stockholders on the basis of $150 of debentures for each 100 shares held. Price—At par. Business—Manufacture of electronic and mechanical systems and components for the aircraft, missile and naval vessel industries. Proceeds—For working capital. Office—3114 West 22nd St., Cleveland. Underwriter—Robert L. Ferman & Co., Miami, Fla.

Clorox Co., Inc.


Columbus Credit Co., Inc. (6/25-29)


College Publishing Corp. (6/18-22)

Diversified Real Estate Trust
March 8, 1962 filed 1,000,000 shares of beneficial Inter¬
N. Y. Underwriter—Bacon, Johnson Realty Management
Co., Inc., 164 E. 22nd St., New York. Underwriter—The
American Trust Co., 1404 W. 9th St., Minneapolis.

Doman Helicopters, Inc.
April 22, 1962 ﬁled 10,000,000 shares, common, to be offered
for subscription by stockholders on the basis of two new
shares for each three held. Price—By amendment (max. $1).
Business—Manufacturing and construction of experimental
aircraft. Proceeds—To obtain capital for manufacturing and
construction of experimental helicopters. Proceeds—To obtain
capital for manufacturing and construction of experimental airships.

East Coast Companies, Inc.
April 26, 1962 offered 5,000,000 shares of subordinated
debentures due 1982 and $250,000 common shares. Price—
$10 per share. Proceeds—For general corporate purposes.

Eastern Properties Improvement Corp.
Aug. 23, 1961 offered 150,000 shares of common debentures
due 1962 and 250,000 common shares. Price—For de¬
bentures, $1,000 for stock. $10. Business—General real es¬
tate development and improvement and investment in mortgage
property, real estate, property, development and engineering, etc.
Ofﬁce—1300 6th St., New York. Underwriter—To be named.

Echlin Manufacturing Co.
May 4, 1962 offered 100,000 shares of common. Price—By amend¬
ment (max. $25). Business—Manufacture of replacement parts
for automobiles, trucks, buses, parts for marine engine, and
marine electrical equipment. Proceeds—For selling stockholders.
Address—Echlin R. D. U. S. 1, Branford, Conn. Underwriter—To
be named.

Econ-O-Pay, Inc.
nen—Retail conﬁdence business. Proceeds—General corporate
purposes. Ofﬁce—1616 N. Main St., Wash. Underwriter—
To be named.

Evans, Inc.
Jan. 31, 1962 offered 130,000,000 shares, of which 50,000 are
to be offered to the common stockholders. Price—By amend¬
ment (max. $100). Business—For small business industry.
Ofﬁce—147 Northeast Main St.,

Rocky Mount, N. C. Underwriter—Arnold Malkan & Co.,
Inc., N. Y. Net—This registration was withdrawn.

Eastern Pennsylvania Investment Co.
March 19, 1962 offered 1,000,000 shares of common. Price—
$15 per share. Proceeds—For manufacture and sale of long-lived electric lamps. Proceeds—For general corporate purposes.
Ofﬁce—312 Center Plaza, Philadelphia. Underwriter—To be named.

Fairway Mart, Inc. (6-18-22)
March 19, 1962 (“Reg. A”) 100,000 common shares. Price—
$3 per share. Proceeds—For general corporate purposes.
Ofﬁce—108 N. Wacker Dr., Chicago. Underwriter—To be named.

Fastpak, Inc. (6-18-22)
Nov. 30, 1961 offered 125,000 common shares. Price—$5. Business—
Tailor Underwriter—Dean Wrier & Co., Los Angeles.
Underwriter—To be named.

Federal Fire & Marine Insurance Co.
April 11, 1962 (“Reg. A”) 125,000 common shares. Price—
$15 per share. Proceeds—For reserves and general corporate purposes.
Ofﬁce—1600 E. 83rd St., Chicago. Guaranty Bldg., Denver. Underwriter—To be named.

Fidelity Mining Investments Ltd.
Nov. 21, 1961 offered 1,000,000 shares of common. Price—By
amendment (max. $3). Business—Mining properties in the

Fintz, Inc.
Sept. 28, 1961 ﬁled 100,000 common shares and 50,000 warrants.
Price—$2.50 per share. Proceeds—To repay debentures due 1962.
Price—By amendment. Business—Manufactures and sells fast¬
device products, of which 50,000 shares are attached warrants.
Ofﬁce—115 W. Delaware Ave, Philadelphia. Underwriter—
To be named.

First National Bank of Chicago.
March 12, 1962 offered 100,000 shares of common, of which
150,000 are to be offered to the company and 50,000 shares are to be offered by stockholders. Price—(max. $200). Business—Company plans to acquire a savings and

Second National Bank.
March 5, 1962, ﬁled 200,000 shares, of which 150,000 are to be offered to the company and 50,000 shares are to be offered by stockholders. Price—$3. Business—

Fitch, Inc.
March 9, 1962 offered 200,000 common shares. Price—By amend¬
ment (max. $100). Business—Ownership of 15,000,000 common
shares of Fitch, Inc., a new company which is to acquire and

First Northern Bank Fund, Inc.
Business—A small business investment company. Proceeds—
For investment. Ofﬁce—1295 Northern Blvd, Manhasset, N. Y. Underwriter—None.

First Realty Co. of Boston
May 1, 1962 offered 150,000 common shares. Price—$10. Business—
Real estate management and development. Proceeds—For depa
rent stores, windows and general expan-

Second National Bank.
March 29, 1962, ﬁled 200,000 shares of common, of which 150,000 are to be offered to the company and 50,000 shares are to be offered by stockholders. Price—$3. Business—

First Northern Bank Fund, Inc.
Business—A small business investment company. Proceeds—
For investment. Ofﬁce—1295 Northern Blvd, Manhasset, N. Y. Underwriter—None.

First Realty Co. of Boston
May 1, 1962 offered 150,000 common shares. Price—$10. Business—
Real estate management and development. Proceeds—For depa
rent stores, windows and general expan-

Second National Bank.
March 29, 1962, ﬁled 200,000 shares of common, of which 150,000 are to be offered to the company and 50,000 shares are to be offered by stockholders. Price—$3. Business—

First Northern Bank Fund, Inc.
Business—A small business investment company. Proceeds—
For investment. Ofﬁce—1295 Northern Blvd, Manhasset, N. Y. Underwriter—None.

First Realty Co. of Boston
May 1, 1962 offered 150,000 common shares. Price—$10. Business—
Real estate management and development. Proceeds—For depa
rent stores, windows and general expan-

Second National Bank.
March 29, 1962, ﬁled 200,000 shares of common, of which 150,000 are to be offered to the company and 50,000 shares are to be offered by stockholders. Price—$3. Business—

First Northern Bank Fund, Inc.
Business—A small business investment company. Proceeds—
For investment. Ofﬁce—1295 Northern Blvd, Manhasset, N. Y. Underwriter—None.
June 7 (Thursday)  
Columbia Gas Systems, Inc.  
Debentures

June 8 (Friday)  
American Gas, Inc.  
Common

Artlin Mills, Inc.  
Common

Aset Textile Corp.  
Common

Bacardi Corp.  
Preferred

Boulevard Delin, Union Securities & Co.  
$1,250,000

Bell & Belin, Inc.  
Common

Computer Control Co., Inc.  
Class A

Corporate Phosphates, Inc.  
Class A

Dulany Industries, Inc.  
Common

Dow Chemical Co.  
Common

Forst (Alex.), & Sons, Inc.  
Common

42" Products, Ltd., Inc.  
Class A

Doe Run & Co., Inc.  
Gold Bond & U.S.  
$300,000

Hampden Fund, Inc.  
Class A

Hardline Distributors, Inc.  
Common

McDonald & Co., Inc.  
Common

Kinney Shoe, Inc.  
Common

Metropolitan Thrift Bank, B.I., Inc.  
Common

Multitec, Inc.  
Common

Oreon Electronics, Inc.  
Common

Peerless Radio Corp.  
Common

Ridgewood Financial Corp.  
Common

Salant & Salant, Inc.  
Class A

Schiller & Co., Inc.  
Common

Wade, Winger & Co., Inc.  
Common

Widmann (E. F.), Inc.  
Common

Widmann (J. F.), Inc.  
Common

Widmann (Troy), Ltd., Inc.  
Common

June 9 (Saturday)  
All-States Properties Corp.  
Common

Bancor Corp.  
Common

Northern States Power Co.  
Common (Series A)

Norway (Kingdom of), Bonds  
(Interest July 4)

Saxon Paper Corp.  
Common

Schiller & Co., Inc.  
Common

Schiller & Co., Inc.  
Common

Widmann (Troy), Ltd., Inc.  
Common

June 10 (Sunday)  
Continued on page 34
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**Hawaii Real Estate Investment Trust**

May 1, 1962 filed 35,000 shares of first-cum-first-served interest and eight-year stock warrants to be offered in units consisting of one share and one warrant. Price—$19 per unit. Underwriter—None. Proceeds—For working capital. Address—Honolulu, Hawaii.

**Heartland Development Corp.**

March 28, 1962 filed 23,300 shares of 5% convertible preferred stock $100 par, of which 18,200 will be allotted to stockholders on basis of one preferred share for each 10 common shares owned. Proceeds—For general corporate purposes and debt repayment. Office—40 Beaver St., Albany, N. Y. Underwriter—None.

**Hyde Finance Co.**


**Hyder Corp. Inc.** (8/13)

March 30, 1962 filed 97,000 common, of which 80,000 will be allotted to stockholders. Price—$3. Business—Manufacture, assembly and sale of aircraft and missile components on a subcontract basis. Office—7505 Valley View St., Buena Park, Calif. Underwriter—Richter Co., Los Angeles. Ideo toy Corp. (6/20)

May 1, 1962 filed 490,000 common, of which 250,000 will be allotted to stockholders. Price—By amendment (max. $20). Business—Manufacture of toys and consumer products. Proceeds—For debt repayment and general corporate purposes. Office—184-10 Jamaica Ave., Hollis, Long Island, N. Y. Underwriter—Western, New York, N. Y. Underwriter—None.

**Illinois Bell Telephone Co.**

May 11, 1962 filed 5,200,000 common shares of which 500,000 are to be offered for subscription by stockholders on the basis of one new share for each 10 shares held of record March 29, 1962. Rights will expire June 29, 1962. Price—$2. Proceedings—For debt repayment and general corporate purposes. Office—212 W. Jackson Blvd., Chicago, Ill. Underwriter—None.

**Income Properties, Inc.**

May 18, 1962 filed 200,000 common shares of which 80,000 will be allotted to stockholders. Price—By amendment (max. $15). Business—Manufacture of drinking water plants. Proceeds—For debt repayment and construction. Office—125 N. La Salle St., Chicago, Ill. Underwriter—None.

**Index & National Systems, Inc.**


**Industrial Credit Corp.**


**Industrial Growth Fund of North America, Inc.**


**Investors Realty Trust**

Jan. 30, 1962 filed 100,000 common, of which 625,000 are to be offered to the company and 15,000 shares by a stockholder. Price—$10 per share. Business—Realty. Proceeds—For new products and working capital. Office—120 Broadway, New York, N. Y. Underwriter—None. Underwriter—Bruce & Co., and Beusen Rose & Co., N. Y., N. Y.

**Israel Hotels International, Inc.**

Jan. 28, 1962 filed 185,000 common, of which 125,000 are to be offered to the company and 15,000 shares by a stockholder. Price—By amendment (max. $25). Business—A management investment company specializing in the development and management of new hotels and hotel chains in foreign countries. Proceeds—For new products and working capital expansion. Office—901 Atlantic Ave., N. Y., N. Y. Underwriter—None.

**Israel Basic Industries Corp.**


**International Business Machines Corp.**

July 22, 1962 filed 190,000 common, of which 100,000 are to be offered to the company and 57,500 by a stockholder. Price—$25 per share. Business—A research firm. Proceeds—For additional working capital, expansion of facilities and the production of teaching programs. Office—21 Tel Aviv, Israel. Proceeds—For general corporate purposes. Office—229 Park Ave., New York, N. Y. Underwriter—None.

**International Companies Corp.**


**International Highways Corp.**


April 27, 1962 filed 72,000 common, of which 12,000 are to be offered to the company and 60,000 by a stockholder. Price—$4 per share. Business—Importing, licensing and manufacturing of electrical products. Proceeds—For working capital and other corporate purposes. Office—4255 Broadway, New York, N. Y. Underwriter—None.

**International Livestock Corp.**


**International Electric Companies Corp.**

Jan. 28, 1962 filed 181,000 common, of which 12,000 are to be offered to the company and 60,000 by a stockholder. Price—$2.50 per share. Business—Exporting and importing of electrical products. Proceeds—For expansion, equipment, and working capital purposes. Office—117 W. 34th St., New York, N. Y. Underwriter—None.

**International Financial Services Corp.**


**Jackson's Byrnes Enterprises Inc.** (6/18-22)


**Jamaica Public Service Ltd.**

March 28, 1962 filed 20,000 common, of which 10,000 are to be offered to the company and 10,000 by a stockholder. Price—$1 per share. Business—A holding company for a Jamaican Electric utility. Proceeds—For acquisition of additional stock in a recently formed subsidiary of the Company. Office—217 King St., Kingston, Jamaica. Underwriters—Stone & Webster Securities Corp. and Cornes & Co. of New York City.

**Jameco Air Conditioning Corp.** (6/18-22)

Feb. 15, 1962 filed 1,250,000 common, of which 750,000 are to be offered to the company and 500,000 by a stockholder. Price—$2 per share. Business—Design, installation and maintenance of heating, plumbing and air conditioning systems. Proceeds—For general corporate purposes. Office—954 Jamaica Ave., Brooklyn, N. Y. Underwriter—None. Underwriter—None.

**Jarch Bros. Inc.**

March 23, 1962 filed 240,000 common. Price—By amendment (max. $12). Business—Installation of plumbing,

Keystone Discount Stores, Inc. May 23, 1961 filed 200,000 common, which 200,000 are to be offered by the company and 65,000 by stockholders. Proceeds—For real estate and general corporate purposes. Office—520 S. Fourth St., St. Louis, Mo. Underwriter—H. R. Krueger & Co., Chicago.

Lakehead Paper & Wood Products Co. May 29, 1961 filed 478,000 common, of which 276,000 are to be offered by the company and 202,000 by stockholders. Proceeds—For real estate and general corporate purposes. Office—161 E. Fond du Lac Ave., Chicago, Ill. Underwriter—Friedman & Co., Chicago.


Lombard Corp. (6.18-22) May 15, 1962 filed 102,000 share capital prices. Of which 75,000 are to be offered to the public by Lombard Corp. for the price—By amendment (max. $15). Proceeds—For investment office—100 Fifth Ave., New York, N. Y., Underwriters—Dean Witter & Co., San Francisco.

Marine Development Corp. May 11, 1962 filed 525,000 share capital prices. Of which 400,000 are to be offered to the public by the Marine Development Corp. for the price—By amendment (max. $30). Proceeds—For investment Office—900 Fifth Ave., New York, N. Y. Underwriter—Dean Witter & Co., San Francisco.


Mascot Corp. (6.25-29) March 22, 1962 filed 200,000 share capital prices. Of which 150,000 are to be offered by the company and 50,000 by stockholders. Price—By amendment (max. $20). Proceeds—For debt repayment and working capital. Office—48 Handbook, Kansas City, Mo. Underwriter—George B. Farnum.


Memorial Services, Inc. May 20, 1962 filed 1,200,000 share capital prices. Of which 600,000 are to be offered by the company and 600,000 by stockholders. Price—By amendment (max. $14). Proceeds—For investment. Office—116 W. 34th St., New York, N. Y., Underwriter—Meade & Associates, Inc., N. Y. N. Y.

Mercer Enterprises, Inc. April 20, 1962 filed 104,000, common shares, of which 33,000 are to be offered by the company and 71,000 by stockholders. Price—By amendment (max. $50). Proceeds—For investment. Office—1092 Utica Ave, Brooklyn, N. Y. Underwriter—Dean Witter & Co., San Francisco.

Mercury Books, Inc. (6.22) May 11, 1962 filed 1,450,000 share capital prices. Of which 450,000 are to be offered by the company and 1,000,000 by stockholders. Price—By amendment (max. $10). Proceeds—For leasing of newly written popular biographies. Office—315 Walnut St., Philadelphia, Pa. Underwriter—Dean Witter & Co., San Francisco.

Met Food Corp. (6.18-22) May 15, 1962 filed 180,000 share capital prices of which 120,000 are to be offered by the company and 60,000 by stockholders. Price—By amendment (max. $10). Proceeds—For debt repayment and working capital. Office—540 Madison Ave., N. Y. N. Y. Underwriter—Dean Witter & Co., San Francisco.

MidAmerican Minerals Inc. April 3, 1962 filed 25,000 share capital prices offered for sale. Of which 10,000 are to be offered by the company and 15,000 by stockholders. Price—By amendment (max. $5). Proceeds—For expansion, preferred stock redemption and working capital. Office—14 North Robinson, Oklahoma City, Underwriter—None.

Midwest Mortgage Investors, Inc. May 29, 1962 filed 250,000 share capital prices offered for sale. Of which 100,000 are to be offered by the company and 150,000 by stockholders. Price—By amendment (max. $7). Proceeds—For investment and operating expenses. Office—1630 Walton St., Denver. Underwriter—Boettcher & Co., Denver.

Midwest Mortgages, Inc. May 2, 1962 filed 75,000 share capital prices offered for sale. Of which 50,000 are to be offered by the company and 25,000 by stockholders. Price—By amendment (max. $7). Proceeds—For expansion, debt repayment and working capital. Office—2017 N. Delaware Ave., Cincinnati, Ohio. Underwriters—Dean Witter & Co., Cincinnati.

Midwest Mortgage Investors, Inc. May 29, 1962 filed 250,000 share capital prices offered for sale. Of which 100,000 are to be offered by the company and 150,000 by stockholders. Price—By amendment (max. $7). Proceeds—For expansion, debt repayment and working capital. Office—2017 N. Delaware Ave., Cincinnati, Ohio. Underwriters—Dean Witter & Co., Cincinnati.


Ridgeway Financial Corp. (6:11:15) — March 30, 1962 filed 65,000 common, of which 12,400 are held by the issuing company. Price—By amendment (max. $6.75). Business—Owner of 125,000 shares of stock in Farmers and Merchants Bank of Cleveland. Proceeds—For organizational expenses and investment in 6 1/2% bonds of 4th St. Cleveland. Underwriter—Rutland, Reid & Co., Inc., Cleveland.


Roatline Photo Corp.—Nov. 29, 1961 filed 300,000 common of which 100,000 will be offered for sale and 200,000 by stockholders. Price—By amendment. Business—Development of a new color motion picture film. Proceeds—For equipment and working capital. Address—425 7th Ave., N.Y. Underwriter—Robert A. Peterson & Co., N.Y. Offering—Expected sometime in July.


Salvo Manufacturing — March 26, 1962 filed 240,000 capital shares, of which 140,000 are to be offered by company and 100,000 by stockholders. Price—By amendment (max. $8). Business—Manufacture and distribution of stereo photographs and phonograph records and related products. Address—Pennsylvania Rte. 130, Porterdale, Ga. Underwriter—Struck, Blousser & Mc¬ Dowell, Chicago. Offering—Temporarily postponed.

Schevitz Engineering (6:25/29) — March 12, 1962 filed 150,000 common, of which 100,000 are to be offered by company and 50,000 by a selling stockholder. Price—By amendment (max. $10). Business—Design, manufacture and sale of lighting fixtures, recording and testing and controlling devices used in air conditioning, heating, and ventilation systems. Address—U. S. Route 130, Pennsauken, N.J. Underwriter—Toronto.


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Schlumberger Ltd. (6-12-13)

May 11, 1962 filed 670,000 common. Price—By amendment
(max. $20). Business—Manufacture of electrical equipment for oil industry
and geophysical exploration equipment. Proceeds—For selling stockholders, Office—400 Broadway, N. Y., Underwriter—Morgan
Stanley & Co. Inc., N. Y.

Signallite Inc. (6-25-29)


Simplex Lock Corp.

April 20, 1962 filed 20,000 common to be offered for subscrip-
tion by holders of Class A preferred stock. Price—By amend-
ment (max. $4). Business—Design and manufacture of electronic,
security and control systems. Proceeds—For debt repayment and other corporate purposes. Office—5800 N. San Fernando Blvd., Burbank,

Spiramic Inc.

Nov. 3, 1961 filed 100,000 common. Price—By amendment
(max. $15). Business—Manufacture of bacteriophages and other biological agents, for use as indicators and control components. Proceeds—For debt
repayment, and development and improvement of new proprietary products. Office—1350 Broadway, N. Y., Underwriter—M. H. Myerson & Co., Inc., N. Y.

Slate-Fax Inc.

Feb. 27, 1962 filed 125,000 common. Price—By amendment
(max. $4). Business—Construction of homes. Proceeds—For debt
repayment, and development and improvement of new proprietary products. Office—25 Broadway, N. Y., Offering—Expected in listed.

State Life Insurance Co. of Colorado

May 27, 1962 filed 300,000 common. Price—By amendment
(max. $15). Business—Sale of life insurance policies, fire and

Statewide Vending Corp.

repayment, leasehold improvements, expansion and working capital. Office—125 Broadway, N. Y., Underwriter—M. H. Myerson & Co., Inc., N. Y.

Steel Plant Equipment Corp. (6-15-22)


Steilher Cycle Corp. (6-18-22)


( M.) Stephens Mfg. Corp. (6-18-22)

March 28, 1962 filed 150,000, $25. Business—Manufacture of electrical fittings and connectors. Proceeds—For equipment, inventory, equipment and working capital. Office—81 Broad,

Strother Financial Corp.

Feb. 21, 1962 filed 115,000 common. Price—By amendment
(max. $20). Business—Manufacture of 25,000 common shares of which 40,000 are to be offered by the company and 6,000 by stockholders, Proceeds—For debt repayment and working capital, Office—319-31 St., San Fran-
cisco, Underwriter—D. B. F. Eckert, Inc., N. Y.

Sullivan Industries.

Dec. 28, 1961 filed 75,000 common. Price—By amendment
(max. $25). Business—Installation of U. I. co-op. laundry equipment at designated residential locations. Proceeds—For selling stockholders, Office—115 W. St., S. E. Washington, D. C.

Southeastern Real Estate Trust

April 3, 1962 filed 700,000 common. Price—By amendment

Southeastern Towing & Transportation Co., Inc.


Spencers (L. B.), Inc. (7-2-6)


Spearad Utilities, Inc.

March 30, 1962 filed 175,000 common, of which 50,000 are to be offered by the company and 65,000 by stockholders. Proceeds—For debt repayment, the purchase of real estate, and operating capital. Office—760 2nd Ave., New York, Underwriter—General Securities Inc., Co., N. Y.

Chicago Daily Products, Inc. (6-25-29)


Seabreeze Farms, Inc.

March 20, 1962 filed 315,000 common A shares of which 210,000 will be offered by the company and 105,000 by stockholders. Proceeds—For debt repayment by the company and 65,000 by stockholders, Office—50 E. 40th St., N. Y., Underwriter—To be named.

Superior Bakers, Inc. (6-15-22)

Feb. 20, 1962 filed 325,000 common of which 234,000 are to be offered by the company and 91,000 by stockholders. Proceeds—For debt repayment and general corporate purposes. Address—New York & Drexel Savings Bank, N. Y. Underwriter—Balkoff & Co., Washington, D. C.

Szecmco, Inc.

June 30, 1962 filed 66,666 common. Price—By amendment
(max. $10). Business—Design and manufacture of gears and related accessories such as gears, bearings and support devices. Proceeds—For cash, Office—714 Okechobee Rd., West Palm Beach, Fla., Underwriter—None.

Tabach Industries, Inc. (6-25-29)


Tabor Corporation & Co., Inc.

June 28, 1962 filed 93,000 common, of which 55,000 are to be offered by the company and 38,000 by stockholders. Proceeds—For debt repayment and general corporate purposes. Office—1350 Broadway, N. Y., Underwriter—None.

The Commercial and Financial Chronicle ... Thursday, June 1, 1962
Proceeds.—For debt repayment and working capital. Office—808 Dakin St., New Orleans.


Wiggins Plastics, Inc.


Willipak Productions, Inc.

Nov. 2, 1962 filed 50,000 common, Price—$1.25.


Winslow Electronics, Inc.


Wolf Corp.


Wolmerine Aluminum Corp. (6/12)


Work Wear Corp.


World Scope Publishers, Inc. (6/18-22)


Wynlit Pharmaceuticals, Inc. (6/18-22)


Zayre Corp.


Zecchendorf Properties Corp.


Zidell Industries, Inc.

March 30, 1962 filed 150,000 common, Price—$3.

Prospetic Offerings

Atlantic City Electric Co. (7/18)
May 29, 1962, it was reported that this utility plans to sell $15,000,000 of first mortgage bonds due 1992. Proceeds—For construction. Office—Burlington. N. J. Underwriters—(Competitive). Probable bidders: Halsey, Strauss & Co., Inc.; White, Weld & Co.—First Boston Corp. (jointly); Halsey, Sturt, & Co.—First Boston Corp. (jointly); Lee Higginson Kahn, Loeb & Co.—American Surety Co. (jointly). Bids—Expected July 15. Information Meeting—July 24 (11 a.m. EDT) at 140 Broad St., 17th Floor, N. Y., N. Y.

Cincinnati Gas & Electric Co. (6/21)
May 27, 1962, it was reported that this utility plans to sell $25,000,000 of 30-year first mortgage bonds. Office—130 North Fourth St., Cincinnati. Underwriters—(Competitive). Probable bidders: Halsey, Sturt, & Co.—First Boston Corp. (jointly); Morgan Stanley & Co.—First Boston Corp. (jointly); Blyth & Co.—First Boston Corp. (jointly); Bluhm & Co.—First Boston Corp. (jointly); White, Weld & Co.—First Boston Corp. (jointly); Blyth & Co. (jointly). Bids—Expected June 21.

Columbus Capital Corp.
May 28, 1962, it was reported that this newly formed Small Business Investment Co. plans to sell $10 to $20 million of common stock in the last week of June. Office—Cincinnati. Underwriters—to be named.

Connecticut Power Co.
Jan. 9, 1962, it was reported that this company plans to issue about $40,000,000 of securities, probably first-mortgage bonds. Proceeds—For construction. Office—212 West Michigan Ave., Jackson, Mich. Underwriters—(Competitive). Probable bidders: Morgan & Co.; White, Weld & Co.—First Boston Corp. (jointly); Blyth & Co.—First Boston Corp. (jointly); Morgan Stanley & Co.—First Boston Corp. (jointly). Bids—Expected Jan. 23.

Delaware Power & Light Co.
March 28, 1962, it was reported that this company plans to issue $130,000,000 of common stock which would be made to common stockholders first on the basis of one share for each 10 shares held. Based on the number of shares outstanding, this would be about 418,556 shares. Proceeds—For construction. Office—600 Market St., Wilmington, Del. Underwriters—(Competitive). Probable bidders: Carl M. Loeb, Rhoades & Co. (mgr.); W. F. Blyth & Co. (mgr.); Morgan Stanley & Co.—First Boston Corp. (jointly); Blyth & Co.—First Boston Corp. (jointly); Morgan & Co.—First Boston Corp. (jointly). Bids—To be named.

Florida Power Co.
March 28, 1962, it was reported that this company plans to offer some stock to the right to subscribe for about 457,000 additional common shares on a 1-for-20 basis. Office—Am. Gas & Electric Co., 150 Washington St., Fla. Underwriters—To be named. The last rights offering of common stock in Florida was made by Gulf Power Co. on Feb. 22; the rights sold for $35.40 per share.

Food Fair Properties, Inc.
May 11, 1962, stockholders authorized the company to issue 800,000 additional shares of common stock, which will be offered to stockholders through subscription rights on a 1-for-10 basis. Proceeds—By amendment.

Florida Power & Light Co.
Sept. 18, 1961, it was reported that the company may issue $25,000,000 of debentures in the second half of 1962. Office—25 S. 2nd Ave., Miami, Fla. Underwriters—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.—First Boston Corp. (jointly); Kidder, Peabody & Co.—First Boston Corp. (jointly); Blyth & Co.—First Boston Corp. (jointly); White, Weld & Co.—First Boston Corp. (jointly); Halsey, Sturt, & Co.—First Boston Corp. (jointly); Halton Brothers.—(jointly); Kidder, Peabody & Co.—First Boston Corp. (jointly); Blyth & Co.—First Boston Corp. (jointly); Morgan Stanley & Co.—First Boston Corp. (jointly); White, Weld & Co.—First Boston Corp. (jointly). Bids—Expected Aug. 19. Proceeds—For term loan and construction.
Our New Foreign Credit Insurance Association

Continued from page 8

The rates for credit insurance are based on just two factors: one, the credit terms extended, two, the country in which the goods are being shipped. This risk, it should be noted, is greater in some parts of the world than others.

The exporter can determine his premiums on a monthly basis, according to the rating of Delavie's Credit Bureau, to a schedule of rates attached to a policy. A 12-month maximum is required. This is credited against final premiums, if, at the end of the year, or applied to the policy for the new year. Insurance is available in 30-day increments, with the convenient plan for paying the excess over and above the limits of the policy.

Exports covered or reinsured by the U.S. government, such as the L/C credit to the Export-Import Bank, or the Export-Import Bank's country program, are not reported to the insurance companies. Credit insurance is obtained for all other export transactions. A commercial credit is usually written for 90 days, but is negotiable.

As we develop our country's policy of foreign trade, it is important that the time it takes to receive an order be shortened and that payment be delivered at the same time.

Over 200 Policies Issued

We have issued over 200 policies of credit insurance in the past two months, for business less than three months ago, it is encouraging to be able to report that the dates of the new policies issued for the credit insurance policy during the same period.

One of the benefits of the Foreign Credit Insurance Association is that it provides coverage for credit-related periods or situations where a contract falls through for reasons other than the inability of the buyer to pay. It is also available to cover credit periods beyond the expiration date of the policy.

Like any form of insurance, credit insurance provides assurance that the lender will be protected against losses due to non-payment or insolvency of the buyer. It is an excellent way to secure financing for exporters who have not relied on the export guarantee insurance offered by the government. It is also useful for credit departments or management in many industries.

Suddler Opens Branch

COLORADO SPINGS, Colo. — Suddler Co., the nation's largest producers of chemicals and equipment for the petroleum industry, will open a branch office at 12 East Boulder, under the direction of William L. Loomis.

Williston & Beane Branch

NEW YORK — The Williston & Beane brokerage firm, one of the oldest in the business, has opened a branch office at 300 Lexington Avenue, New York City, with a new executive, John H. Lommelstedt.

With Cali, Investors

LOS ANGELES, Calif. — Walter S. Smith, formerly with Mone and Co., has joined the staff of California Investors, 5344 Olympia Building, Los Angeles, and has taken charge of the Pacific Coast Stock Exchange.
Steel Production Data for the West Ended May 26

According to data compiled by the American Iron and Steel Institute, steel production for the week ended June 2, 1961, was 1,660,000 tons, compared with 1,736,000 tons the week before. This was 8.4% above the level for the corresponding period in 1960.

Major producers told Steel that the'slowdown in production during May will deter or postpone. At almost every company, managers are wondering if the downturn in production is as large as originally programmed. There is one notable exception; No. 1 producer, had scaled its wide program down by one-third. In January, the company forecast cutbacks averaging the $250 million it spent last year. Now it is figuring on expenditures of $200 million, or roughly what it charged for depreciation against.

If its 1962 outlooks are no higher than now estimated, they will be the same or lower than that for Steel's Improving New Order Rate

July steel ordering may be a little higher than the 1.5% level for May. I'm sure that it will not be, but the factor which could change the picture is the number of cap tractor units which are not under construction. 

BAK in some cases is lower than the previous week. One company in the market reported that if the New Order Rate is much lower than this week, it will not be much lower than the previous week.

Since the July 4 holiday was taken, many companies may have shifted their orders to the first week in July.

Steel Estimat'es were based on 2,740,000 tons. It was 1.6% below the previous week.

Scrap also continued its decline, bringing the fast pace since the week ended May 25.

Avaloe Price at West Spot in Bull Market

The durable goods sector is one of the few bright spots in the so-called steel market, the industry's mainstay. 

New cars in the middle third of May were the largest for the period. The 10-day quad- output production schedules call for 12 million tons of steel a month. At the same time, it looks like 1.8 million cars could be built in the next 12 weeks, compared with 1.4 million vehicles produced in the first quarter of 1961. 

The July 4 holiday is approaching, and this will bring the production slowdown in May. Even with this, many manufacturers are running full out, and it is expected that the production slowdown in May will be continued in June.

The car market is on a roll, and this is reflected in the steel market. The July 4 holiday is expected to bring the steel market to a soft landing, and the steel market is expected to pick up in June.
WASHINGTON, D.C.—Congress has made very slow progress thus far on this session on so-called "most" legislation. The new fiscal year starting July 1 is just ahead. Nevertheless, no major bill has yet become law.

Election years are not regarded as the most productive from a legislative standpoint. This one has certainly been a typical election year on Capitol Hill.

Back in January there was the usual hope that Congress would wind up its affairs early or about the Fourth of July. But when it was moved up to mid-August, and now they are talking about recessing Congress before the general election, reality is a possibility this will be done, although it would appear the odds are against a recess.

No. 1 Drawback

The other day one member of Congress said he thought No. 1 drawback to expeditious legislative action is the well-known (but little known to members of Congress) "T and T Club." There are quite a few members of this rather exclusive unofficial club.

The "T and T Club" gets its title from the members who live in heavily populated areas, particularly in the Northeast section of the country, who fly into Washington on Tuesday mornings and fly back again on Thursday afternoons.

Usually there is little, if any, business conducted on Capitol Hill simply because the "T and T" members want to get back home.

Backlog of Pending Legislation

A look at the proceedings on Capitol Hill shows that things have moved at a very slow pace. Perhaps this is partly because the House has by far the most members want to get back home.

Farm Bill Tied

The farm bill is still up in the air this week as the medical care section and the aged proposal, sugar act extension, postal rate increase bill, the United Nations bond issue proposal, and the $2 billion public works proposal, all got by in the fiscal year.

There are other important pending proposals, like extension of the Federal excise and corporate tax legislation which is absolutely certain of passage. Then there are proposals to raise the pay of Federal employees, aid to education, the mass transit proposal, the important reciprocal trade legislation, and foreign aid authorization.

The House Ways and Means Committee has approved the reciprocal trade program, and the Senate Appropriations Committee has given its recommendation for aid authorization. The House has passed the tax revision measure, but the Senate Committee has reported it out favorably.

The Senate got off on a long debate for days after days on the frizzled and old, poll tax legislation. Five states levy poll taxes on voters. Each uses the money for public education. However, many people regard the tax as a terrible thing when a state levies an impost on people who vote in Presidential and Congressional elections.

Recently the Senate tied up in a long, long debate over the Administration's voter qualification measure. Finally the leadership realized that the session was dragging on and without producing any real results.

Debt Limit Increase Likely

Congress has been called upon to raise the national debt limit to $308 billion or $8 billion more than the current ceiling. This will pass after some stiff opposition. It will also mark the second debt increase voted by Congress this year, and the third in the last year and a half.

There is substantial controversy in the Senate on the proposed postal rate increase. It is a red-hot issue. The House has approved the bill and it is now up to the Senate to either approve it or let it die. Five states levy poll taxes and household each day are having for public education as usual in the mail boxes at the subsidized rate for the people.

The House has before it Senate-passed bill authorizing the President to spend $750 million on public works projects and to create employment in sections of the country that have heavy suburban unemployment. The legislation is approved by the Senate and the bill is in the form of an authorization, but the House would have to come in a subsequent appropriation.

"The SEC frowns upon that sort of sales approach, Bullsorret!"

"Quicker Pace Expected"

There are those who are voicing the hope that the late Speaker of the House, Sam Rayburn were still alive. Things would be moving faster. This is debatable. Obviously, there is going to pick up in Congress before long things are going to have to move. Congress makes up its mind to settle down and work and work and work and grind our legislation at a fast clip.

In the states where there is two-party system, a lot of campaigning is in the offing. Therefore, there are some who feel that they can campaign effectively with quickie trips home to deliver talks, and at the same time impress the constituents by declaring that it is most important that he remain on the job and see that the vital issues are handled just as an easy way to campaign—if one can get away with it.

Many members of Congress write weekly letters and mail them to the weekly and daily newspapers in their districts or state. One of the most unusual letter writers on Capitol Hill is Senator Stephen M. Young, Demo- crat of Ohio.

These Receptions

Sometimes he breaks all "Senate Club" rules because he tells constituents on occasion to go jump into a lake, or simply replies to some of their charges that they do not know what they are talking about.

With Congress bidding its time, he wrote his constituents a letter telling them of the fehervish social calendar in Washington. He told Olney that if a United States Senator accepted all or a majority of the cocktails and receptions he was invited to in Washington he "could doubtless fred out every night."

However, he added that the "wear and tear on him and the loss of sleep entailed would be almost beyond belief." He went on to say:

"Presently with new emerging nations coming along every day, more than 110 nations are now maintaining embassies in Washington. As a rule each embassy holds at least two receptions or cocktail parties a year, to which most Senators are invited. There are at least 17 state dinners.

"Now hold your hate—there are approximately 300 national associations maintaining lodgings in Washington. Many of these lobbying groups invite all Senators to receptions and dinners. A few of such associations are the Veterans of Foreign Wars, American Legion, U. S. Chamber of Commerce, National Association of Manufacturers, AFL-CIO, just to mention a few.

"He then went on to describe what he calls a trend, Said he: "A trend which is increasing, which is really an added horror, is congressional lobbyists— ... Most Senators decline."

"(This column is intended to reflect the behind the scenes interpretations from the nation's Capital and may or may not coincide with the 'Chronicler's' own views.)"

COMING EVENTS

INVESTMENT FIELD

June 7-10, 1962 (Ponte Vedra, Fla.)
Southern Group of Investment Bankers Association Meeting.

June 8, 1962 (Chicago, Ill.)
Bond Club of Chicago annual golf outing at Knollwood Country Club.

June 8, 1962 (New York City)
Municipal Bond Club of New York Annual Meeting at the Westchester Country Club.

June 14, 1962 (Minneapolis-St. Paul)
Twin City Bond Club 45th annual picnic and golf tournament at White Bear Yacht Club.

June 14-15, 1962 (Kansas City, Mo.)
Kansas City Security Traders Association annual summer party—Cocktail party at Hotel Continental, June 14, golf tournament at Midland Country Club, June 15.

June 14-15, 1962 (Toronto & Montreal)
Canadian Group of Investment Bankers, First Annual Meeting (June 14, Toronto; June 15, Montreal).

June 15, 1962 (Philadelphia, Pa.)

June 15, 1962 (New York City)
Investment Association of New York Annual Meeting at the Caruso Yacht Club, Greenwich Town Day, at Sleepy Hollow Country Club, Scarborough-on-Hudson, N. Y.

June 15, 1962 (New York City)
Investment Dealers' Association of Canada 46th annual meeting at the Manor Richelieu, Murray Bay, Quebec.

June 19, 1962 (Louisville, Ky.)
Bond Club of Louisville annual summer outing and election at the Big Springs Country Club.

June 23-26, 1962 (Santa Barbara, Calif.)
California Group of the Investment Bankers Association, National Conference at the Santa Barbara Hilton.

June 23-25, 1962 (Iowa)
Investment Bankers Association of Iowa 25th annual field day at the Wakonda Club (a cocktail party and dinner will be held at the Des Moines Club, June 24, preceding the dinner).

June 29-30, 1962 (Detroit, Fla.)
Pacific Northwest Group Investment Bankers Association Meeting.

Sept. 11-12, 1962 (Chicago, Ill.)
Investment Bankers Association National Convention.

Sept. 13-15, 1962 (Chicago, Ill.)
Chicago Bond Club of Chicago outing.

Sept. 13-15, 1962 (Ponte Vedra, Fla.)
Florida Security Dealers Association annual convention.

Sept. 19-21, 1962 (Santa Barbara, Calif.)
Investment Bankers Association Board of Governors Fall Meeting.

Sept. 29-30, 1962 (Cincinnati, Ohio)
Municipal Bond Dealers Group of Cincinnati annual meeting, with a field day to be held Sept. 21, at the Lovatville Country Club.

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