As We See It

Some time ago the President included some of the things that are being said about budgetary deficits in his anthology of neo-classical "myths." At the same time, he had some remarks to make about the several "budgets" that are currently compiled and published. The director of the Bureau of the Budget later returned to the subject with a further elaboration of the characteristics of this, that and the other collection of figures and guesstimates which are commonly referred to as "budgets." He is apparently impressed with the working value of the set of figures now commonly included in the national accounts by the Department of Commerce to measure and reveal the operations of the Treasury as part and parcel of that now much revered figure, Gross National Product.

Reason for Uneasiness

For one thing, this compilation of the Department of Commerce sometimes comes up with a much smaller deficit than is to be found in the so-called Administrative Budget, and indeed is quite capable of evolving a surplus when the ordinary budget is reporting a deficit. The French provide the classical case of budgets and other accounts of current governmental operations designed to move the one almost toward the better reason. We should not wish to suggest that any of the public officials now laboring in Washington are making an effort to mislead the people about the state of the Treasury or about the real results of its current operations. We must confess to some uneasiness, however, lest the honorable gentlemen conducting the financial affairs of the nation have come under the spell of certain of the "modern" thinkers on these subjects, and are ready themselves to be deceived, if not by some of these more recent compilations, then by what is said about them.

In any event, far too often current discussion and argument about budgets seems to suggest that the matter may be wholly reduced to terms of surpluses and deficits and that these latter be judged (Continued on page 23)

A Federal Tax Cut This Summer—Some Neglected Considerations

By Dr. Charles E. Walker*, Executive Vice-President, The
American Bankers Association, New York City.

Banker-economist rejects proposals for an immediate income tax cut unless protected by a minimum of five essential safeguards. The principal safeguard would "phase out" the Chamber of Commerce proposal over a two-to-three-year period. Without endorsing any specific proposal, Mr. Walker does agree we need to create a favorable tax climate for economic growth but seriously questions whether it should be done through a quick tax cut this summer. The ex-Treasury official sets forth both the pros and the cons of tax cutting because of the ever-pressing emphasis on the advantages while the dangers have been ignored.

Recent proposals by the United States Chamber of Commerce and others for an immediate cut in Federal income taxes have high-lighted a major issue of public economic policy. My purpose is neither to endorse nor reject any such proposal. What is called for at this juncture is more general recognition of the dangers that would accompany such a cut—and these dangers are indeed imposing—as well as recognition of the fact that whether a tax cut would help or harm the economy would depend importantly on what kind of cut it would be.

What we need above all is to create a favorable tax climate for economic growth. Whether this could—or should—be done by a quick tax cut this summer is open to serious question. But of one thing we can be sure. Long-run economic growth will not be fostered by a reduction (to take one extreme proposal) confined to the lower brackets of the personal income tax. No, an effective tax program to promote growth, if and when it comes, must aim at reducing the excessive personal and corporate tax rates which are the heart of our tax problem.

Similarly, a tax reduction program which did not include, as an addition to the program, an iron-clad commitment to contain—and where possible, to reduce—Federal spending would surely do more harm than good, both to the cause of long-run economic growth and to confidence here and abroad. Obviously, a major consideration is the impact of a large income tax cut on the government's fiscal position. Would such a reduction contribute to another large Federal deficit? Clearly it would. That, then, would be the impact of the deficit on confidence here and abroad.

These are but a few of the considerations—some neglected—that must enter into the debate over a quick cut in income tax rates. I shall return to these and other considerations shortly. But first we must look at those three major reasons that have been advanced in favor of such a cut.

Reasons for Tax Cut

First, the one that has received the most attention is that the 1981-82 recession in business activity shows signs of peaking out at substantially less than satisfactory utilization of labor and other economic resources. The idea is that a quick cut in tax rates would both remove a cause of the premature peaking out and provide a stimulus to cushion off or offset impending recession.

Second, that an immediate reduction in Federal income tax rates would be a simple but powerful way to stimulate long-run economic growth by lowering the tax barriers to private enterprise.

Third, that such a cut, if properly structured and accompanied, would do wonders for business and investor confidence in the Administration.

Let's examine each of these reasons.

With regard to the first reason, one central question relates to the trend of the economy in coming months. (Continued on page 20)
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Price Stability Key to Dollar Confidence Abroad

By Hon. Henry H. Fowler, Under Secretary of the Treasury, Washington, D.C.

Treaty official: (1) affirms "beyond a shadow of a doubt absolute necessity of keeping faith in gold and in international re-
demptions; (2) stresses imperative need for business initiative to increase our trade surplus as the most promising, way to solve our balance of payments problem; and (3) confirms that Europeans "are not seriously concerned today about our fiscal policy provided it is disciplined and the national and international balances are not infla-
tionary surpluses.

Declaring that the latter is most important, Mr. Fowler makes no words in spelling out the cruciality of maintaining reasonableness to the point of some sacrifice by management and labor in being content 'with somewhat less than they believe the market will bear.' Reasons for our payments im-
balance, and other sources to rectify the ultimate such as the tax on foreign earnings and the investment credit plan, are also discussed.

Scarce years ago most people in the United States were unacquainted with the term "balance of payments." Today the United States balance of payments is a major prob-
lem. Our place in world af-
Oars, our free world an-
development programs, the Free World trade and pay-
sments system all depend upon a solu-
tion of our balance of payments problem. We are deter-
ned to solve it. We are making significant progress. But we are well aware that for the foresee-
able future peace and prosperity requires that both international and national policies will have to take account of our balance of payments position.

Necessarily, the solution of the problem will depend upon the efforts of the American business-
man who has an important—indeed, an indispensable—role to play. So, it deserves our attention today.

Our balance of international movements remains nothing more than the balance—either net surplus or net deficit—between the payments surplus during a given period between the United States and the remainder of the world. Immediately after World War II, when much of Europe's industrial capacity has been reduced to rub-
ble, the United States was left as the only major nation with its industrial capacity intact. We exported vast quantities of goods to the rest of the world—a world which, except for raw materials, did not ship very much back to us.

This situation brought about the "dollard shortage," and this was a source of great concern to econ-
Oists and responsible officials for many years after the war. The problem was not only how to maintain parity for our goods and services in countries which had no way of obtaining an adequate amount of dollars with which to purchase them, but to make Western Europe, the vital purchasing power need-
ed to rebuild its industries.

From Dollar Shortage to Surplus

The problem then was exactly the opposite of the problem now. The change resulted from three major developments.

The first was the decision of the United States to shoulder a heavy share of the burden of the reconstruction and development of the Free World. This decision, as you know, began with aid to Greece and Turkey, and grew into the Marshall Plan of aid to Europe. Economic aid to the emerging nations was the next step and it remains today, a cor-
nerstone of our foreign policy.

The second development was the emergence of the Cold War. This meant that the United States, in order to maintain not only its own security but that of its allies, had to maintain large stocks of defense bases, and military assistance program abroad; which, like its aid programs, increased United States payments to other nations with-
out accumulating increase in receipts.

The third development resulted from the economic recovery and growth in Western Europe in the last decade. The European inte-

cgration movement increased the consumption of the commodities that came with the development of the Com-
mom Market. Western Europe, which had become a center of prosperity, has the promise for the future even brighter than the past.

The result of the European recovery and expansion and a sim-
cilar development in Japan was that the rival producers of exports to the 


mainer of the world. This new competition for exports—combined with the increase in the amount of United States shipped from these nations—put pressure on our trade surplus by squeezing it from both ends. At the same time our necessary foreign aid and overseas defense expenditures were mounting. American private capital was starting to flow abroad in increasing amounts, partic-
ularly into Canada, Western Euro-


na, and oil producing areas, to take advantage of inviting opportunities there for long-
term direct investment.

The result of all this was to change the United States balance of payments position from surplus to deficit. Western Europe, on the other hand, as exports increased, continued on page 22

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The Unilever Group

By Dr. Ira U. Colebaugh, Economist

A consideration, in capsule, of two verse international corpora-
tions, which, together, form the fifth largest company in the world.

Unilever is two companies, separate legal entities, but organiza-
tionally, so that they operate as a single company, with a single
headquarters. The companies are Unilever N. V., headquartered in Rotterdam, and
Unilever Ltd., domiciled at Unilever House, London. Twenty-
seven million, with headquarters in four continents, Executive Officers, are directors of both companies, and accounting in both are under the supervision of the same Di
rector. Beneath these headquarters, a series of subsidiary
and affiliate companies do business, in many countries, with
considerable autonomy in national
managements.

Unilever is, thus, quite similar in corporate structure to Royal
Dutch/Shell and, among European companies, is exceeded in size
by only two or three.

General impression has existed that the vast business of Unilever has been primarily dependent on oils and fats. While at one time that was true, it is not true today, and the company is now predominantly dependent on oils and fats is the margarine, soaps and edible fat.

Lensed Accent on Africa

Further, Unilever has slowly been contracting its African planta-
tion operations, and trading business, in order to refocus itself, as it
was first and foremost a glue by local traders. Plantations
sales, too, are increasingly being handled by</p>
House economic subcommittees last Friday, July 13, is reported to have substantially agreed to the judgment that the margin has not been high enough to compensate, in the recent past, for unanticipated and "uneasy" 70%, they worked to prevent something of the kind from happening. The present agreement is not for the high margin requirements.

If this is so, and 70%-90% margins prevented "another 1929", why not get rid of margin status, instead of ordering the cut to the "coining" level, in effect? In fact, this top government authority is unwittingly, giving the impression to the stock market of the public's present soundness. If the prospect were that the margin change in the case of either a market rise or decline, then the government's top monetary authority is in the position, while sanctifying the market, with an aura of investment, of telling the players how much they can legally bet, with its sister government agency, the SEC performing in the role of policeman, as the SEC is supposed to be the game as honest as possible.

In the use of margin, certain high credit at cut rates, which are cited by proponents including Stock Exchange Members, in the number of lower official margins, at least the need for speculation underpinning government sanitation to the greatest possible extent.

Chairman Martin had told the Congressional Committee that the reserve regulators, "will provide more trading ability for adjusting financial trading market, and therefore is in line with the policy of encouraging, by any proper means, equity financing of business needs.

Capitol-for-Industry Illusions

This is a full-scale repletion on credit-aided market trading and "liquidity", as a purist, in line with the Stock Exchange's self-justification. For speculative trading markets, is a basic fiction requiring drastic reconsideration.

The margin claim, widely set forth, that more credit (whether of a major variety) is constructive in adding the New Market, is largely ignored, by the reality of the aid of even short-lived mem- ory, that the margin's most constructive blowing-up of the now existing beneficial definition of the recent years' new issue frenzy.

In the second place, 25% and more of the proceeds of new common stock offerings have been going directly into the possession of selling "insiders" or large-holders, and not to supplying new capital to industry (moreover in some cases into a pool). This is borne by the company, and not the seller. This is the fulminating of the expenses not being barred by the 1933 Act or the SEC.

What Price the "Exquisite Liquidity"?

Surely great doubt is called for before agreeing with the plea for liquidity, in justification of the credit-aided market trading, with its flouting of specula- tion with the anti-social creances.

Thomas C. Corcoran, F.D.A., "Brain-Truster No. 1-2" in 1934 testifying before the Senate Banking Committee, has con- vidently explained the two objectives of margin requirements as follows: "One is to protect the lamb, another, and probably the more important of the two, is the protection of the national business system from any potential instability induced by fluctuations in the market, which in turn stem back to the very exquisite liquidity you get when you have a lot of bor- rowed money in the market."

The present agreement is disagreed with, surely the feeding of specu- lation by low margin practices should not have government sanctification.

From Our Mailbox

Meaning for the Price/Earnings

The following communication refers to our article "WHAT PRICE/EARNINGS RATIOS" in our June 28 column; in which we attempted to understand the quantitative meaning in the use of the term, in the light of the various kinds of "value books," "Stock Growth and Discount Tables," and a variety of other factors. The pio- neer efforts in establishing predictability is a calculation of the earnings multiplier.

Dear Mr. May:

Your article on price-earnings ratios was very timely and badly needed at this juncture. I was hoping someone would point out the superficiality of the comments of such people as the President and Secretary of the Treasury. I can't see how the latter could have entertained the very reasons you mention.

I imagine the vast majority of people, especially the "By Guess and By Golly method and they don't know the stock market. I'm writing about a few. The stock market's future prospects to its users.

My ambition is to help educate investor to use, a "sensible, youth- ful, if you use for bonds. This would lend to smooth out wild fluctuations, which, if not, the stock market will be just as unfriendly and unkind to us, in fact the stock market will be unduly benefit to our whole economy.

S. ELIOT GUILD

Little Bahaman Bank,

Bronx, Maine

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S. H. Henderson

With Kalman Co.

[Special in the Financial Chronicle]

ST. PAUL, Minn. — Sidney H. Kalman has been elected a director of the Midwest Exchange, Mr. Henderson for many years was a director of the McNally-Kalman Co.,

Cyrus Lawrence to Admit Partner

Cyrus L. Lawrence & Sons, 115 Broadway, New York City, members of the New York Stock Exchange, on Aug. 1 will admit John M. Fischer to partnership.

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Tax-Exempt Bond Market

By DONALD D. MACKEY

Markets for state and municipal bonds have been relatively steady since reporting a week ago, particularly in the higher-grade portion of the market. An admixture of financial, economic and political views derived from the domestic as well as from foreign scenes. As some dealers and financial writers have variously played up headlines and scares, heads as to what the next big move in the market will be. The Federal Reserve member banks’ weekly statement on the state of the real estate market, as well as on the state of the bond market, is due out this week. The United States, through its representatives, has been considering whether or not to allow a substantial devaluation of the dollar, as it has on previous occasions. Congressional hearings on the adequacy of a higher interest rate structure and a lower tax rate, state and municipal bond sales for the current year have been appearing in the market at rates that would be inadequate in a normal market.

New Business Finding Ready

The rather sizable summer new issue volume was rather slowly taken up by the financial community. On the part of the financial community, the volume was relatively small and the market was not particularly active, the volume was disposed of very satisfactorily even though there were no outstanding difficulties.

Dealers Cautious

While state and municipal bond inventories continue to be at relatively high levels, the demand for new issues is not keeping pace with the supply. The trend toward stronger inventories appears to be slowing. The market is not being supplied with new issues at the rate that has been shown in recent weeks. The market is essentially flat, with prices and yields remaining steady. The market is not being supplied with new issues at the rate that has been shown in recent weeks.

MARKET ON REPRESENTATIVE SERIAL ISSUES

<table>
<thead>
<tr>
<th>State</th>
<th>Tax Exempt Bid</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>2.50%</td>
<td>2.40%</td>
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<tr>
<td>Connecticut</td>
<td>2.50%</td>
<td>2.40%</td>
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<tr>
<td>New Jersey</td>
<td>2.50%</td>
<td>2.40%</td>
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<td>New York</td>
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<td>Delaware</td>
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<td>New Hampshire, N.H.</td>
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<td>Baltimore</td>
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<td>Columbus</td>
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<tr>
<td>New York, N.Y.</td>
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<td>2.40%</td>
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<tr>
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<td>3.50%</td>
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*Not available.*

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**Larger Issues Scheduled For Sale**

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

**July 19 (Tuesday)**

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Amount</th>
<th>Date</th>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haddoxfield D. N. J.</td>
<td>$2,000,000</td>
<td>1963-1962</td>
<td>4:00 p.m.</td>
<td>8:00 a.m.</td>
</tr>
<tr>
<td>Iron County, S. D. U.</td>
<td>$1,000,000</td>
<td>1963-1964</td>
<td>4:00 p.m.</td>
<td>8:00 a.m.</td>
</tr>
<tr>
<td>Lincolin Airport, Inc</td>
<td>$2,000,000</td>
<td>1965-1966</td>
<td>11:00 a.m.</td>
<td>3:30 p.m.</td>
</tr>
<tr>
<td>River Front, Inc</td>
<td>$1,000,000</td>
<td>1963-1964</td>
<td>4:00 p.m.</td>
<td>8:00 a.m.</td>
</tr>
</tbody>
</table>

**July 20 (Wednesday)**

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Amount</th>
<th>Date</th>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biscui Jasper, La.</td>
<td>$3,500,000</td>
<td>1965-1966</td>
<td>4:00 p.m.</td>
<td>8:00 a.m.</td>
</tr>
<tr>
<td>Dallas, Texas</td>
<td>$2,000,000</td>
<td>1965-1966</td>
<td>4:00 p.m.</td>
<td>8:00 a.m.</td>
</tr>
<tr>
<td>Marianna Co. of Mesa, S. Dist, Arizona</td>
<td>$2,500,000</td>
<td>1965-1966</td>
<td>4:00 p.m.</td>
<td>8:00 a.m.</td>
</tr>
<tr>
<td>Rocky River, Ohio</td>
<td>$2,000,000</td>
<td>1965-1966</td>
<td>4:00 p.m.</td>
<td>8:00 a.m.</td>
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**July 21 (Thursday)**

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<th>Issuer</th>
<th>Amount</th>
<th>Date</th>
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<tr>
<td>Anchorage, Alaska</td>
<td>$2,000,000</td>
<td>1965-1966</td>
<td>11:00 a.m.</td>
<td>3:30 p.m.</td>
</tr>
<tr>
<td>Anchorage Indep. S. D. Alaska</td>
<td>$2,500,000</td>
<td>1965-1966</td>
<td>4:00 p.m.</td>
<td>8:00 a.m.</td>
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<tr>
<td>Georgian Cty, Ga.</td>
<td>$2,000,000</td>
<td>1965-1966</td>
<td>4:00 p.m.</td>
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<tr>
<td>Mississippi (State of)</td>
<td>$2,000,000</td>
<td>1965-1966</td>
<td>4:00 p.m.</td>
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**August 8 (Wednesday)**

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<tbody>
<tr>
<td>Paducah, Ky.</td>
<td>$2,000,000</td>
<td>1965-1966</td>
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<td>3:30 p.m.</td>
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<tr>
<td>San Antonio, Texas</td>
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<td>1965-1966</td>
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<td>8:00 a.m.</td>
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<td>St. Louis, Missouri</td>
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**August 14 (Tuesday)**

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<tr>
<td>Eugene, Oregon</td>
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<td>Pennsylvania State College, Austin, Tex.</td>
<td>$4,000,000</td>
<td>1965-1966</td>
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**August 21 (Tuesday)**

<table>
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<tr>
<th>Issuer</th>
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<tbody>
<tr>
<td>Lafayette, La.</td>
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<td>Sept. 1 (Saturday)</td>
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<td>Sept. 2 (Wednesday)</td>
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The Business Outlook

By George W. Coleman, *Economia, Mercantile Trust Company, St. Louis, Missouri

St. Louis bank economist postulates a slowly upward business trend for the immediate future, and an almost certain decline after the first three quarters of 1937. The depth of the decline is analyzed and its effect on the business trend is said to depend not only on its number but, also, on its coincidence with other factors which may come to a head, Mr. Coleman cautions against jumping to the conclusion that a major depression is dez simply because one has occurred in the past and we haven't had one since 1925.

One of the most respected British economic publications—the Economist—recently has attributed trends in the stock market to a number of factors which, it would appear, also affect our own market. The change in this posture is a reflection of the changing aspects of the business outlook for this country.

In the private sector, one of the most important factors influencing the business investment is the behavior of the Federal Reserve Bank of St. Louis. This behavior is probably more significant than the amount of cash for investment. In short, at the present time, the accelerated depreciation policies may generate more cash, but not more funds. Actually, corporations are able to finance their projected needs and, therefore, to reduce their monetary reserves. Unfortunately, the same process cannot be repeated. In general, it is more difficult and thus, not a stimulating factor.

There is some question about how long this will continue. From the first quarter of 1925 through 1926, inventory accumulation was responsible for a total increase in gross national product of $4 billion. Now, the bicentennial of the nation is considered to be the end of the retirement of the dollar. There are trends to accumulate inventory, but it is not considered that it will not be a stimulating factor in the immediate future.

Consumer Spending

The behavior of the consumer is also important. In terms of spending, it is the major factor in the other sectors of the economy. Mr. Coleman states that the consumer is to set new records month after month, and the amount of collateral resulting from this increase will also increase to advance. In previous periods of recovery, however, there are not to be found. There are still stocks of goods on the market, but there are not to be found. Again, a sign of little activity.

In the business sector, the recovery, retail sales have risen and have reached a new all-time high. Mr. Coleman states that retail sales are not keeping pace with the increase in disposable personal income. To put it another way, the consumer is spending a satisfactory level, but he is not spending in such a way as to induce a boom increase would be reported. The reason why no increase was observed is not known. Perhaps the most important factor in the current depression in the steel industry, for example, is operating at a higher level. Other industries are operating at unsatisfactory rates. This does encourage optimism for any other one thing. Another factor is that the consumer is not advancing as rapidly as he has in the past. There are indications that he is not believing in the industry, may be reducing its expected future, and that it is not growing, somewhat, because single family housing is not growing at previous expectations.

To try to determine the business investment, the government is doing planning to do several things. It is placing an emphasis on long-term orders and it is planning to speed up depreciation rates. While that policy may stimulate investmen-

ing a policy of balancing the budget, only at full employment. The procedures of the past may aid in this, but it does suggest that the government, through Federal Reserve policies, can influence the trend of industrial activity. The European situation is another matter. The war, shows that the government can influence the trend of industrial activity. Economic experience has demonstrated, e.g., the latest Eisenhower deficit, that demand can be influenced by fiscal policy.

Deficit May Not Be Serious

One of the difficulties is that unbalanced budgets may lead to a financial collapse. It is significant that the deficit is being pointed out as a domestic need which may be related to the function of the dollar as a key reserve currency. The vari-

able is discussed in a way that seems to minimize this conflict. A budget deficit may not be quite so serious as was originally feared. The recovery in Europe is slowing down perceptibly. And, consequently, the flow of capital funds may add to the deficits. The recovery, however, is not as sharp as it was last year. Industrial production rose almost 1% and the gross national product rose 8%. In part, such increased production can be achieved without enlarging the labor force.

Another factor which is extremely important is the fact that inflation as measured by commodity prices is not a major factor in the economy for more than 12 months. Deflation has been actual and that prices are actually weak. The end of the inflationary psychology in the United States, has been a real short-term movement. The dollar has not taken real gains from the low point, but is holding its own against economic factors. And, this is a reason to be cautious in urging in wishful thinking.

In summary, therefore, the short-term future is likely to be slowly upward but after the first quarter it is almost certain to happen. How much of a decline will be analyzed in the New York Times? Up to now to the decline in the stock market is a lack of confidence in the dollar. The recovery, last year, experts have stated that the stock market by saying that prices were capitalizing out only the price of the day, but the recovery. Now, there seems to be some doubt about the day of the recovery. If business activity is going to decline sharply, it will be related to the fact that there have been changes in the rate of consumer spending. Much money is spent for business investment. It might be useful to examine some of these factors.

Why Business May Decline

In 1963 the rate of growth of the American economy slowed in the postwar period. The reason have been widely analyzed. Not only is the growth rate slower, but there is a tendency for the attenuated business cycle in the postwar period to have a greater effect on the business cycle in the postwar period. This is, perhaps, the most obvious explanation of causation. There is no longer a significant effect on the business cycle in the postwar period. The business cycle has been altered by the recent recession, which has reduced the rate of unemployment. While the unemployment rate has not been significantly reduced, but it has been reduced. This has been illustrated by the fact that in the current postwar period, recovery, employment increased only 1.4%, while industrial production rose almost 15% and the gross national product rose 8%. In part, such increased production can be achieved without enlarging the labor force.

The international political situation remains critical but it does not seem to affect the overall business environment. The Great Depression, a major factor in the last 15 years, is no longer a factor in the current business environment. The business environment is likely to be slowly upward but after the first quarter it is almost certain to happen. How much of a decline will be analyzed in the New York Times? Up to now to the decline in the stock market is a lack of confidence in the dollar. The recovery, last year, experts have stated that the stock market by saying that prices were capitalizing out only the price of the day, but the recovery. Now, there seems to be some doubt about the day of the recovery. If business activity is going to decline sharply, it will be related to the fact that there have been changes in the rate of consumer spending. Much money is spent for business investment. It might be useful to examine some of these factors.

The behavior of money and interest rates might be viewed as long-range factors. To put it another way, the extent to which authorities are likely to adopt the characteristics of the past will provide considerable restraint upon business expansion. How effective changes in the monetary factors will be in the current postwar period is a matter of great dispute. A new factor is the effect of the government's spending policies. The government's spending policies are not as evident as are the government's policies. The government's spending policies are not as evident as are the government's policies. The government's spending policies are not as evident as are the government's policies.

Pershing Co. Will Admit Partner

Pershing Co., 120 Broadway, New York, New York, Stock Exchange, has announced the admission of Mr. Barrett V. Merrill, a member of the Exchange.
Capital Spending and the Business Cycle Outlook

By Robert S. Schultz III*, Director of Statistical Analysis, Union Big-Cap Paper Corporation, New York City

A modest increase in capital spending over the next half year and manufacturing activity for the next three months is expected to be followed by a mild decline which is seen turning around in mid-1963 into a stronger recovery than the past two previous recoveries. This change will be marked by a sharp upturn in capital spending induced by rapid rate of technological progress which could set off another major boom. The fall-off in the middle of this year is blamed on the over-investment of 1959-60. Next year is encouraging past construction and new orders for machinery, indicating a generally encouraging pattern of leading business cycle indicators.

Modest Increase Depicted

On the basis of this most recent survey, using a little interpolating, we see a picking up in business for spending for plant and equipment over the next half year. Expenditures are estimated at $50.6 billion for the current quarter, at an annual rate, with third quarter expenditures planned at 7.6%, and fourth quarter, 3.6%, above the second quarter.

At the time of the April McFedries survey, it was commented that the outlook indicated "a steady rise, but no sooner. The most conservative figures suggest that the emphasis should be on steadiness, not on rise. This is the picture as shown by the surveys themselves. It certainly is no surprise to those who have been following the signals of the market place, nor the figures on capacity, where available, compared with existing, or feasible, levels of production. There is no need for any capital goods boom.

This region of paper industry, which is keenly conscious of capacity, and which has been acutely aware of the limitations, will be able to assure you of the extent of expansion, which is being greatly exaggerated. But I can also assure you that the paper industry need not look for a period of heavy further expansion of capacity. There are individual firms, or mills, where some kind of expansion is planned, but the paper industry as a whole, both on line, to improve exploitation of timber resources, to take advantage of new waste paper, and development of development. But this is all very carefully controlled. The most significant modifications from industry to industry, I take to be characterized by the following: Steel, petroleum, textiles, cement and other capital-short industries.

The McGraw-Hill Index for manufacturing, the FRB Index for major materials— all indicate no change but a slight capacity expansion. Selective rounding out may be called for, as it always is, but the picture is not one of a major boom.
New Dimension Is Needed To Art of Security Analysis

By Dr. Edward H. Erath,* Senior Staff Physicist, Hughes Aircraft Co., Culver City, Calif., and Technical Consultant, Electronic Investment Management Corp., San Diego, Calif.

California scientist describes the growing inadequacy of traditional securities market-oriented companies. He suggests spanning the financial and technical worlds by the formation of consultant brokerages which can locate various market needs for financial organization, he adds, can afford to keep such a staff to gauge a scientist's ability to create new products, or to measure the potential impact of new products.

In the not-too-distant past, when present day technology was only embryonic, an experienced analyst could examine almost any company and make a fair and accurate evaluation of its products, problems, and prospects. For example, every investor knew what a railroad was and how its rights of way, rolling stock, and good shape, and any good securities would tell you what oil reserves we had, what current and projected supply and consumption were, and how these affected rail rates. Its financial well-being of the railroads and the petroleum industry. Industry and technology were simple enough and had been around long enough for everyone to become familiar with them and to know their interrelationships.

Customary Analysis Is Outdated

But let's look at 1962. Modern industry is made up of specialties like electronic energy conversion, magneto-hydrodynamics, cybernetics, computers, and solid-state physics; and their products — MASERS, LASERS, cryotronics, cyclotrons, etc. — are more abstruse. Even a practicing scientist would be hard pressed to define many of these terms, let alone understand the science and engineering arts involved, and be able to predict their economic potential. The scientist who does this leave the man working outside the lab and, by far, a most important task. At the time, how could you do this, especially, given the scientific world: the man who, for example, must analyze the electronic hardware. But the scientific concept is on scientific advance. Increasing manufacturing costs are putting pressure on competition; competition forces companies to improve the scientific product line. To understand and expand their product lines, the company must develop imaginative space programs, and the scientist must continue the balance between scientific talent and the tension of the military systems capability.

Everybody seems to have concluded that science can do all of the answers to the problems. But despite the efforts to understand scientific organizations and the industries, no one would have, annual budgets that are even
greater. NASA's budget for example could be increased by a factor of 10 or more, and the employee costs for example, have been increased by a factor of 100. The new trend is towards analyzing the financial and economic potential. The scientist's thinking is that only one of these factors, one, the theory that only a handful of technical products, is the major reason why they don't appear to be working at all. How can anybody else, but the specialist evaluate the prospects of such devices? Even the most experienced scientist don't understand what they work on, who does their application? What analyst would be foolhardy enough to risk technical evaluation of such a project? By his own admission he is on the head with current technology.

Bringing the Financial and Technical Worlds

Financial analysts that want to pick the survivors of the technological revolution cannot expect their financial analysts to make the creative ability of their key scientific and engineering personnel. Management skills are relatively easier to evaluate, but can we understand and observe the achievements of a good businessman, and not be blinded by our own scientists' ability to create new products for those that are displaced by technological progress? Or, for that matter, can we evaluate the potential impact of the products he is developing, when the technology involved is so specific that, when the product may have no breaching rate so small that it can only be seen through a microscope, but when that product performs the function of a cabinet full of conventional electronic and mechanical devices? The answer to both of these questions is that no.
Taking a Long-Term Look At the Common Market

By L. W. Soutendijk, Manager, Brown Bros. Harriman & Co., New York City

Instead of judging the European Common Market's progress on the basis of daily developments, examine the situation as it has evolved over the years. Perhaps, you will find that the underlying fundamentals are more important than the day-to-day changes that so often seem to dominate the headlines.

Any forecast has a danger. In 1961 the European Community (ECC) was launched with great fanfare. Many thought that it was a harbinger of peace and prosperity for Europe. But in 1963, when the first Economic and Monetary Community (EMC) was launched, the optimism quickly faded. The ECC had proposed a customs union and a common market, but the member countries were not ready to accept the political implications of such a move.

The Common Market (CM) was launched in 1957 with the idea of creating a single economic area for the six member countries. However, by 1961, it was clear that the CM was not going to live up to its promises. The member countries were not willing to give up their sovereignty, and the CM was not able to make the necessary policy decisions.

In 1961, the member countries decided to move forward with the CM, but they did so in a more cautious manner. The CM was given a new lease on life with the introduction of the EEC, which included a common agricultural policy (CAP) and a common external trade policy (CET). The CAP was designed to ensure a stable and predictable market for European agricultural products, while the CET was designed to create a level playing field for European and non-European goods.

In 1965, the EEC was given more power with the implementation of the EEC, which included a common foreign and security policy (CFSP) and a common foreign and security policy (CFSP). The CFSP was designed to ensure a more unified foreign policy for the EEC, while the CFSP was designed to create a more unified security policy for the EEC.

In 1970, the EEC was given even more power with the implementation of the EEC, which included a common foreign and security policy (CFSP) and a common foreign and security policy (CFSP). The CFSP was designed to ensure a more unified foreign policy for the EEC, while the CFSP was designed to create a more unified security policy for the EEC.

In 1975, the EEC was given even more power with the implementation of the EEC, which included a common foreign and security policy (CFSP) and a common foreign and security policy (CFSP). The CFSP was designed to ensure a more unified foreign policy for the EEC, while the CFSP was designed to create a more unified security policy for the EEC.

In 1980, the EEC was given even more power with the implementation of the EEC, which included a common foreign and security policy (CFSP) and a common foreign and security policy (CFSP). The CFSP was designed to ensure a more unified foreign policy for the EEC, while the CFSP was designed to create a more unified security policy for the EEC.

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In 1990, the EEC was given even more power with the implementation of the EEC, which included a common foreign and security policy (CFSP) and a common foreign and security policy (CFSP). The CFSP was designed to ensure a more unified foreign policy for the EEC, while the CFSP was designed to create a more unified security policy for the EEC.

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In 2000, the EEC was given even more power with the implementation of the EEC, which included a common foreign and security policy (CFSP) and a common foreign and security policy (CFSP). The CFSP was designed to ensure a more unified foreign policy for the EEC, while the CFSP was designed to create a more unified security policy for the EEC.

In 2005, the EEC was given even more power with the implementation of the EEC, which included a common foreign and security policy (CFSP) and a common foreign and security policy (CFSP). The CFSP was designed to ensure a more unified foreign policy for the EEC, while the CFSP was designed to create a more unified security policy for the EEC.

In 2010, the EEC was given even more power with the implementation of the EEC, which included a common foreign and security policy (CFSP) and a common foreign and security policy (CFSP). The CFSP was designed to ensure a more unified foreign policy for the EEC, while the CFSP was designed to create a more unified security policy for the EEC.
The Law of Averages

No matter what happens to stocks in the months ahead, it will have little effect on the summer days of 1962, after going through the fall harvest of 1961. The market would have killed an ordinary harvest by a large amount. Even as the Caudans of the Dow-Canyon were bustling off the New York Stock Exchange, we can only claim the casualties of the madly, the bargain-hunters were rushing in to claim the cadavers.

New, too, was the attractive revival predominates. Those who believe that there are bright days ahead for certain segments of the list will find a recent issue of Life, published by Yancey, Sanders & Co., of prime interest.

It reviews the performance of the 30 stocks in the Dow-Jones Industrial Average over the past year. Here is a statistical record that demonstrates graphically what has been the record of the affairs of the companies in the market place. And if anyone thinks you need only buy the quality stocks (and the Dow is top quality) to be assured of results, read on! Everything would to well done to examine this book.

A fund salesman might well use to drive home the point that stocks have long been a better bet than bonds and vice versa. Thus, back to the theme, you shouldutter the every issue in the Dow. The Dow is a statistical record that demonstrates graphically what has been the record of the affairs of the companies in the market place. And if anyone thinks you need only buy the quality stocks (and the Dow is top quality) to be assured of results, read on! Everything would to well done to examine this book.

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Meeting the Threat to International Investment

By John Fayerweather, Managing Editor, "The International Executive" and Professor of International Business, New York University, Author of "Facts and Fallacies of International Business"

Federal Reserve Bank of St. Louis
http://fraser.stlouisfed.org/

Digitized for FRASER

Our democracy has a distressing weakness. It is the predisposition to support national policies in response to pressures from a few special interests armed with slogans and a catch the public eye. An example of such "slogan policy" served so effectively to sustain the Smoot-Hawley protectionism of 1930 is the international investment "exporting jobs" theme. The aim of those who have won widespread support from the unsophisticated public, much of it ever ready to accept any criticism of business, is to create nationalistic feelings designed to counteract the slow evolution of a national consensus toward policies which are just as bad in to¬day's world as was the Smoot-Hawley Tariff Act dealt with by our international investment — "exporting jobs" theme. This, of course, already has been done. The fact that the new Tariff Policy has made contributions in the direction of lowering a current effort has been "thrown into the tariff issue. Economic World, the authoritative center of Interna¬tional Economic growth, makes many opinion leaders among the general public.

Several CED publications deal with the general subject of the hazards of international investment. My book is written for the layman, the "layman" is a word that now has a different meaning than it did in 1930. But a much greater effort is needed, especially in the form of articles with a wide impact on the public. One example is the study by the Council of Women Voters chapters, church organizations, and the like, which resulted in the passage of the unemployment act. This educational program should aim at creating understanding of the few basic aspects of the international investment situation. If our readers and listeners understand, we can expect that the public will take a serious view of individuals issues as they arise.

Here are the questions on which we must concentrate:

1. Are we exporting jobs? The answer is "yes". It is a matter of fact. The "job" which must be put over the "national boundary" is a national job as regards its impact on the country, especially to the balance of payment. We have reduced the soundly conceived and well executed "exporting jobs" theme in order to overcome the issue on the verge of adopting tax provisions which are nearly as harsh as those of the Smoot-Hawley Act. The Kennedy Administration proves that government has not been sufficiently to do the job.

New Approach Must Reach The Public

A new approach is needed, one which goes beyond Congress — back to the grass roots public opinion which determines foreign investment or activities.

John Fayerweather

(1) Congress acts. We must convince the general public of the hazards of international investment before representation. This is a much harder job than testifying to a committee. But it can be done. The success of the program over the years has been due in large part to a broad based and patient effort by groups such as the League of Women Voters.

(2) Call for Tariff Commission hearings before Congress to study and report on the "exiting jobs" theory. Hearings have been held. They are an essential part of a broad based effort to overcome this issue on the verge of adopting tax provisions which are nearly as harsh as those of the Smoot-Hawley Act. The Kennedy Administration proves that government has not been sufficiently to do the job.

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(2) Call for Tariff Commission hearings before Congress to study and report on the "exiting jobs" theory. Hearings have been held. They are an essential part of a broad based effort to overcome this issue on the verge of adopting tax provisions which are nearly as harsh as those of the Smoot-Hawley Act. The Kennedy Administration proves that government has not been sufficiently to do the job.

New Approach Must Reach The Public

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Gov. Development Bank Names Four

Salvador Rodriguez  Mario Rodriguez  Juan Martinez  Policarpo Olano

Four new Vice-Presidents of the Government Development Bank for Puerto Rico have been appointed, Dr. Rafael Pico, President of the bank, has announced. Mr. Rodriguez, Mario Rodriguez and Juan Martinez, all former Assistant Vice-Presidents of the bank, and Policarpo Olano, who will continue as Auditor of the bank.

All four were graduated from the University of Puerto Rico with degrees in business administration and have been with the Government Development Bank for various periods from eight to ten years.

What We Risk in Postponing Capital Outflow

But this is not our national policy and we must convince the public that it will hurt our country economically. Everyone agrees that over the long run investments are beneficial to the balance of payments. From 1931 through 1939, for example, we earned $21.3 billion compared with an outflow of only $12.5 billion. So the crux of the issue is: whether restricting the outflow of investments for a few years will be balanced by the payments imbalances. The Kennedy Administration seems to think that it is a sound short-term solution to the balance of payments problem. Roosevelt Administration concedes that it will be a difficult and long struggle unless we have a few years of restricted investments, but it is a solution which the public seems to understand.

Does the position of the international business community rest on a logic that is sound and can be exploited to the general good? I think it is true, but the success on the latter respect is not much. The failure, again, lies in the reliance on statistics and sophisticated logistics. The position both logically and for the general public of the national lives.

Business Must Invest or Lose Out

As we have noted, virtually all manufacturing investments today are the result of pressures either to lower costs possibly by avoiding the foreign production or to preserve export markets which will be cut off by import restrictions. The situation is essentially the same as that of a local businessman when the character of business in his field changes; for example the movie houses when drive-ins appeared, the German green when supermarkets took hold. The businessman must either invest in the new facilities or face a loss in his sales.

Now let us add to the picture the fact that the local businessman at this crucial moment finds he is short on funds because he is sending two children to college, supporting an invalid mother and furnishing all the expenses for his obligations. What do we prescribe? Do we say, ‘This is not time to invest. Wait until your finances are in better order? Certainly not. That would be business suicide, for unless the man keeps his position in the market his finances will get worse. So we would say, ‘Tighten your belt somewhere along the line and pay some money if you have to, but above all else make your investment and keep your business in the public good.

And this is exactly the position we are in a nation. The new character of business for us is not a new mechanism like the supermarket but a basic shift in overseas production. It looks different but the essence of the problem is precisely the same—we must adapt or lose our market.

Can we wait until our finances are in better shape? No. In fact, to add to the supermarket, drive-in theater stimulus, we find ourselves in much the position of a businessman confronted not just by the change in markets but also by a rapidly expanding community. We risk not just losing the market but losing a position at a very crucial point. In Europe, an extraordinary economic revolution is creating in a few years a new middle class economy. In the underdeveloped areas the basic foundations of industrial economies are being laid in countries after country. The companies which invest now are establishing themselves under the most favorable conditions—rapidly expanding sales—often with benefits of tax concessions, import restrictions, etc., and with the fundamental strength that always goes to the company that gains the first large market acceptance.

This problem should be easy for the public to understand. It is just the same as that of the man who feels someone else came in with the new supermarket. A year or two later he sells up his own, probably at the second best location and must fight an uphill battle to win back the customers he lost while he was getting started.

Summary

This is a very brief outline of the type of explanations of international business issues which I think we must communicate to the general public. Having written a book (albeit a short one) developing these ideas, I am conscious of the gaps in such a brief outline. I believe, however, that it is sufficient to convey a basic understanding of my thesis—that the international business community must talk to the general public about its problems in terms that it can readily understand.

Your advertisement in this special section will identify your firm with the important municipal field and the active Chicago markets.

For further information contact Edwin L. Berk, Commerical and Financial Chronicle, 22 Park Pl., New York 7, N. Y. (Reactor 2-5570) (Area Code 212)
Management's Duties In  
Privately Owned Real Estate

by Louis J. Glickman,* President and Chairman of the Board,  
Glickman Corporation, New York City

Changes in real estate managerial responsibilities wrought by the transformation from personal, limited ownership to the present era of professional management, real estate syndications, and investment trusts are traced by expert intimately involved in real estate operations for 35 years. Three areas requiring progress are identified: revitalization of the real state industry and the economy in general. Mr. Glickman notes that 'competition for good properties are increasing and profit margins narrowing—business is conducted on the basis of real estate technology, and keeping properties long live income producers. Mr. Glickman also addresses himself to the problem of how real estate values have dropped and caused bonds and stocks.

There is no professional association with which I can identify my life's work more closely than that of the Building Owners and Managers. After all, for 35 years I have made a comfortable living by owning and managing buildings — for myself, for my syndics, and for the corporation I'm privileged to head. While I have not and I will not, like many changes in the real estate industry in the course of these 35 years, none have been as significant as that which has resulted from those which we developed as enterprisers of public ownership of real estate.

And, indeed, we have entered a new era in real estate management. It has taken some of the most aggressive steps in the history of this industry in search of a better life. An era in which tremendous strides have been made in the wholesale battle against disease. An era in which man has vanquished the virtual conquest of space. An era, also, in which man has begun to realize his desire to share the basic wealth of our country—its land and the structures upon it.

Let us not underestimate this new century of property ownership. This shift in the ownership of real estate—from the hands of the wealthy to the hands of many public thousands of people—has been an evolutionary change on the American scene, in fact, it has been revolutionary. It is a sea change. And this has been a natural and predictable development. Why? Because the values of properties have risen to such an extent that the individual investor can no longer afford to own large prime urban real estate alone. For some years now, the multi-million dollar investment of the new property is not a luxury but a necessity. This has been a natural and predictable development. Why? Because the values of properties have risen to such an extent that the individual investor can no longer afford to own large prime urban real estate alone. For some years now, the multi-million dollar investment of the new property is not a luxury but a necessity.

Our nation's population is expanding to a point where the future of 200 million people, is only a decade or so away. Our grand natural product has soared over the $500 billion mark and is still increasing steadily. For 200 million people to produce and consume $500 billion worth of goods and services, we will need more productive property. The competition for productive property will be keen and fierce, and we can expect to see the vasting of some properties and the building of new ones. This means constant research and development in managing and investing in property ownership. It means not only searching for better ways to operate our buildings and serve our tenants, but also finding new ways to make our properties more productive. The growth of the country.

Poor Construction and Lowering Standards  

The second charge, that of diluting—our high standards of living should concern us just as much. Our industry has been charged by its critics with lowering the standards of the real estate industry in particular, and the economy in general. This charge is somewhat sharp during recent months—but in highly recent times—since the growth of the real estate industry for riding the higher waves of the market at the expense of the citizens who are losing from the burden of taxes can be fatal.

In other words, to listen to our critics we're damned if we do, and damned if we don't. We are damned by applying the modern technology of business to the business of real estate, and damned by attempting to maintain standards of living above those of our competitors. This is where research and development of new investment tools and techniques come into play.
A Sterling-Dollar Crisis

By Paul Einzig

Possibility of a joint sterling-dollar crisis in the net too distant future is raised by Dr. Einzig. No, also, express alarm at the near at which a country's long-term indebtedness is, the financial difficulties of sterling are now so serious that they are likely to be averted. Dr. Einzig points out that this has been a forecast and the sterling crisis has not yet been. The London and Sterling could do it domestically to improve the situation but only rise in other countries, on its own official forecast of a 3½% rise in irresponsible forecasts.

London, England—Throughout the post-war period, and even during the recent deflation, stability and fluctuations, sterling's meat was almost invariably to the upturn. Whenever one of the two currencies was undervalued, it manifested itself in the firmness of the other currency. Until recently, the only notable exception was the experience of 1951 when the dollar and sterling were weak simultaneously in relation to third currencies, especially in relation to the D-mark. Sterling was overvalued and the dollar undervalued, so that the latter appeared to be firm in relation to the former. This is not the case any longer. Today, sterling is again undervalued, while the dollar is overvalued after having nowadays its ups and downs—indeed, in the past five years, the dollar has not been disguised by official intervention—but the underlining of both currencies is that they have been firmer than to several continental currencies. It seems, therefore, that we shall have to envisage the possibility of a joint sterling-dollar crisis, if not in the near future, but at the end of the year. Meanwhile, the United States and sterling countries are likely to see their balance of payments, even if the deficit is not as big as it was until recently. In the case of the United States the effect of the trade deficit is on the one hand the continued outflow of foreign currencies, and, on the other hand, the rising dollar. This rise may be attributed to the refusal of the Treasury to cut down the amount of dollars in circulation, but not nearly to the same extent.

Rise in U.K.'s Long Term Indebtedness Abroad

Millikan Named In Fund Campaign

John H. Millikin, Senior Vice-President of the First National City Bank of New York and a leading member of the Committee for the United States Fund campaign. His ap- pointment was announced by the fund. Mr. Millikin is admin- istering the United States Fund in the United States. The Midland Trust Company of New York and

Thomson

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In New York City


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SECURITY SALESMAN’S CORNER

BY JOHN DUTTON

Inflation Protection!

During periods when public optimism is high, political campaigns give forth reassurances that the great expansion of consumer credit, capitalist over-confidence, advancing prices and deprecating currency is well under control. To take issue with public opinion, or the government sponsored media, is in bad taste and frowned upon. John Law, who was the father of the widespread use of bank credit, lived to see his life work destroyed by the ever enthusiastic mis-use of credit. A willing public during an inflationary era always joins with the ruling politicians. The Speculation in Tulip bulbs in Holland in 1634-67, the South Sea Bubble in 1720, and Law’s “Mississippi Company,” are but three examples of investment salesmen to shun.

DIVIDEND NOTICES

The Board of Directors has declared the following dividends for the quarters ending September 30, 16th: Class A Stock .10% Dividend .001 Share Prince Albert, George Washington $1.32 Cumulative Preferred 4.0% Series 5.0% Series 7.0% Series 10.0% Series 1.32 $1.40 Dividend .30 Per Share Preferred 8% Common .35 Common .55 All dividends are payable on or before September 29, 1962 to stockholders of record August 31, 1962.

R. J. Reynolds Tobacco Company

J. Rubenfeld Forming Own Co.

Jack Rubenfeld will form a new tobacco company at 67 Broad St, New York City, to engage in a securities business. Mr. Rubenfeld is in the Syndicate Department of S. Schramm & Company, Inc.

The State of TRADE and INDUSTRY

The end of the second quarter data tallated this week by the Federal Reserve indicate a deepening of the recession's trough, though new disturbing factors are absent. In contrast, the retail sales data for June, released Wednesday, suggest a marked advance continuing the first quarter's recovery momentum. Government en- tirely in the hands of a more modest policy, growth in the labor force, and new gains in the consumer's purchasing power may account for these new advances. The Federal Reserve's Board of Governors' National Summary of Business Conditions released this week suggests that the economy is already in a state of recovery.

Chambreau With du Pont

SAN FRANCISCO, Calif. — William Chambreau, Jr., has become associated with Francisco du Pont & Co, as manager of the San Francisco office, 317 Montgomery St, and assistant to Edward A. White, the firm's resident partner in northern California, it was announced today by Mr. Chambreau, Jr., who had previously, 126 common stock of the firm of Frenner & Smith Inc. for 15 years, most recently was vice president of Austin, Texas, office, and prior to that as manager of its Fresno, Cal. office.

Mr. Chambreau was formerly associated with the National Association, an organization of Mutual Funds and investment companies.

J. Rubenfeld

FORMING OWN CO.

Jack Rubenfeld will form a new tobacco company at 67 Broad St, New York City, to engage in a securities business. Mr. Rubenfeld is in the Syndicate Department of S. Schramm & Company, Inc.

RUBENFELD

DIVIDEND NOTICES

COMMONWEALTH OIL REFINING COMPANY, INC.

DIVIDEND NO. 2

The Board of Directors has declared a dividend of 1/4 of the common stock, payable September 1, 1962 to stockholders of record July 31, 1962.

The declaration of future dividends will be considered semi-annual.

Rubenfeld is in the Syndicate Department of Chase & Company, Inc.

J. Rubenfeld

FORMING OWN CO.

Jack Rubenfeld will form a new tobacco company at 67 Broad St, New York City, to engage in a securities business. Mr. Rubenfeld is in the Syndicate Department of S. Schramm & Company, Inc.

The Southern Company

The Southern Company System (Inc.)

ALABAMA POWER COMPANY

GEORGIA POWER COMPANY

MISSISSIPPI POWER COMPANY

SOUTHERN ELECTRIC SYSTEM

SOUTHERN SERVICES, INC.

SUBURBAN PROPANE

66th Consecutive Quarterly Dividend

Common Stock — 3/4% per Share

Payable August 15, 1962 to stockholders of record August 1, 1962

R. G. Gould, Vice Chairman of the Board & Financial Vice President

Construction

The value of new construction activity, which had advanced sharply in the second quarter, declined in June to a seasonally adjusted annual rate of $123.8 billion in private and public types of activity continued to rise. With residential construction and highway work show the largest gains.

Distribution

Retail sales of $12.5 billion in June as decreases were reported for most types of stores. The number of new cars sold fell 7% from the advanced level in May and sales of used cars also declined.

Steel Output

The wholesale commodity price level continued to fall in June. Average prices of industrial materials declined by 2% in the spring of 1962.

Bank Credit and Reserves

The commercial bank credit position continued to improve in June. Loans and holdings of non-government bonds and holdings of U. S. Government securities declined less than usual. The seasonally adjusted money supply changed little. Time deposits and checkable deposits at commercial banks rose further.

Security Markets

"Yields on both corporate and state and local government bonds declined in June, with the 10-year yields for mid-June through early July. Yields were lower, but U. S. Government securities also rose. The market rate of three-month Trea- sury bills increased to about 3.9% and the average yield on long-term Treasury notes was up slightly over 4.5%. Average prices of common stock declined further to a low on June 20 that was below the previous low of December. Since late June prices have shown a marked advance and about one-fourth of the decrease."
The Market... And You

BY WALLACE STREETE

The money and capital markets have been neglected recently because there is pressure being applied to main the discount rates. This is undoubtedly a deliberate plan to keep the discount rates from being attractive enough so that funds are not invested here will continue to reindicate the possibility that the burden would be taken off the dollar and our gold holdings. With a higher near-term rate there are having sympathetic influence not only the intermediate maturities but also the most distant obligations. Yield on these two types of maturities have gone up even though they still remain in the past the few months they have been in. However, until some of the uncertainties are resolved interest rates are quite likely to remain a bit on the defensive side.

Parker, Ford to Be NYSE Member

DALLAS, Tex.—Parker, Ford & Co., Inc., Vaughan Building, will become a member of the New York Stock Exchange, as of Aug. 1. This is the first time a San Diego company has become a Senior Vice-President of the firm. Mr. Roberts is President of N. C. Roberts & Co, Inc, of San Diego. The company is represented in New York by E. Keene Wolcott, W. Duncan Nelson, George C. T. Hanes, and Helen M. Thompson, officers of Parker, Ford & Co., Inc., will also become officers of Parker, Ford & Co.

Two With Peters, Writer

(Special to the FINANCIAL CHRONICLE)

DALLAS.—Richard Peters and William B. Campbell have been connected with Peters, Writer & Campbell, Inc., 724 Seventeenth Street.
COMMENTARY...  
BY M. R. LEFKOE

No government should be allowed to require its citizens to accept any ideas, even if the majority of its citizens might believe in them. When stated in this absolute sense, no one would agree with this principle. However, if a specific idea is being forced upon a group of people that they do not believe in, there is a strong possibility that they would actually demand that the government require its citizens to accept that idea. The right to "think as we please" is one of the most cherished possessions of the citizens of a free society.

The Background

In order to explain this conclusion regarding the relationship between the government and the freedom of thought of the people, we must analyze the principles that should be required to require the government to allow its citizens to accept any idea, even if the majority of its citizens might believe in them. When stated in this absolute sense, no one would agree with this principle. However, if a specific idea is being forced upon a group of people that they do not believe in, there is a strong possibility that the government would actually demand that the government require its citizens to accept that idea. The right to "think as we please" is one of the most cherished possessions of the citizens of a free society.

The Crucial Principle

Thus, the issue before us is not one of whether the government is allowed to require its citizens to accept any idea, even if the majority of its citizens might believe in them. The issue is whether the government is allowed to require its citizens to accept any idea, even if the majority of its citizens might believe in them. When stated in this absolute sense, no one would agree with this principle. However, if a specific idea is being forced upon a group of people that they do not believe in, there is a strong possibility that the government would actually demand that the government require its citizens to accept that idea. The right to "think as we please" is one of the most cherished possessions of the citizens of a free society.
Other liabilities—

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Volume 196 Number 6178 . . . The Commercial and Financial Chronicle

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A Tax Cut This Summer—Some Neglected Thoughts

Continued from page 1

Is a recession imminent? If so, the 1962-63 business recovery will be far less satisfactory than the Secound World War recovery; the problem of recession within the next few months would lend considerable support to the tenet that such a recession would tend to be greater, and the recovery slower, than most of us would anticipate, given the number of people currently employed and the volume of consumer spending. If a recession were experienced, the reaction would be likely to be slow and severe, but there would be no reason to expect it to be deep. A possible explanation is that the recovery is not likely to be as strong or as rapid as the recovery of 1958-60. But it is clear that a recession is not imminent, and that the recovery is not likely to be deep.

To what extent is the view that a recession is imminent supported by the tenet that the recovery is not likely to be deep? The recovery is likely to be strong and rapid, but it is not likely to be deep. The tenet that the recovery is not likely to be deep is not supported by the tenet that a recession is imminent. The tenet that a recession is imminent is not supported by the tenet that the recovery is likely to be deep. The tenet that the recovery is likely to be deep is not supported by the tenet that a recession is imminent.

Some other factors that are likely to support the tenet that a recession is imminent are the following. The recovery is likely to be strong and rapid, but it is not likely to be deep. The tenet that the recovery is likely to be deep is not supported by the tenet that a recession is imminent. The tenet that a recession is imminent is not supported by the tenet that the recovery is likely to be deep. The tenet that the recovery is likely to be deep is not supported by the tenet that a recession is imminent.

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Successful Bidders for Puerto Rico Bonds

**PUBLIC UTILITY SECURITIES**

**BY OWEN ELY**

**Arizona Public Service Company**

Arizona Public Service Company provides electricity at reasonable rates in all of Arizona's fourteen counties. Of the total population of this area, 860,000 lives in 1962 in the seven counties served by Arizona Public Service Company. Approximately 12% of the population is of all-tonomous and industrial size, while the remainder is of small, residential, and agricultural size. The gross area of 4,500 square miles is well diversified, with major industries being mining, agriculture, and engineering, and the tourist business being also well developed. The rural business, which now contributes more than five times as much as the urban business, has been included in the economic analysis of 1960. The company's revenues are 75% electric and 25% residential. The company has 94% of the electric service in Arizona and 99% of the residential service.

Arizona is a rapidly growing state and the population of the service area increased 74% in the decade ending 1960, showing a gain of 191%. The population is expected to double during 1961-65 and estimates associated with the "space age" add a new stimulus to the economy. The management has projected an annual growth rate of 4.5% and believes it has a valid base of support on the present number of shares outstanding. However, litigation involving the rate increase and various rate adjustments was uncertain and is expected to continue, and it is not clear how this will affect the utility's earnings.

 Favorable operating results continued into 1962 and for the twelve months ended December 31, revenues increased by 8.4% and an 18.4% increase in net income. The company has marketed securities in recent years to promote the utility's growth and development, and has been successful. The company's earnings for the fiscal year ended June 30, 1962, were $2,150,000, an increase of 14.6% over the previous year's earnings of $1,881,000.

Jesup & Lamont

To Admit Sullivan

Jesse J. Green will acquire a membership in the New York Stock Exchange and will become a partner in Jesup & Lamont, 28 Broadway, New York City, members of the New York Stock Exchange, on July 26.

With Shearson, Hamill

(Special to The Financial Post)

SAN DIEGO, Calif.—John M. Biederman and Bruce R. Pearson have become affiliated with Shearson, Hamill & Co., 604 A St., San Diego. Both were formerly with Currier & Carlin, Inc.

Morgan Adds to Staff

(Special to The Financial Post)

ANGELUS, Calif.—Lawrence P. Krause has been added to the staff of Morgan & Co., 634 South Spring St., members of the Pacific Coast Stock Exchange. He was formerly with Kerr & Bell.

Joes and Johns

Joint Bank Knowlton


Funds Great States Inv

SPRINGFIELD, Ill.—Great States Investment Brokers, Inc. has been formed at 111 East Monroe Street to engage in securities business. Officers are John W. King, President; Fred W. Suttman, Vice-President and Secretary; and Ross L. Enfield, Vice-President and Assistant Secretary.
Price Stability Key to Dollar Confidence Abroad

Continued from page 3

by the Federal Reserve System, in-
cluded, will be a major factor in the
balance of payments of long-term
private investment abroad by U.S.
companies. The government govern-
ments have not been able to
control the flow of that investment,
business and competitive consid-
erations have led to an almost
entirely different picture for the
balance of payments deficit.

The deficit, on the other hand,
limited certain advantageous tax
investment and earnings by American
firms abroad to the extent that these
are not offset by the growth in the
United States, thereby encour-
aging the repatriation of these
flows primarily motivated by tax
reasons would result, among other
things, in an adverse change in our
balance of payments position.

So much for the attack upon
which, quite possibly, we have
must substantially to our
health and competitive efficiency of
the United States. If we do this, we
will be in a better position to
balance of payments deficit.

No Single Factor Causes

This raises properly the ques-
tion—why does the United States
have a balance of payments defi-
Gains. Since a large part of the
balance of payments is made up of
a number of different cate-
ory: gold, real estate, and
other factors. One might say that if exports were
stronger, we could have a
deficit, or if there were less long-
term interest in the dollar,
ment placed each year in other
countries we would have no
deficit at all. But the removals were lower,
we would have a deficit, and so
on.

The deficit is frequently blamed
on the fact that U.S. exports are
inadequate. It is possible that
our defense expenditures abroad,
which last year had an impact of
$4 billion on the balance of
payments position.

But that does not mean that the
factors causing it are not ade-
quate for our security and still
eliminate the deficit—which is
self-evident.

We have sought to reduce the
deficit by reducing or eliminating
our external financial expendi-
tures outside the United States for both of these.
The use of U.S. goods instead of
dollars in foreign aid is being
maximized to reduce the effect on
our balance of payments, and at
the same time, almost all of the
outflow is being spent abroad. This ratio, however,
lower in recent aid commitments; in some
areas it has been reduced to one
dollar in five.

Furthermore, the cost of our
military efforts, in part by military
procurement, has been cut
consistently by the United States. This year, for
instance, our military expendi-
tures have been reduced to
$178 million in military receipts, a
degradation of $3 billion in our balance on the
world market. This will, however,
reduce two-thirds of a billion
in our balance on the world market. This will, however,
reduce two-thirds of a billion
in our balance on the world market. This will, however,
reduce two-thirds of a billion
in our balance on the world market. This will, however,
expanding European scene. As the Common Market takes in new members, the price competitiveness of European industries will continue to be a threat to United States firms, and this will add to the pressure on the dollar. If we fail to maintain our access to European markets in the next few years, the threat will increase. The price competitiveness of European industries will continue to be a threat to United States firms, and this will add to the pressure on the dollar. If we fail to maintain our access to European markets in the next few years, the threat will increase.

It is essential for the maintenance of United States export trade that we maintain our access to European markets. If we fail to maintain our access to European markets, it will be difficult to maintain our access to other markets, and the dollar will continue to fluctuate. If we fail to maintain our access to European markets, it will be difficult to maintain our access to other markets, and the dollar will continue to fluctuate.

We must not delay entry to EEC.

Now is obviously the time to deal with the Common Market—and not later. The United States has already lost vital question of mutual tariff reduction with the Common Market, and now will require some readjustment on our part, and the program must be developed and implemented. We need to develop a program that will ensure that the imports that will result from the Common Market will be carried out as efficiently as possible, and that we will be able to take advantage of the opportunities that will be presented.

Export Credit Insurance

For exporters, perhaps the most important is the new export credit insurance system, which will go into effect early this year. Under the system, both the American exporter and the company that imports the goods, if they are not insured, will have credit protection and assistance when both the United States and the countries that buy the goods are not insured.

This insurance allows us to cover private export companies, working in cooperation with the Small Business Administration, to provide foreign companies with the help they need to get their goods to market. The program is designed to ensure that the American exporter and the company that imports the goods, if they are not insured, will have credit protection and assistance when both the United States and the countries that buy the goods are not insured.

The government is initiating early this year an effort to bring this country's foreign trade to a new level of efficiency. The time is now to establish our own export industry, and we need to develop the same high standards of living in the face of the world, to use the resources of the American people to maintain our position in the world.

Investment Credit Plan and Modernization

At present, the tax benefit for the United States Finance Corporation’s new program provides for a tax reduction or exemption on the foreign purchase or acquisition of a businessperson or farm, the export of a business, or the operation of an equipment used in the United States.

It is well known that Western European businesses have been modernizing their operations in order to keep up with the new industries. This increased competitiveness has been a result of the efficient operation of these firms, and the use of improved quality and lower unit costs, to be more competitive than even in the United States. Now we need the trade program to ensure that we maintain the same standards in the United States, and that the end of the Common Market is not the end of the United States.

In summary, then, increasing our trade surplus is the most promising way of solving our balance of payments problem. The government will help it along by providing the assistance for this expansion will depend, in the short run, on our reputation of ability and energy of the American businessmen. Upon their performance, the New Frontier in foreign trade will prove sound and sustainable, and that the solutions we devise will not be in conflict, but will harmonize with the balance of payments of home and an extension of freedom and security abroad.

We will make our approach to the challenge of modernization.

With Hanno ce Talbot (Special to The Fiscal Policy Committee)

The new program for foreign trade has been developed by a group of American economists, led by the late Robert K. Stark, who has become associated with Hannaford & Talbot of San Francisco. He was formerly with J. B. Hannaford & Company.

Two With V. K. Osborne (Special to The Financial Chronicle)

A. Fidler and Matthew C. Wilkin have joined the staff of V. K. Osborne & Sons, Inc., 241 North Pacific Coast Exchange Stock Office. Both were formerly with Garat & Poloniz, Inc.

As We See It

Continued from page 1

It is a matter of little concern whether we seek substantialization of such charges in the terms of co-operating. Administrative Budgeting in Action, such as the Department of Commerce has helped by the inclusion of their new national accounts. Outlays as reported in the Treasury figures are much more likely to be what they used to be or what we in our own younger minds may believe they ought to be. As for the figures that have grown much greater than the rate at which population has increased, the rate of inflation has proceeded, and than the growth that has taken place in our income as a people.

Historical Changes

We find our government expenditures in 1961, as reported in the national accounts, in the Department of Commerce to be 15 times what they were in 1929. Gross National Product was only $70 billion in 1929, as it is today. If we take some year after the end of World War II, and we find that government outlays for that year have been multiplied by 3.5 to match those of 1961, we find that in 1929, less than one wage or salary earner in every 10 was working for the government; by 1961, nearly six out of 10 was on government payrolls. If we take the amount of wages and salaries paid out in these years we find the same kind of story. In very brief, government, state and local are not merely paying the wages of those who are costing us too much, far too much. It is costing us far too much, and we should be able to get a clear idea of what we can pay by the degree and extent that the figures reveal that government outlays for the 1960's have substantially increased our lives and our economic activities.

It will, of course, be noted at once that this is not a matter of whether we tighten our belts and pay as we go or whether we delay the day of reckoning — and soothe our conscience with smooth talk of the Keynesian or neo-Keynesian types. It has to do with the amount of government we need. The ideas of many, many "moderate," at times, have often more than once. It is only in the variance that we, believe, with sound and valid ideas on the subject. It is time, long past time, that we as a people come to a realizing sense of the importance of the vital fact — and did something about it. Until we do we may expect nothing from the politicians.

With F. I. Du Pont

continued from page 1

V. K. Osborne (Special to The Financial Chronicle)

The financial and economic system of the United States, we believe, is a sound and valid idea on the subject. It is time, long past time, that we as a people come to a realizing sense of the importance of the vital fact — and did something about it. Until we do we may expect nothing from the politicians.

With F. I. Du Pont
### Indications of Current Business Activity

#### AMERICAN IRON AND STEEL INSTITUTE:
- Indications of current capacity (percentage) | Latest | Previous | Year Ago |
  - June 22 | 47.9 | 47.7 | 48.4 |
- Equivalent tonnage (tasks) | Latest | Previous | Year Ago |
  - June 22 | 7,327,319 | 7,400,200 | 7,368,190 |

#### AMERICAN PETROLEUM INSTITUTE:
- Crude oil and natural gas production (tonals) | June 22 | 36,387,707 | 36,387,707 |
- Gasoline output (tonals) | June 22 | 9,046,253 | 9,046,253 |
- Jet fuel output | June 22 | 1,884,428 | 1,884,428 |
- Distillate fuel oil output | June 22 | 1,641,075 | 1,641,075 |
- Waste material output | June 22 | 4,541,075 | 4,541,075 |
- Gas sold in natural gas pipelines | June 22 | 187,211,000 | 187,211,000 |
- Crude oil and natural gas production (tonals) | June 22 | 36,387,707 | 36,387,707 |
- Gasoline output (tonals) | June 22 | 9,046,253 | 9,046,253 |
- Jet fuel output | June 22 | 1,884,428 | 1,884,428 |
- Distillate fuel oil output | June 22 | 1,641,075 | 1,641,075 |
- Waste material output | June 22 | 4,541,075 | 4,541,075 |
- Gas sold in natural gas pipelines | June 22 | 187,211,000 | 187,211,000 |

#### ASSOCIATION OF AMERICAN RAILROADS:
- ton-miles on freight traffic | June 22 | 41,566,596 | 41,566,596 |
- ton-miles on passenger traffic | June 22 | 4,533,982 | 4,533,982 |

#### CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:
- June 22 | 37,124,000 | 37,124,000 |

#### COAL OUTPUT OF THE BUREAU OF MINES:
- Billion tons and lignite (tonals) | June 22 | 1,965,000 | 2,126,000 |

#### DEPARTMENT STORES SALES INDEX—FEDERAL RESERVE BOARD:
- June 22 | 119 | 119 | 119 |

#### EDISON ELECTRIC INSTITUTE:
- Electric output (in kwh.) | June 22 | 16,769,000 | 16,769,000 |

#### ELECTRICAL CONTRACTORS AND INDUSTRIAL (HUNTINGTON AVE.):
- June 22 | 257 | 257 | 257 |

#### METAL PRICES (S. & M. J. QUOTATIONS):
- Scrap price per ton (in.):
  - Copper | June 22 | 61.36 | 61.36 |
  - Steel | June 22 | 46.00 | 46.00 |
  - Aluminum | June 22 | 23.11 | 23.11 |

#### MOODY’S BOND PRICES DAILY AVERAGES:
- Average corporates | June 22 | 87.63 | 87.63 |
- Average industrials | June 22 | 87.15 | 87.15 |
- Average railroads | June 22 | 86.25 | 86.25 |
- Average utilities | June 22 | 84.52 | 84.52 |

#### MOODY’S BOND YIELD DAILY AVERAGES:
- U. S. Government Bonds | June 22 | 3.67 | 3.67 |
- Average corporates | June 22 | 4.32 | 4.32 |
- Average industrials | June 22 | 4.40 | 4.40 |
- Average railroads | June 22 | 4.40 | 4.40 |
- Average utilities | June 22 | 4.40 | 4.40 |

#### MOODY’S COMMODITY INDEX:
- June 22 | 367.2 | 367.2 |

#### OIL, PAINT AND DRUG REPORTER PRICE INDEX:
- June 22 | 137.5 | 137.5 |

#### ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS OF NYSE:
- June 22 | 3,863,971 | 3,863,971 |

#### STOCKolders and Specialists on N. Y. Stock Exchange:
- June 22 | 5,305,690 | 5,305,690 |

#### STONE PRODUCTS, BRICK, CEMENT, FLAT GLASS, ANDЕН
- June 22 | 1,005,100 | 1,005,100 |

#### WHOLESALE PRICES, NEW SERIES—U. S. DEPT. OF COMMERCE:
- June 22 | 100.0 | 100.0 |

#### COMMODITY GROUP:
- June 22 | 100.0 | 100.0 |
- June 22 | 100.0 | 100.0 |
- June 22 | 100.0 | 100.0 |

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

#### ALUMINUM (BUREAU OF MINES):
- Production of primary and secondary cast aluminum | June 22 | 164,311 | 164,311 |

#### AMERICAN IRON AND STEEL INSTITUTE:
- Steel blooms and steel for castings produced | June 22 | 2,704,916 | 2,704,916 |
- Steel products (tons, except ingots) | June 22 | 7,000,000 | 7,000,000 |

#### AMERICAN ZINC INSTITUTE:
- Zinc oxide output in pounds (tonals) | June 22 | 3,725,000 | 3,725,000 |
- Zinc metal output in pounds (tonals) | June 22 | 3,725,000 | 3,725,000 |

#### BANKERS’ DOLLAR ACCEPTANCES OUTSTANDING:
- Federal Reserve Bank of New York—As of June 22 | $74,200,000 | $74,200,000 |
- June 22 | $2,704,413 | $2,704,413 |
- June 22 | $3,996,300 | $3,996,300 |

#### CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:
- June 22 | $35,711,000 | $35,711,000 |
- June 22 | $35,711,000 | $35,711,000 |
- June 22 | $35,711,000 | $35,711,000 |

#### COAL EXPORTS (BUREAU OF MINES):
- June 22 | $118,561 | $118,561 |
- June 22 | $6,946,910 | $6,946,910 |
- June 22 | $6,946,910 | $6,946,910 |
- June 22 | $6,946,910 | $6,946,910 |
- June 22 | $6,946,910 | $6,946,910 |

#### DEPARTMENT STORES SALES INDEX—FEDERAL RESERVE BOARD:
- June 22 | $135,923,674 | $135,923,674 |
- June 22 | $2,830,000 | $2,830,000 |
- June 22 | $2,558,000 | $2,558,000 |
- June 22 | $2,558,000 | $2,558,000 |
- June 22 | $2,558,000 | $2,558,000 |

#### REAL ESTATE FINANCING IN MONTREAL:
- June 22 | $1,210,374 | $1,210,374 |
- June 22 | $93,275,000 | $93,275,000 |
- June 22 | $93,275,000 | $93,275,000 |
- June 22 | $93,275,000 | $93,275,000 |
- June 22 | $93,275,000 | $93,275,000 |

#### ROCKER MANUFACTURING ASSOCIATION:
- June 22 | $8,760,000 | $8,760,000 |
- June 22 | $57,593 | $57,593 |
- June 22 | $57,593 | $57,593 |
- June 22 | $57,593 | $57,593 |
- June 22 | $57,593 | $57,593 |

#### TREASURY MARKET TRANSACTIONS IN INDICES:
- June 22 | $8,760,000 | $8,760,000 |
- June 22 | $57,593 | $57,593 |
- June 22 | $57,593 | $57,593 |
- June 22 | $57,593 | $57,593 |
- June 22 | $57,593 | $57,593 |
YOUR PRIME SOURCE FOR ALL NEW USES

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Members of New York Security Dealers Association
39 Broadway, New York 6, N. Y.

DIGEST OF ADDITIONS SINCE PREVIOUS ISSUE

Amerel Mining Co. Ltd.

July 31, filed 200,000 common shares. Price—50.


American Cardboard & Packaging Corp.


American Fidelity Corp.


American Flag & Banner Co. of New Jersey


American Kosher Provisions, Inc.


American Laboratories, Inc.


Amerell Regular Manufacturing Corp. (7/30-31)


Chicago Tribune

PUBLISHED EVERY DAY

THE NORTHWEST'S NEWSPAPER

Volume 196 Number 6178 . The Commercial and Financial Chronicle

(230) 25

68% INVESTMENT

The NYSE survey just out again shows Chicago with more individual and organized investment, except New York. That’s why member firms of the Big Board have more than 70 offices here. To tell Chicago and Mid America about their services, stock and bond losses last year increased, Chicago new issues budget in the Chicago Tribune. It’s the dominant financial medium of the midwest. Reach the people of consequence in Chicago and Mid America. Talk to your Chicago Tribune representative today.
American Mortgage Investors

Feb. 8, 1962 filed 1,200,000 shares of beneficial interest. Price—$15.00. Proceeds—For subordinated convertible debentures due 1972 and 499,161 common to be offered for subscription by stockholders on the basis of $100 for each $1000 in par value of stock and one share for each three shares held. Price—For debentures, $1,000 par, and for each of 164,000 common, $15.00;

Business—Conversion of securities.

American Options Corp.

April 11, 1962 filed 1,000,000 common. Price—$5.00. Proceeds—For investment purposes. Office—120 Broadway, N. Y., Underwriter—Provoist Securities, Inc., N. Y.

American Registry Co.


American Safety Table Co., Inc.


Angier Industries, Inc.

March 30, 1962 filed $2,480,000 of convertible debentures due 1962 and 246,000 common shares (of which 218,000 to be sold). Proceeds—for corporate purposes. Office—120 Broadway, N. Y., Underwriter—Provoist Securities, Inc., N. Y.

American Southwest Realty Trust


American Strategic Minerals Corp.

July 9, 1962 filed 1,250,000 common. Price—By amendment (max. $7). Business—Company plans to explore for, mine and market natural uranium, thorium and other radioactive elements. Proceeds—For expansion, debt repayment and working capital. Office—327 Fallig Bldg., Portland, Ore. Underwriter—To be named.

Amer-Tex, Inc.


Ampoules, Inc.


Anchor Industries, Inc.


Ardex Inc.

March 20, 1962 filed 100,000 common, of which 80,000 are to be sold by the company and 20,000 by stockholders. Price—$5.00. Proceeds—For debt repayment, acquisition of plant, equipment, and working capital. Office—28 Essex St., Hacken¬sack, N. J. Underwriter—Benjamin J. Levy, 100 Fifth Ave., New York, N. Y. Underwriter—Sahn & Peck, Cohn & Co., N. Y. Underwriter—To be named.

Aubrey Manufacturing, Inc. (8/27/31)


Automatic Controls, Inc. (8/20/24)


Automatic Marker Photo Corp.


Automatic Merchandising Machine Corp.


Argus Financial Fund, Inc.

Feb. 12, 1962 filed 900,000 capital shares to be offered in exchange for preferred stock. Price—Net asset value (expected at $15.50 per share). Business—A diversified open-end investment company which plans to take in the long-term growth of savings and loan associations, and allied financial business.
debenture

Cash-O-Matic Corporation
May 23, 1962, filed 100,000 common. Price—$100. Business—Company plans to qualify as a public utility and furnish water and sewage disposal and related services to a number of communities in Florida. Proceeds—For working capital. Office—280 Central Ave, N. Y. Underwriter—Kahn, Co, Inc., N. Y.

CCI Inc.

C Cherokee, Inc.
May 21, 1962, filed 86,370 common to be offered for subscription by stockholders on the basis of one new share for each two shares held. Price—By amendment (max. $100). Business—An investment company which will hold mort¬gage notes and other real estate-related investments. Proceeds—For debt repayment, working capital, and general corporate purposes. Office—743 N. Fourth St, Milwaukee. Underwriters—Marshall Field & Co., Inc., Milwaukee. Offering—Temporarily post¬poned.

City Bank and Trust Company

Clay Industrial and Commercial Bank

Colonial Board Co.
April 26, 1962, filed 150,000 common, of which 115,000 are to be offered by the company and 40,000 by stockholders. Price—By amendment (max. $10). Business—Manufacture of stockboard and boxboard. Proceeds—For expansion, equipment and debt repayment. Office—615 Parker St, Manchester, Conn. Underwriter—Putnam – Hartford, Conn.

Columbus Bancorporation
Feb. 16, filed 80,000 common and 50,000 convertible subordinated debentures due 1987, and 1,500,000 common to be offered in units of 10 bonds. Price—By amendment (max. $10). Business—A bank holding company recently formed to acquire First Western Bank Trust Co, Los Angeles. Proceeds—For acquisition of First Western stock and working capital. Office—1900 Broadway, Los Angeles 6, Calif. Underwriter—Bear, Stearns – Allen, Co., N. Y.

Computers Inc.

Commercial Trust Co.

Commodity Futures Trust

Computer Applications
**Computer Components, Inc.**

Dec. 6, 1962 filed 100,000 common, of which 90,000 are to be offered by the company and 10,000 by stockholders. Price—$5. Business—Development and production of electronic circuit boards and casings for telephones. Proceeds—to be used for expansion and general corporate purposes. Office—1110 Protex Bldg., San Francisco. Underwriter—Stewart, Brown, Meyerson & Co., San Francisco.

**Country Set Inc.**


**Diamond Dust Co., Inc.**


**Diversified Advertising Promotions Unlimited, Inc.**

Jan. 23, 1962 filed 200,000 common, of which 120,000 are to be offered by the company and 80,000 by stockholders. Price—By amendment (max. $10). Business—Advertising and promotion capital and general corporate purposes. Office—7272a Morgan Ave., South Minneapolis. Underwriter—None.

**Domanic, Isaacson, Inc.**


**Diversified Real Estate Trust**


**Diversified Realty Investors**


**Dow Chemical Co.**

Feb. 26, 1962 filed 150,000 common, of which 50,000 are to be offered by the company and 100,000 by stockholders. Price—By amendment (max. $12). Business—Design and manufacture of boy's and girl's clothing. Proceeds—for investment. Proceeds—for general corporate purposes. Address—Red Lion Rd., Phila., Pa. Underwriter—Goodman & Co., N. Y. Note—This offering has been temporarily postponed.

**Drexel & Co.**

March 9, 1962 filed 122,700 common, of which 42,500 are to be offered by the company and 80,000 by stockholders. Price—By amendment (max. $12). Business—Design and manufacture of industrial metalurgical furnaces. Proceeds—to be used for working capital and general corporate purposes. Address—Robert E. Clark, Mgr. Underwriter—Goodman & Co., Philadelphia.

**Drew Properties Corp.**


**Dulany Industries, Inc.**


**Dunlap, Inc.**


**Dursley, Inc.**


**Electric Rhythms, Inc.**

May 24, 1962 filed 500,000 common of which 300,000 are to be offered by the company and 200,000 by stockholders. Price—By amendment (max. $5). Business—Importing and marketing audio equipment, household and art goods at discount prices. Proceeds—for working capital. Office—50 Bay St., San Francisco. Underwriter—Stewart, Brown, Meyerson & Co., San Francisco.
<table>
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<tr>
<th>Date</th>
<th>Company Name</th>
<th>Description</th>
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<tr>
<td>July 15</td>
<td>Florida Power &amp; Light Co.</td>
<td>Bonds</td>
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<tr>
<td>July 22</td>
<td>Gaslight Club, Inc.</td>
<td>Common, (Meyers &amp; Lusumani &amp; Co.) $1,050 shares</td>
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<tr>
<td>March 26</td>
<td>Electronic Transmission Corp.</td>
<td>(V. R. Wadell &amp; Co. &amp; Co.) $375,000</td>
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<tr>
<td>March 20</td>
<td>Electrodynamic Industries, Inc.</td>
<td>(7/30-31)</td>
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<tr>
<td>March 30</td>
<td>Electromagnetic Industries, Inc.</td>
<td>(Brand, Grumet &amp; Co.) $100,000 shares.</td>
</tr>
<tr>
<td>May 1</td>
<td>Eastern Pennsylvania Investment Corp.</td>
<td>March 16, 1962 filed 450,000 shares.</td>
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<tr>
<td>March 10</td>
<td>Eastern Utilities Improvement Corp.</td>
<td>June 15, 1962 filed $1,400,000 shares. by 70% subord. conv. dehentes due 1977, and 70,000 shares common of which 45,000 are to be offered to public and 25,000 by stockholders. Price—by amendment (max. $1 per common share). Business—Design, production, assembly, distribution of components, magnetic components and electronic instrumentation and control devices. Proceeds—For equipment, debt repayment, a new plant and working capital. Offer—Sayville Industrial Bank.</td>
</tr>
</tbody>
</table>
Fidelity Mining Investments Ltd.,
Nov. 30, 1962 filed three class shares. Price—By amendment.
Business—Exploration and testing of mining proper-

First Connecticut Small Business Investment Co.,
March 30, 1962 filed 75,000 capital shares. Price—By amendment.

First Income Realty Trust,
Nov. 9, 1961 filed 500,000 shares of beneficial interest. Price—Proceeds—For retirement of outstanding 5% first mortgage bonds, due 1969, premium and accrued interest, and construction of new income real estate. Office—110 W. 16th St., Wilmington, Del. Underwriter—None.

Florida Bancorp, Inc.,

Florida Power & Light Co. (7/31)

Florida Water & Utilities Co.,

Foseal Corp.,
May 10, 1962 filed 169,420 common to be offered for subscription by stockholders. Price—By amendment (max. $2). Business—Company owns and licenses cartoon material, promoting and advertising, and owning patent rights. Proceeds—For debt repayment and other corporate purposes. Office—190 W. 16th St., Wilmington, Del. Underwriter—None.

Food & Drug Research Laboratories, Inc.,

Fost (Alex) & Sons, Inc.,

42 Products, Ltd.,

Founders Financial Federation, Inc. (8/10)

Four Star Sportsware, Inc. (8/6)

Franz-Walker Aircraft Corp.,

Franklin Electric Co.,
March 26, 1962 filed 150,000 capital shares, of which 70,000 are to be offered by company and 80,000 by stockholders. Price—By amendment. Business—Manufacturing and selling of motors and a line of business and a chain of women’s apparel stores. Proceeds—For debt repayment, working capital and expansion. Office—4009 Hollywood Blvd., Los Angeles. Underwriter—Underwriter—N. Y. Underwriter—None.

Frouge Corp.,

Funds Investment, Inc.,

Gamma Corp.,
June 28, 1962 filed 200,000 common and 80,000 five-year warrant shares, of which 40,000 are reserved for sale to the public and 40,000 are reserved for issuance upon exercise of the warrants. Price—4.50 per share. Business—Design, development, manufacture and sale of radio frequency filters and related items. Proceeds—For a new plant, sales promotion and working capital. Office—583 Plymouth Ave, Fall River, Mass. Underwriter—None; N. Y. Underwriter—None.

Georgia State Small Business Investment Co.,

Glasslight Club, Inc. (7/31)

Gemco-Ware Corp.,

General Classics Inc.,

General Economics Syndicate, Inc.,

General Investment Co. of Connecticut, Inc.,

General Motors Corp. (7/25)
Office—1775 Broadway, N. Y. Underwriter—Morgan Stanley & Co., Inc.

General Realty Income Trust

General Securities

Geriatric Research Corp.
Feb. 12, 1962 filed 162,500 common, of which 12,500 are to be offered by the company and 150,000 by stockholders. Proceeds—For general corporate purposes. Office—Box 215, R. R. No. 1, Fishkill, N. Y. Underwriter—W. F. Church & Co., Englewood, N. J.

Grand Bahama Development Co., Ltd.

Great Continental Real Estate Investment Trust

Great Eastern Insurance Co.

Great Plans Corp.

Greater McCoy's Markets, Inc.

Greater New York Box Co., Inc.

Greensboro Inc.
April 25, 1962 filed 150,000, of which 75,000 are to be offered to be company and 75,000 by stockholders. Price—$10. Business—Wholesale and retail distribution of toys, hobby lines and sporting equipment. Proceeds—For debt repayment, equipment and working capital. Office—35 East St., Stoneville, N. C. Underwriter—J. W. Price, Stoneville, N. C.

Greenwood Bros., Inc.
April 30, 1962 filed 150,000 common, of which 75,000 are to be offered to be company and 75,000 by stockholders. Price—$10. Business—Manufacturing and distribution of precision and general automatic machinery. Proceeds—For general corporate purposes. Office—111 Fifth Ave., N. Y., Underwriter—None.

Gulf American Land Corp.

Hallandale Rock & Sand Co.
March 20, 1962 filed $35,000,000 of 6% subordinated debentures due 1977, 200,000 common and 6-year warrants to purchase 25,000 common at $1 per share to be offered in units consisting of one bond and one warrant. Price—$18 per unit. Business—Extraction, processing and sale of rock and sand. Proceeds—For a new plant and other corporate purposes. Address—Hallandale, Fla. Underwriter—Melt, Khanbakhian, Flynn & Co., Miami, Fla.

Halo Lighting Co.

Halsey Drug Co.

Goul Paper Co.

Gourmet Foods Product, Inc.

Gourmet Restaurants, Inc.
Kaltman (D.) & Co., Inc.

Keene Packaging Associates
April 2, 1962 filed 185,000 common, of which 100,000 are to be offered by the company and 85,000 by stockholders. Price—$4. Business—Design and manufacture of semirigid vinnamon and plastic sparkling water containers. Proceeds—For debt repayment, working capital and other corporate purposes. Office—543 W. 34th St., New York.

Keely Realty Corp.

Kenna Camera Co., Inc.

Kingsbury Homes Corp.

Kine Camera Co., Inc.

Kolmoff & Co., Inc.

Kolmoff & Co., Inc.
March 30, 1962 filed 100,000 common, of which 40,000 are to be offered by the company and 60,000 by stockholders. Price—By amendment (max. $10). Business—Manufacture of optical equipment. Proceeds—For debt repayment. Office—947 E. 34th St., New York. Underwriter—Hartford. Offering—Temporarily postponed.

Kraft (John) Sesame Corp.

Krebswein, Inc.

Kwik-Kold, Inc.
March 20, 1962 filed (Reg. A”) 100,000 common of which 65,000 will be sold for company and 35,000 for stockholders. Proceeds—For debt repayment and working capital. Leith, E. A., 140 Broadway, N. Y. Underwriter—Sidney J. Penzell & Co., Miami Beach. Note—This registration will be withdrawn.

Laminetics Inc.
8 (6/10)

Lettis (Tillie) Foods, Inc.

Lockwood Grader Corp.

Lombard Capital Corp.

Lockwood Grader Corp.

Lockwood Grader Corp.

Lumax, Inc.

Lunar Films, Inc.

Lustig Food Industries, Inc.

Magellan Corp.

Magellan Corp.

Macy-Allan Co., Inc.
Feb. 23, 1962 filed 100,000 of class A common, of which 65,130 are to be offered by the company and 34,870 by stockholders. Price—$15 per share. Business—Distribution and sale of costume jewelry, ladies handbags, and accessories. Proceeds—For working capital. Office—30 37th St., N. Y. Underwriter—P. W. Brooks & Co., Inc., N. Y.

Magazines For Industry, Inc.

Magnolia Sounds Corp.
Feb. 24, 1962 filed 20,000 common (with attached one year class A warrants to purchase 60,000 common shares and one year class B warrants to purchase 60,000 common shares at $4.50 per share) to be offered in units consisting of two common shares and one class A warrant and one class B warrant. Price—$4 per unit. Business—Production of educational and recreational devices and
Magic Fingers, Inc.

Mail Assembly Service, Inc.

Manhattan Drug Co., Inc.
March 29, 1962 filed 72,000 common stock, of which 8,000 are to be sold by company and 64,000 by stockholders. Price—$3.50. Business—Manufacture, packaging and sale of drugs and pharmaceutical products. Proceeds—For equipment, new products, debt repayment and working capital. Office—1027 Sixth Ave., White Plains, N. Y. Underwriter—Dana Securities Co., Inc., N. Y.

Maradel Products, Inc. (7/24)
March 10, 1962 filed 1,000,000 common stock, of which 250,000 are to be sold by company and 750,000 by stockholders. Price—$3.25. Business—Manufacture and distribution of moldable plastic, electrical and other composite materials. Proceeds—For acquisition, debt repayment and working capital. Office—2107 Liberty St., N. Y. Underwriter—D-Americas Securities Co., Inc., N. Y.

Marine Development Corp.
March 30, 1962 ("Reg. A") 15,000 units consisting of one share common and a $100 par redeemable preferred share of common. Price—$20 per unit. Business—Operation of a maximum of 50 wholesale dealers in wholesale and retail sales of marine supplies and equipment. Proceeds—For payment of shareholders.; Office—480 Fifth Ave., N. Y., N. Y. Underwriter—Horntorfer & Weebs, N. Y.

Martin Mart Inc.

Mid-Atlantic Mortgage Investors (1/13-17)

Midwest Mortgage Investors (1/13-17)

Minichrome Co.
June 18, 1962 ("Reg. A") 500,000 of five year 7% subordinated debenture due 1972; also $500,000 in corporate purposes. Price—$100 per $1,000 unit. Proceeds—For payment of shareholders.; Office—620 7th Ave., Renton, Wash. Underwriter—Curttenden & Co., Inc., 618 S. Spring St., Los Angeles.

Minore Enterprises, Inc.

Merrill Lynch, Pierce, Fenner & Smith Corp.

Mercy Books, Inc.

Mercury Books, Inc.

Metro-Goldwyn-Mayer Corp.
March 30, 1962 filed 2,000,000 common stock, of which 700,000 are to be offered by company and 1,300,000 by stockholders. Proceeds—For cash purchase of 17,000,000 shares of common stock registered under the Delaware Stock Transfer and Trust Co., New York.

Metro-Textile Corp.
March 10, 1962 filed 1,000,000 common stock, of which 250,000 are to be sold by company and 750,000 by stockholders. Price—$2.50. Business—Operation of self-service discount department store. Proceeds—For debt repayment and working capital. Office—510 Main St., Brockton, Mass. Underwriter—McDonnell & Co., New York.

Mid-Century Modern Co.

Merco Enterprises, Inc.

Merrill Lynch, Pierce, Fenner & Smith, Inc.
Feb. 28, 1962 filed 1,000,000 common stock, of which 33,000 are to be offered by company and 71,000 by stockholders. Proceeds—For cash purchase of 17,000,000 shares of common stock registered under the Delaware Stock Transfer and Trust Co., New York.

Metro-Goldwyn-Mayer Corp.

Metro-Textile Corp.
March 10, 1962 filed 1,000,000 common stock, of which 250,000 are to be sold by company and 750,000 by stockholders. Price—$2.50. Business—Operation of self-service discount department store. Proceeds—For debt repayment and working capital. Office—510 Main St., Brockton, Mass. Underwriter—McDonnell & Co., New York.

Midwest Mortgage Investors (1/13-17)

Midwest Mortgage Investors (1/13-17)
May 2, 1962 ("Reg. A") 75,000 common, of which 64,000 will be sold by company and 10,000 by stockholders. Proceeds—For general corporate purposes. Underwriter—T. H. Hart & Co., Omaha.

Micronetics, Inc.

Midcontinent Airlines (1/23-24)

Midwest Mortgage Investors (1/13-17)

Municipal Investment Trust Fund, Series B
April 28, 1961 filed $12,700,000 (12,500 units) of interests. Proceeds—For investment in public utility, water, and industrial corporate purposes. Office—100 Life Bldg., Dallas, Underwriter—Baruch, Carreau & Co., N. Y.

National Bag-O-Tunes, Inc.

National Bank of Israel Ltd.
June 6, 1961 filed 1,000,000 ordinary shares and 3,100,000 "A" ordinary shares. Price—By amendment (max. $25). Business—Banking, holding company for general corporate purposes. Office—Tel-Aviv, Israel. Underwriter—None.

National Gypsum System Inc.

National Distillers &Chemical Corp.

National Security Life Insurance Co.

National Semiconductor Corp.

New York State Electric & Gas Corp. (8-14)

New York Testing Laboratories, Inc.

Nor蚪ton Oil & Gas Corp.
April 27, 1962 filed $5,000,000 of 6% subord. debentures due July 1, 1962, Proceeds—For debt retirement, working capital purposes. Production of crude oil and natural gas. Proceeds—For general corporate purposes. Office—100 Life Bldg., Dallas, Underwriter—Baruch & Co., Carreau & Co., N. Y.

Northern California Equitable Life Assurance Co.

Norwood's Superettes, Inc.

Nuclear Science & Engineering Corp.
March 19, 1962 filed 10,000,000 common. Price—By amendment (max. $15). Business—Research and development on nuclear problems including the testing, development and the furnishing of consulting and radiation measurement services. Proceeds—For expansion and working capital. Address—P. O. Box 95, New York, N. Y. Underwriter—Johnston, Lennon & Co., Washington, D. C.

Nuveen Tax-Exempt Bond Fund, Series 3

Nuveen Tax-Exempt Bond Fund, Series 4

Olympia Record Industries, Inc.

Optech, Inc. (8-20-42)

Orbit Stores, Inc.
March 28, 1962 filed 350,000 capital shares, of which 100,000 are to be offered by company and 250,000 by stockholders. Price—By amendment (max. $5). Business—Acquisition and development of oil and natural gas properties and the working capital. Office—5455 Wilshire Blvd., Los Angeles, Cal. Underwriter—Blyth & Co., Inc., Beverly Hills, Cal.

Nordic Essential Oil & Chemical Co.
March 30, 1962 filed 45,000,000 common, of which 10,000,000 are to be offered by the company and 35,000,000 by stockholders. Price—By amendment (max. $15). Business—Manufacture, processing and development of so-called essential oils, flavors, essences, etc., to food and drug industries. Proceeds—For debt repayment, working capital purposes, general corporate purposes. Office—9412 Hilliard Blvd., Cleveland, Ohio. Underwriter—S. D. Puller & Co., N. Y.
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Price—(max. $57).

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Continued from page 37


Thermotronics Corp., Inc. March 30, 1962 filed 100,000 common. Price—By amendment (max. $15). Business—Manufacture and sale of electronic components and equipment. Officers—4509 E. 14th St., Des Moines, Lowa, N. Y., Underwriter—J. D. Winter, N. Y.


tm


Turner (J. L.) & Son, Inc. Mar. 27, 1962 filed 120,000, of which 80,000 are to be offered by company and 40,000 by stockholders. Price—By amendment (max. $15). Business—Sale of Texas Regional Corp., a business in the cottonseed oil business.


Universal Overton Corp. Mar. 26, 1962 filed 450,000, of which 90,000 are to be offered by company and 360,000 by stockholders. Price—By amendment (max. $18). Business—Retail and wholesale distribution of sundry products. Officers—1117 Ferry St., Newark, N. J., Underwriter—Moran & Co., Newark, N. J.


Urbane of Texas, Inc. For the guidance of the company's subsidiary. Officers—2501 Fairfield Ave., Houston, N. J., Underwriter—Edward Lewis & Co., Inc., N. Y. Note—This company was named Azo-Dynamics Corp.


Utah Service Co. June 18, 1962 filed 300,000 class A common. Price—By amendment (max. $10). Business—A public utility en-

**Utah Gas Service Co.**

June 18, 1962 filed $1,100,000 of 6% first mortgage bonds due 1986, of which 100,000 are to be offered for exchange for an equal amount of 6% first mortgage bonds which are being retired by a public exchange for any unchanged bonds, will be offered for public sale. Price—At par. —A public utility engaged in the purchase, distribution and sale of natural gas in Utah. Proceeds—For general corporate purposes. Office—511 Deseret Bldg., Salt Lake City, Underwriter—First Nebraska Securities Corp., Lincoln, Neb.

**Utica Trolley Co.**


**Valu-Rack, Inc.**

May 4, 1962 filed 200,000 common, of which 100,000 are to be offered for public sale. Price — $3. Business — Wholesale distribution and retail merchandising of bookcases, picture rails, tool cabinets, home libraries, wardrobes, nightstands, china cabinets, record cabinets, entertainment centers, sliding shelves, housewares, small furniture, lamps, lighting, garden and giftware. Proceeds—For debt retirement. Office—2822 S. San Pedro St., Los Angeles, Calif. Underwriter—Kernersville, N. C.

**Vendex, Inc.** (7/23-27)

Continued from page 28


$ Bell Railway Co. of Chicago (6/8) July 30, 1962, it was reported that the company plans to sell $37,250,000 of first mortgage sinking fund bonds, series A, Chicago. Underwriters—(Competitive). Probable bidders: Kidder, Peabody & Co.—New York (jointly); Merrill Lynch, Pierce, Fenneo & Smith Inc. (jointly); Halsey, Stuart & Co. Inc.—New York City.

Central Illinois Public Service Co. July 10, 1962, it was reported that this company plans to issue $11,000,000 of first mortgage bonds in 1963. Proceeds—For construction. Office—Chicago, Ill. Underwriters—(Competitive). Probable bidders: Eastman Dillon, Union Securities & Co.—Equitable Securities Corp. (jointly); Merrill Lynch, Pierce, Fenneo & Smith Inc.—Equitable Securities Corp. (jointly); Eastman Dillon, Union Securities & Co.—Equitable Securities Corp. (jointly); Merrill Lynch, Pierce, Fenneo & Smith Inc.—Equitable Securities Corp. (jointly).

Central Power & Light Co. July 6, 1962, it was reported that this company plans to issue $11,000,000 of first mortgage bonds due 1963 in the Southern Co.-Shields & Shields & Co.—Morristown, N. J. Underwriters—(Competitive). Probable bidders: Carl M. Dillon, Union Securities & Co.—Salo¬net Inc. (jointly); Kidder, Peabody & Co.—White, Weld & Co. (jointly); Eastman Dillon, Union Securities & Co.—Salo¬net Inc. (jointly); Kidder, Peabody & Co.—White, Weld & Co. (jointly).


National Airlines, Inc. May 15, 1962, it was reported that CAB had approved the company’s plan to sell publicly 400,000 shares of Pan American World Airways Inc., subject to final approval of the Securities and Exchange Commission. Proceeds—To be used to pay a short-term debt maturing later this year. The company reported that it had originally under a Sept. 9, 1958 agreement under which it had agreed to purchase all the shares of the airline at a price of $20 per share, but the plan of the sale and purchase was changed to 400,000 shares and the shares of each individual being set. The CAB later disapproved this plan and ordered the airline to divest itself of the stock. Proceeds—About $20 per share. Underwriter—Merrill Lynch & Co. Inc.—New York City.

Natural Gas Pipeline Co. of America May 11, 1962, it was reported that the company planned to sell $25,000,000 of first mortgage bonds due 1967, for the purpose of financing a number of new pipeline systems extending from Texas to the Chicago metropolitan area. Proceeds—For construction and operation of the company’s expanding pipeline systems. Underwriter—Dillon, Read & Co. Inc.—New York City.

Southern Co. Aug. 28, 1962, it was reported that this subsidiary of Southwest Gas & Electric Co. plans to sell $2,000,000 of 7 1/2% debentures due 1967. Proceeds—For general corporate purposes. Underwriter—Merrill Lynch, Pierce, Fenneo & Smith Inc.—New York City.


Northern Illinois Gas Co. Feb. 28, 1962, it was reported that the company expects to raise $25,000,000 of funds to finance its 1962-66 construction program. About $25,000,000 of this, in the form of a debt issue, will be sold in the second half of 1962. Office—Peoria, Ill. Underwriter—Kidder, Peabody & Co.—Chicago.

Northern Natural Gas Co. Feb. 28, 1962, it was reported that the company’s 1962-63 construction program will require the company to obtain an additional $9,400,000 of funds to finance operations that the company expects to obtain from merger. Proceeds—For additional vessels. Underwriter—Boston, Mass. Underwriter—C. S. Yarnall, Philadelphia.

Peabody & Co., both of New York City (mgr.). Offering—Expected in the first quarter of 1962.

Pennsylvania Power Co. (9/8) July 18, 1962, it was reported that this company plans to issue $13,000,000 of first mortgage refunding bonds, due 1961. Proceeds—For redemption of $8,000,000 of 5% first mortgage bonds, due 1961, and for construction of new hydroelectric facilities. Underwriters—Dillon, Halsey & Co.—New York City.

Public Service Co. of Colorado March 8, 1962, it was reported that the company plans to sell $25,000,000 of debentures due 1961. Proceeds—For construction and the retirement of $17,000,000 of 6 1/2% debentures due 1992. Underwriters—(Jointly); Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.—New York City.

Public Service Electric & Gas Co. (6/21) June 26, 1962, it was reported that this company is considering a plan to issue $25,000,000 of debentures due 1962. Proceeds—For the construction of a new generating station at Morrisville, Pa., by First Boston Corp. Office—Philadelphia, Pa. Underwriter—Dillon, Read & Co. Inc.—New York City.
The State of TRADE and INDUSTRY

Continued from page 15

customers did more strike-hedge
done, while analysts esti- tion model year, the results
mated, chances are the are the estimates is that the
estimates will improve. At of about five million tons output went up.
the end of April, user inven- The Index of Steel Shipments
\(99.9\%\), for the year.
\(\%\).\) showed a production decline of 20.4% compared to last year's out-\(\%\).

Steel Imports Hit Two-Year High
And U.S. Exports Rise 8% compared to last year. According to the Department of Commerce, came to 412,000, tons of steel in 1961 (of the highest since March, 1960, which amounted to 450,000 tons worth $20,000,000. The May, 1962, total was 6,000,000 tons more than April's. Contributing largely to this were the Commerce Department were

Steel Imports for the first five months of this year came to 1,700,000 tons, or 700,000 tons more that the comparable 1961 period. The Commerce Department said that the five-month import figure came back to 1,000,000 tons, total steel supply for the corresponding period.

U.S. exports of steel in the same period came to 801,000 tons. Though less than the 1,000 ton export level and marks an 8% ex- port rise compared to last year. The exports would be less were it not for the stimulus provided by U.S. firms and the financing of steel to Pakistan and India.

Steelmakers Will Step Up

Shipments in August

Steelmakers will step up ship-\(\%\).
\(\%\).
ments next month, according to the expected upswing in demand that is predicted to continue in the third quarter. Steel makers-\(\%\).
\(\%\).

There is a call for the increased in production. This will be to the benefit of the steel industry, as the demand for steel is expected to increase in the coming months.

Usage in other industries will be increasing, with the automotive and heavy machinery industries being the most notable. This will lead to a rise in the consumption of steel.

The outlook for steel prices is positive, with a slight increase expected in the near future. This is due to the increased demand and the limited supply of raw materials.

The State of TRADE and INDUSTRY

Commercial Vehicle Industries

The commercial vehicle industry continues to show signs of recovery. Despite a slight decline in production, there is a steady increase in sales, with manufacturers reporting increased orders for their products.

The outlook for the industry is positive, with expectations of a steady increase in production and sales in the coming months. This is due to the increased demand for commercial vehicles from a variety of industries, including construction, transportation, and manufacturing.

The state of the industry is expected to remain strong, with manufacturers reporting increased orders and production.

The State of TRADE and INDUSTRY

Automobile Industry

The automobile industry is currently experiencing a period of uncertainty. While there is some optimism due to a slight increase in production, the industry is still facing challenges such as increased competition and fluctuations in sales.

The outlook for the industry is uncertain, with manufacturers waiting to see how the market develops in the coming months. This is due to the increased competition from other industries, as well as the impact of the global economic slowdown.

The state of the industry is expected to remain uncertain, with manufacturers waiting to see how the market develops in the coming months.

The State of TRADE and INDUSTRY

Home Improvement Industry

The home improvement industry is currently experiencing a period of growth. With the increasing demand for home improvements, manufacturers are reporting increased sales and production.

The outlook for the industry is positive, with expectations of a steady increase in production and sales in the coming months. This is due to the increased demand for home improvements from a variety of industries, including residential and commercial construction.

The state of the industry is expected to remain strong, with manufacturers reporting increased orders and production.

The State of TRADE and INDUSTRY

Construction Industry

The construction industry is currently experiencing a period of growth. With the increasing demand for construction projects, manufacturers are reporting increased sales and production.

The outlook for the industry is positive, with expectations of a steady increase in production and sales in the coming months. This is due to the increased demand for construction projects from a variety of industries, including residential and commercial construction.

The state of the industry is expected to remain strong, with manufacturers reporting increased orders and production.
Capital Spending and the Business Cycle Outlook

Continued from page 8

no major investment program is needed.

Now of course, the stock answer to
the question of the current capacity is that the capital spend-
ing is in excess of the needs of expan-
sion. But it is difficult to spend any significant amount of
money on machinery without expanding capacity, and it seems
unlikely that we can have a major
heavy capital goods program on the
basis of modernization and replace-
ment.

But in any case we have the signal of profit. The return on capital; the profit
squeeze is the market's signal that
the demand for capital is high, that
no boom in fixed investment is justi-

I have been accused of advo-
crating a new theory of secular stagnation on cap-
til.--This is not the case. Our cur-
rent prosperity is the signal that we added to capacity at an
excessive rate over the 1959-61 period.

Blames 1959-1960 Overexpansion
Far from believing in secular stagnation in the demand for cap-
ital, I believe that the 1959-61 over-
ness will increase the demand for capital and that the lack of growth will stay there.

But having gotten ahead of
ourselves a few years ago, and having a positive interest in the economy's demand for capital equip-
ment, I find myself with a new del-
ay. This is the basic factor be-
hind the current problem, in my view
in 1959-60, and behind the mili-
ness of the current recovery. Having given up on the idea that we have been unable to generate a strong enough economy that without the increase in the demand for capital goods demand a new story can do not have to engage in.

This stability in investment de-
mand, the stability of the demand for cap-
tualizes the outlook for manufactur-
ing generally—mild stimulus from investment—will arise from other sources. Inventories, which are not very
about in line with sales needs, so
no significant inventory building can be expected unless there is an in-
government spending was a major factor in the 1959-61 recession but the rate of in-
crease has not been as marked as it was in 1959-61, relatively speaking. The infl-
flation has been a strong and positive factor and may lead to con-
ciderable difficulties in the months ahead. The increases in installment credit, the rise in average weekly earnings, and the rise in the price level will help to
stream, are likely to rise only slightly above the April (April 14.4
to $317 million, and on the basis of past patterns should peak in a few months and then decline.

Thus even without allowing for the difficulties of the stock mar-
ket, the balance of payments, the sub-
case for the free world's currency problems, and the weakness of international manufacturing seems to be for sta-
ility at best because of these other disturbing patterns, a decline seems to be inevitable.

Actually, there are several dis-
couraging signs, even without allowing for these special factors. The generally disappointing pat-
tern is one of 38 million goods is well known, but some of this is due to the fact that orders for durable
but otherwise sales through the sec-
based on the above sales through the second quarter. This decline has been declining since January, in March.

April was running slightly below sales and is now expected to con-
tinued about the same in May. This is a cer-
entially suggestive of an incipient decline.

Again, production of non-dur-
able goods has been running above its 1959-60 trend value for 12 months. The excess is not
relatively mild. Industrial produc-
tion, 1.8 in May, should peak a little above 120, and decline to 120 in the third quarter. This
low point should be reached somewhere about the middle of 1963—a date I believe has been suggested by others as the peak of the current recovery. The sub-
sequent recovery should be better than the first, but still not enough to turn the economy’s growth picture. If we can solve these temporary problems, we should be
shortly set to begin another wave of capital spending. It is not the case that recovery will be
rate of economic growth, based on the rapid technological changes we have only begun to exploit.

**An address by Mr. Schulte at the Board Meeting of
the last half of 1962 sponsored by the United States, Washington, D. C., June 29, 1962.**

New Jersey Highway Authority

Sells $40,000,000 Bonds

The New Jersey Highway Authority yesterday delivered its $40,000,000 bond issue to the underwriters at The Chase Manhattan Bank, Lehman Brothers assisted the Authority in arranging the financing. The proceeds of the bonds will be used to assist in financing the East-West Freeway (Interstate Route 295) in Essex County, New Jersey, to provide an interchange between Garden State Parkway and the East-West Freeway.

The bonds bear 4.1% interest and were sold at par plus accrued interest. They are dated July 1, 1962, due Jan. 1, 1977 and are redeemable at the option of the Authority on and after July 1, 1972.

TAX-EXEMPT BOND MARKET

Continued from page 6

Lehman Brothers, John Nuyveen
and Co. and many local members.

Other Large Emissions
On Wednesday, the week's only
so-called triple A offering was bid
for $31,645,000 Milwaukee County
metropolitan water service bond
issue. The bonds were awarded as
part of two separate issues. Phelps, Penn & Co., and associates won the $3,100,000
Expressway (1963-1968) issue at a 2.80% interest rate and sold the other bond issue of $29,000,000 at a 2.90% interest rate. These bonds were sold at the average daily market price and the bonds were sold at $99.00. For the week ending July 3, the average daily toll revenue was $69,000. For the week ending July 3, the average daily toll revenue was $68,154. For the year to June 29, the coverage of interest after main-
tenance and operational costs is estimated at 2.25 to 2.25%, which is not yet reported.

Wednesday's only other large
issue offered for competitive bidding was $3,100,000 Suffolk County, New York (1963-1982) bonds. Bankers Trust Co. and their Assoc. Societies won the issue in close
bidding. The refunding was made at yields ranging from 1.79% to 1.79% with a 2.07% coupon. Suffolk County is an information provider for the best bonds generally interest all New York investors. The unbonded balance is not yet reported.

High Coupon Dollar Bonds

Best Gainers

The toll road, bridge revenue and public utility revenue issues have done better during the last week. There has been a general improvement in this list since the issues were reviewed in early June and early July. However, the best results have been most pronounced in the high coupon issues. Revenue issues for toll road projects have not been improved this year.

This summer's improvement in the bond market is evidenced by the relatively low yield of the New Jersey Highway on which figures are available weekly. For this system average daily maintenance and bond interest requirements were $65,335. This amount is the average daily toll revenue of $65,000. For the week ending July 3, the average daily toll revenue was $65,000. For the week ending July 3, the average daily toll revenue was $65,154. For the year to June 29, the coverage of interest after main-
tenance and operational costs is estimated at 2.25 to 2.25%, which is not yet reported.

Rothwell & Williams Open

SMITHTOWN, N. Y. — Rothwell & Williams has been formed with offices at 121 Dogwood Drive, to engage in a securities business. John M. Rothwell, W. Williams and M. G. Williams.

Shaw, Darr & Co.

GARDEN CITY, N. Y. — Shaw, Darr & Co., Incorporated, is en-
gaging in a securities business from offices at 106 Seventh Street.

Robert F. Shaw is Chairman of the Board and Treasurer; Gray-
son P. Darr, President, and John F. Andrews, Vice-President and John F. Andrews, Vice-President and
The people and Progress

Because our system is designed to encourage both differences and dissent, because its checks and balances are designed to preserve the rights of the individual and the locality against pre-eminent central authority, you and I, as bankers, are bound to be, one upon another, for the successful operation of our unique and happy form of Government. Our system and our freedom permit the legislative to be pitted against the executive, the State against the Federal Government, the city against the countryside, the party against party, interest against interest, all in competition or in contention one with another.

“Our task—your task in the State House and my task in the White House—is to weave from all these tangled threads a fabric in which every one of the groups will be represented, bankers, manufacturers, labor, bankers, labor. All interested parties will have an interest, and all will have a voice. The interests of the whole community will be the aim and the end of our work.”

“A fabric of law and progress!” Certainly a fine phrase, but in light of current events it is in order to suggest that, after all, the vast majority of the decisions that must be made are the responsibility of the people themselves.

Inv. Bankers Form Spanish Venture

After almost a year of study and discussions, a group of New York, London, and Paris investment bankers joined last Friday, July 13, 1963, in Madrid with the leading Spanish private bankers to form a new Spanish venture designed to promote and participate in the economic growth that the principals believe will be realized in Spain in the future.

The new company is the “Corporacion Espanol de Finanzas Internacionales, S. A.” (“Spanish International Finance Co.”). Its organizers are headed by Emilio Borrero, Banco de Urquijo (Madrid), Banque de Paris et des Pays-Bas (Paris), Lehman Brothers, New York, and J. Henry Schroeder, Wagg & Co. (London). The authorized capital of the company is 100,000,000 pesetas, approximately $1,690,000.

The chairman of the new venture will be the Marques de Bolarque, Vice-Chairman of the Banco Urquijo, and presently Spanish Ambassador to the Government of West Germany at Bonn.

The directors consist of the following: the Spanish interests will be represented by the Marques de Bolarque, by Emilio G. Orbaneja, Managing Director of Banco de Urquijo, and Ignacio Herrero, Director of the Banco de Paris et des Pays-Bas (Paris), and by a panel of outside experts, and by Messrs. B. de Margarite and J. Rambaud, Directors and Vice-Presidents of the Paris Bank. Lehman Brothers is represented by Frederick L. Ehrenthal, Frank M. Mathews, and by a panel of outside experts, and by Messrs. B. de Margarite and J. Rambaud, Directors and Vice-Presidents of the Paris Bank. Lehman Brothers is represented by Frederick L. Ehrenthal, Frank M. Mathews, and by a panel of outside experts, and by Messrs. B. de Margarite and J. Rambaud, Directors and Vice-Presidents of the Paris Bank.

The new company is the first of its kind to be established in Spain it is said that the new international banking and banking consortium is the first of its kind to be established in Spain.

First Commonwealth Opens

First Commonwealth Corporation, an investment bank, has opened an office at 350 Lexington Avenue, New York City.

Jack Davis Associates

MINEOLA, N.Y.—Jack Davis Associates is conducting a securities business from offices at 290 Old Country Road, New York City, and Samuel Rowe are partners.

Elkes & Co. Opens

Elkes & Co., Inc., has opened offices at 16 East 52nd Street, New York City, to engage in securities business. Officers are Abner E. Eikens, President and Treasurer, and Hirsch Kaplan, Secretary.

Wall St. Art Assn. Exhibit

An exhibit of paintings and sculpture by 21 American artists in "hi-fi" financial firms" has opened at the Wall Street Art Association for October 23 through November 2. The works will be on display during the two-week period at East River Savings Bank, 28 Cortlandt Street.

At least 200 pieces of art are expected to be in the show, according to Victor Roulid of Shearin, Hammill & Co., who is President of the Association. They will be judged by a panel of outside experts, and awards will be made. The award-winning works are to be shown across the United States and at an exchange exhibition in Tokyo's financial district.

Anyone who works in a financial, banking or insurance organization may join the Association and enter a work in the exhibition. Mr. Roulid said the group's purpose is to stimulate the exercise of artistic talents by members of the financial community. Further information may be obtained by calling the Association at CO 7-4481.

I. S. Drosner's Opens

I. Stutz Drosner's is conducting a securities business from offices at 20 West 43rd St., New York City.

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WASHINGTON, D.C.—Before the 1960 presidential election, high-ranking Democrats tried to whip up a full-scale recession in order to blame the Republican Party for the bad times. The campaign theme in effect was that a Republican President and hard times are synonymous, while a Democrat President and good times are synonymous. Some voters no doubt fell for this political film technique.

Now Republican bigwigs in Washington are trying to convince the country that a recession is upon us and President Kennedy and the New Frontiersmen surrounding him are the culprits.

It is apparent there has been a minor slump, but it would not cut major because the stock market declined sharply, and many people are employed than at any time in history, there has been a rise in unemployment simply because more and more young people are coming into the job market each day.

Recession Forecast

The Republican Congressional Committee in its publication (Newsletter) declares that 20 of the 30 “indications set up by the Eisenhower Administration to measure business activity point to a recession, perhaps within the next two or three months.”

In support of the contention that we are on the verge of a recession, the Republican Congressmen include some neutral observers in Washington with the belief that the national economy is not in such bad shape. The committee does not believe that the economic situation is nearly as bad as the newspaper would have it.

At the same time, it is true that the average businessman who is running or more of manufacturing industries is down, and that initial claim for unemployment insurance are up a bit.

Plus Signs Ignored

There are a whole series of plus signs that the G. O. P. in its present campaign has, by political overstatement failed to mention, such as the record year in the export and import trade, the growing industrial production, and more of manufacturing industries.

Meanwhile, Congressional offices in Washington are receiving many queries from their constituents. They want to know: Will there be a tax cut this year?

Tax Cut Doubtful

There is no question that there is an acute need for a tax cut in the United States, but the question is when should it take place — now or when we get government’s financial house in order. It is in disarray at this time, with the big deficit the past fiscal year which ended on June 30 and another one apparently in the making.

Despite all the talk about cutting taxes, it is still doubtful whether there will be a reduction this year.

There shouldn’t be a cut until the budget of the United States Government is balanced. The way conditions are now shaping up we are going to have to raise our national debt ceiling again next year.

The so-called emergency tax hike is aimed at giving the economy a stimulus by permitting the individual tax payer to buy goods and services he normally would not be able to pay taxes, but with a lower tax rate he will have the money to do so, and the government will have the money to pay.

Senator Byrd’s Thesis

As it was pointed out here repeatedly, both the United States Chamber of Commerce and labor wanted the tax cut, but Senator Harry Flood Byrd, the powerful chairman of the Senate Finance Committee, is vigorously opposed to it. He want the budget balanced.

Two or three weeks ago the odds seemed to be against a tax cut for individuals and business this year. Now the guessing on Capitol Hill is that there is a 50-50 chance of a reduction by about $3,749,515,250.

Meaning, the Kennedy Administration is apparently out of business and industry. This was apparent when the Treasury Department announced its new indicator of major industries, machinery and equipment and many other heavy items of $3,200 million out of the $3,749,515,250.

Following close on the heels of the action of the Secretary of the Treasury, the Senate Finance Committee approved a provision in the tax revision bill that would allow businessmen to deduct on its accounting books as much as 7% for new machinery and equipment when they make out their tax returns.

Martin on Stock Margins

There were a number of other important economic observations in the course of the capital in the last few days, Chairman Martin, Jr., of the Federal Reserve Board, made a quite pertinent statement in New York before the joint Senate-House Economic Committee.

Mr. Martin said the stock market, tumble in May may have been more comparable to the 1929 crash if the laws did not require higher margin requirements. Chairman Martin also took the occasion before the board to attack by 20% the cash requirements for purchases of stocks.

The reduced margin will stimulate more trading on the floor and thus trading means more business activity.

On another legislative front there is a great deal of doubt whether Congress will pass the proposed 17.5% rate on banks’ transfer tax legislation to aid traffic choice of the United States bond issue (Senate has already passed it), and the Federal pay schedule for the 1963-1964 fiscal year.

It appears that Congress will enact a reciprocal trade program, a bill authoring the Tariff, Aeronautics and Space Administration, our fastest growing agency, to spend $5,795,125,250, plus $71,000,000 as supplemental for financial aid to countries.

The stock is sluggish—has no low yield—no growth. And, frankly, those are good points!“

This column is intended to reflect the behind the scene interpretations from the nation’s Capital and may or may not coincide with the “Chronicle’s” own views.

Two With Metropolitan

(Special to The Financial Chronicle)

ST. LOUIS, Mo.—John C. Birdell and Dorothy Steiner have joined the staff of Metropolitan Securities Corporation, 418 Olive Street.

Now S & S Inv. Service

The firm name of S. & S. Investment Advice and Securities Dealers Co., 52 Wall Street, New York City, has been changed to S. & S. Investors Service Co.

First Jersey Secs. President

NEWARK, N.J.—Norman R. Ber¬
son has been elected President of the First Jersey Securities Corporation, 671 Broad Street, it was announced by the board of directors.

Mr. Berson, former Associate Director of the New York City Commodity department, will also incorporate those duties in his new position. He also has been elected a member of the board.

Inv. Fund Consultants

LAUDERDALE, Fla.—Invest¬
ment Consultants, Inc., has been formed with offices at 2317 Fort Lauderdale Park Beach Bark¬
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