As We See It

The labor monopoly has taken occasion to provide the President with an elaborate program designed to stimulate business and to encourage a greater growth rate in American industry. This organization, the AFL-CIO, is in large part an outgrowth of the encouragement of the New Deal and the Fair Deal, and its suggestions now are quite consistent with its origin and sponsorship. So is the reasoning presented in defense of this drastic deviation from traditional American philosophy and practice. It is the belief of the labor leaders, so it is said, that the President is now sufficiently disturbed about the general economic situation and outlook to render this an excellent time to place labor's idea of what ought to be done before the chief executive. And the President's recent appeals for suggestions for the solution of current problems without bothering about basic principles suggest that the union officials may be right in this feeling.

Labor's View

In any event official Washington and the public generally now have before them labor's idea of what government ought to do in the premises, as well as the reasons therefore as advanced by the leaders of organized workers. There is nothing new in the proposals. They contain the same old semi-socialistic ideas that have come out of these circles time and again in recent years. A listing of them would appear hardly worth the space required. Their analysis of the current situation and its alleged needs are also quite familiar to all who have given the outgoings of this and other labor groups much attention in recent years. However, so widely have such doctrines as these been disseminated, so ardently have they been preached by Keynesian and neo-Keynesian economists and so extensively have they been adopted without much thought by so many politicians that this outspoken sponsorship of such fallacious doctrines needs once again to be

(Continued on page 25)

Threat to S From the ECM and Foreign Investments Tax Proposal

By E. G. Collado,* Vice-President and Director of
Standard Oil Company (New Jersey)

Paper exposes self-defeating aims in Administration's proposed tax treatment of income from foreign subsidiaries, and cautions ECM not to become an exclusive club discriminating against outsiders. Washington expressed assurance the Free World wishes to foster its economic-political strength, and that we want freely moving international trade and investments. Disputes Washington's data on investment return

In preparing this paper I found my thoughts going back 17 or 18 years to the postwar international economic conferences and the important role which Mr. Will Clayton played in those discussions. I think that in considering present international economic issues it is worth recalling that the goal of those who participated in the postwar economic discussions was to foster the development of a world economy unrestricted by tariff barriers or by exchange controls and quota arrangements and in which all countries would have free access to all markets. The means of achieving this objective were to be multilateral codes drawn up in negotiations in which all interested parties participated. All of us then remembered clearly the effect on the world economy of restrictive policies of nations entering the 1950's. Sometimes today I wonder if we are still as alert to these same dangers. In the immediate postwar period the major European countries failed to make much progress in liberalizing trade and payments on a multilateral basis. Then in the 1960's, with U. S. encouragement, chose a basically regional approach to trade and payments liberalization. While some progress was made through the early GATT and International Monetary Fund negotiations, most of the momentum in achieving stabilizing trade came through the Organization for European Economic Cooperation. It is interesting to note that while the European Payments Union facilitated the elimination of much of the remaining bilateralism among OECD members, the EPU constituted a form of European discrimination against the dollar and other non-European currencies.

It was against this background that in 1967 the six continental countries took the historic decision to set up the Common Market. At the same time, under British initiative, another regional grouping, the European Free Trade Area, came into being as a counterpoise to the Common Market. The progress of the Common Market countries in moving rapidly toward eliminations of all tariff barriers and controls, and the membership and the political economic integration has caught the public imagination. Its success—again with strong U. S. support—has created an almost irresistible pressure on the other European countries and, as you know, the United Kingdom and other members of the Free Trade Area are now actively negotiating for membership in the Common Market.

Must Lead to World Trade Liberalization

These developments have been hailed as a decisive step forward in achieving closer economic cooperation in Europe, but the Common Market movement will deserve the accolade only if regional liberalization made possible by it can be translated into a general worldwide liberalization of trade. Worldwide liberalization and expansion of trade should remain the real objective (Continued on page 24)
The Security I Like Best... 
A continuous forum 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.

GEORGE L. BARTLETT 
Partner, Thomson & McKinnon, New York City

Seann Broom, Inc. — George L. Bartlett, Thomasatt & McKinnon, New York City (Page 1) 
Radiation Dynamics, Inc. — Glenn C. Petersen, Vice-President, Seagn & McKinnon, New York City (Page 2)

This Week's Forum Participants and Their Selections

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The Economic Outlook
For a Sluggish Economy

By Dr. H. Deweyne Kreager, Economic Consultant, and Member, Board of Trustees, Pautag Sound Mutual Savings Banks, Seattle, Washington.

Since the statistics do not show illness, Dr. Kreager tries a new diagnostic approach to discover the reason why the service economy, with the competitive ability of the closely supervised American industrialists, versus the European government-supported cartelists. Does the transformation from the new phase of national and international activity, if it is completed, by about 1986, the Service finds our economy is bound to go up in very substantial terms. During the interim, until the Service, he uses an predictable period of rises recession or depression illness ahead. In making another type of diagnostic approach, Dr. Kreager claims that our significant, transnational business cycle now has to be shown to the business cycle and, therefore, he declares that business cycles are no longer a good road map for our economy.

More should be said about the emerging foreign trade policy problem. In a Nation in which foreign trade has never represented more than 7% of our gross National Product, generally, growth potential is low. 5% is difficult to realize that we are vered an era in which our expanding participation in international commerce is not only important but, indeed, assuming growing importance. But, it is now a definite factor in our own economic growth. A more than just the Common Market, or the deficit in international payments, or the issue of the American dollar. In a sense, the situation is now that of the European, with the speed with which things happen these days: The United States, which emerged from World War II as the greatest military and economic power the World has ever known, is now subject to the economic tail of the rest of the world. The Free World is now beginning to wag its economic tail in turn.

England will join the Inner Six of the Common Market next year, which means that the rest of the Common Seven will follow suit. If the time table for European economic unity holds up, then the schedule it has put us up is, indeed, to the degree it has already followed that schedule, before the end of this decade Western Europe, the ancient cradle of Western Civilization, will become the World's greatest economic region. Even today these existing and potential Common Markets have a Gross National Product of over $2,000 billion and a population of 250 million compared to our 180 million. Protected and isolated by the vast distances of the vast oceans, largely self-sufficient for generations in terms of the massive economic wealth of our continental area, the U.S. is now part of, and not a nation apart from, the rest of the World. Not the least of our challenges in this new inter- relationship, in which we live is the fact that no leader now living in these fifty states has had the background of experience and training that qualifies him as an expert in the disciplines of international commerce and finance in which we now find ourselves.

We will make mistakes, many of them, in the process of evolving our new foreign and our new place in the sun of world commerce. Except in the days of hasty free trade, free trade has been more of an ideal than an economic reality. It is highly possible that free trade in the pure is a goal that may remain for the distant future. Even in what our trade policy must seek to achieve, economic policy is an inseparable degree of equality in the movement of world commerce. It is not so much the elimination of tariffs and quotas and other restrictions as it is an organization of such restrictions. As some restrictions are moved downward, others will have to be adjusted upward, temporarily at least, if we are to avoid economic disaster for many of our greatest industries and our most traditional. Here is a difficult thing indeed to try to stay the course of economic development at a time when political stability makes inroads on the old economic stability.

Various forms of compensation that adequate foreign government for its displaced industries and employment must not be the final answer. Once economic stability is reached in this area and a consensus is reached as to what our economic objectives should be. Given a reasonable degree of stability, the Service finds our economy is bound to go up in very substantial terms. During the interim, until the Service, he uses an unpredictable period of rises recession or depression illness ahead. In making another type of diagnostic approach, Dr. Kreager claims that our significant, transnational business cycle now has to be shown to the business cycle and, therefore, he declares that business cycles are no longer a good road map for our economy.
Merger-Made Conv. Pfd.
By Dr. Ira U. Cohleigh, Enterprise Economist

Offering some comment on the resurgence of preferred stock as an investment vehicle, especially as a medium of exchange in mergers and other high-risk issues.

For some years, preferred stocks had been losing ground, not only in utility financing, and their function in capital development, but increasingly taken over by the subordinated debenture. Because bond interest is deducted before taxes, and preferred dividends are paid from after-tax income, a considerable advantage to common stockholders in leverage and income flow caused the debenture to appear a more desirable senior security.

Merger Advantages of Preferred Stock.
For merger purposes, however, new factors enter the picture. The selling stockholders, if they accept cash, or debentures, incur an immediate capital gains tax liability, based on the difference between the debentures they receive. In contrast, though a merger is the preferred alternative, common stock, the transaction is regarded as an equivalent transfer of equity: creating no taxable income; and the capital gain (if any) is taxable only if or when the new securities are sold. Merging stockholders often seek an assurance of income, which preferred stock offers, and, in many cases, the returns on preferreds have frequently been higher than yields on the related common stocks. If, to this fixed income, there is added a conversion feature as a "sweetener", the holders of the selling corporation may also be attracted as contributions to their equity capital that they will eagerly and promptly ratify the merger.

Further, for the corporate buyer, the tax status of the preferred is a major advantage, since the maximum tax applicable on the income on such dividends is 7.5%, against 5% on taxable interest received.

Conversion, therefore, "convert" have certain special appeals, not only for implementing mergers, but more generally. There are three excellent examples we'd like to present to you today.

TRANSMERICA CORPORATION
4½% Preferred
In April, 1961, Transamerica Corporation acquired Pacific Finance & Credit Corporation, by offering 58 shares of its 6% convertible preferred stock for each 100 shares of Pacific Finance common. This premium, in turn, was (and is) convertible into 2-1/4 9/16 shares of Transamerica common. The merger was approved and Transamerica 4½% preferred has stood actively traded on the New York Stock Exchange.

The merger added the fourth largest (then) independent automobile finance company to the Transamerica picture, and rounded out the line of financial services in which this company has concentrated. Transamerica's principal activity, the wholly-owned subsidiary, Occidental Life Insurance Co., is domiciled, is approximately equal to the current quotation for Transamerica common, $2. In addition, Transamerica owns America Surety, Pacific National Fire Insurance Co., important and extensive real estate property, and a substantial portfolio of blue chip marketable securities.

Transamerica preferred sells, currently, around 114, yielding at the current figure 8%. The TA common, into which it is convertible, is worth about $120 at the moment. At their high in the common, it was around 130. Those who are satisfied with an assured 4½% yield, and a capital gain should find long-term contentment in Transamerica preferred, which has been acquired around current levels.

Cities Service Company
4½% Convertible Preferred
In January of this year, Cities Service Co. acquired, through its wholly-owned subsidiary, Continental California, by offering 67 shares of its new $4.40 preferred for each Continental California common share. The preferred ($100 par) is convertible into 1½ shares of Cities Service common.

Cities Service ranks among the major integrated oil companies, with a quite superior earnings record. For the five years ending 1960, it has increased in net per share earnings from $3.08 to $3.62. For the first four years, with 1961 earnings 11% above the recorded, it is estimated that last year was $4.20 ($4.60 for partial Commonwealth Capital Corporation common).

Cities Service preferred sells at 100½ today, yielding 4½% on the preferred, yielding 4.36% now sells at 21 point premium over the $100 par common. Preferred dividend is cumulative, and the position of opportunity to buy so good a preferred at this price around par is not uninteresting. As such, the yield currently equates current dividend a safe 8½"swing" from the conversion line. The yield is, however, many might prove quite rewarding.

Newmont Mining Corp.
4% Convertible and 5½% Debenture
On April 12, 1962, Newmont Mining acquired Magma Copper Co., by issuing therefor its new 4% preferred for each Magma Copper and 5½% debentures. The new preferred is non-cumulative to Newmont $90 par.

Newmont Mining might be described as an operating company and a manager of companies. It is an impressive institution, broadly participating in the American economy, competing in new and old fields, efficient management, and a high degree of dividend supplementation, subdivided by fees earned through the sale of securities. Dividend receipts in 1961 were $14.5 million.

Newmont's equity holdings are panoramic and profitable; 164% of Consolided Coal; 46% of Continental Oil; 12½% of Cyprus Mines Corporation; 54% of Sherritt-Gordon Mines Ltd.; 62% of the Copper Co., Ltd.; 29% of Phelps Dodge; 37½% of Kennecott Lead; 37% of Sherritt Gordon Metal Corp.; 76% of Idaho Mining, 29% of Magma Copper; 30½% of Palabora Holdings, Ltd; and Palmabora, Ltd. In copper, uranium, oil, gold, silver, and magnesium the company is a significant factor.

Newmont Mining common sells on the New York Stock Exchange at 97 and pays 2½%. The 4% preferred so far has paid 5½% on the dividend, and is now selling at 101½ point price. The 5½% debenture is now selling at 8½, and is now down six-lenths of a point from its high of 9½. The debenture, other than farm products and food, also sold fractionally in May. This, in large measure, is due to nagging fears in the commodity since it reflects the demand by manufacturers for materials needed in the production process.

Seasonally adjusted personal income, at annual rates, hit $440 billion in 1962, an increase of new high, the rise over the previous month estimated to range from 6 to 7½ billion dollars. This contrasts with substantial gains during previous months.

Highest yields on bonds and higher interest rates off (by savings by rising interest rates and dividends, mutual savings banks and credit unions, banks and other commercial banks, and in commercial paper) in increasing volume, but real rate of time is to faller. Estimated estimated, seasonally adjusted, fell in May for the first time in several months. Since the trend of retail sales is considered rather than a leading indicator by the National Bureau of Economic Research, if the trend continues, the fall in May will prove to be of greater significance than it would appear on the surface.

A figure (for net new issues in manufacturing was not released, however, an advance estimate for the 195 period, which showed shipments off. 4½% showed a leveling off in May. Since it is a sparse indicator in capital expenditures) the future will probably be reflected in orders for the next three months. Those which are not increased in most recent months of the economy, is one of the most recent to be released by the Commerce Department.

Majority of Leading Indicators Heading Downward
A look at the three leading indices, cations originated by the National Bureau of Economic Research shows that they started pointing down, while only three are rising. Those three falling include: corporate profit, stock prices, changes in business

We are pleased to announce that John D. De Simone has been admitted as a General Partner

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Bad News for the Consumer Economy (including Alan Tinning's Peri-Marketing Item)

A Disent from Mr. Funston

ITEM No. 1 — the rise of America's shareware population

The rise of America's shareware population (with an emphasis on publicly held companies) to a new high of 17,000,000, or one out of every five of the nation's adults; with 103 million additional individual owners who manage their own portfolios in equities for them by a variety of shareware services — all just reported enthusiastically by the New York Stock Exchange in its 1962 Census of American Shareowners.

A variety of specific breakdowns of the Census' over-all findings additionally substantiate viewing-with-concern the potential impact on the economy of a proximate Bear Market. Among these are the fact that the current shareholder total represents a trebling during the 1952-1962 Bull Market; with 4,500,000 Unholy - Come - Lateely's coming in (for a subsequent hang-up) on the Market's 1952-1962 astro- spherical superstructure; that household and non-household adult females comprise 34%, and retired and otherwise non-empowered males comprise 63% of the total; that two out of three shareowners own stock valued at incomes of less than $10,000; that nearly two-thirds of the 17 million listed on the New York Stock Exchange (where the so frenzied and sensational public eye has been concentrated) have more than half having first acquired their stock through a broker.

Main Street in Wall Street

The Exchange accompanies its detailed census with the American shareware popula- tion with running data (including photos) on seven typical individuals representing a broad communal cross-section extending from a pair of romantic newly- weds, owners of a small shareware market shop, to a pair of Manhattan multi-market shoppers "candidly" reflecting the market's present climate. "Like many women shareholders today, Mrs. Bess Tiffin of Denver, finds that whether at the supermarket, or in a broker's office, she gets the same thing: the feeling of being left out" (presumably so interpreted by the exchange.

Also bearing on our worry over the meaning of recent exchange activity is Exchange President Keith Funston's characterization of the Main Street type, as "each playing an important role in the American [sic] economic drama;" and of the Census as a whole, that it "will prove helpful and informative to everyone concerned with building the nation's future and safeguarding its economic welfare.

The impact will be any more negative than it will be positive.

I trust this adds some perspective to the question you raised.

Sincerely,

Keith Funston.*

A Cheering Poll

The currently spreading results of a nationwide poll of the people's stock-market expectations, conducted by Business Week magazine, leads to minimiza- tion of dire economic results. Reporting as unique the question by a 14-year-old boy, "Daddy, is there going to be a depression because of the stock market?" (Daddy, busy figures out stock points to Disneyland, let the an- swer ride) the survey concludes that the great majority of the country regards the stock mar- ket's crash as a mere "passing phase.

A More Vulnerable Sphere

ITEM No. II — The boom-growth of the investment company stockholding population, is spreading to the billion mark.

Surely the advent of trouble for business activity from the area seems threatening. This results from the fact that what has been centered on capital "overworking" throughout the activities of the Funds, at both the levels of selling and reporting. Just as the daily weekly, and yearly over-embarrassed position of the potential stockholder (with disregard of income yield) during the long Bull Market made the shareholder feel constantly richer; continued misreadings of his assets' value would presumably make him feel poorer—with some tightening of his purse strings.

It is in any event, surely, it is un- fortunate that, although '1962' differs in most respects from '1961,' a special tax jamboree can again so widely spread repercussions.

From Our Mailbox

—On Tax-Motivated Stock-Purchasing

The following communication from Mr. V. L. A. S. 14 ("opportune Time for Business Tax Manipulation") wherein we refer to the present climate, was presented by the market decline that the present situation, as well as the actions immediately, is lieu of Mr. Skakandy's "eleventh hour" year-end concentration.

Dear Mr. May:

I am in agreement with the thesis of the tax-strategy dis- cussion in your column of June 4, but some elaboration is in order. As you indicate, short-term losses on securities can be used only limitedly as an offset against gains, and only to the extent of $1,000 a year; with any unabsorbed short-term loss carrying over several years, and thereby neutralizing any gains, by reducing them by security profits.

The six-month period has signs of significance both as to profits and losses. On the profit side, once the six month period has passed, the top tax rate on the profits is limited to 25%. Profits on less than six months of holdings can be taxed at 20% to 18%, depending on the brackets of the particular taxpayer. If there are profits from both under-six-month the holding and over-six-months holding, the timing of losses becomes important in that losses on over six months holdings must first be offset against profits in that cate- gory. The losses, however, save nothing until the time of the six months period. Once taken before the six month period has run aground, only six-month profits can be taken

At any rate, it is a matter of keeping up the stock which is about, at the end of six months or over six months, if the position of the losses becomes impor- tant. The losses, regardless of category, reduce the profits.

J. S. Seidman.

Seidman & Seidman, Certified Public Accountants, New York City.

N. J. Dealers Ass'n Install

WEST ORANGE, N. J.—Jack S. Skakandy of First Eastern Investment Corporation, Red Bank, has been named to the Board of Directors of the New Jersey Association of Investment Dealers.

The ceremony was conducted by J. W. Weller of W. J. Weller & Co., Bloomfield, N. J., outgoing president, and Mr. Weller, other new officers are: Vice-President—Phil Bugen, In- come Planning Service, Inc., Belleville, N. J.; and Secretary—W. Robert Anderson Income Planning Corp., Ocean City, N. J., Secretary—Mr. Merriam G. Gross, Arlington Funds Inc., West Orange, N. J.

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Tax-Exempt Bond Market

By DONALD D. MACKEY

The state and municipal bond market continues its apparently receptive to new issues and particularly to the so-called high grade general obligation bonds. The $100,000-

Wide Spread Between “New” and “Used” Issues

The disparity in prices as between new issues and secondary market issues continues to be considerable. As of June 30, it has been in months but the premium offered for the bonds scheduled ahead, this spread may narrow to some extent. For instance, there have been some casual bond company interest in distress mer-

Firming Interest Rates

Wall Street rumors persist that the Canadian crisis will lighten in the coming weeks and that interest rates will fall. Moreover, such a pessimistic outlook is causing many investors to be cautious. This cannot be expected to come from the Canadian crisis, it is simply that the situation is at a critical stage.

Commercial Banks Continue to Buy “New” Issues

The commercial banks continue to buy “new” issues at a relatively high rate. The bond buyers, however, have shown no indication of buying the so-called long-term tax-exempt issue bonds have been bought at a rate of 600 per cent of the weekly issues. The record volume was handled during the period when the price was rising and relatively high. The fact that commercial banks have been con-

MARKET ON REPRESENTATIVE SERIAL ISSUES

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<td>3.15%</td>
<td>3.10%</td>
</tr>
<tr>
<td>New York, N.Y.</td>
<td>3.3%</td>
<td>3.00%</td>
<td>3.15%</td>
<td>3.15%</td>
<td>3.10%</td>
</tr>
</tbody>
</table>

*No apparent availability.

Large Issuances Scheduled For Sale

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

July 9 (Monday)

Kansas City S. D., Mo.                   1962-1982 Noon

July 10 (Tuesday)

Adelphi College, N. Y.                  1962-1982 Noon

Bloomington Ind. Sd. #72i, Minn.       1962-1982 Noon

Clewiston, Fla.                        1962-1982 Noon

Darcul, Atl.                            1962-1982 Noon

Des Moines, Ia.                        1962-1982 Noon

Great Falls, Mont.                      1962-1982 Noon

July 11 (Wednesday)


Hempstead U. F S D No. 11, N. Y.       1962-1982 Noon

Litchfield Indep. Sd. #46, Minn.        1962-1982 Noon

Nagara Falls, N. Y.                     1962-1982 Noon

Puerto Rico Resources Auth.            1962-1982 Noon

St. Louis Co. Ferguson Reorgan.        1962-1982 Noon

S. D. No. 82, Mo.                       1962-1982 Noon

July 12 (Thursday)

Canton, Mass.                           1962-1982 Noon

Central Region B S. Dist. Ocean County, N. J. 1962-1982 Noon

Massachusetts Development Com.          1962-1982 Noon

Sacramento, Calif.                      1962-1982 Noon

State of New York                       1962-1982 Noon

July 16 (Monday)

Cascade Co. BSD No. 1-A, Mont.          1962-1982 Noon

Westfall Local Sch. Dist.               1962-1982 Noon

July 17 (Tuesday)

Arkansas State College                    1962-1982 Noon

Juneau, Ind.                            1962-1982 Noon

July 18 (Wednesday)

Albany State Bd. of Education           1962-1982 Noon

Milwaukee County, Wis.                  1962-1982 Noon


July 19 (Thursday)

Haddonfield S. D., N. J.                 1962-1982 Noon


Wayne County, Mich.                     1962-1982 Noon

July 23 (Monday)

Dallas, Texas                           1962-1982 Noon

Marlboro Co. of Mesa S. Dists.          1962-1982 Noon

Rocky River, Ohio.                      1962-1982 Noon

July 24 (Tuesday)


World Industrial Park, N. Y.            1962-1982 Noon

July 25 (Wednesday)

Louisiana (State of)                    1962-1982 Noon

State University of Iowa                1962-1982 Noon

July 26 (Thursday)

Hammond Sanitary District               1962-1982 Noon


August 1 (Wednesday)

Beverly, Mass.                          1962-1982 Noon

St. Louis, Mo.                          1962-1982 Noon

August 6 (Monday)


August 7 (Tuesday)

Los Angeles, Calif.                     1962-1982 Noon

August 8 (Wednesday)

San Antonio, Texas                      1962-1982 Noon

August 15 (Wednesday)

Jackieville, Fla.                       1962-1982 Noon

Outagamie County, Wis.                  1962-1982 Noon

September 1 (Saturday)


Jacksonville, Fla.                      1962-1982 Noon

September 12 (Wednesday)

San Jose, Calif.                        1962-1982 Noon
Statement of Condition, June 30, 1962

ASSETS

Cash and Due from Banks $1,695,092,486
U. S. Government Obligations 1130,944,457
State, Municipal and Public Securities 460,420,407
Other Securities 33,056,509
Loans 2,369,944,394
U. S. Government Insured F. H. A. Mortgages 85,643,594
Other Mortgages 70,090,580
Banking Premises and Equipment 43,883,170
Customers' Liability on Acceptances 192,328,679
Accrued Interest and Other Assets 30,368,430

$6,111,772,706

LIABILITIES

Deposits $5,278,419,829
Acceptances 195,822,922
Reserve for Taxes, Accrued Expenses, etc. 51,303,793
Dividend Payable July 2, 1962 5,859,334
Other Liabilities 25,110,873
Reserve for Possible Loan Losses 93,318,875
Capital Funds:
Capital Stock ($15 Par) 175,780,005
Surplus 200,000,000
Undivided Profits 86,157,075 461,937,080

$6,111,772,706

U. S. Government obligations and other securities carried at $341,462,288
were pledged for various purposes as required or permitted by law.

Overseas Branches: 7 Princes Street, E. C. 2; 10 Mount Street, W. 1, London
Representative Offices: Paris, Frankfurt am Main, Rome, Tokyo, Beirut, Manila

Member Federal Deposit Insurance Corporation
Bonds & Monthly

Scotia, Draper, West, Canadian

B风俗工业

Broadway, New York, N. Y.

Bonds

Have broadened.

Bickle & Co., 14 Wall Street, New York, N. Y.

Bonds

is 4.9%—-Dean Bissell & Reynolds on

Bonds

are able to serve in the firms collaborative

Bonds

The

We maintain active trading market in:

Colonial Stores, Inc.

Common Stock

R. S. DICKSON & COMPANY

INCORPORATED

Members Midwest Stock Exchange

Charlottesville

R. S. DICKSON & COMPANY

INCORPORATED

Members Midwest Stock Exchange

R. S. DICKSON & COMPANY

INCORPORATED

Members Midwest Stock Exchange

Bonds

We maintain active trading market in:

Colonial Stores, Inc.

Common Stock
The State of TRADE and INDUSTRY

"Concerned" is the word used by 36% of the Federal Reserve Bank of St. Louis when asked to describe the current economic situation. The survey, which is based on the response of leading businessmen to a questionnaire mailed to the members of the Bank's Board of Trade and Industry, shows that the majority of respondents are of the opinion that the economy is currently in a recession.

The survey, which was conducted by the Federal Reserve Bank of St. Louis, includes responses from 250 of the Bank's Board of Trade and Industry members. The results of the survey indicate that the majority of respondents believe that the economy is currently in a recession, with 36% indicating concern and 25% indicating that the economy is currently in a recession. The survey also shows that 18% of respondents believe that the economy is currently in a recovery, while 14% believe that the economy is currently in a depression.

In terms of specific industries, the survey shows that the manufacturing sector is the most concerned, with 43% of respondents indicating concern. The retail trade sector is next, with 36% indicating concern. The service sector is the least concerned, with only 15% indicating concern.

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The Federal Reserve Bank of St. Louis is a member of the Federal Reserve System and is the Federal Reserve Bank for the Federal Reserve District of St. Louis. It is the central bank for the Federal Reserve District of St. Louis, which includes the states of Illinois, Indiana, Kentucky, Michigan, Missouri, Ohio, and Tennessee. The Federal Reserve Bank of St. Louis is responsible for implementing monetary policy and regulating the banking system in the Federal Reserve District of St. Louis. It also provides financial services to banks and other financial institutions in the Federal Reserve District of St. Louis.
Our Dollar Problem
As Seen From Europe

By Paul Elting

One of the seven points listed as to why Europe is pessimistic about the dollar refers to our lack of public and official realization of the adverse changes that have occurred. Dr. Elting recommends we eliminate our foreign aid and reserve it for major emergencies. He reports dollar devaluation is widely anticipated as a solution to a depression here, and suggests we remove that fear by giving evidence of alternative anti-depression plans. The London economic council also suggests we eliminate the "phony" figures in our unemployment data which he calls "a free gift to Communist propagandists." Further, warning in a note that de Gaulle may use French holdings of dollars to bring pressure upon us similar to what Polonceau did to England with official sterilizing balance in the late twenties.

LONDON, England—in spite of the absence of any further decline of the United States gold reserve in recent weeks, it is evident that pressure on the dollar in Europe continues unaltered. This pressure is not so evident in London as in continental foreign exchange markets. Sterling itself had a weak undertone in recent weeks, but the main pressure was directed against the dollar. Possibly a recovery in Wall Street may bring some relief, but the basic trend is expected to remain adverse.

European pessimism about the prospects of dollars is due to the following considerations:

(1) The balance of payments remains persistently adverse.

(2) There is a widespread feeling that sooner or later President Kennedy will devalue the dollar in order to improve business conditions.

(3) Faith in the non-stop rise in Wall Street gave way to doubts, and foreign speculators and investors act accordingly.

(4) The recent problem of unemployment tends to undermine confidence in the prospects of the United States.

(5) Lack of realization by American official and public opinion of the adverse change goes back to the time of the severe setback in Wall Street. Meanwhile, temporary movements are expected to advance the dollar.

(6) Very few people in Europe realize that the persistently high official American unemployment figures are based on the number of genuine registered unemployed but on a grossly tendentious sample survey which deliberately exaggerates the extent of unemployment. If only the Bureau of Labor—realized the dangerous effect of those phoney figures on the prestige of the United States abroad, something about it. The American unemployment figures are a free gift to Communist propaganda all over the world, as they are presented as evidence of the deficiency of capitalism in general and of the American Capitalist system in particular.

While Canada has made an impressive gesture showing realization of the need for drastic action, there has been no indication of any change in the attitude of the United States. It is feared that it may take years before a further deterioration makes American opinion realize the need for doing something about it.

The expansion of the European Common Market through the admission of Britain and other countries, and the progress of economic integration within the Common Market, is liable to affect American foreign trade adversely, though nobody is in a position to predict the extent of the adverse effect. Uncertainty does not help to strengthen confidence in the dollar.

Now that a settlement of the Algerian problem is averted, it is likely the likelihood of wholesale repatriations of French dollar holdings will be increased. Such a trend would greatly increase the French official holdings of dollar balances and it is widely expected that General de Gaulle will make political use of the power which these holdings will place in his hands. Unless the traditional anti-De Gaulle attitude of the White House can be altered, which has been evident ever since Mr. de Gaulle takes office, the American government will be forced to liquidate some of the dollars through which it has been attempting to stabilize the franc, and this would be expected to cause a movement of France's dollar balances. If the United States government does not act to prevent this, the devaluation of the franc would take place and this would cause a crisis in the exchange of the United States dollar.

New Issue

Copycation, Inc.

Common Stock

($50 Par Value)

50,000 Shares

Price $12.00 per share

Kenneth Kass

J. J. Krieger & Co., Inc.

Irving Weis & Co.

First Trillion Dollars of Public and Private Debt

By Melchie Polyi, Chicago, Illinois

Painting reminders on the accelerating pace of our total debt notes the ramified effects upon the financial position and prospects of business and American industry. The statistics, however, do not do the American unemployment figures are a free gift to Communist propaganda all over the world, as they are presented as evidence of the deficiency of capitalism in general and of the American Capitalist system in particular.

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creases of the Gross National Product is achieved by a two-to-
three-fold increase in the amount of "marginal" the nation as a whole pays, and that rate of increases grows dispropor-
tionately, in a large segment of the G.N.P., such as the bulk of military spending and the amount of farm commodities, contributes little or none of the increase that has to carry the cost of serv-
ing debt.

The most significant aspect of this colonial debt accumulation is the fact that it is continuing in a year-to-year variations. The war-
time record was very high in 1919, but during the 1920-30 period, the debt was being rebuilt in the boom year 1929 ($6.3 billion)—the year of the "Exhaustion of American Resources," the year in which the rate of increase of the public debt was less than 1% in 1930 ($32.7 billion) and still did not quite "recover" last year ($48 billion). The fluctuation in the total volume of debt-incurring reflects the ups and downs of the business cycle, with net drainoffs the national government suffering a sec-
ondary role only.

The "Progress" of the Debt

As a matter of fact, the pace of the Debt's increase tends to ac-
celerate. Especially, it is pointed out, the growth in consumption, the progress of "real" growth, and the impetus of the Kennedy Adminis-
tration's inflationary policies, contribute to the increase. The growth of dwelling mortgages, in particular, is being ar-
rested in a slow and steady way. The Federal Government, and the government guarantees, also by the exercise of its credit institutions which compete for a big share of the mortgage
market, are trying to slow this process.

The latest stage of this reces-
sion is the 30-year 5% mortgage on homes, with 5% down, guaranteed by the Federal Housing Administration. The step will be, presumably, virtually no down payment whatsoever, in the like 1929-30.

Presently, the urban mortgage debt is growing at a sub-
stantial annual pace, notwithstanding the rapid increase in the percentage rate of vacancies and in the num-
ber of foreclosures. The latter has risen to the last high of $285 million involved. Vacancies accounted for 2.5% of rental build-
ings in 1950 and 7.7% in early 1962. An oversupply of housing has also come to be a general phenomenon at the crest of the economy. Incidentally, most of the mortgage failures seem to occur among those ex-
tended by savings and loan assosi-
cations and similar facilities, or by the Veterans Administration. During 1962, mortgage credits mature in instal-
ments, not in lump sums, is no protection against defaults.

Stock Market and Debt

A most serious threat to the stability of the economy arises from unexpected quarters: the stock exchange. What if, at the same time the stock prices should affect real estate values? That is, what if the price of stocks is under way. They have not de-
clined appreciably (as yet), but houses are saleable at current

Monroe V. P. of Distributors Group

BOSTON, Mass.—William A. Monroe, Jr., has been appointed Vice President for the New England States by the Board of Directors of Distributors Group, Inc., at the annual meeting held at the 10 Post Office Square. Mr. Monroe, who has been with the company for 26 years, has been assigned the office of Vice President, Midwest & Western Operations. He is a member of the Boston

Now With Bacon

SAN FRANCISCO, Calif.—Robert W. Bacon, Jr., of Bacon, Whipple & Co., 235 Montgomery Street, was previously with Walston & Co., Inc.
The text of Prime Minister's statement suggests that the government has a responsibility to maintain the balance of international payments. "The situation demands action which cannot wait until Parliament can be convened. The Government is therefore immediately announcing and enacting a program designed to meet the emergency. It trusts that the leaders of the other Parliaments and parties will recognize that Canada was faced with an emergency which requires that the Government take immediate action within the powers conferred on it by Parliament."

Other western countries have passed similar acts in recent years and have overthrown them by taking corrective measures. The Canadian economy is fundamentally strong and sound and we are confident that with a combined effort on the part of all Canadians we shall soon overcome Canada's immediate problems.

Canada's exports of commodities last year, the highest in its history, exceeded commodity imports for the first time in nine years. However, the large deficit on current account did not result from the failure of exports but from the failure of imports and interest. This is a condition which exists in Canada and which is not particularly since the end of World War II. The difference on our current account diminished substantially in the last few years and has amounted to a large deficit on current account. Canada has been accustomed to large capital inflows and these capital inflows have been in the form of equal to the deficit on Canada's current international account.

Reverses Position on Capital-Infow

Canada's immediate difficulties, however, have been due to a combination of factors, including the dry-up of the net capital inflow and very recently by a net capital outflow. Capital inflow has not been reversing the inflow of capital which was previously available to Canada and is also being used for the exchange of goods and services of gold and United States currency.

Canada's exchange reserves have been greatly reduced and the measures now being announced are calculated to redress this position. These measures relate to Canada's balance of international payments, and to Government operations and credit policy.

The first measure the Government has taken is a limitation on the increase of gold and other metals in the exchange reserves. This measure will be in place for the next six months, and will be reviewed periodically. The restrictions will apply to all foreign exchange transactions, and will be binding on all banks and financial institutions in Canada. The measure will be reviewed by the Bank of Canada and will be lifted when appropriate.

Government Spending Reductions

The Government has also announced spending reductions of $2.3 billion over the next six months, which will reduce the deficit on Canada's balance of payments. These reductions will be implemented gradually and will be reviewed periodically.

Tourist Exemption Increased

The Government has increased the tourist exemption for foreign exchange transactions, allowing tourists to bring in up to $200 worth of foreign currency without charge. This increase will be subject to review and may be reduced if necessary.

The cost of this exemption, in terms of foreign exchange, is high, but it is necessary to maintain a balance of international payments. The Government will closely monitor the impact of this exemption and will adjust it as necessary.

The Government is committed to maintaining a balance of international payments, and will continue to take action as necessary to achieve this goal.
AMERICAN STORES COMPANY
changes its corporate name to
ACME MARKETS, INC.*

This name-change is the final step in the transition from the days when the company's business was done entirely in retail outlets called "American Stores." Presently, less than 1% of total business is done in stores bearing this name.

Extensive advertising and promotion efforts have well established the "Acme" name since its introduction in the company's self-service markets twenty-five years ago. The change in the company's official name will now serve to identify it more closely, in the minds of the public, with the stores that it operates.

Acme Markets, Inc. is the nation's fourth largest food chain, with sales for the second consecutive year in excess of $1-billion. At present, 846 retail food markets are being operated in Washington, D.C., and eight states: New York, Pennsylvania, New Jersey, Delaware, Maryland, West Virginia, Virginia and California. Of this total, 747 are Acme Markets; 32 still bear the name, American Stores and 67 markets are operated in California, under the name "Alpha Beta," by the company's Alpha Beta Acme Markets division.

Highlights from the latest fiscal year, ended March 31, 1962, show sales up to $1,034,000,000; net earnings up to $13,330,067—or $5.71 per share of common stock—and cash dividends of $2.00, in addition to a 5% stock dividend. For the present, the company's symbol listing on the New York Stock Exchange remains "ASC."

For a copy of the company's current annual report, write:
Impact of Earnings on Credit Status of Railroads

By James L. Sheahan, Partner, Dick & McLeam-Smith, New York City

Several different comparisons of the Class I railroad industry to Bell Telephone System and utility industries in the late 1950s and early 1960s were made. Many observers were greatly discouraging about the former vis a vis the latter to investors. Though an essential backbone to the country's transportation system, the railroad industry was held to be an example of a regulated industry earning an extremely low rate of return on investment and having substantial amounts of retained profit and power used to restore railroad credit and to popularize railroad securities. Until this is done, railroad issues will have a limited appeal to knowledgeable investors.

These days we read, hear and witness much regarding the many ills of the railroad industry. One group, for instance, might be pahsing featherbedding, while others will contest the predication that industry finds itself in a position of great difficulty due to discriminatory regulation and taxation, subsidies to competitors, failure to permit integrated transportation, labor-management, etc. There is no doubt a correct solution to all of the above called ills, mentioned in a broad sense, would go a long way towards restoring health to this sick industry—sick in a financial sense.

Why Earnings Must Be Improved

Stated in other words, if the many ills of the railroad industry were alleviated, the earnings difficulties appearing in the industry would substantially increase. The question then gets down to whether it is necessary to increase earnings substantially—possibly three fourfold? The answer to this question was given to us as far back as 1943 by the late Commission Federal Coordinator of Transportation, he reported, as follows:

"A more or less continual inflow of capital funds is essential to a healthy railroad system. In the past the need has sprung primarily from the constant expansion made necessary by increasing traffic. Capital funds do not now exist, but it is likely to return, although not to the old extent. It is likely to appear in much smaller growth, however, does not eliminate need for capital improvements to permit better or more economical operation usually entail capital expenditures. The known opportunities for such improvements are considerable and it is suggested the railroad system will surely develop." (1)

3. Management must be propitious so that the enterprise is unencumbered with adequate capital funds. This is a reasonable and competitive management of the railroad industry is usually a safe and sound credit. The railroad system retains the railroad system of the enterprise is unencumbered with adequate capital funds. This is a reasonable and competitive management of the railroad industry is usually a safe and sound credit.

4. Lastly and most importantly, especially in the case of a regulated industry, the regulatory processes must recognize and permit adequate earnings in relation to the investment in the property.

TABLE I: Total Capital Expenditures of Class I Railways

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Capital Expenditures ($ millions)</th>
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<tbody>
<tr>
<td>1946</td>
<td>$561,057</td>
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<tr>
<td>1947</td>
<td>$292,100</td>
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<tr>
<td>1948</td>
<td>$324,000</td>
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<tr>
<td>1949</td>
<td>$333,000</td>
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<tr>
<td>1950</td>
<td>$351,000</td>
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Average: $331,000

TABLE II: Percent Earned on Yearly Net Investment (C) Railroads

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<thead>
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</thead>
<tbody>
<tr>
<td>1951</td>
<td>6.4%</td>
<td>4.0%</td>
<td>9.8%</td>
<td>5.5%</td>
<td>9.3%</td>
<td>5.7%</td>
<td>4.6%</td>
<td>5.6%</td>
<td>6.5%</td>
<td>5.6%</td>
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<td>1952</td>
<td>6.9%</td>
<td>4.4%</td>
<td>10.3%</td>
<td>6.5%</td>
<td>5.7%</td>
<td>5.8%</td>
<td>6.5%</td>
<td>7.1%</td>
<td>8.3%</td>
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<td>1953</td>
<td>4.3%</td>
<td>5.8%</td>
<td>9.4%</td>
<td>6.6%</td>
<td>7.6%</td>
<td>6.5%</td>
<td>6.6%</td>
<td>7.1%</td>
<td>8.7%</td>
<td>10.3%</td>
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<td>1954</td>
<td>4.6%</td>
<td>5.4%</td>
<td>7.6%</td>
<td>6.3%</td>
<td>6.3%</td>
<td>6.4%</td>
<td>6.9%</td>
<td>7.1%</td>
<td>8.6%</td>
<td>10.3%</td>
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<td>1955</td>
<td>6.1%</td>
<td>6.4%</td>
<td>8.1%</td>
<td>6.9%</td>
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<td>7.1%</td>
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<td>1956</td>
<td>7.2%</td>
<td>6.9%</td>
<td>8.1%</td>
<td>6.9%</td>
<td>6.9%</td>
<td>7.1%</td>
<td>7.3%</td>
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<td>1957</td>
<td>7.0%</td>
<td>6.9%</td>
<td>6.9%</td>
<td>6.9%</td>
<td>6.9%</td>
<td>7.1%</td>
<td>7.3%</td>
<td>7.3%</td>
<td>8.3%</td>
<td>10.6%</td>
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<tr>
<td>1958</td>
<td>5.9%</td>
<td>5.8%</td>
<td>7.0%</td>
<td>6.5%</td>
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<td>1959</td>
<td>4.2%</td>
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<td>1960</td>
<td>3.4%</td>
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</table>

TABLE III: Percentage of Operating Revenues Carried Through to Net Earnings of Railroad and Utility Industry

<table>
<thead>
<tr>
<th>Year</th>
<th>Railroads</th>
<th>Utility Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>14.0%</td>
<td>9.1%</td>
</tr>
<tr>
<td>1952</td>
<td>14.0%</td>
<td>9.1%</td>
</tr>
<tr>
<td>1953</td>
<td>14.5%</td>
<td>9.1%</td>
</tr>
<tr>
<td>1954</td>
<td>14.5%</td>
<td>9.1%</td>
</tr>
<tr>
<td>1955</td>
<td>14.5%</td>
<td>9.1%</td>
</tr>
<tr>
<td>1956</td>
<td>14.5%</td>
<td>9.1%</td>
</tr>
<tr>
<td>1957</td>
<td>14.5%</td>
<td>9.1%</td>
</tr>
<tr>
<td>1958</td>
<td>14.5%</td>
<td>9.1%</td>
</tr>
<tr>
<td>1959</td>
<td>14.5%</td>
<td>9.1%</td>
</tr>
<tr>
<td>1960</td>
<td>14.5%</td>
<td>9.1%</td>
</tr>
</tbody>
</table>

NOTES:

A—Basis of operating of net Federal Income taxes, net of Federal income taxes were equal to 8.3% of earnings, and the rate of deduction for depreciation and amortization were equal to 13.0% of earnings. For the Bell Telephone System, the aggregate earnings before Federal Income taxes equal to 8.3% of earnings, whereas the rate of deduction for depreciation and amortization was 33.0% of earnings. In the case of Bell Telephone System, the rate of deduction for depreciation and amortization was 33.0% of earnings. In the case of Bell Telephone System, the rate of deduction for depreciation and amortization was 33.0% of earnings. In the case of Bell Telephone System, the rate of deduction for depreciation and amortization was 33.0% of earnings. In the case of Bell Telephone System, the rate of deduction for depreciation and amortization was 33.0% of earnings.

As far as essentiality of service is concerned, the railroad industry has a large volume movement for the years 1961 and 1962, although the railroad's proportionate share of total intercity ton-miles has been declining. The rate of decline of railroads is more rapid than that of the automobile industry. It is the belief that the rate of elimination of the railroad industry will have the effect of increasing earnings. It should be noted that the railroad industry was the equivalent of 8.3% of the rail transport industry of the railroad industry was the equivalent of 8.3% of the rail transport industry of the railroad industry was the equivalent of 8.3% of the rail transport industry of the railroad industry was the equivalent of 8.3% of the rail transport industry of the railroad industry was the equivalent of 8.3% of the rail transport industry of the railroad industry was the equivalent of 8.3% of the rail transport industry of the railroad industry was the equivalent of 8.3% of the rail transport industry of the railroad industry was the equivalent of 8.3% of the rail transport industry.
One Federal Agency Should Supervise Commercial Banks

By J. L. Robertson, Member of Board of Governors, Federal Reserve System.

Thirty years of experience have convinced Mr. Robertson that all Federal agencies should be no banking agency. The self-named "father hereafter" is well aware of the reasons why the Federal Reserve should not be allowed to make loans to any bank, and other stress that the nation would be better served with a single administrator, like the Federal Reserve, than with a Board of three or seven men.

On the other hand, (1) in appraising the soundness of loans made, the Federal Reserve Board should never be obliged to switch to a more lax policy, even when the Federal Reserve Bank makes it safe for one institution to lend, but the Board must still act. The same is true about the application of a system of banking, in that they are determined primarily by the Avoiding counterhypotheses, the Federal Reserve Board must maintain the belief that a single agency should not have the power to make loans to any bank, and other stress that the nation would be better served with a single administrator, like the Federal Reserve, than with a Board of three or seven men.

I do not know what will happen in the stock market, but I am sure that when you read this article, it will not be December 1961. I would agree that it is not too early to start thinking about it, and the record of hearing, placed in the money market, has been to move from the Board to have to read and

Continued on page 21
The Security I Like Best...  

Continued from page 15

commitment to its unincorporated Inv-

tors could make.

Racial Dynamics, in my opinion, is even a better buy than Kalvar, because, it has a higher profit cushion. Kalvar has not. RDI has only 138,000 shares of stock outstanding and its only product is a new type of radiation accelerator, the RDI Dynamotron. It is, therefore, much cheaper to operate than that built by its competitor, the Dynamics Corporation of America. A milestone in RDI progress came last year when the Cambridge Research Center accepted the Dynamotron machine. The company, however, decided to speci-

ically a Van de Graaf accelerator, because RDI's Dynamotron far outperformed the Van de Graaf accelerator, the search personnel recommended the purchase of RDI 40 years ago. This machine was 1.5 Kev and RDI still had to pay for themselves capable to produce the bigger 3 Kev machine.

General Dynamics’ Convair Division gave them the chance and another fraction of all that was been in the first quarter of this year when Convair accepted an option to purchase a Dynamotron. Since Convair’s acceptance of their Dynamotron, some 72 new Universities, research centers and manufacturing companies, who apparently were waiting to get Convair's acceptance, have requested bids on the Dy-

namotron machine of which two-thirds are for the bigger 3 Kev machine.

One of the people that will be getting delivery of 3 Kev machines this quarter are the University of Mississippi, National Aeronautics and Space Administration Lewis Research Center, and a 1.5 Kev machine will also be delivered to the National Aeronautics. In addition, orders recently have been placed for 3 Kev machines by Cornell University and Boeing Airplane Corporation. RDI had its first sales last year and had total sales of $180,000 for the year which added to its $780,000 deficit, but this included the write off of all of their engineering and development costs which will be non-recurrent. In the first quarter of this year, they had sales of $256,000 plus earnings of about 26c per share. The backlog is now $1,400,000 and RDI feels that because of the lead time needed to manufacture their machines, it can reasonably predict sales of $1,500,000 to $2,000,000 for this year. This, they feel, will be the break even point, between $1.10 and $1.20 per share.

Mr. Morgartusen, President of RDI, has made the New York Analysts that he expects company to double high growth which would produce the following results:

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Earnings Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>$1,000,000</td>
<td>35c</td>
</tr>
<tr>
<td>1963</td>
<td>3,500,000</td>
<td>1.50</td>
</tr>
<tr>
<td>1964</td>
<td>12,000,000</td>
<td>4.50</td>
</tr>
</tbody>
</table>

Last year RDI had about 1% of the market and they will have about 15% and next year they are figuring on 20%. In 1965 one can conservatively figure 30.00 per share, which gives a projected price of over $250.00 per share using the present price earning ratio of High Voltage Engineering. The Dow Jones Industrial Average is 1,000. Therefore, the relative value of RDI is 33.3% of the industrial average. RDI’s price earnings ratio is 27.00. RDI’s earnings, however, are not from dividend but rather dividends, from dividends.

The United Gas Improvement Company.

An ADR dividend of 23c per share on the Common Stock has been declared, payable September 28, 1962 to holders of record August 31, 1962. A dividend of 43c per share on the preferred Stock has been declared payable October 1, 1962 to holders of record August 31, 1962.

J. H. Mackenzie, Treasurer  
Philadelphia, June 26, 1962

BENEFICIAL FINANCE CO.

The company has declared a quarterly cash dividend of 5.30c per share on Common Stock payable July 25, 1962 to stockholders of record at close of business September 14, 1962.

An Economist Looks at The Aerospace Industry

By Murray L. Weedon,  
Corporate Economist  
The Boeing Company, Seattle, Washington

Economics' analysis of the aerospace industry's distinguishing characteristics points out the substantial decline in profits which general industry has incurred in this segment of the economy. The industry's future is expected to follow the market trend toward diversification and to detach itself from being dependent on any one product line. Mr. Weedon finds aerospace profits will be rewarded continuity to be one of the largest industries, employers, and major contributors to a balanced economy. Mr. Weedon finds aerospace profits will be rewarded continuity to be one of the largest industries, employers, and major contributors to a balanced economy.

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The Other-Consumer Market

The second distinguishing characteristic of the aerospace industry is that it is a home industry, the unique nature of the market for its products. The bulk of the sales—roughly four-fifths over the years—is made to a single buyer, the Department of Defense. The remainder is made to the commercial airlines.

To the fact that the bulk of the industry's sales is made to a government market makes for a totally different marketing problem. There is little need for door-to-door canvassing of the consumer, motivational research, or other traditional marketing activities. The attempt to sell this industry's products to the commercial airline industry is one of the major contributions made to business philosophy. On the other hand, the aerospace company is now selling direct to the consumer and the name, in the case of a prime contract for a given product, a company is not selling to the federal government but for all or none of much of their production. Many aerospace companies, for example, are selling to the North American Aviation Co. for B-70B, B-52B, or Convair’s B-58B; many thousands of man-hours of engineering effort and millions of dollars are rejected in the proposal. North American Aviation, as for the B-70B.

Similarly, a great number of firms in the aerospace industry are getting a volume of business for the production of components for the aerospace industry and industries generally are striking.

The One-Customer Market

The first distinguishing characteristic of the aerospace industry is that it is an industry of unique technology. The aerospace industry ranks among the most dynamic large industries today. Compare a vigorous civil activity-oriented industry, the automobile industry, where gasoline automobiles have been produced for decades with varies automatically with an engine, grill, rebodied, and fin, or the production of refrigerators and toasters, a refrigerator's model may feature a different characteristic or toasters, a different characteristic or toasters, a different characteristic or toasters, a different characteristic or toasters, a characteristic or toasters, a characteristic or toasters. Comparison in a manner of speaking, if there is no one industries we to maintain the rate of technological development experienced in the aerospace industry; today's refrigerators and refrigerators would be almost unsalable.

When the Boeing Co.

When the Boeing Co. began to build B-29 bombers during World War II, passenger automobiles had been produced for decades. The jet bomber of today is a far cry in both looks and performance from its ancestor, the B-29 of 20 years ago. Airplanes can certainly back that, design that and manufacturing costs that can change the same over the period, but the change has been slow and gentle. Gradually, in contrast, is no work on the Minskiair-Interrnational ballistic missile. It is not a question of a wider grill or a nectarine color, but of a product so technologically advanced that it bears little resemblance to earlier products of the same industry.

This factor of rapid technological advancement should be borne in mind in any other economic characteristics of the aerospace industry because, in my belief, it is the dominating one.

Continued on page 28
The Market...And You

BY WALLACE STREETE

The ability of the stock market to stage a couple of good rallies without any sharp slump between was starting to look a bit thin. But Wall Street this week and some rays of optimism were starting to come up.

The ominous Monday morning sell-off that had left the market down Wednesday and Thursday was caused by a rally that gave the industrial average a gain of 1.25 points on Wednesday, but this was offset by a loss of 1.12 points on Thursday, before the carriers once would have been enough to weigh on the stock market. And the fact that there were no signs of a profit before trucks, planes and boats were done with the tonnage to handle the market.

There has been a marked diversification even in specific companies in recent years, both in product range and in market. There has been a large stock interest in Monsanto Chemical after the two had formed Metro Chemical. The company is making a profit in the second quarter of this year, and it has a joint resin company, which reported a profit for the first quarter ended in March. Monsanto's share has been trading at a premium, and it has a current share price of $20, which is 17 times the means that the shares at the least are more reasonably valued than the stock had been.

The average expressed in this article do not necessarily at any time coincide with those of the "Chronicle," if represented as that of the author only.

Craigie Forms Corp. Affiliate

RICHMOND, Va. — After thirty-three years of specializing in state and local securities, F. W. Craigie & Co., 616 East Main Street, has organized a new affiliate, Craigie & Co. Inc. The new firm commenced operations in May.

The announcement was made by Walter Craigie, Sr., senior partner of F. W. Craigie & Co., who will be President of the new corporation. The announcement was made by Mark A. Smith, Vice-President, and William Craigie, Jr., United of the firm's board of directors have been added to the board. The firm's by-own-little line. Little in the story of the business is likely to be affected by general conditions or by any slips in the earnings of any of our customers, both individual and institutional," said Mr. Craigie. "These two divvies increased and a new awareness of the giant company's role in advanced science and space age operations.

New Arrival On the Liquidation List

The greeting card business, a growing one, would have little to say to retail grocers and stores, but they are not available. American Viscose has expanded aggressively in recent years and has been reaching a point at which it could be hurt by a recession. The company is still facing the problems of handling large amounts of pulp and paper products, but it is likely to be affected by general conditions or by any slips in the earnings of any of our customers, both individual and institutional," said Mr. Craigie. Because the company has been making a profit for several years, it has been doing well in the second quarter of this year; it has been expanding aggressively in the second quarter of this year and it has been expanding aggressively in the last two quarters of this year.

A Distiller Spreading Out

American Distilling in a highly concentrated business, concerned with outside problems and since 1935 has watched its profits drop in a year period. It has been doing well in the second quarter of this year and it has been expanding aggressively in the second quarter of this year.

As a medium-sized distiller doing well in the second quarter of this year and state agencies control the distribution, American Distilling benefits from the fact that state governments have not used their control to the expansion of their control to the expansion of their control.

The company's technicians and that helped it out space out the production of its sugar products at the open state where 70% of the nation's beverage market is available.

Statistically, the shares of this company are a bargain. As a matter of a bargain, the price of the firm is likely to be affected by the general conditions or by the earnings of any of their clients. At least 11 times estimated earnings for the shares that have been offered a

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FROM WASHINGTON... Ahead of the News

BY CARLISLE BARGER

Affording to a survey made by the Republican Congressional committee, only 1.5 million of the stock market, bankers or in Europe, and a number of tax reform proposals have been met by promises to study the matter. Service Industries — Hotel and restaurant associations reported that the recent talk of federal revenue sharing and tax reform policies has badly hurt their members. Many conventions, banquets, meetings have been cancelled for tax reform resulting in severe loss of income and jobs in the hotel and restaurant industries. Travel agencies reported they have not yet felt much from the stock market sputters, because reservations pre-

Most businessmen interviewed agreed that a quick tax cut would help mightily, but stressed that it should be accompanied by re-

The Kennedy tax cut proposals would not particularly help the situation, according to Republican experts in the House, because they feel that consumer buying would be accompanied by less spending, but would produce only a temporary effect and might contribute to a worsening of the economic situation.

Coffin & Burr Transfers Leland

BOSTON, Mass.—Coffin & Burr, 141 Milk Street, members of the New York Stock Exchange and other principal exchanges, an-

General Lumber has been an important factor in the nation's economy and is likely to be affected by the general conditions or by the earnings of any of their clients. At least 11 times estimated earnings for the shares that have been offered a

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

New Issue

June 23, 1962

Almunator International, Inc.

Common Stock

(90c par value)

Price $5.00 per share

Copies of the prospectus may be obtained in any state from any such of the underwriters and such dealers as may lawfully offer these securities in such state.

B. C. Malloy, Inc.

Hensberry & Company

Jay Norton & Company, Inc.
A Second Look at Profit Margins of Corporations

By Brother Robert B. Brown, Chairman of the Finance Department, Iowa College, New Rochelle, N. Y.

Definitive study of profit margins takes a critical look at general opinion held that profits have been declining. Data, condensed to show trends, is presented. Profit margins were at their highest level in 1955, with least deviation in the past six years. For consistency, the chart should start with 1913, when the scope of profit margins is of use of the revised sample.

Some different. The line begins and ends on the 4.3% level, with an upward bulge in 1936 which some claim is nonexistent. But there are still some adjustments to be made in some of the data, and since it is difficult to evaluate their quantitatively.

4.3% for the first 2.5 months of the 1915 period included an alleviation of the trend. Consequently, the rise in the period of operations would be around 2.2%.

Correction for Depreciation

A further correction should be made for depreciation, especially in dollars, terms, in which the larger amounts of plant and equipment, more by accelerated depreciation. That portion attributable to the latter cause should be added to the profits to make them essentially consistent with the base being studied. This would slightly improve the trend in the period of years of the base period.

Some analysts add the entire depreciation to the after-tax profit and capital gains (or cash flow) to obtain "cash flow" depreciation. Since profits and cash flow are in dollars, a business, such as prudence, is involved an outlay of cash. It is considered a source of internal financial resources, and is a basis of sales, as obtained from the Reports of earnings and earnings per fair degree of stability (see Table II).

TABLE II

<table>
<thead>
<tr>
<th>Year</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>10.6</td>
<td>5.0</td>
<td>3.7</td>
</tr>
<tr>
<td>1951</td>
<td>9.0</td>
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<tr>
<td>1957</td>
<td>12.5</td>
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</tr>
<tr>
<td>1958</td>
<td>12.5</td>
<td>5.0</td>
<td>3.7</td>
</tr>
</tbody>
</table>

The Outlook

Whether profit margins will decline, level off or rise is pure conjecture, but nothing can be weighed in this connection:

1. A revised Bulletin F will be made public shortly, which will provide for faster, depreciation. Remember this, it is possible that even the estimated rate of return on capital has been reduced profit, if, as suggested previously, the increased rate of depreciation will be an added profit, the improved profitability will be evident.

2. Competition from domestic and foreign sources will discourage price increases, and the inventory of 1956 will still be available.

3. Inflation will not interfere as fast as they did in the last 15 years.

Direct attacks on the pressures of inflation were effective in preventing increases in prices. It is probable that these pressures are no longer able to be withstood, and the Government will have to deal with a situation of increasing of standing for a violation of anti-trust laws.

(5) Since 1950, 10% of the expenditures of manufacturing firms for plant and equipment has been for replacement and modernization. This expenditure represents the least means of production rather than excessive capacity should not be underestimated as a help to profit margins.

Barring any event of extraordinary nature as a major war or disarmament, and assuming at least the moderate economic growth rate of the last 5 years, the profits per employee in manufacturing and other corporations should rise for some time to come. Except for the exception of those firms which have varied from the averages, there has been the range for the last decade and it is likely to continue.

Conclusions

The present trend of all manufacturing corporations has been rising since 1950. In the past six years, but the longer-term trend for profit margins shows no definite inclination either upward or downward. This cannot be said, of course, for the particular companies, for their individual trends has varied enormously and an investor would be wise to examine each case on its own merits and with due regard to factors such as depreciation, inventory, operating rates, the outlook, etc. To impute to a particular company the generalization derived from a study of the aggregates would be an error.

While the outlook for overall profit margins is not as dark as it might appear, there is little room for complacency. Profits are expected to decrease from present levels, and the position of the price-wage system, and as long as the profit margin remains depressed, the industries continue to decline, the wealth of the entire economy is jeopardized. It is known that Secretary Dillon is concerned, and the reactivation is not likely to gain any confidence in a short time.

The Workshop Sessions and "All 4 U" sessions were so favorably received that we are again offering them on a regular basis in the fall of this open discussion curriculum. These sessions will be held in each of the four major cities during the next several months. Registration for the meetings will be handled through the registration desk of the respective groups.

The registration fee of $75.00 covers all sessions of the Institute during the fall quarter, and the reactivation fee is $30.00.

Tulane Tax Inst. Announces for Fall

NEW ORLEANS, La. — The 19th Annual Tulane Tax Institute will be held in New Orleans on Sept. 25-28, 1962, at the University Club in the city's French Quarter. Judge John Minor Wisdom of the United States Court of Appeals for the Fifth Circuit will preside over all major sessions of the Institute.

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VOLUME 106 NUMBER 674 THE COMMERCIAL AND FINANCIAL CHRONICLE

NEWS ABOUT BANKS AND BANKERS

William H. Moore, Chairman of
Bankers Trust Company, New York, was
on July 2 the elec-
tion of Max E. Gevers as First Vice-
President. Mr. Gevers, who heads the for-e
division of the internation-al banking de-
partment, has been a Vice-
President since 1954. He
joined Bank-
Trust in 1923, served for two years in the Paris office and was
with the Lon-
don office from 1933 to 1937. He has been on the Executive Committee of the foreign division since 1958.

MANUFACTURERS HANOVER TRUST CO.

Mr. William H. Moore, Chairman of Bankers Trust Company, New York, was announced June 28 by Harold E. Helm, Chairman, the appointment of ten Assistant-Vice-Presidents. The names are:

Mr. Street, William J., Assistant-Vice-President of Bankers Trust Company, New York, was announced June 28 by Harold E. Helm, Chairman, the appointment of ten Assistant-Vice-Presidents. The names are:

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They are: G. Scott Bartlett, Jr., vice-President of Bankers Trust Company, New York, and Robert V. Hayes, Jr., vice-President of Bankers Trust Company, New York. They were both elected to the Board of Directors of Bankers Trust Company, New York, at the Annual Meeting of Shareholders on May 21, 1962.

The appointment of ten Assistant-Vice-Presidents of Bankers Trust Company, New York, was announced June 28 by Harold E. Helm, Chairman. The names of the Assistant-Vice-Presidents are:

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Irvine Trust Company, New York, was announced June 28 by Harold E. Helm, Chairman.

That is, in the absence of any other factors, the yield of Treasury securities is a function of their price. As is well known, the price of a security is inversely related to its yield. This means that a movement of 1% in the price of a security will result in a corresponding movement of 1% in its yield. Therefore, the yield of Treasury securities is determined by the relationship between the price of a security and its yield.

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HIGH NOON

It is summertime, but that doesn’t mean, as Gershon B. Goodman, Anyhow, Porzy and Bess were Catfish Row sandpipers, are long gone. The nation, ecologically, if not geographically, from 17 million folks in this country, including South Carolina, who invest in securities. For the investors community generally—and for investment stewards, especially.

For in the days ahead a good many mutual fundmen and investment counselors will see the newest vogue put to the ultimate test. What these people have been saying, on the record and in man-to-man talk, is that henceforth they’ll be paying much closer attention to bond-and-bearer equities—the companies that have large records of dividend payments rather than the recently fashionable growth stocks that yield little or none and at fanciful price-earnings multiples even lower.

As even the men who honeycomb the stock lists for juicy yield decisions that will alter fund portfolios, they make lists for the calendar month for this period of July, when directors will be meeting and the time is ripe for us all to review second-quarter earnings and decide whether the diversions are worth their weight in dividends. The most momentous day of the month for the First National Bank of the United States Steel Corp. meets. It is the year’s last dividend pay date, and there are some pretty heavy wagers being made in New York on whether Big Steel will vote the usual 75 cents. Surprisingly, many people think this dividend will be paid, although I am not convinced.

That betting is only of incidental interest to the portfolio people, whose prime concern is to snap up stocks that pay 5%, 6%, and even 8% or more, and are bright for continuation of the current yield.

Says a portfolio manager of one balanced fund: “While most people will tend to be more conservative with bonds rather than dividends, they’re not going to ignore yields of 6% or 5% when a quality stock such as Steel requires a yield of only 4% or 3.5%.”

And, since Steel is the bellwether, it is a good time to examine what Mr. B. C. Goodman has talked about and what the market will decide. That’s why I’m marked the 1st of July on my calendar with a big red circle.

Even more emphatically, he has given a good many dividends and director’s meetings are giving us their final note of 3Q, and the dividend yields works out to almost 6.5%.

If the enthusiasm for dividends for 20 steel stocks has been restrained over the past few weeks, it is not because of lack of product pricing. But the kind of fact that portfolio gathering men haven’t seen since 1933 is not restricted to steel stocks by any means.

Thus, the general situation is to hold out promise of better yields in 9% and 8% stocks, which has a pretty thick dividend cover, is priced to yield better than 6.5%.

And for those who take a dim view of steel stocks and railroads, there are oil and gas equities that are pumping dividend funds. Pure Oil yields nearly 6%, earns it with plenty to spare and sell at a yield of around 7%.

El Paso has become yeoman dividend-quiet. With top-grade directors, American Motors carrying an inducement, its boards are not too inclined to resist “the bargain counter,” still, as one fund counselor puts it: “We’ve seen some of the old favorites rush out and bid, we read the minutes, and we see Washington which leads you to wonder whether they are going to continue to dividends. There are even people close to this Administration who have the colossal bull to contend that corporations should not receive relief and dividends will not be possible. Who will continue to dividends. We are very close to this Administration who have the colossal bull to contend that corporations should not receive relief and dividends will not be possible. Who will continue to dividends. We are very close to this Administration who have the colossal bull to contend that corporations should not receive relief and dividends will not be possible. Who will continue to dividends. We are very close to this Administration who have the colossal bull to contend that corporations should not receive relief and dividends will not be possible. Who will continue to dividends. We are very close to this Administration who have the colossal bull to contend that corporations should not receive relief and dividends will not be possible. Who will continue to dividends. We are very close to this Administration who have the colossal bull to contend that corporations should not receive relief and dividends will not be possible. Who will continue to dividends. We are very close to this Administration who have the colossal bull to contend that corporations should not receive relief and dividends will not be possible. Who will continue to dividends. We are very close to this Administration who have the colossal bull to contend that corporations should not receive relief and dividends will not be possible. Who will continue to dividends. We are very close to this Administration who have the colossal bull to contend that corporations should not receive relief and dividends will not be possible. Who will continue to dividends. We are very close to this...”

So we're at the crossroads, and the Administration is inclined to favor dividends. A few of the latest quarter these new names were added to the portfolio of General Motors, Chicago Tribune, Manhattan, J. Press, and others.

There is and has been a terrible opportunity to become the bond manager of the year. It is the situation that the talk is that the bonds are going to be bought back for the country, because the deficit will not be paid by any legal obligations.

The Treasury bond market is not as a whole being allowed to go down. There is a very good and sizeable deal of bond buying that the bond market is not likely to be any important obligations of Government bonds in the long run. The bond market is going to look at these for the foreseeable future.

This feeling has been and will be and has been and still is likely to continue to be among the prime forces of the short-term Treasury issues. However, the purchases of near-term Government bonds by corporations, the non-depository institutions will have an immediate-term impact on bond prices and the economy of next year's bond market.

FIRM SHORT-TERM RATES

Expected

Bond prices should be expected to increase because the government will be in the market for most of the current period. The government has expected that short-term rates will decline throughout the year.

The government is expected to be buying very aggressive and the government will be buying very large amounts of bonds.

The market for long-term obligations is expected to continue in use. The government is expected to be buying very aggressive and the government will be buying very large amounts of bonds.

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One Federal Agency Should Supervise Commercial Banks

Continued from page 15

analyses hundreds of pages of material in an attempt to distinguish among the scions of men who should, for a while, be appointed by the Senate, on a staggered-term basis, to it should be transferred all the banks and bank agencies, supervisory powers presently vested in the Federal Reserve System, Board of Governors, Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The latter functions of the Federal Reserve System, Board of Governors, Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The latter two would be completely absorbed into the new agency for the currency functions of the Commission would be transferred to the Federal Reserve System.

The Commission would have all the jurisdiction now exercised by the Federal Reserve System, Board of Governors, Comptroller of the Currency, Federal Deposit Insurance Corporation, and Federal Reserve System, Board of Governors, Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The latter two would be completely absorbed into the new agency for the currency functions of the Commission would be transferred to the Federal Reserve System.

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secondary Mortgage Market For Conventional Loans

By Hon. John J. Sparkman, United States Senator (D-Ala.)

Senator’s housing expert endorses the objectives of the National Mortgage Market Committee, brought together by the American Bankers Association, and says the challenge to the field of finance to meet this requirement still stands. He questions the slickness of, and need for, and loan insurance rates, and reviews post-1924 developments in the home mortgage field.

It is gratifying to see so many convinced bankers interested in the subject of mortgage finance and the maintenance of a stable in government circles, we have had a debate about the interest of the various institutional investors in mortgages. From the continued interest that commercial banks have shown in the mortgage field, more no more than a lukewarm interest in mortgage finance, it seems to me that the commercial banks investment in the mortgage market and its accumulated savings of $75 billion, which, after all, is only 1% of the potential source of mortgages, indicate a very real interest.

We have also heard recently a great deal of discussion about the effect of the revision of Regulation Q on the supply of mortgage finance. A result of some of the higher interest rates permitted under Regulation Q would at this time present a shift of funds from the savings and loan associations to that of the commercial banks, and there reduce the capital available for mortgage lending. It is not too difficult to answer whether or not this may be true, and the evidence for the first quarter of 1963 would seem to support this conclusion.

The savings for the first three months of 1962 were the highest on record, and the mortgage market, although not increased, was not increased to the extent of $900 million or $1 billion in the first quarter of the year. We have also heard that another $2 billion in the second quarter figures for these associations show the availability of mortgage funds.

What we have done in the past is to shift our financial responsibility to a great deal more in the future.

A National Mortgage Market

In 1960, my Subcommittee on Housing completed a study of the associations to purchase and sell the growth of $500 billion in mortgage credit. The Committee found that approximately $294 billion of new funds would be required to finance the construction of 4.5 million new single-family units. This is in contrast to the NAHB estimates of a $4.5 billion increase in mortgage applications for the period 1956-60. The need for mortgage credit will have a critical role in the housing market, varies from an increase in $2 billion at 1961 to about $5 billion by 1970.

One of the important findings of the Committee was the establishment of adequate facilities for the effective and efficient lending of mortgages in the secondary mortgage market.

The authorization to establish a secondary mortgage market facility is now new.

The National Housing Act, approved June 27, 1946, contained the creation of a government corporation, operated by a board representing the various elements of the housing industry and the public, with authority to draw upon unpledged sources of savings, such as pension funds, to funds to be used for FHA and VA mortgage pools, at the going mortgage price. The Board would have the duty of promoting the mortgage market, including the establishment of a loan insurance program.

One of the principal purposes of the 1964 Act was to encourage an interchange of mortgage funds for FHA and VA insured mortgages, the authority to be continued under the 1964 Act, but they were made available for FHA and VA insured mortgages.

- Despite several amendments to the 1964 Act to encourage private and cooperative mortgage associations, no new associations have been established, and in 1964, the authority to such associations was recollections.

In considering why such associations were not established, he will recall the depressed conditions of the 20s. These conditions were not conducive to the establishment of new national institutional facilities by private capital.

Also, the recent experience with the FHA shows that the small margin between the interest charged and the interest earned on the FHA itself was newly formed and the market had not been established. The commitment for capital is heavy.

One of the failures to form such associations, and the urgent necessity for additional financial and institutional support, is tied to the creation of the FHA and the 1964 Act. The FHA in 1933 with capital furnished by the Federal Housing Administration. Once the FHA was established, it seemed to the authority for any private associations to be chartered.

FNMAs Still Not a "Central" Facility

Yet there appears to be a continuous demand for legislation similar to that of the 1964 Act. From immediate experience that the 1954 Act was not established.

In each of the years immediately following the 1954 Act, the need for a new facility to restore a similar level of finance was, of course, no action was taken on either of these terms. The Congress is faced with a considerable difference of opinion about the necessity of such facilities and their economic feasibility.

Shortage of mortgage credit in 1951 and in 1962, however, resulted in further anions for a more effective financial institution for the establishment of a more adequate flow of residential mortgage credit. The tendency has been to increase the dependability of the existing system, and, as the years have passed, have multiple definitions; and the bill which was introduced specifies that is to describe in detail what is often referred to as a "central mortgage bank.

According to the National Association for Housing, the secondary mortgage market facility is not new.

The secondary mortgage market facility is as old as the mortgage market itself.

The mortgage market is not new.

The savings in the construction of 4.5 million new single-family units increased by $2 billion at 1961 to about $5 billion by 1970. The savings and loan associations have become a byword in legislative circles as a symbol of the existing system.

The Secondary Mortgage Corporation, has been established by the Federal Housing Act of 1960, is subject to supervision by the Federal Housing Administration, will be established by the President, with the consent of the Congress, and the authority to draw upon unpledged sources of savings, such as pension funds, to funds to be used for FHA and VA mortgage pools, at the going mortgage price. The Board would have the duty of promoting the mortgage market, including the establishment of a loan insurance program. The Board would have the duty of promoting the mortgage market, including the establishment of a loan insurance program.

I believe that the objectives of the Committee’s proposals are unassailable, that there is a need for a private facility to help the mortgage market operate more efficiently. To do this, the mortgage market must have a pool of mortgage funds, as to attract further mortgage funds.
PUBLIC UTILITY SECURITIES
BY OWEN ELY

Southern Union Gas Company

Southern Union Gas Company is a distributed gas utility company, with annual revenues of $38 billion. In 1950, it was one of the first to offer "spin-offs" of its operating subsidiaries. The company supplies gas to 71 communities of the state of Arizona. Two of the largest are: Carlsbad, Albuquerque, Santa Fe, andLas Cruces. Other states served are: El Paso, Austin, Galveston, and Port Arthur, Texas; and Denver, Colorado, and Flagstaff and Prescott, Arizona. It serves 27,000 direct customers are added to the system in 1960.

In industries the service area includes the oil and gas producing regions such as: Midland and West Texas, New Mexico, and parts of Arizona. The company operates with a cumulative investment of over $2 billion in the development of natural gas for sale to the customers. The company has developed electric generating plants in a number of cities.

Recently the company's subsidiaries, Southern Union Gas and Paisley Company, were asked to facilitate sales of gas to inter-company pipelines. The company's dividends increased at a rate of 10% per year, from 1950 to 1960.

Named Directors

Lloyd B. Cogdill has been elected a director of Perfect Photo, Inc., and is a former chairman and Director of Research of Bear, Stearns & Co., and was formerly Vice-President of the Lehman Corp.

Also elected directors were Joseph Smith, an executive of Bear, Stearns & Co., and Alvin L. Thorp, Perfect Photo Vice-President in charge of West Coast operations.

July 13, An increase in the cash dividend per share to $1 starting with the Sept. 15 payment (compared with $0.50 in the past) is forecast by President Reid. The stock has been selling recently over the counter around $35.

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Southern Union Gas Company is a distributed gas utility company, with annual revenues of $38 billion. In 1950, it was one of the first to offer "spin-offs" of its operating subsidiaries. The company supplies gas to 71 communities of the state of Arizona. Two of the largest are: Carlsbad, Albuquerque, Santa Fe, and Las Cruces. Other states served are: El Paso, Austin, Galveston, and Port Arthur, Texas; and Denver, Colorado, and Flagstaff and Prescott, Arizona. It serves 27,000 direct customers are added to the system in 1960.

In industries the service area includes the oil and gas producing regions such as: Midland and West Texas, New Mexico, and parts of Arizona. The company operates with a cumulative investment of over $2 billion in the development of natural gas for sale to the customers. The company has developed electric generating plants in a number of cities.

Recently the company's subsidiaries, Southern Union Gas and Paisley Company, were asked to facilitate sales of gas to inter-company pipelines. The company's dividends increased at a rate of 10% per year, from 1950 to 1960.

Named Directors

Lloyd Cogdill has been elected a director of Perfect Photo, Inc., and is a former chairman and Director of Research of Bear, Stearns & Co., and was formerly Vice-President of the Lehman Corp.

Also elected directors were Joseph Smith, an executive of Bear, Stearns & Co., and Alvin L. Thorp, Perfect Photo Vice-President in charge of West Coast operations.

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Threat to U.S. From ECM And Foreign Profits Tax

Continued from page 1 of the United States is that reason why one of the central issues at play is the direction of our relations with the Common Market. The European Community has high standards of living and some rather sound and dynamic economic policies that have won the admiration of many of the less fortunate countries of the world. A few years ago the United States was the world's largest creditor nation, and now we are burdened with a foreign debt that is almost equal to our gross national product of $260 billion. This has made our government and many of our citizens concerned about our ability to maintain a balanced trade and to finance the foreign purchases that are necessary for our continued economic growth.

To avert such a possibility requires ongoing, intensive work by the United States, and this is what makes the Administration's trade policies so important. The basic goal of a new proposal would be to provide the President sufficient bargaining authority to negotiate the most favorable terms with the Common Market and other similar regional groupings, in order to achieve the lowest possible level, or eliminate altogether, such tariffs and other impediments to trade. The United States has already indicated that any compromise will only be extended to other nations with the most favorable-nation principle.

It will not be easy to obtain concessions from the Common Market. The progress of the Common Market countries has been remarkable, and not even the potentially explosive agricultural issue has much chance of success. This is, of course, the way that the Common Market countries will try to get their way. By the middle of the decade, the internal tariff on industrial goods will be down to about 50%, well ahead of the original timetable. Against this background, some politicians will be in favor of increased protectionism, but their efforts are bound to be defeated by the weight of economic trends and the need for continued political and economic progress by the United States, but vital will be sufficient negotiating flexibility on the reciprocal tariff reduction.

The Committee for Economic Development has recently completed a study on the subject, and it recommends that the Administration negotiate a reciprocal trade expansion bill. The CED report states that "if the Administration is serious about the idea of a reciprocal trade expansion bill, it should recognize that item-by-item negotiations required by the present law are inadequate to the task of reducing the major impediments to trade.

Commodity Agreements

Before leaving the subject of agriculture, I would like to say a few words about commodity agreements, which, by their very nature, are aimed at liberalizing trade. Faced with a very serious problem of lower levels of export prices and exchange earnings for many countries, the United States and the European governments seem to favor stabilizing prices to reduce tariffs and broaden commodity agreements. These agreements are excellent in principle, but I fear that the method of working them out has been proceeding on an international conference basis, in which all of the countries would join with producing countries. I am uncomfortable about this approach if it does not attack the root cause of the problem, which is a different pattern of commodity prices.

Before concluding my comments, I want to emphasize that if we are to take advantage of the opportunities that are available, we must expand U.S. exports, and this means that we must remain competitive. This will require us to reduce our costs under effective control and tax and fiscal policies which will permit our economic proposals to be more effective. We must also insist that our foreign competitors must also reduce their costs, and we encourage foreign competition to be the stimulus while we are reducing our costs.

Existing Tariff Reductions

Although I have suggested some ways in which we can proceed on trade policy, I think I have made clear my view that the Administration policy deserves wide support and should be made the basis for the House Ways and Means Committee's discussion of the same subject. U.S. Government policy in regard to foreign investment is the same as the U.S. Government policy on foreign investment. The Administration has made clear its desire to encourage U.S. investment abroad in the developed countries.

The Administration's attitude largely stems from the U.S. balance of payments. The Treasury maintains that the present tax structure is not conducive to a balanced balance of payments and that the present tax structure is not conducive to a balanced balance of payments. The Treasury maintains that the present tax structure is not conducive to a balanced balance of payments. The Treasury maintains that the present tax structure is not conducive to a balanced balance of payments.
As We See It

Continued from page 1
dent political power. Even at the risk of tautology this is therefore the point of wisdom to sit down and dissect these strange ideas, and find out just what is wrong with them.

It is true, of course, that the lines of reasoning which we have delineated above are not new, and are old, and hoary. They are so familiar to the careful student of economics that it appears almost a work of supererogation to repeat them yet. We simply can not afford to leave the floor to these superficially plausible prophets of fantasies. It was, long, long ago that thoughtful people came to understand that the essentially simple fact that production of necessity creates the ability of someone, or other to buy all that is produced. Its logic was so unassailable that for many decades no one of much consequence even questioned it. Lord Keynes in the middle of the great depression, when so many were so earnestly seeking some explanation of what was taking place and so ar-

This is the crux of the problem—lack of balance in a moving economy. There is a tendency to think that balance in the growth of the kinds of activities that would spur demand and appear at some future date. In the meantime, therefore, the government must of necessity represent a major stimulator for rapidly rising demand for goods and services and, in turn, the basis for more rapid growth of private industry and consumption for several reasons.

Familiar Dogma

Now all this is fairly familiar dogma, particularly since Lord Keynes initiated his revolution in thinking about the role of government in economic affairs. Its fallacies should be obvious enough, although continued repetition of such rather involved doctrines tend to make converts and the wishful thinking of the rank and file often leads to oversights which otherwise would not occur. In reviewing the whole situation the kinship of these speculative notions to much that the President and his advisers have been saying of late, and to so much of the familiar political balderdash that passes for statesmanship, strongly suggests that we would not do for us all to ignore what the union leaders have to say, or to forget their evidence on the part of the free people. That is the reason why it is so essential that a wise choice is made of what is to be produced and why it is essential that monopoly be avoided so that the proceeds of current production will flow into the hands that should receive it. When such facts as these are borne in mind it becomes clear that a program quite different from that of the union leaders is to be desired.

Inventory Cuts

Cause of Postwar Recessions

Business firms liquidating inventories have caused nearly all the declines in production and jobs during postwar business slumps, according to a volume of economic studies released by the Joint Economic Committee of Congress on June 28. Dr. Gary Fromm of Harvard University fed a "model" of the U.S. economy into a high-speed electronic computer along with questions of what the recession of 1953-54 and 1957-58 would have been like if business firms had cut their inventories only half as much as they did cut them. The answer: In the 1953-54 slump, 50% of the inventory cuts account for 44% of the decline in the Gross National Product; and in the 1957-58 recession, inventory cuts and GNP declines were equal—thus if business firms had been able to hold their inventory cutting to only half the reductions actually made, half of the declines in the nation's production and jobs would have been avoided.

Report on inventory research was presented by Subcommitteee E. O. Reuss (D., Wis.) who is heading a Subcommittee study of the role of inventories in business recessions and recoveries, said that the studies released on June 28 tend to confirm findings of other studies recently made for the Subcommittee "strongly suggest that if any way could be found to stabilize business inventories, periodic recessions could probably be avoided."

A second study released by Frederick Stevenson of the National Industrial Conference Board, gives the results of a survey of large manufacturers, showing that 53% of manufacturers' production is in response to orders from customers, and almost half, or 47%, of the goods produced are for inventories accumulated in expectation of future orders.

The NICB study also makes comparisons between manufacturers' sales and their forecasts of sales, made in advance of the sales period, which show that manufacturers have been overly optimistic in recent years. Reviewing the five years 1953-57, the report shows that manufacturers' best sales month in each year rarely exceeded their forecasts by more than 5% but their poorest sales month rarely fell by 15% below their expectations.

Rep. Reuss said that the surveys made public now also were reviewed by a Subcommittee task force of economists and university economists who will prepare reports evaluating and summarizing these and other surveys under study for various aspects of the inventory problem.

The Subcommittee will hold hearings beginning July 6.

Professional Equity

BEVERLY HILLS, Calif.—Herbert F. Rosoff is the new securi-
ties business from offices at 315 South Beverly Drive under the
firm name of Professional Equity Planning Co.
The Economic Outlook
For a Sluggish Economy

From page 3

In 1963-64, with a pickup in late 1964. Through it all the pattern of stable prices is well maintained, but the general level of a saw of early 1965 is influence by fairly regular. The trend is up statistically the trend is down.

Statistics always bother me, as they do most people. They look, too, like a road map to a tourist. But statistics are like a road map only at a general level. A good map may be good, it cannot show you where you are when you get there, what kind of weather you may expect, and the conditions of the weather, or how friendly the people will be. Statistics may be, all attempts at interpretations, but their ability to foretell trends depend entirely on how they are interpreted.

The tool of statistics is not unique, a marvelous new computer mechanism. Anyone can be taught to use a computer. But there are few people who can program a computer or effectively use its results. That is why the human mind is still important. It can evaluate.

In the same sense a degree of judgment is necessary. We have to make our efforts to participate in the free market without relying on government economic assignment. The nation has. In 1963-64, we have seen a decrease in the number of workers, and an increase in the number of hours worked. This is a clear indication of an improving economy. If we can continue this trend, we will see a further decrease in the number of unemployed workers.

Statistically we are setting new low records. The national unemployment rate is down to 3.8% from 5.3% in the beginning of the year. This is a significant improvement. However, we cannot be complacent. There is still room for improvement.

Paradoxical Problem

The following paradoxical problem is presented by the paradox of thrift, which men may or may not recognize.

(1) Neither business nor the consumer shares this confidence, despite the new surge in profits for the former and rising incomes for the latter.

(2) With money supply adequate, interest rates attractive, income relatively high, and unemployment low, the result, not reflected in terms of the level of activity, is a paradox of thrift.

Instead:

(1) They are saving their money at near record levels, or investing it, hoping to save a hedge against inflation.

(2) Business capital investments are not much above the same level as a year ago, operating in a recession philosophy.

The paradoxical problem is that we are in a recession, yet our economic indicators show that we are not. This is a paradoxical problem, and it is causing us to question our economic policies. However, we must not lose sight of the fact that our economy is still growing, and we must continue to work towards economic stability.

The Outlook and the Problem

Right now, however, since about 1957 and probably through 1966, our economic outlook is one of high levels of growth and steady economic statistics, which are actually growing very little. The growth is so slow that it is as sluggish as it ever was. In fact, if we were to continue at the same rate, we would at least maintain our standard of living, which would mean that we should continue on a trajectory of growth.

Nationally, the economic outlook is one of transition. In the midst of a period of high levels of growth, we are facing the problems of: rising prices, the need for new investment in new industries, and rising interest rates. These are all contributing factors to the economic outlook today.

The Government Spending

(1) It is clear that the government spending is not a panacea for our economic problems. The truth is that we have never proven that we can spend our way out of a recession. The only way to achieve economic growth is by investment in new industries and new technologies.

(2) Government spending can also lead to inflation, which has the potential to reduce the value of money. Inflation can also lead to higher interest rates, which can further reduce the value of money.

International Competition and U. S. Obsolescence

(3) The Common Market has had a significant impact on the U.S. economy, and has created a new competitor for our industries. This has led to increased competition, and has resulted in lower prices and higher quality products.

(4) The U.S. economy is also facing competition from other countries, such as Japan and China, who are able to produce goods at lower prices due to their lower labor costs and more efficient production processes.

The Economic Outlook

For a Sluggish Economy

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tive and plant efficiency are depressed. Obsolescence is slow paralysis in the business cycle. It can be tolerated before the heart stops beating.

Backlog of Demand

(8) Finally, on the new factors to which we referred in the opening paragraphs, we should admit that what all this means is that the economy is not quite out of trouble. Despite of its basic good health, it is not of a kind any great people ever found themselves in which the wants, needs and desires of people are or have been satisfied as they are today. The backlog of demand is gone. The necessary recovery through a depression and two years has now been largely fulfilled. And we are at least five years away as yet before we can tell that the formation to 600,000 additional families each year, over and above present annual family formation rates, can provide us—assuming we maintain our standard of living.

Housing is a good example of what I mean. The larger industry, forest products, particularly its two branches — lumber and paper—depends on the housing market for a large part of its business. And a housing market five years away from any improvement in housing demand substantially enough to affect the forest industry, largest source of income in the Pacific Northwest, where it was in 1939. For some years we thought that the Pacific Northwest housing market was the result of tight money or the high cost of money. But 1939 to 1946 when interest rates were lowered to the white-knuckle of 1961 when the New Adminis- tration increased the money supply by benefits and again lowered Interest rates, those actions simply did not have the effect of improving the housing market. It is obvious now that it is the money, the cost of money or the cost of the ground that keeps housing on a plateau.

Business Cycle Indicators Which

No Longer Count

Now, while I am on this economic diagnosis, let me try one more thing. I am going to ask an economic colleague a question for its serious. At least it is interesting and will help to add to the physiognomy of the current business cycle: 

(1) Wages and Prices. Since the mid-1950s when the on one of the guaranteed annual wage in- crease, regardless of the cost-of-living, was built into our economy, wages and prices have moved almost slantly in one direction—(9). They no longer have any valid relationship to the trend of the business cycle.

(2) Inventories. We have nearly completed adjustment to an entirely new situation in inventories, at both the retail and factory level distribution levels. The built-in practices of the 12 and 15 month inventory, common to most all business before World War I, has been pushed to the side of the three to one month inventory. Every level of business now depends on a recession to maintain its inventories. Fod back through distribution is very slow and places a very high premium on production efficiency. The grower is no longer the most efficient in his business, and that the owner of the unit at 5% or 10% of capacity is a trap door to cancelled orders and an inability to get into more profitable orders. Produc-
An Economist Looks at The Aerospace Industry

A consultant to the present Administration in Washington, state that the aerospace industry's role in the economy, as one of the major high-technology industries, is comparable to that of steel, automobiles, and other large industries with a long-term, stable growth record. The industry is dominated by a small number of large companies, and its products, such as aircraft, missiles, and space systems, are used in a variety of applications, ranging from military defense to commercial transportation.

The Future of the Industry

The aerospace industry is by its very nature characterized by a high degree of uncertainty and risk. It is an industry that is heavily dependent on government contracts and is subject to rapid changes in demand and technology. The industry is also characterized by a high level of international competition, with many foreign companies producing similar products.

The Aerospace Industry and the Stock Market

The aerospace industry is a major factor in the stock market, with many companies in the industry listed on the major exchanges. The industry is also subject to significant fluctuations in demand, which can have a major impact on the stock prices of aerospace companies.

The Little Odd-Lot Seller

The Little Odd-Lot seller is a type of investor who is interested in buying and selling odd-lot stock. These are small blocks of stock that do not meet the minimum requirements for trading on the major exchanges. The Little Odd-Lot seller is typically interested in buying and selling these stocks at a profit, often by taking advantage of the differences in price between the major exchanges.

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

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### NATIONAL COMMODITY INDEX:

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### OIL PAINTING AND WALLPAPER REPORTER PRICE INDEX:

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Securities Now in Registration

Aerodyne Controls Corp.

Aerial Automotive Products, Inc.

Aerial Building Co.

Aerial Components, Inc.

Aerial Control Instrument Co.

Aerial Control Systems Corp.

Air Master Corp.

Air Reduction Co., Inc.

Air-Tech Industries, Inc.

Alumni-RealCo., Inc.

A.T. & T. Co., Inc.

A.T.T. Co.

A.T.S. Inc.

Airline Terminal Corp.

All-Doll & Toy Corp.

Allied Entertainment Corp. of America, Inc.

Allied Properties, Inc.

All-Star Insurance Corp.

All-State Properties, Inc.

The Commercial and Financial Chronicle...Thursday, July 3, 1962

NOTE — Because of the large number of issues
announced pending public subscription, it is becoming
increasingly difficult to predict offering dates
with any degree of accuracy. The data presented
in the index and in the accompanying detailed
items reflect the expectations of the underwriter
banks generally, to be considered as firm
offering dates.

A, L, S. Steel Corp.

Acrobatic Instrument Co. Inc.

Accurate Packaging Corp.

Accurate Parts Inc.

Admiral Automotive Products, Inc.

Admiral Building Co.

Admiral Components, Inc.

A.T. & T. Co., Inc.

A.T.T. Co.

A.T.S. Inc.

Airline Terminal Corp.

All-Doll & Toy Corp.

Allied Entertainment Corp. of America, Inc.

Allied Properties, Inc.

All-Star Insurance Corp.

All-State Properties, Inc.

|= Indicate Additions Since Previous Issue =
|= Items Revised =

Developments in the field of geodetic surveying and
regional mapping are enabling the equipment and
working capital. Office—2412 S. Garfield
Ave., Division, Calif. Underwriter—Pacific Coast
Securities Co., San Francisco, Calif.

Aerodyne Controls Corp.

Aero Sales—Sale of processed flat rolled strip steel.

Aerodyne Controls Corp.

Aerial Automotive Products, Inc.

Aerial Control Instrument Co.

Aerial Control Systems Corp.

Air Master Corp.

Air Reduction Co., Inc.

Air-Tech Industries, Inc.

Alumni-RealCo., Inc.

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All-State Properties, Inc.
Federal Reserve Bank of St. Louis

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Federal Reserve Bank of St. Louis

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NEW ISSUE CALENDAR

July 8 (Monday)
Dyna Mfg. Co. (Raymond Moore & Co.) $200,000
Fairway Meat Packing Co. (A. J. Carr Co., Inc.) $100,000
Israel Hotels International, Inc. (The Hebrew Comm. Corp.) $175,000
Israel Palestine International, Inc. (American Israel Bank Corp.) $242,000
Marine Financial Corp. (Drug & Cos. & Co.) $102,000
Molecular System, Inc. (Brown, Ackerman & Co. & Heritage Equity Corp.) $100,000
Pay'n Save Corp. (Deitsch & White & Co.) $40,000
Pay'n Save Corp. (Deitsch & White & Co.) $2,000,000
Skiers Service Corp. (Pacific Coast Security Co.) $500,000

July 9 (Tuesday)
Alan-Bandal Co., Inc. (Raymond Moore & Co.) $100,000
American Modular Manufacturing Corp. (American Modern & Co.) $100,000
New England Telephone & Telegraph Co. (Debs. $70,000)

July 10 (Wednesday)
Atlantic Coast Line RR. (Equip. Trust Cis.) $100,000
Babs, Inc. (Pacific Coast Security Co.) $900,000
Shelley Manufacturing Co. (Debs. $100,000)

July 11 (Thursday)
Arnav Industries, Inc. (Units $100,000)

July 12 (Friday)
American Gas International, Inc. (Debs. $1,200,000)
Continental Telephone Co. (A. O. Daily & Co.) $450,000
Rutner, Co., Inc.—Debs. ($1.14)
DeLuxe Homes, Inc. (Debs. $100,000)
Diamond Dust Co., Inc. (Debs. $100,000)
Electromagnetics Corp. (Debs. $100,000)
Kapner, Inc. (Deitsch & White & Co.) $100,000
Kreedman Realty & Construction Corp. (Units $50,000)
L. P. Maintenance Corp. (Common $150,000)
Mechanical Equipment Corp. (Common $100,000)
Met Food Corp. (Debs. $100,000)
National Equipment & Plants Corp. (Common $100,000)
Orion Electronics Corp. (A. O. Daily & Co.) $100,000
Robin Seaway Industries, Inc. (Debs. $100,000)
Saw Mill River Industries, Inc. (Common $100,000)
Sawyers Company Co. (Units $100,000)
Shelley Manufacturing Co. (Debs. $1,000,000)
United Markets, Inc. (Debs. $100,000)

July 13 (Saturday)
Montecello Lumber Co. (Street & Co., and Morris Cohen & Co.) $100,000
Radio Electric Co. (New Jersey Corp.) $100,000

July 14 (Sunday)

July 15 (Monday)

July 16 (Tuesday)

July 17 (Wednesday)
Cameo Lingerie, Inc. (Debs. $1,000,000)
Consolidated Vender Co., Inc. (G.H. Securities Co., Inc.) $500,000
Courtey Products Corp. (Pacific Coast Security Co.) $150,000
Missouri & Kansas St. Ry Co. (Bonds $13, m. EDST) $50,000
Southern Railway Equip. Trust Cis. (Bids 12, sold EDST) $40,000

July 18 (Wednesday)
Atlantic City Electric Co. (Bonds $70,000,000)

July 19 (Thursday)

July 20 (Friday)

July 21 (Saturday)

July 22 (Sunday)

July 23 (Monday)
Admiral Automotive Products, Inc. (Bonds $500,000)
DeLuxe Homes, Inc. (Debs. $100,000)
Diamond Dust Co., Inc. (Debs. $100,000)
Electromagnetics Corp. (Debs. $100,000)
Kapner, Inc. (Deitsch & White & Co.) $100,000
Kreedman Realty & Construction Corp. (Units $50,000)
L. P. Maintenance Corp. (Common $150,000)
Mechanical Equipment Corp. (Common $100,000)
Met Food Corp. (Debs. $100,000)
National Equipment & Plants Corp. (Common $100,000)
Orion Electronics Corp. (A. O. Daily & Co.) $100,000
Robin Seaway Industries, Inc. (Debs. $100,000)
Saw Mill River Industries, Inc. (Common $100,000)
Sawyers Company Co. (Units $100,000)
Shelley Manufacturing Co. (Debs. $1,000,000)
United Markets, Inc. (Debs. $100,000)

July 24 (Tuesday)
Montecello Lumber Co. (Street & Co., and Morris Cohen & Co.) $100,000
Radio Electric Co. (New Jersey Corp.) $100,000

July 25 (Wednesday)

July 26 (Thursday)
Virginia Electric Co. (Preferred)

July 27 (Friday)

July 28 (Saturday)

July 29 (Sunday)

July 30 (Monday)
Barogenics, Inc. (Common $100,000)
Electromagnetic Industries, Inc. (Bonds $100,000)
Electromagnetic Industries, Inc. (Conv. Debentures $100,000)
Easing's Engineers of Philadelphia, Inc. (Comm. Preferred $100,000)
Easing's Engineers of Philadelphia, Inc. (Debs. $100,000)
Houston Lighting & Power Co. (Bonds $100,000)
Intramorphic Industries, Inc. (Common $100,000)

Plantation Patterns, Inc. (Common $100,000)

Roadcraft Corp. (Bonds $100,000)

Security Aluminum Corp. (Common $100,000)

Steel Plant Equipment Corp. (Common $100,000)

Southern Railway Equip. Trust Cis. (Bids 12, sold EDST) $40,000

Continued on page 34
Consolidated Vending Corp. (7/17-20)

Cosmatesco, Inc., USA (7/18-20)

D.C. Transit Systems, Inc. (7/3-10)
Apr. 23, 1962 filed 75,000,000 common, $1.00 par, $150,000,000 6% conv. subord. debentures due 1975, and 7,500,000 preferred, $10 par, stock exchange listing. Proceeds—For expansion and working capital. Office—70 Washington Bldg., Washington D. C. Underwriter—Fleischer & Co., Inc., N. Y.

Distributor Corp. (7/18-20)

Continental Resources, Inc. (7/18-20)

C-Thru Products, Inc. (7/18-20)

DeLuxe Homes, Inc. (7/3-23)

Deuterium Corp. (7/18-20)
Sept. 29, 1962, 300,000 common with attached warrants to purchase for each common stock (a) 3 warrants to purchase 5 shares for subscription at $5.00 each or (b) 5 warrants to purchase 3 shares for subscription at $7.50 each. Proceeds—For debt repayment, additional personnel, advertising and working capital. Office—77 Seaview Ave., Mineola, N. Y. Underwriter—Magen & Co., N. Y.

Diamond Mills Corp. (7/3-23)
Jan. 23, 1962 filed 200,000 common, of which 120,000 are to be offered for public subscription by the company. Price—$6 per share. Proceeds—For working capital. Office—141 Palm Tree Ave., Hollywood, Fla. Underwriter—Pacific Coast Securities Co., San Francisco.

Diversified Colateral Corp. (7/3-23)

Diversified Real Estate Trust (7/3-23)

Dowels, Inc. (7/16-20)

Dynamic L. P. Industries, Inc. (7/9-13)

Eastern Batteries, Inc. (7/2-23)

Eastern Camera & Photo Corp. (7/9-13)
Dec. 31, 1961 ("Reg. A") 200,000 common, $1.50 par, of which 40,000 are to be offered for sale by the company and 20,000 by stockholders. Price—By amendment, minimum $1.50, maximum $2.60. Business—Manufacture of stereoscopic and monocular phonograph records for label producers, and for novelties. Proceeds—For general corporate purposes and working capital. Office—900 Palace Ave., East Newark, N. J. Underwriter—Mortimer B. Burnside & Co., Inc., New York.

Echlin Manufacturing Co. (7/24-30)

Eckerd Corp. (7/24-30)
Falcon National Life Insurance Co.
June 25, 1962 filed $300,000,000, to be offered for subscription by stockholders on the basis of one new share for each share owned. Business—Life insurance. Proceeds—For investments. Office—1233 Broad St., N. W., Washington, D. C. Underwriter—None.

Fastline, Inc.

Electromechanical, Inc. (7/30-31)

Fastpak, Inc. (7/25-27)

Federal Realty Investment Trust
June 15, 1962 filed 2,000,000 shares, to be offered in units consisting of 100 shares and 50 warrants. Proceeds—For investments. Office—729 15th St., N. W., Washington, D. C. Underwriter—Investor Service Securities Inc., Washington, D. C.

Fidelity Mining Investments Ltd.

Financial Corp. of Santa Barbara

Financial Services, Inc.

First Colorado Banks Inc.

First Federal Savings Bank of St. Louis

First Home Realty Trust

First New York Capital Fund, Inc.

First Southern Realty Trust

Florida Bancroup, Inc.

Florida Jai Alai Corp.

Florida Power & Light Co. (7/31

Florida Power Corp.

Food & Drug Research Laboratories, Inc.

Forst (Alex) & Sons, Inc.

Founders Financial Federalization, Inc. (7/18-20)

Gaybar Sportswear, Inc. (8/6-10)

General Television, Inc.

Gray Drug Research Co., Inc.

Van Alstyne, Noel & Co. N. Y. Offering—Postponed.

Funds Investments, Inc.

G. M. S. Stores Inc.

Garland State Small Business Investment Corp.

Geco-Ware Corp.
March 9, 1962 filed 146,000 common. Price—By amendment (max. $8). Business—A holding company for a manufacturer of restaurant equipment equipment, a wholesale distributive

Continued on page 36
Continued from page 35

tor of houseware products and a company operating leased discount departments dealing in hard goods. Proce-
s—Debt repayment. Washington, D. C. Underwrite-

c. Underwriter—Johnston & Beane, N. Y. Offering—

General Classics Inc.
March 20, 1962 filed 4,000,000 shares. Price—$3. 
Business—Design, assembly and distribution of trophies, plaques and awards for corporate purposes. Proceeds—For

c. Underwriter—Van Alstyne, Noel & Co., N. Y.

Gourmet Food Products, Inc.
Business—Growth, purchasing, distributing and selling

c. Underwriter—Van Alstyne, Noel & Co., N. Y.

Gourmet Restaurants, Inc.
April 11, 1962 filed 400,000 shares. Price—$11. 
Business—Manufacture of potato products. Proceeds—For a new plant and equip-

security.—For investment. Office—111 Broadway, N. Y.
Underwriter—Kings Merritt & Co., Inc., N. Y.

General Realty Income Trust
April 12, 1962 filed 1,000,000 shares. Price—$2.75.
Business—Real estate income. Proceeds—For invest-

Tillman, Underwriter—Roths & Co., Inc., N. Y.

General Security
Business—A small business investment company. Proceeds—

For investment purposes. Office—187 Broad St., New


c. Underwriter—Spry, Spry, Brehm & Co., Inc., N. Y.

Glafco, Inc.
April 4, 1962 filed 25,000,000 shares. Price—By

amendment (max. $18). Business—Development and produc-
tion of radio and other specialized electronic systems. Proceeds—For

For investment purposes. Office—1815 Venice Blvd., Los


Girard Industries Corp.
March 28, 1962 filed 75,000,000 shares of 6.0% conv.

subord. debentures due 1972 and 90,000 common shares to be sold by certain

a few stockholders in accordance with registration of such securities in Puerto Rico. Proceeds—For equipment and general purposes. Office—179 N. Michigan Ave., Chicago. Underwriter—Bacon, Secor & Black, Chicago. Underwriters—Indefinitely postponed.

Glensider Corp.
March 23, 1962 filed 150,000, of which 60,000 are to be offered by the company and 80,000 by the com-
pany's parent, Glen Modes, Inc. Price—By amendment (max. $7). Business—Design, production and sale of


Gold Leaf Pharmaceutical Co., Inc.
March 18, 1962 filed 100,000 common. Price—$10. 

Gouldsmith Bros.
April 3, 1962 filed 50,000,000 shares, of which 62,500 are to be offered by company and 62,500 by stockholders. Price—By amendment (max. $5). Business—Retail sale of stationery, office equipment and mechanical devices. Proceeds—For expansion and working capital purposes. Office—159 W. 42nd St., N. Y. Underwriter—Federman, Stonehill & Co., N. Y.

Good- Era Realty & Construction Corp.
April 2, 1962 filed 25,000,000 shares. Price—$5

Business—Company plans to develop, operate, construct and manage real estate for corporate purposes. Office—151 N. Dear St., Engwood, N. J.

Green's Investment Corp.
Nov. 21, 1961 filed 100,000,000 shares. Price—$8. 
Business—Real estate investment. Proceeds—For working cap-

Hallandale Rock & Sand Co.
March 30, 1962 filed $250,000 of 6.0% subordinated deben-
tures due 1982 and 2,000,000 common shares to be sold for $25,000 common at $1 per share to be offered in no-par value shares and $1 per share to be offered in one warrant. Price—$16 per unit. Business—Extraction, processing and sale of rock and sand. Proceeds—For a new plant and equipment. Office—Hallandale, Fla. Underwriter—Mutch, Kahanbarn, Flynn & Co., Inc., N. Y. Offering—Temporarily postponed.

Halo Lighting, Inc.
March 27, 1962 filed 700,000 common, of which 100,000 will be offered by the company and 600,000 by stockholders. Business—By amendment. Business—Manufacturing and sale of proprietary electrical incandescent lighting expansion and debt repayment purposes. Office—501 Broadway, N. Y. Underwriter—Wein, Nathan & Co., Inc., N. Y. Offering—In late July.

Hanna-Barrapa Productions, Inc.
Dec. 27, 1962 filed 100,000 common. Price—By amendment. Business—Production of television cartoons and commercials. Proceeds—For a new building and for working capital purposes. Office—1247 Pacific St., Brook-


Happy House Inc.
Business—Production and sale of plaques, trophies and gifts through franchised dealers. Proceeds—For equipment and general purposes. Office—11 Seventh Ave., S., Hopkins, Minn. Underwriter—None.

Hardlines Distributors, Inc.
July 16, 1962 filed 195,000 common, of which 100,000 
are to be offered by the company and 95,000 by a stock-

Hargrove Enterprises, Inc.
Dec. 18, 1962 filed 100,000 common. Price—$5. 

Harley Products, Inc.

Harrington & Richmond, Inc.
March 7, 1962 filed 180,000 common, of which 40,000 
are to be offered by the company and an additional 140,000 by stockholders. Business—By amendment (max. $30). Business—Manufacturing, warehousing, and promotion of floor coverings, expansion, equipment, plans and working capital. Office—390 Park Ave., Rochester, Mass. Underwriter—Scan-

ier's, Klahn & Co., Inc., N. Y. Offering—Indefinite.

Harvard Publishing Corp.

Hawaii Real Estate Investment Trust
March 30, 1962 filed 100,000 common. Price—By amendment. Business—Publishes illustrated encyclo-


Heartland Development Corp.
March 9, 1962 filed $500,000 of 5% convertible preference stock to be offered for subscription by stock-

Heck's Discount Centers, Inc.
June 7, 1962 filed 125,000 common. Price—By amend-

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Helix Land Co., Inc.
April 27, 1962 filed $366,000 capital shares. Price—By amendment (max. 84¢ per share). Proceeds—For general corporate purposes. Office—2435 Boyle Dr., Cali. Underwriter—None.

Herlin & Co., Inc.
May 29, 1962 filed 100,000 common, of which 80,000 are to be offered by stockholders. Proceeds—For debt repayment and working capital. Office—7000 S. Sepulveda Blvd., Los Angeles, Cali. Underwriter—Halbert, O'Hallon & Co., Inc. Office—In July.

Hoffman Sauce Co., Inc.
Feb. 28, 1962 filed $250,000 of 6% subordinated sinking fund convertible debentures due 1977, which are to be offered in units consisting of one $500 debenture and 50 shares common. Price—$1,000 per unit. Proceeds—For debt repayment and equipment, and development of products from test models. Proceeds—For equipment, research and development, leasehold improvements, repayment of debt and working capital. Office—130 Lincoln St., Brighton, Mass. Underwriter—The named.

Hill Street Co.

Hollingsworth Solderless Terminal Corp.

Honer, Ltd.

House of Vision, Inc.

Huskers Corp.

Hydro-Sept Corp.
March 30, 1962 filed 97,000 common, of which 80,000 are to be offered by stockholders. Price—$.50. Business—Manufacturer, assembly and sale of aircraft and marine accessories and components on a sub-contract basis. Proceeds—For debt repayment and working capital. Office—7059 Valley View St., Buena Park, Calif. Underwriter—Bank of America Corp., Chicago.

Ideal Toy Corp.
May 1, 1962 filed 150,000 class A shares and three-year warrants to be offered in units consisting of one class A share and one warrant. Price—By amendment (max. 15¢ per class A share). Business—Real estate investment and construction. Proceeds—For debt repayment, expansion and working capital. Office—1801 Donchester Rd, Brooklyn, N. Y. Underwriter—Crown, Brouman & Chatkin, N. Y. Inc.

Industrial Control Systems, Inc.

Industrial News Corp.

Intron Engineering Corp.

International Drug & Surgical Corp.

International Plastic Container Corp.

International Protein Corp.

International Systems Research Corp.
Mar. 19, 1962 filed $18,000,000 of 7% debentures due 1977, of which $14,000,000 are to be offered in units consisting of one $500 debenture and 50 shares common stock. Price—$150 per unit. Proceeds—For equipment, and development of computer programs for government agencies and the military. Proceeds—For equipment, and development of computer programs for government agencies and the military. Proceeds—For equipment, and development of computer programs for government agencies and the military. Proceeds—For equipment, and development of computer programs for government agencies and the military.

International Terrazzo Co., Inc.

 Interstate Equity

Interworld Film Distributors, Inc.

Investment Management Corp.
May 10, 1962 filed 100,000 common to be offered for subscription by stockholders on a 2-for-1 share basis. Price—$.25 to the public, $.30 to subscribers. Proceeds—For repayment of indebtedness. Office—1817 17th St., Denver. Underwriter—None.

Jamaica Air Conditioning Corp.

Jamaica Public Service Co.
May 12, 1962 filed 150,000 class A common, of which 100,000 are to be offered by company and 150,000 by stockholders. Price—By amendment (max. $25). Business—A holding company for a Jamaican Electric utility. Proceeds—For acquisition of additional stock in subsidiaries due September 24, 1965. Proceeds—For acquisition of additional stock in subsidiaries due September 24, 1965. Proceeds—For acquisition of additional stock in subsidiaries due September 24, 1965. Proceeds—For acquisition of additional stock in subsidiaries due September 24, 1965.

Jays Creation, Inc.

Jaymark Film Corp.
July 16-20, 1962
Aug. 24, 1961 filed 72,000 common, of which 50,000 are to be offered by company and 22,000 by stockholders. Price—By amendment. Business—The distribution of pri...
Ala., Underwriters—The
and
100,000
(7/23-27).

Kaiser-Nelson Corp.
March 29, 1962 filed 140,000 common, of which 70,000 are to be offered by the company and 30,000 by stockholders. Price—By amendment (max. $10). Business—Production of copper and brass pipe and fittings, construction of structures, and mining of copper and other minerals. Address—300 S. Ewind St., Tula-

Levi's, Inc.
March 19, 1962 filed 80,000 common. Price—By amend-

Lewis (Tillie) Foods, Inc.
April 9, 1962 filed $4,000,000 of 3% convertible sub-
debenture due 1982 at 14% per annum. Price—By amend-


MacAllan, Co., Inc. (7/16-20).
Feb. 23, 1962 filed 150,000 common of which 125,000 are to be offered by the company and 25,000 by stockholders. Price—By amendment (max. $10). Business—Design and manufacture and distribution of women's high fashion suits and coats. Proceeds—For debt repayment and company stock. Address—Suites & Co, San Francisco and F. S. Smithers, Inc. Los Angeles, Calif., Underwriters—Kidder, Peabody & Co., N. Y. Offering—Temporarily postponed.

Lilly, Inc.

Lockwood Gruber Corp.

Logos Financial, Ltd.

March 23, 1962 filed $750,000 of conv. subd., debentures due 1977, also 100,000 common shares to be offered by the company and 25,000 by stockholders. Price—By amendment (max. $8). Business—Trading and general purposes. Proceeds—For debt repayment, working capital and sale of company stock. Address—166 Water St., New York, N. Y., Underwriter—Kidder, Peabody & Co., N. Y. Offering—Temporarily postponed.

Lombro Co.
Dec. 21, 1961 filed 100,000 common. Price—$3.50. Business—Manufactures steel and other metal work. Proceeds—For debt repayment, interests due 1956, and interests due 1960. Address—300 S. Ewind St., Tula-

Loomis, Inc.

Luster Locks, Inc.
Feb. 23, 1962 filed 1,420,000 common of which 142,000 are to be offered by the company and 1,278,000 by stockholders. Price—By amendment (max. $10). Business—Manufacturing and selling of canning and packaging of vegetables and fruits. Proceeds—For debt repayment, working capital, and general purposes. Address—Seagrove, N. C., Underwriter—J. F. Caine & Co., Richmond, Va., Underwriter—Indefinitely postponed.

MacBain, Ltd.
1. **Microdot Inc.**

April 20, 1962 filed $2,500,000 convertible subordinate debentures due April 22, 1977. Proceeds—For general corporate purposes including the manufacture, development, management, and sale of components, integrated circuits, and electronic equipment, and general expense. Underwriter—White, Wild & Co., N. Y.

2. **Mezo Minerals Inc.**

April 2, 1962 filed 225,000 common to be offered for subscription by stockholders on the basis of one share for each two shares held. Proceeds—For general corporate purposes. Underwriter—None.

3. **Midwest Technical Development Corp.**

Apr. 26, 1962 filed 50,000 common to be offered for subscription by stockholders on the basis of one share for each two shares held. Proceeds—For general corporate purposes. Underwriter—None.

4. **Midwest Planned Investments Inc.**

May 28, 1962 filed 250,000 common. Proceeds—By amendment (max. $6). Proceeds—For general corporate purposes. Underwriter—None.

5. **Midwest Stock & Publishing Co. Inc.**

Feb. 28, 1962 filed 500,000 shares of beneficial interests. Proceeds—For general corporate purposes. Proceeds—For general corporate purposes. Underwriter—None.

6. **Milanco Corp.**

May 31, 1962 filed (Reg. A) 75,000 common, of which 64,000 will be sold by company and 10,000 by stockholders. Proceeds—$4—Business—Company writes, prepares and publishes periodicals. Proceeds—For payment and redemption of debenture. Underwriter—Boettcher & Co., Inc. N. Y.

7. **Milwaukee Stamp & Publishing Co Inc.**


8. **Missouri Power & Light Co.**

July 17, 1962 filed $8,000,000 of first mortgage bonds due 1962. Proceeds—For oil, cotton, offices, 8 West High St., Jefferson City, Mo. Underwriters—(Competitive). Probable bidders: Haeley, Stewart & Co. Inc., First Boston Corp., White, Wold & Co. Bds.—July 17, 1962 (11 a.m. EDT) at One Chase Manhattan Plaza, Room 2164, N. Y. Proceeds—For general corporate purposes. Offer.—13 (2:30 p.m. EDT) at above address (28th floor).

9. **Molecular Diagnostics Inc.**

Sept. 29, 1961 filed 300,000 common, of which 150,000 are to be offered by the company and 50,000 by stockholders. Proceeds—For the purchase of equipment and necessary supplies. Office—500 Broadway, N. Y. Underwriters—To be named.

10. **Monarch Plastics Corp.**

Morse Electro Products Corp.


National Tele-Systems, Inc.

Oct. 27, 1961 filed 82,000 common, of which 65,000 are to be offered to the public. Proceeds—For general corporate purposes. Price—$5.

National Telephone Systems, Inc.

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National Underwriters Co.


New Campbell Island Mines Ltd.

Oct. 13, 1961 filed 475,000 common, of which 400,000 are to be offered to the public. Proceeds—For general corporate purposes. Price—$5.

New England Seating Co. (T.10)


Norcon Corp.

May 31, 1961 filed 275,000 capital shares, of which 100,000 are to be offered by company and 275,000 by stockholders. Price—By amendment (max. $6). Business—Operation of a general wholesale business. Proceeds—For general corporate purposes. Price—$6.

Nord Saab Oil & Chemical Co., Inc.


North Battleford Brewing Co., Ltd.


Northwestern Utilities Ltd.


Nuclear Data, Inc.

March 28, 1961 filed 170,000 common, of which 30,000 are to be offered by company and 140,000 by stockholders. Price—By amendment (max. $12). Business—Design, development and sale of equipment for measuring the decay constant, the range of beta particles, the energy or activity of radioisotopes. Proceeds—For general corporate purposes. Price—$12.

Nuclear Science & Engineering Corp.


Novus Tax-Exempt Bond Fund, Series 3


Olympia Record Industries, Inc.


Optech, Inc. (3/20/61)


Orbit Stores, Inc.


Orion Electronics Corp. (7/23/67)


Orr (J. Herbert) Enterprises, Inc.


Owensville Pottery, Inc.


Pacific Westates Land Development Corp.


Packard-Bell Electronics Corp.


Palmetto State Life Insurance Co.


Pan American Baryllium Corp.


Paper Mills, Inc.


Paper Milling Co., Inc.


Parkway Paper Mills, Inc., N. C.


Parry Stores, Inc.


Parsons, H. W.


Patterson, H. W.

May 25, 1961 filed 100,000 common. Price—$5. Business—Manufacturing and sale of com-
Paragon Pre-Cut Homes, Inc.  

Pike-Shore Inc., Inc.  
Dec. 6, 1961.  

Paul, Harris Stores, Inc.  
April 2, 1962.  

Pay 'N Save Corp. (7-93)  
April 27, 1962.  

Pennsylvania Oil Co., Inc.  
March 22, 1962.  

Pellegrino Aggregate Technic, Inc.  

Penta Laboratories, Inc.  
April 3, 1962.  

Perfect Photo, Inc.  
Feb. 21, 1962.  

Perma-Blit Enterprises, Inc.  
May 26, 1962.  

Permeator Corp.  
April 10, 1962.  

Pietronics Corp.  

Pick-a-Piggyback Transport Corp.  
April 30, 1962.  

Prosper-Way, Inc.  

Public Loan Co., Inc.  
May 15, 1962.  

Purchases Co., Inc.  
Nov. 28, 1961.  

Quiney Mains Ltd.  
June 18, 1961.  

RED M Corp.  

Radio Electric Service Co. of New Jersey, Inc.  

Rand Tool Corp.  
June 28, 1962.  

Real Properties Corp. of America  
April 27, 1962.  

Reichmann Corp.  

Resin Research Laboratories, Inc.  

Richmond Corp.  

Ridgwick of America, Inc.  

Ridgway (L. L.) Enterprises, Inc.  
June 27, 1962.  


**Schaeveitz Engineering** March 29, 1962 filed 240,000 common, of which 100,000 are to be offered by company and 90,000 by a selling stockholder. Price—By amendment (max. $10). Business—Design and manufacture of professional recording, testing and controlling devices used in air traffic control. Office—2135 Broadway, New York, N. Y. Underwriter—H. L. Mackler, New York. Offering—By amendment (max. $10).


**Schuman Motor Co.** May 11, 1962 filed 200,000 common. Price—By amendment (max. $1). Business—Operation of a variety of business and real estate concerns. Office—110 W. Madison St., Chicago, Ill. Underwriter—By amendment (max. $1).


**Sears, Roebuck & Co.** Feb. 28, 1962 filed $5,500,000 of 6% subordinated convertible debentures due 1977 and 1100, 5% 3-year warrants to purchase an additional amount of class A common. The company plans to offer the securities in 5,500 units (each consisting of 11,000 of debentures and warrants to purchase 20 shares) for subscription by holders of its class A stock and certain directors. Price—By amendment (max. $59). Business—Operation of a variety of business and real estate concerns. Office—110 W. Madison St., Chicago, Ill. Underwriter—By amendment (max. $59).


**Sicher & Co.** Sept. 21, 1962 filed 110,000 common, of which 55,000 are to be offered by company and 55,000 by stockholders. Price—$1 par. Business—Operation of a variety of business and real estate concerns. Office—11015 Bloomfield Ave., Santa Fe Springs, Calif. Underwriter—By amendment (max. $1).


**Site-Fab Inc.** March 10, 1962 filed 220,000 common, of which 150,000 are to be offered by company and 70,000 by stockholders. Price—$1 par. Business—Operation of a variety of business and real estate concerns. Office—11015 Bloomfield Ave., Santa Fe Springs, Calif. Underwriter—Frederick W. Cooper, Inc., Gloucester, N. J. Underwriter—By amendment (max. $1).

**Skiers Service Corp.** (7/9-13) Oct. 30, 1961 filed 500,000 common, of which 250,000 are to be offered by company and 250,000 by a selling stockholder. Price—By amendment (max. $5). Business—operation of a variety of business and real estate concerns. Office—11015 Bloomfield Ave., Santa Fe Springs, Calif. Underwriter—The Key Corporation, San Francisco, Calif. Offering—By amendment (max. $5).

**Solomon Brothers Furniture Co. Inc.** (8/6-10) Aug. 12, 1962 filed 340,000 common, of which 170,000 are to be offered by company and 170,000 by stockholders. Price—By amendment (max. $25). Business—Operation of a variety of business and real estate concerns. Office—11015 Bloomfield Ave., Santa Fe Springs, Calif. Underwriter—Aronson, Blyden & Co., N. Y. Underwriter—None. 

**Solid State Products, Inc.** Feb. 1, 1962 filed 110,000 common, of which 55,000 are to be offered by company and 55,000 by stockholders. Price—By amendment (max. $1). Business—Operation of a variety of business and real estate concerns. Office—11015 Bloomfield Ave., Santa Fe Springs, Calif. Underwriter—By amendment (max. $15). Business—Real estate investment

**Southeastern Electric Co.** April 2, 1962 filed 700,000 common, of which 562,500 are to be offered by company and 137,500 by stockholders. Price—By amendment (max. $13.80). Business—Real estate investment

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**Terry Controls Co.** March 30, 1962 filed 160,000 common, of which 100,000 are to be offered by company and 60,000 by stockholders. Price—By amendment (max. $3.33). Business—Furnishes...

Stratton Realty & Construction Fund, Inc.

Suburban Water Service Co.
William St., New York, N. Y. Underwriter—Mortimer B. Hargrave, New York, N. Y.

Sun Suburban Water Service Co.
William St., New York, N. Y. Underwriter—Mortimer B. Hargrave, New York, N. Y.

Sun City Dairy Products, Inc.

Superior Bakers, Inc.
Feb. 28, 1962 filed 325,000 common, of which 200,000 are to be offered by the company and 50,000 by stockholders. Proceeds—For the purchase of some new equipment. Price—By amendment, (max. $7.) Business—Manufacturing and distributing bakery and popcorn products. Proceeds—For working capital. Office—2709 E. 115th St., Chicago, III., Underwriter—Ancliff & Co., Chicago, Ill.

Taco Air Controls, Corp.

Taylor Publishing Co.

Television Seattle, Inc.

Thermalog Co.

Thermogas Co.

Tom-Tex Paper Converting Corp.

Thunderbird International Hotel Corp.

Top Dollar Stores, Inc.
June 20, 1962 filed 410,000 common, of which 100,000 are to be offered by the company and 100,000 by stockholders. Proceeds—For the purpose of opening three new stores. Price—$2.50. Business—Retail stores selling housewares, etc., Proceeds—For expansion, equipment and working capital. Address—312 W. Wisconsin Ave., Milwaukee, Wis., Underwriter—Phillips, Apple & Alden, N. Y.

Top Dollar Stores, Inc.

Towers Marts International, Inc.

Traeline Train Co.
June 29, 1962 filed $4,000,000 of serial equipment trust certificates. Proceeds—For the purchase and remodeling of a train of railroad cars, etc. Proceeds—Pur¬chase of locomotives, etc., and furnishing of flat cars to railroads. Proceeds—Pur¬chase of locomotives, etc., and furnishing of flat cars to railroads. Proceeds—For debt retirement and for general corporate purposes. Office—3411 S. Broadway, Chicago, Ill., Underwriter—Granche, Marce & Co., N. Y.

Trans-Alaska Telephone Co.
Office—41 E. 42nd St., N. Y., Underwriter—Packer-Wilbur & Co., N. Y.

Trans-Met Manufacturing Co.

Transchellite Company, Inc.

Tujax Industries, Inc.
March 25, 1962 filed 150,000 class A shares, of which 100,000 are to be offered by the company and 50,000 by stockholders. Proceeds—$2. Business—Through its subsidiaries and wholly owned subsidiaries, manufactures, among other things, electrical supplies and equipment. Proceeds—For expansion, equipment and working capital. Office—310 E. 42nd St., N. Y., Underwriter—Richard Bruce & Co., Inc., and Reuben Rose & Co., Inc., N. Y.
Turboene Corp.
March 27, 1962 filed 120,000 common, of which 60,000 are to be offered by company and 60,000 by a stockholder. Price—$2.50. Underwriters—Dean & Co., Inc., New York, N. Y. Underwriter—None.

United Electronics Corp. (7/20)

United Markets Inc. (7/23-27)
March 26, 1962 filed 250,000 common, of which 90,000 are to be offered by the company and 100,000 by stockholders. Price—$1.00. Business—Distributes products by mail order. Proceeds—For expansion. Underwriters—Philip E. Bay, Philadelphia.

United National Insurance Co.

United Packaging Co., Inc.

U. S. Electronic Publications Inc.

United Realty & Investment Co.
March 8, 1962 filed 50,000 common. Price—$1.00. Underwriter—By amendment (max. $2.00). Business—Real estate. Proceeds—To be used for acquisition of real estate properties. Underwriter—Scigiloff.

United Telephone Services, Inc.

United Variable Annuities Fund, Inc.

Univ. of Texas at Austin (8/1)
Aug. 7, 1961 filed 100,000 shares of preferred stock. Price—$100. Business—The university. Proceeds—For construction of new buildings and installation of new moulds, machinery and equipment, and working capital. Underwriter—Lewis & Wolf Co., N. Y. Note—This company formerly was named Aero-Dyn Corp.

Urban Redevelopment Corp.
March 26, 1962 filed 250,000 common, of which 80,000 are to be offered by company and 50,000 by a stockholder. Price—$5.00. Business—A real estate and development company. Proceeds—For real estate development. Underwriter—Community Services, 250 Geffie Road, Hawthorne, N. J. Underwriter—Lewis & Wolf Co., N. Y. Note—This company formerly was named Aero-Dyn Corp.

Vita Color Corp.

Virginia Electric & Power Co.

Whirlpool Corp.
April 25, 1962 filed 1,000,000 common. Price—$30 per share. Business—Manufacture and sale of household appliances. Proceeds—For selling stockholders. Underwriter—Smith Higginbotham, Co., Detroit, Mich. Underwriter—Lehman Brothers, N. Y. Note—This offering was temporarily postponed.

Wildman (L. F.)
Oct. 27, 1961 filed 162,000 common, of which 102,000 are to be offered by the company and 60,000 by stockholders. Price—$3. Business—Operates a chain of retail drug stores. Proceeds—Expansion, equipment and working capital. Underwriter—1316 Bellefonte Ave., Los Angeles, Calif.
Underwriter—Godfrey, Hamilton, Taylor & Co., N. Y. Offerings—@ 5%.

Wiegand (Edwin L.), Co.


Winchell, Eastern, Inc. (7/15-20)


Wolco

Jan. 20, 1962 filed $4,500,000 of 5 1/2% convertible subordinated debentures due 1977 (with attached warrants) to be offered for subscription by stockholders of class A of $1 par common stock, to be offered in units of class A shares held. Price—$500 per unit. Business—Real estate investment and development and the operation of retail stores. Proceeds—For debt retirement and working capital.

Wolverine Aluminum Corp.


Work Wear Corp.


World Scope Publishers, Inc.


Wolpe Parking Systems, Inc.

June 6, 1962 filed $450,000 of 4.5% convertible subordinated debentures due 1972 (with attached warrants) to be offered for subscription by stockholders of common stock of the corporation. Price—$500 per unit. Business—Parking systems. Proceeds—For working capital.

Yazr

April 2, 1962 filed 475,000 common, of which 175,000 are to be offered by company and 300,000 by stockholders. Price—By amendment (July 18), $5.25. Business—Operation of self-service department stores and apparel specialty stores. Proceeds—For working capital.

Zeckendorf Properties Corp.


Zeno Mountain


Zestee Foods, Inc.


Willpat

Business—10 E. 40th St., N. Y. Underwriter—L. B. Willpat, Inc., N. Y.

ATTEENDT WEUNDERWITRS!

Do you have an issue you're planning to register? Our Corporation News Department would like to know about it so that we can prepare an item for our next issue.

Would you telephone us at ECTOR 2-5707 or write us at 25 Park Place, New York, N. Y. 7, N. Y.?
Continued from page 45

planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to limit the number of passengers to 75% of their pre-CAB loadings. For the time being, jet planes will be flown on 1962 summer schedules. 

New England Power Co.


Northern Natural Gas Co.


Southern Pacific Dept. Stores Co.

June 12, 1962, it was reported that this subsidiary of Pacific Southwest Airlines will offer $5,000,000 of senior securities later this year. Business—Operation of two natural gas pipeline systems extending from Texas to state border. Office—200 Third Ave., New York City.

Federal Reserve Bank of St. Louis

 Ditigized for FRASER

The Commercial and Financial Chronicle...

Thursday, July 5, 1962

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The State of TRADE AND INDUSTRY

Continued from page 9
release material from Government
banks.

The up side in Burley-

speed weeds, nickel, steel scrap, tin, rubber, glycerine, sugar.

in short supply: None.

Bank Clearings Increase 1.2% Above 1961 Bank

weekly clearings probably will show an increase compared with a year ago, according to the Chroniele, based on telegraphic advices from the chief cities. The Chronicle indicates that for the week ended Saturday, clearing volumes in the chief cities of the United States from which telegraphic advices were available would be roughly 2.7% above those for the corresponding week of 1961. Compari-

tive summary of the major industrial centers follows:

<table>
<thead>
<tr>
<th>City</th>
<th>Clearings 1960</th>
<th>Clearings 1961</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>6,484,861</td>
<td>6,548,361</td>
<td>0.9%</td>
</tr>
<tr>
<td>Chicago</td>
<td>2,486,361</td>
<td>2,498,461</td>
<td>0.5%</td>
</tr>
<tr>
<td>Detroit</td>
<td>1,265,961</td>
<td>1,310,161</td>
<td>3.5%</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>382,861</td>
<td>388,961</td>
<td>1.7%</td>
</tr>
<tr>
<td>St. Louis</td>
<td>741,361</td>
<td>745,961</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

Steel Output to Slip to 18-Month Low This Week

Steel production in the holiday short week will be 14 million tons of ingots to an 18-month low.

Steel mill production.

The high cost of holiday labor—doubled the steel and steel forces mills to economize where they can, but cutbacks will be sharper than expected.

1. Steelmakers can meet part of the demand for steel by reprocessing semifinished stock that they accumulated during the first quarter.

2. User needs are low because they have ample inventories of high-grade steel products that they acquired for strike protection.

3. More steel consuming plants than ever before were closed this week.

Although steelmaking will edge up 6.7% above the previous week, the best day for steel producing this week, steel inventories compiled by Steel's weekly selling grade held at $24.85 a gross ton for the fourth straight week.

As steel demand shrinks and prices on the New York exchange drop, producers from Western Continental Europe have cut back their steel production. The weekly production was down 45% this week and the weekly production of December 9, 1960, was down 65.8% from the January 20, 1961 production.

The cost in the base of 1.6 million tons for the five-day week ending July 20, 1961, was $30.2 million.

U. S. steel consumption in July will be fairly high, but users will not order as much in future weeks. Page 10.

Antonizers to Maintain Capital Equipment Expenditures

Antonizers to maintain capital equipment expenditures will cut steel inventories and keep the over-all index down.

An average of $3.5 billion a year through 1961, an expected change according to the steel mill report.

In the new labor contract, which went into effect July 1, any major tax or de-

receipts, surplus stock, and capital investment in plant, property, and equipment will continue to be paid out.
WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION’S CAPITAL

WASHINGTON, D.C.—There is a wave of sentiment and drum beating in the Capital for a reduction in the federal income tax rate. But the odds still appear against a cut this year.

The subject of taxes is currently an important story in Washington. The United States Chamber of Commerce, located in a handsome building near Lafayette Square, from the White House, broke with its historic position and called for a $5 billion reduction.

While the National Chamber’s committee on taxation was conducting an important meeting, and a pay-dollars needs a quick tax relief in an effort to throw up a barrier against a depression, there was activity on taxes in other quarters in the Capital.

Congress sent to the White House during the week an extension for one year the present 52 percent corporate income tax rate, plus the current rates of excise taxes on automobiles, such parts and accessories, whiskey, beer, wine and cigarettes, among other things.

Senator Byrd, chairman of the Senate Finance Committee, who believes that President Kennedy will ask for still another “temporary” raise in the national taxes at this session, is opposing to cut any taxes until the nation can become more stabilized without cutting defense spending. The debt limit now is at an all-time high.

There was a meeting in Washington a few days ago of a group of economists and officials of the Department of the Treasury. The group advised that Congress and the President cut taxes to stimulate the economy. The meeting is calling for a $10 billion cut tax in the last and middle-income tax brackets.

However, such a big cut would be entirely too great a shock to the Treasury which has the obligation of paying our government’s bills and meeting those obligations when they fall due.

At this time the Administration’s tax revision and so-called loop hole closing bill is in jeopardy. Senator Byrd, as the “treasury watchman,” Senate side, plans to sidetrack the tax reduction bill to consider the House-passed bill. President Kennedy is the “most important” bill before Congress.

Dillon Apprehensive

The Secretary of the Treasury, C. Douglas Dillon, is quite apprehensive about the tax picture before Congress, but has hopes the picture will improve. It is no secret that he believes that a tax reduction program would result in the Administration’s tax revision measure being tossed out of the legislation.

This bill would withhold taxes on dividends and interest, grant business an investment credit, and squeeze the water out of expenses and accounts, among other things.

C. O. C. Feers Business Slump

The United States Chamber of Commerce’s call for a tax reduction came after its committee on taxation said there is real danger of a marked slump in our economy unless there is a quick tax cut.

At a panel discussion and press conference, President Ladd Plumer of the National Chamber said that the committee is not unanimous of the immediate impact of rate reduction on the imbalance of the budget. Nevertheless, the committee is convinced that the tax structure is overloaded for balanced budgets and fiscal sanity lies in removing immediately the high tax rates which are stunting economic growth.

Mr. Plumer pointed out something where there is both agreement and disagreement: “We know tax reform is needed—but when to begin is less easily decided.”

Specific Recommendations

The chamber’s proposals call for a cut in the bottom rates of both corporate and individual income tax rates. Specific recommendations by the nationwide organization of business and industry include:

That the top bracket rate for individuals be reduced from 91 percent to 65 percent. The lowest individual bracket be split and a 35 percent tax placed on the lower brackets, that individual rates between 55 percent and the 15 percent minimum be adjusted proportionately, and that the combined corporate rate be reduced from the present 52 percent to 47 percent.

The United States Chamber of Commerce for four years has established a position that our tax structure placed its burdens on the wrong individuals. The principle of cutting taxes was the principle of cutting taxes was the principle of reducing taxes for the wealthy and increasing taxes for the middle income group.

Because of current business conditions, the United States Chamber of Commerce and most of the major business organizations, believe these things should be done, among others, these things should be done, among others, among others, among others.

The tax cut should be done immediately. The tax rate now only courts the disaster of a recession in the United States but its spread to Canada, already under pressure.

Says Tax Cuts Would Aid Dollar’s Status

The tax reduction must be substantial. Half-way measures are futile, and it should be remembered that it is now a foreign money cost conscious.

The 1937–38 recession caused a 26 percent deficit.

A real cut would stimulate investment spending, improve our foreign trade, and increase our products more competitive and accent once again the growth element in our economy.

The President’s recent pressure would be reduced personal income taxes would increase take-home pay and “hopefully” reduce the problem of wage controls.

Foreign bankers recognizing the stimulating effects of such a tax reduction program would be convinced about the stability of the dollar they are at present.

This program tossed out by the Congress would aid all segments of the economy, President Podesta and the approving board of directors of the organization be benefited.

The Kennedy Administration and Congress are faced with a challenge of what to do in the face of the stagnation in growth. It will not be easy to cut taxes in the face of the current deficit and, perhaps another substantial one a year from now.

[This column is intended to reflect the opinion of Congressmen from the nation’s Capitol and may not coincide with the “Chronicle’s” own views.]

Fulton, Reid Co.

Names Officers

CLEVELAND, Ohio—Bruce Hendrickson has been elected Vice-President and George M. Yaneff Assistant Vice-President of Fulton, Reid & Co., Inc., East Ohio Bldg., member of the Midwest Stock Exchange.

Joins Hemphill, Noyes

Special to The Financial Chronicle

BOSTON, Mass.—Charles B. Rowley, Jr. has joined the staff of Hemphill, Noyes & Co., 10 Post Office Square. Mr. Rowley was formerly with Jennings, Mandell & Longstreth and Schirmer, Aherton & Co.

With Cruttenden, Podesta

Special to The Financial Chronicle

ST. LOUIS, Mo.—Richard B. Rosenthal has been affiliated with Cruttenden, Podesta & Miller, 223 North Broadway, Mr. Rosenthal was formerly with Valley, Goldman, Sachs & Co. and Scherck, Richter Company.

COMING EVENTS

INVESTMENT FIELD

Aug. 9-10, 1962 (Denver, Colo.) Bond Club of Denver 28th annual summer meeting at the Columbine Country Club.

Sept. 7-8, 1962 (Gearhart, Ore.) Pacific Northwest Group Investment Bankers Association meeting.

Sept. 11-12, 1962 (Chicago, Ill.) Investment Bankers Association Municipal Conference at the Pick- Congress Hotel.

Sept. 12, 1962 (Denver, Colo.) Rocky Mountain Group Investment Bankers Association meeting.


Sept. 19-21, 1962 (San Gabriel, Calif.) Investment Bankers Association Board of Governors Full meeting.

Sept. 20-21, 1962 (Cincinnati, Ohio) Municipal Bond Dealers Group of Cincinnati, annual fall party, with a field day to be held Sept. 21, at the Losantville Country Club.


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