**Editorial**

As We See It

President Kennedy, or some one else whose words are widely weighed, should now prepare a list of the myths which seem to be so tenacious of life in the field of international relations. The events in southeast Asia, the tortuous course of affairs in the Congo, the Cuban fiasco, and now the disappointments in Algeria—to say nothing of the dozens of other cases which might be cited—offer abundant evidence that many of the conventional notions about colonialism and its abolition, and about the advancement of backward peoples in general, are much nearer fancy than fact. It must by now be growing clear also to the Communist regimes that there is something radically wrong with their thinking on this subject. The time has clearly come for a fresh look at—perhaps an agonizing reappraisal—of much that had been held all but sacred in this general area.

High Price of "Freedom"

The first disillusionment that must have come to many, and should be now be shared by all, has to do with the assumption that withdrawal of colonial or similar masters would more or less automatically be followed by governmental regimes which represented the will of the formerly governed people and strong enough to establish and maintain normal order in the territories which thus fell under their control. Of all the former colonial powers, the British best knew the fallacy of this notion, and it is among those former British colonies which went through a very considerable period of training as it were that we find the successes—if there are any—most frequently. The British authorities were often and bitterly criticized for waiting the time when they felt former colonies or dependencies had reached the stage where they had at least a reasonable chance of making a go of their independence. Time has, however, amply demonstrated that they were right — and the change in the spirit of the times (Continued on page 28)

---

**RAILROAD INDUSTRY FEATURED IN THIS ISSUE**

**U. S. Government, Public Housing, State and Municipal Securities**

**Chemical New York**

**BOND DEPARTMENT**

400 S. Wabash Ave., Chicago 3, Ill.

**PHONE** 2-2143

**TELEX** 1-1008

**MULLANEY, WELLS & COMPANY**

Underwriting Distributors • Dealers

Corporate & Municipal Securities

MEMBERS

**MIDWEST STOCK EXCHANGE**

125 So. LaSalle Street

Chicago 3, III. Franklin 2-1106

**T. L. WATSON & CO.**

Established 1832

New York Stock Exchange

American Stock Exchange

23 BROAD STREET NEW YORK 4, N. Y.

BENEFICIAL OWNER OF ANDREWS & CO. MEMBERS NEW YORK STOCK EXCHANGE

**GOODBODY & CO.**

MEMBERS NEW YORK STOCK EXCHANGE

2 BROADWAY

1 NORTH LA SALLE ST.

NEW YORK

CHICAGO

**FEDERAL RESERVE BANK OF ST. LOUIS**

**Established 1839**

Vol. 196 • No. 6186

New York 7, N. Y., Thursday, August 16, 1962

Price 50 Cents a Copy

---

**How Leading Authorities View Outlook for the Railroad Industry**

In articles especially written for THE CHRONICLE, individuals intimately identified with the nation’s carriers present their views as to the economic prospects for specific roads and the industry as a whole. Participants in this symposium, a regular annual feature of THE CHRONICLE, include the Chairman of the I. C. C. and the chief executives of a representative cross-section of the nation’s railroads and supplying companies.

The statements begin herewith—

**HON. RUPERT L. MURPHY**

Chairman, Interstate Commerce Commission, Washington, D. C.

A generally favorable forecast for the railroad industry must be qualified in some respects, particularly in reference to the outlook for the next several months. The historically close relationship between industrial output and freight ton-miles requires consideration of the fact that the Federal Reserve Board’s index of Industrial Production increased from 117.8 in June, 1961, to a preliminary figure of 117.8 in June, 1962, and that it has shown a month-to-month rise from February through June of this year. The change from May to June was, however, a moderate three-tenths of a point. This has been interpreted, in some quarters, as a temporary lull brought about by the decline in steel production due to past accumulations of inventory by fabricators of steel products, and a seasonal slowdown in automobile production. No similar explanation has been offered for the moderate decline in new orders for durable goods, including orders to manufacturers. There are signs of strength in the economy which include increased construction activity, a high level of corporate profits, increased corporate dividends, and predictions of increases in production as inventories are pared down by steel users. Contradictory readings of the various economic indicators leave room for considerable optimism in regard to general business activity. Measurements of railroad activity and immediate prospects are moderately reassuring. Carloadings increased 6% during the first six months of 1962 over those of the comparable 1961 period. For the third quarter of this year, the Regional Advisory Boards have forecast an increase of only 0.4% in freight car requirements for the 32 principal commodities covered, as compared with the like quarter of last year.

While the volume of all freight traffic has increased as the level of economic activity has risen, the railroads have not kept their share of the total demand for freight services. Factors other than competition of other modes of transportation, however, have affected rail traffic. Changes in transportation requirements as the result of decentralization; population and consumer markets; shifts in production, to points near the source of major raw materials or near markets for finished goods, depending on the individual industry; changes in the form in which commodities are shipped (as the partial displacement of ships by railroads); and the substitution of commodities (as of fuel oil or natural gas for coal) are among these factors. Freight revenues, moreover, change not only because of traffic lost or gained from one form of transport, but also from shifts between high-rated and low-rated commodities, from changes in length of haul, and as a result of industrial or economic adjustments.

Rapid pace of modernization continues, and the annual number of recent developments have occurred which are of present or potential benefit to the railroad industry. (Continued on page 14)
The Security I Like Best...

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

ROBERT L. SCHWARTZ
Research Department, McDonald & Co., Inc., New York City. Member, American Stock Exchange

E. J. Korvette, Inc.

Korvette's growth over the past decade has been nothing short of spectacular. Though its total volume amounted to a mere $19 million as recent as 1953, the company now handles a $100 million dollar-a-year volume.

The story of this growth has been threefold: one-third a result of moving into the rather limited, the ten largest U.S. retail operations; one-third an accomplishment form firm that showed an equity of $4,000 just 15 years ago.

But to describe Korvette's growth solely in statistical terms would fail to do justice to its accomplishment. For the company's rise to a nation-wide retail operation is unparalleled in its speed or extent. Certainly, the smaller firms possess by Korvette belle's company, the age and history of the firm's growth. It has been the major innovator in the retail field. Its store has continually conceived and dispatched with conviction, highly personal and imaginative, in tune with the real needs and desires of the consumer. Today the company continues to be the epitome of what it was yesterday — its policies correctly watched by the industry. For the company's "ability to sell" is well established as is its somewhat uncanny ability to successfully implement new formulas where the market has not proven to work. Eugene Ewen, founder and current chief of the Korvette org anization, has rightly parlayed a seemingly simple idea into a major retail enterprise. His adherence to the basic tenets of low prices as a marketing philosophy, handling from the time of Korvette's modest beginning has underway all merchandising effort. The company's early years concentrated on its areas of the officers and personnel, in the areas of hard goods, today it sells products representative of almost every phase of the consumer goods spectrum. Merchandising operations are handled by four separate divisions: (1) hard goods; (2) soft goods; (3) drugs, and (4) food products. The hard goods division sells the company's largest volume, the largest revenue producer, accounting for about 50% of total sales. Soft goods sales have increased about 100% in the past five years. Drugs, the third largest category, has increased 25% in the same period. Food products, the smallest division, has also shown significant growth.

The success of Korvette's merchandising strategy is evident throughout its retail operations. The company has expanded its merchandise lines to include a wide variety of items, ranging from household necessities to luxury products. This expansion has been carefully planned to meet the changing needs of today's consumers. Korvette's commitment to innovation and growth has been reflected in its rapid expansion and successful growth over the years. The company continues to be a leader in the retail industry, and its success is a testament to the dedication and hard work of its employees. The future looks bright for Korvette, and it is poised to continue its growth and success into the years to come.

This week's Forum Participants and Their Selections

New York Trap Rock Corp. — Charles King, Partner, Charles King, New York City (Page 2)

E. J. Korvette, Inc. — Robert L. Schwartz, Research Department, McDonald & Co., Inc., New York City (Page 2)

The Security Market by...
Fast Legislative Relief Can Prevent Rail Bankruptcies


Wall Street rail analyst pleads for quick legislative action permitting railroads, particularly the Eastern District now facing bankruptcy, to change rates below the existing level. That level is said to be serving as an umbrella of protection over other competitive modes of transportation and, in turn, causing railroads unbridled financial plight. Mr. Reuss is strongly convinced that Government ownership and nationalization in unavoidable, unless the present change and other rate equalizing changes are made. He points out that to reduce capitalization substantially is unfeasible and that any further cuts in outstanding securities will result in a marked increase of such securities. The matter is said to be of direct concern to the public looking toward transportation costs, to investment bankers, and to the rails that are short of any liquid alternate. Data supporting the rates, lessening out drastically in tonnage earned and from resultant deficit operations and deficit finances.

To my amazement I still find people in responsible positions who continue blindly to think in terms of the railroad industry as being healthy and strong. These people may be found in labor circles, as well as among those who have to do with legislation, regulation, and taxation at the national and state levels. Let us look at that gloomy recognition, if the industry is "strong and healthy." There are eight regions geographically comprising the railroads of the United States which are the New England, Great Lakes, Central Eastern, the three regions combined commonly referred to as the Eastern District, Pacific, Southern, Northwestern, Central Western and Southwestern.

The Eastern District comprises that area of the United States from the New York-Ontario-Thunder Bay shore of Lake Michigan southward through the Cities of Chicago and St. Louis, and eastward generally including the area north of the Ohio and Potomac Rivers.

As to the importance of Eastern railroads, the total railroad picture—they number 39,308 of a total of 100,000 railroads in the United States. These 39 railroads operate 22% of the nation's total miles of route, own more than 35% of the country's freight car and locomotive fleet and own 37% of the nation's railroad workers. Their payroll totals $1.7 billion, representing 37.5% of the total railroad payroll.

Turning back to the "boom" years of 1928-1929-1930 for railroad freight traffic—before the effects of the mighty depression of the thirties: Upon striking an average for this three-year period, and using it as a basis, it is to be noted that the Class I railroads, 1900's originated revenue freight was just 99.6% of the 25-30 average in other words "neck" and "boom" with the boom period before the great depression roaring into full spate.

Viewing the vigorous fashion with which growth has revealed itself since that period in other lines of physical output, this contrast of railroad originated freight tonnage being equal to the 25-30 period average ALONE should be a cautionary warning that the railroad industry is an area on which basis is far from being "strong and healthy."

With the industry, as a whole, in 1969 equaling just a shade under 100% of the 25-30 period average in freight traffic allows me to point out the sober fact that the three regions comprising the Eastern District—New England, Great Lakes and Central Eastern—are 69.3% of the 25-30 average—THIRTY PERCENTAGE POINTS BELOW THE BASE PERIOD.

To be more specific, the Eastern District, in itself, originated freight tonnage reported a total of 150 million tons—against 200 million tons for the average of the base period—a precipitous drop of 621 million tons! Looking further into this alarming statistical observation, the Eastern District in 1969 tonnage showing—outside of the New York-Ontario-Thunder Bay area, the smallest since 1833 when we first made it.

And people—ill-advised—still talk about a strong and healthy railroad district, at the same time closing their eyes and ears to what is occurring and legislative corrections of some of the resultant evils and conditions.

Other geographical sections of American railroad freight traffic—Class I railroads, sit¬tended originated tonnage, Southern Region, carriers for 1969 were 145% of the 25-30 average as concerns originated tonnage; Pocahontas Region, 130%; Central Western 125%; Southwestern Region 101%; and Northwestern 94.5%.

Now, to the meat of this exposition. Having explored the poor trend of freight traffic for the Eastern District, let us point up the poor earnings trend for this district which, to me as a railroad analyst, if not reversed, spells financial trouble. I am referring to the record for just the last six years—1953 through 1961. This district, distinguished by continued growth, has continued to grow in volume and earnings.

For many years we have specialized in PREFERRED STOCKS

Spencer Trask & Co., Inc.

Established 1840

Members New York Stock Exchange

25 BROAD ST., NEW YORK 4, N. Y.

Telephone: 2-6009

TELETYPE NY 14

New York Chicago St. Louis Cleveland Nashua Newark Milwaukee Boston

CONTENTS

Thursday, August 16, 1962

Articles and News

How Leading Authorities View Outlook for the Railroad Industry (Articles specially written for the CHRONICLE) 1

Fast Legislative Relief Can Prevent Rail Bankruptcies W. Wendell Reuss 3

Lines on the Railroads Ira J. Coolidge 5

U. S. Needs a Unified Communications Policy Roger W. Babson 9

Investing Policy Today Herbert Hoover 12

For a New World Union Herbert Hoover 12

Senior Citizens and Impact of Social Security Taxes 47

Regular Features

As We See It (Editorial) 1

Bank and Insurance Stocks 2

Businessmen's Bookshelf 10

Coming Events in the Investment Field 48

Commentary 19

Dealer-Broker Investment Recommendations 8

Editorial: "Is the Common Market a 'Rich Man's Club'?" 6

From Washington Ahead of the News 7

Indications of Current Business Activity 35

Market . . . and You (The) 23

Mutual Funds 34

News About Banks and Bankers 11

Observations 4

Our Reporter on Governments 27

Public Utility Securities 25

Provisions Now in Registration 20

Provisions Security Offerings 43

Security X Like Best (The) 2

Security Salesman's Corner 25

State of Trade and Industry (The) 4

Tax-Exempt Bond Market 6

Washington and You 48

The COMMERCIAL and FINANCIAL CHRONICLE

Published Twice Weekly By U. S. Patent Office

E. F. MacDONALD

MONROE AUTO EQUIPMENT

BUCKINGHAM CORP.

SANDERS ASSOCIATES

J. F. Reilly & Co., Inc.

39 Broadway, New York S

Digby 4-4870

Elco Corp.

So. Gulf Utilities

Canadian Superior Oil

SINGER, BEAN & MACKIE, INC.

40 Exchange Place, N.Y.

Phone New York 1-1285 & 14404

Direct Wire to

Chicago Cleveland Los Angeles

Philadelphia San Francisco

51 St. Louis Washington

E. F. MacDonalld

WF. V. FRANKEL & CO.

INCORPORATED

38 BROADWAY, NEW YORK 6

Whitehall 3-2633

Telegraph NY 1-4040 & 1-3840
STATE AND MUNICIPAL BONDS
CORPORATE BONDS
LOCAL STOCKS

THE ROBINSON-HUMPHREY COMPANY, INC.

111 E. 14th Street
Atlanta, Georgia 30309

STATE OF TRADE AND INDUSTRY

The State of TRADE AND INDUSTRY

The rate of economic expansion showed markedly in June, but there was only one ring improvement in July, reports the Federal Reserve Bank of New York. The June and July figures were obtained from temporary in- comes in the automobile and steel industries (the latter). The steel workers' strike settled, auto assembled no new plant and the automobile industry is still in a seasonal pattern. In the steel in- dustry, it is expected that the position may be bettering out. In addition, consumer spending seems to have gathered strength. Nevertheless, the economy con- tinues to operate well below capacity. Moreover, some of the June figures that suggest levels of future activity—particularly new orders for durable goods and the number of building permits—raise questions about underlying de- mand. The Bank notes.

Manufacturers' new orders for durable goods declined during the month by more than 4%, the fourth decline in five months. Moreover, declines in June were relatively widespread, although some industries in- terlies outside of steel. Some of this loss, but this increase was reported reflected smaller defense orders than is usual at the end of the fiscal year.

The new depression rules may have more than met the mark. This has been increased discussion of an early tax cut. The advocates of an advanced budget spending and be consistent with a general tax reform, (Bill. No. 30). In their efforts Monday, Aug. 13, full text of which appeared in the New York Times, but Kennedy stated that, under existing conditions, a reduction in government purchases of goods and services was not made effective until next week.

The second quarter advance of $1.0 billion in the gross national product, was smaller than the modest rise of the first quarter. It reflected, how- ever, a sizable increase in inventory investment as steel-works were now out of the way. The second quarter rise in final demand—GNP less the change in inventories—was $10.2 billion, or nearly double the first-quarter gain. Furthermore, the change occurred even though the rise in Government purchases of goods and services was relatively small.

Despite these rather impressive gains in the second quarter as a whole, the slowdown in the more industrial production rose only 0.3% from the estimated monthly rise in four months. Employment in the manufacturing sector was virtually constant from the month before, and average weekly hours worked in the production workers declined for the second successive month. July, according to the Census Bu- reau's household monthly income for July, and the Census Bu- reau's household monthly income, both of which are very little change in the approval rate, and the unemployment rate fell to 4.1%.

Reflecting the shorter work week in manufacturing, finished goods and sales of durable goods industries moved downward in June, the first decline in sales in six months. At the same time, retail sales declined for the second consecutive month. Consumer spending in July ap- peared to be stronger, however, with a larger increase in sales of new cars and in department store sales.

Bank Clearing Down 6.3% From 1961 Week's Volume

Bank clearings this week will show a decrease compared with a rather big increase last week.

Steel's Output Exchanged From Preceding Year's Volume

According to data compiled by the Bureau of Labor Statis- tiques for the week ending July 1, 1961, 1,078,700 tons (98.4%) of these, being the same levels achieved in the pre- vious week.

Data for the latest week ended Aug. 13, 1961, indicated a decline of 17.8% compared to last week's average of 1,015,000 tons (102.5%).

Production this year through Aug. 13, 1961, was 1,078,700 tons (100.5%), or 12.3% above the year 1959.

The Institute includes with the data for districts for week ended Aug. 11, 1961, as follows:

<table>
<thead>
<tr>
<th>Steel Output</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East</td>
<td>85%</td>
</tr>
<tr>
<td>South</td>
<td>77%</td>
</tr>
<tr>
<td>Mid-Atlantic</td>
<td>73%</td>
</tr>
<tr>
<td>Southeast</td>
<td>86%</td>
</tr>
<tr>
<td>Western</td>
<td>91%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Index of steel production</th>
<th>Week Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East</td>
<td>85%</td>
</tr>
<tr>
<td>South</td>
<td>77%</td>
</tr>
<tr>
<td>Mid-Atlantic</td>
<td>73%</td>
</tr>
<tr>
<td>Southeast</td>
<td>86%</td>
</tr>
<tr>
<td>Western</td>
<td>91%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Index of steel production</th>
<th>Week Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East</td>
<td>85%</td>
</tr>
<tr>
<td>South</td>
<td>77%</td>
</tr>
<tr>
<td>Mid-Atlantic</td>
<td>73%</td>
</tr>
<tr>
<td>Southeast</td>
<td>86%</td>
</tr>
<tr>
<td>Western</td>
<td>91%</td>
</tr>
</tbody>
</table>

Steel Midwest Imports

Some Users Order Farther Ahead

The one factor that is improving, the steel magazine re- ports.

Some users are starting to order a little farther ahead, probably in view of a trend to steel type changes in order to point where is the line's news are not being longer safer to gamble. They're looking ahead to when heavy buy- ing of automatic and other equipment manufacturers may tighten the market. Demand for steel will start as accelerat- ing noticeably when vaca- tion season comes around, model changes end, and users, con- sumers end, and end users the dealers.

Appliance manufacturers have apparently balanced their stocks, and have placed a few orders for September shipment.

 demands for steel, along with orders of steel and specialty steel, may increase the demand for steel during the first several months of the year, and may lead to a lighter inventory of steel on hand at the beginning of the second quarter.
Lines on the Rail

By Dr. Ira U. Copley, Economist

A short appraisal of some of the current problems and prospects of the railroad industry; plus reference to certain equities that, in the opinion of the author, are worth owning.

The railroad shares have not been very glamorous lately. The upsurge they displayed after the switch to diesel power, and the conversion to diesels, has subsided. The reasons for this drop are quite obvious, now that the widening use of welded rails which eliminate the need for frequent repair jobs, and the widespread use of diesels, eliminate the need for frequent repair jobs, and the widespread use of diesels, are problems: air, truck, water, and stream. However, the steady rise in labor costs, persists. The cost of operating the railroad, together with the rising cost of fuel and power, is taking a toll. The latest report of passenger service, had a $3.85 deficit, and $0.6 million in deficit revenues, for the year 1962.

Essential Transportation

The railroads have, in any event, essential duties to perform. During the war they carried about 70% of our freight, and they might be thus called upon again. In the future, railroads will play a major role in the transportation of many bulk commodities and chemicals, and will offer the lowest costs and fastest service; and their all-weather ability will be an added asset. To create a standard of excellence in the transportation sector, railroads must be given their due role in the economy.

Favorable Political Climate

The climate of opinion in Washington is more favorable this year than it has been for years. There is genuine political concern about railway employment, solvency and profitability, and no clamor whatever for public ownership. The new work rules favor a President and Congress, and indicate that the railroad industry is in a much better position to carry out the policies of the administration.

Merger

In the 1930's there were a whole series of mergers which made boardroom gossip and often spawned market spurs in the affected shares. Today, these stories combinations are to become realities. Ultimate merger of Seaboard and Atlantic Coastline will be a natural. Southern Pacific and Burlington are logical combinations, and the merger of the Southern Pacific and Rock Island one of the most common sense ideas. Northern and Western are in the same boat. Nor- tolks & Western (a self-blending with Virginian) now is re-named Virginian. The merger of this old Erie-Lackawanna seeks entry. Illinois Central and NY & NJ Railroad hearings in the Pennsylvania Legislature are on Aug. 29, and in this complex the welding of the Boston and Maine and the New Haven may find a home. The Nor tolks & Western may be the Northern's logical choice, specializing in the Southern Pacific and Rock Island line. This line also appears to be an attractive new freight line to the Northern. The best interest for those seeking current yields, providing 3% a return on $4.00 at the three year. Ahead lie the benefits of the B&O merger at the end of the year. This merger has long enjoyed a reputation for competent management, with experience in the railroad business.

Kansas City Southern

One of the best bargains for the investor is the Kansas City Southern. The stock today sells at 77, about 10 times indicated 1962 earnings of $1.30 for a share (against $1.20 in 1961). Piggy-back traffic is almost double that of a year ago. The new line through to Texas has been completed, and is a $4 billion investment in new equipment, and is expected to have a $2.00 dividend. It would be a good time to buy in the market, to invest in stocks with a good record of sustained earnings, its common at 7 with a $2.50 divi- dendar affords a desirable yield. Earnings for 1962 are in a rising trend. Southern was the first for the road to become 100% diesel- (in 1953).

Others

On the basis of yield, Seaboard is attractive with a 4.3% dividend. Western Maryland at 15 paying $1.00 is favored regarding because it has no passenger business, and is in line for favorable treatment on the expected CSR & RQ merger plans. Illinois Central should earn $4.50 a share this year, up over 10% over 1961 Union Pacific which has paid $1.60 annually since 1967 seems a sa- nille value at 30. For balance sheet book values, liberal dividend policies, generous yields and market dignity, the calls merit the consideration of investors. Issues of particular attraction would include those whose management are superior, and whose securities are those with substantial collateral investments and land holdings.

Goodbody Adds to Staff

Mr. Anthony Tucker, formerly of the Marketing Department, has been added to the staff of Goodbody & Co., 59 Marietta St., Southeast.

PRIMARY MARKETS FOR INSTITUTIONAL INVESTORS

U. S. Governments

Federal Agency Issues

Municipals

Public Utilities

Industrials

Railroads

Equipment Trusts

Bankers Acceptances

Certificates of Deposit

Finance Paper

Canadian Issues

Preferred Stocks

Tucker, Anthony Adds to Staff

Tucker, Anthony & R. L. Day, members of the New York American and Boston Stock Exchanges, have announced that Rudolph J. Russo and Kingland D. Wells have become associated with the firm. The former will be the manager of the Bank of Stock Trading Dept. Office. Mr. Wells will be Senior Bank Stock Analyst. They will be con- nected with the firm’s New York Office, 120 Broadway.

White, Weldon, Admit Knowlton

On Sept. 1, Weldon & Co., 20 Broad Street, New York City, members of the New York Stock Exchange, will admit Knowlton to partnership.

With Stone & Webster

(Special to the Financial Chronicle)

BOSTON, Mass.—Christopher Du- maine, Jr., has become affiliated with Stone & Webster Securities Corp., 49 Federal Street. He was formerly with Hutchins, MIXter, & Parkinson, & Co.

Two With First Nebraska

(Special to the Financial Chronicle)

LINDON, Neb.—John W. Allwo- way and Gordon M. Hull are now connected with First Nebraska Securities Corp., 1001 "O" Street.

SIXTY WALL STREET
NEW YORK 5 N.Y.
H 24700
Member New York Stock Exchange

BOSTON PHILADELPHIA CLEVELAND CHICAGO
SAN FRANCISCO DALLAS PALM BEACH

SAJ flOMON BROTHERS & HUTZLER

SAJ flOMON BROTHERS & HUTZLER
Tax-Exempt Bond Market

By GEORGE L. HAMILTON

The state and municipal bond market has given a good account of itself in recent years. The bond market has been strong and bond prices have advanced consistently. The rise in bond prices has been accompanied by a substantial reduction in yields. The yield curve has been flat, with yields at the short end of the curve remaining low. The market has been characterized by a strong demand from institutional investors, such as pension funds and insurance companies, who are seeking tax-exempt investment opportunities.

**Tax-Exempt Inventory Lowest in 23 Years**

The Street inventory situation today, it can be confidently anticipated, would seem, as derived from the Aug. 19 Blue List, the volume of state and local issues of $535,000,000 outstanding on August 1, as compared with $644,000,000 below last week's figures at the same point in the month, a good volume of new issue business has transpired. The current Blue List total is lower than it has been since the beginning of the year. In view of these circumstances, there should be little danger that dealer banks are presently competing more vigorously for attractive new business opportunities.

Recent Awards

During the past week there was little change in general market importance which were competitively bid for. Last Thursday saw $3,250,000 National City Bank of New York for the Old Port of New York Authority Com- mercial Dock Project in the home port of New York. There was no additional business offered for public bidding. This is the first time that the Port Authority has been awarded a bid of much importance. The winning bidder was determined by the New York City Bank and Trust Co. and the bond was sold during the order period.

On August 10, saw the issuance of an authorization of $100,000,000 of state- guaranteed bonds approved by the Board of State Finance for state wind or mortgage revenue. The bonds were placed into the New York (the New Haven, the Long Island and the New York) for which the Port Authority was authorized to do the borrowing. The paper work was done by the New York City Bank and Trust Co., and the bonds were sold during the order period. The City of St. Paul, Minnesota, awarded $3,000,000 various purposes to theHal- ley, Stuart & Co., Inc. a net interest cost of 3.5298%. The second bid of 3.5284% net interest cost was made by Wirtzheim & Co. and associates. Other major members of the winning group include Goldman, Sachs & Co., Shields & Co., F. S. Moore, Co., Shearson, Hammill & Co. and Bacon, Stevenson & Co. The yield from $1.50 in 1963 to 2.625% in 1991, this issue met with wide demand, with the entire issue sold.

**More Competitive**

Wednesday also saw the issue of importance sell at public bidding, with the winning underwriters more competitive than expected. In the Houston, Texas, awarded $18,000,000 various purposes (1963-1982) bonds of the First National City Bank of Texas, a net interest cost of 2.480%, which was within the 2.480% to 2.520% range. The second bid was $18,000,000 various purposes (1963-1982) bonds of the First National City Bank of Texas, a net interest cost of 2.480%, which was within the 2.480% to 2.520% range. The winning group was a group of firms, and the total amount of the bonds awarded was $18,000,000. The winning group included Goldman, Sachs & Co., Shields & Co., F. S. Moore, Co., Shearson, Hammill & Co. and Bacon, Stevenson & Co. The yield from $1.50 in 1963 to 2.625% in 1991, this issue met with wide demand, with the entire issue sold.
It is costing the United States a good billion dollars a year trying to hold back the flow of gold abroad. Secretary of Defense McNamara has adopted a Buy American plan in an effort to keep our troops abroad. This is expensive, as many of our purchases of goods that are available abroad come higher in this country and by far the transportation cost.

One item that is not the cost is coal. We used to get coal for the troops in Germany from Poland. An output was raised by the coal industry in this country and there was the flow of American dollars. We are now using American coal.

There was a time when we could do more as much as we wanted to with our currency. The demand all over the world for American goods and dollars. Now, we have to watch the market place of foreign currencies, Surtex, Bonn, Paris, London, every time we make a move.

There is a story circulating in Washington that the last time Secretary of State Secretary of State Brezhnev, a high German official told him:

"If we were to demand gold for the dollars we would be held to be a tailspin.

Rusk is said to have replied:

"If we were to cut off our foreign aid and let currencies go, it would be in a tailspin, too."

The supposed colloquy points out how shaky the world financial situation is. Manifestly, if we were to cut off our foreign aid and let foreign currencies go, we would have an ample gold supply. Another way to bring about the same end is to reduce the number of troops we have in 25 locations over the world.

Mr. Kennedy intends to do neither. In fact, notwithstanding the widespread complaints we hear about the amount the government is spending in converting as the years go by. This year it approaches $5 billion.

Even by cutting a third from the time the hatches are opened to 90 days, it would reduce our costs in the third of a billion dollars. Then the only thing left will be to get our hands full of these White House requests. It is expected to be sub-budgeted in the year.

Secretary McNamara with his Buy American movement is trying to reduce the $3 billion which it costs to supply our troops abroad. Three billion dollars is not the total cost of maintaining them. It runs far above this.

The gold is now worth, recently at a reduced rate, in a volume that seriously and immediately endangers the value of $1, currency. The wise men of Wall Street are asking the Secretary of State and Secretary of Defense will inevitably have to devalue the currency.

Secretary McNamara has made a public disavowal of this international commitment not to do so.

President Eisenhower attempted to reduce the war abroad by calling home the dependents of our troops abroad. The President is attempting to permit anyone to go over there. Mr. Kennedy reversed this decision.

The situation is so serious that it is surprising there is not more determined effort to curtail our foreign aid spending by reducing the number of our troops abroad. But there are powerful business interests in foreign aid spending. The story is that the money is spent in this country.

Mason & Lee Promotes Officers

LYNCHBURG, Va.—Mason & Lee, members of the Philadelphia-Baltimore Stock Exchange, have announced that Walter G. Mason, Mason & Lee, has been elected to the newly created position of Chairman of the Board.

Ernest Williams, a member of the firm, succeeds Mr. Mason appointed Executive Vice-President. Other officers are George J. Day, First Vice-President; R. C. Paxson, Secretary-Treasurer.

Tony Garat With Wheeler & Co.

(Special to The Financial Chronicle.)

LOS ANGELES, Calif.—Tony Garat has become associated with Wheeler & Co., 418 South Spring Street, members of the Pacific Coast Stock Exchange. Mr. Garat was formerly an officer of Garat & Polonitza, Inc. and prior thereto was an officer of Arthur B. Hogan Inc.

Piper, Jaffray Adds

(Special to The Financial Chronicle.)

MINNEAPOLIS, Minn.—Arthur J. Hyde, Jr. is now with Piper, Jaffray & Hopwood, 115 South Seventy Seventh Street, members of the New York and Midwest Stock Exchange. Mr. Hyde was formerly with Investors Diversified Services and prior thereto was with White, Wells & Co.

Cofrey, Hamilton Branch

BROOKLYN, N.Y.—Louis A. Gammello is manager of the branch recently opened at the Board of Trade in Brooklyn.

Albert Yanow Opens

NEW YORK, N.Y.—Albert Yanow is engaging in a securities business at 4 Wall Street, under the firm name of Albert Yanow & Co. He was formerly with Keegan & Co. and U.S. Trust.

Joins Hartmark Co.

(Special to The Financial Chronicle.)

C. L. E. V. E. L. A. N. D. Ohio—James A. Verasitas has joined the staff of Hartmark Co., Inc., East Ohio Building, members of the New York Stock Exchange. Mr. Verasitas was formerly with Edward N. Siegel & Co. and Wilmington-Williams, Inc.

Is the Common Market
A "Rich Man's Club"?

By Paul Elsing

British economists report that delay in U.K.'s negotiations with Com- mon Market affords opportunity to examine its members' prospective role as beneficiaries of losses of poorer countries. This, Dr. Elsing maintains, confirms the "absurdity" of the Common Market's "initiation of our generous Marshall Aid with huge cost to the American taxpayer. Predictions, the new mechanism will similarly make it more difficult to use U.K.'s current hard-earned aid.

Although it is the declared policy of the United States Government to help the Western European Governments to take an increasing measure of assistance to underdeveloped countries, it seems that, in the case of the Common Market, this assistance can only be conceived in the form of aid and not in the form of trade. Yet what is the use of helping these countries to develop new industries and then preventing the export of their goods? And what is the use of granting them financial assistance and at the same time excluding their agriculture products from the Euro- pean markets? It just does not make sense.

Damage to the Underdeveloped
Nations

Unless that "aid not trade" policy is reversed the discrepancy between the standard of living in developed and underdeveloped countries will inevitably increase further, as a result of the progress of the Common Market both through the increase in its mem- bership and through the increase in the extent of discrimination be- tween members. The damage thus inflicted on underdeveloped countries will increase the necessity for economic aid in the form of outright gifts or in the form of a loan which will never be repaid, or capital investment which will be expected to be repaid in due course. There might have been some justification for such a policy in the 'forties and the early fifties, because the aid was of the not the most important that Western Europe should recover. But now that Western Europe has recovered its feet, there is no justification for an "aid not trade" policy, which the United States is attempting to impose. Norway and Sweden and the United States are trying to maintain the Common Market on terms which would further the end of the economic assistance. While the United States is maintaining the "aid not trade" doctrine. The repercussions on underdeveloped countries appear to have been overlooked in Washington and until quite recently also in Lon- don. Now that somewhat belatedly they came to be realized in Lon- don, it is believed that the British negotiators will reverse that country's policy to protect the Common Mar- ket governments realize it.

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

Florida Water and Utilities Co.

Twenty-Year 5½% Convertible Subordinated Debentures

(Convertible at any time on or before August 1, 1982)

Dated August 1, 1962

Due August 1, 1982

The Debentures are convertible into shares of the Company's Common Stock, par value $1, at the rate of 87 shares for each $1,000 principal amount of Debentures (Convertibility Ratios). The Debentures are convertible at a price of $102 (approximately $108.52 per share) up to and including the anniversaries of the Debentures at a price of $101 (approximately $107 per share) on each of the anniversaries of the Debentures ending July 30, 1962, and at a price of $101 (approximately $107 per share) in each of the years ending July 30 after 1962, and at a price of $100 (approximately $105 per share) in each of the years ending July 30 after 1967.

Price 100% plus accrued interest from August 1, 1962

Copies of the Prospectus may be obtained in any State only from the underwriters and others as may lawfully offer these securities in such State.

FINKLE & CO.

August 13, 1962
The Commercial and Financial Chronicle... Thursday, August 16, 1962

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

It is understood that the firms mentioned will be pleased to send interested parties the following literature:

Aluminum Industry — Analysis with particular reference to Aluminum Co. of America, Kaiser Aluminum & Chemical Corp. and Reynolds Metals Co.—Featherston, 10 Broadway, New York 5, N.Y. Also available is a bulletin on Steel

Canadian Steel Industry—Analysis—Greenbush, 237 Pless Place, Armore, Quebec, Canada. Also available are reports on Canplas, Uranium stocks and oil and Natural Gas

Convertible Bonds as a hedge—Discussion—The Milwaukee Co., 207 East Michigan St., Milwaukee 2, Wis. Also available are comments on Aluminum Specialty, American Distillers, Consol-Marine Corp., and Phillips Petroleum

Convertible as a hedge—Discussion—Garvin, Bantel & Co., 120 Broadway, New York 38, N.Y. Also available is a brief on Convertible Bonds and Allied Financials

Industrials Revenue Bonds—Discussion—Goodbody & Co., 2 Broadway, New York 4, N.Y.


Japanese Market—Review—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N.Y. Also available is a memorandum on Mitsukoshi Ltd.

Institutional Holdings of Over-the-Counter Industrials and Utilities—Brochure listing 90 OTC industrial and utility stocks held by leading investment and insurance companies, naming volume and holdings, and showing holdings for the 1961-1962 fiscal and interim per share earnings, current price and 1962 high—Troster, Singer & Co., 74 Trinity Place, New York 6, N.Y.

Manufactured Home Industry—Survey with particular reference to Swift Homes Inc.—Eastman Dillon, Union Securities & Co., 1 Wall Street, New York 5, N.Y. Also available is a bulletin on Standard & Poor's Corp.

Municipal Industrial Financing—Analysis—Whipple & Co., 135 South La Salle St., Chicago 3, III. Natural Gas Distributors—Memorandum—Jackson, McFadyen Securities Ltd., 455 Craig St., West Montreal, Quebec, Canada. New York City Bank Stocks—Comparison and analysis of ten leading New York City banks—Lazard, Bessel & Meeds, 120 Broadway, New York 5, N.Y. Opportunities for Capital Gains in Canadian Stocks—James Richardson & Sons, Inc., 14 Wall St., New York 5, N.Y.

Over-the-Counter Index—Folder containing comparisons between the listed industrial stocks used in the Dow-Jones Average and the over-the-counter industrial stocks used in the National Quotation Bureau averages, both as to yield and market performance over a year period—National Quotation Bureau, 46 Front Street, New York 7, N.Y.


Savings & Loan—Bulletin—Waller & Co., Inc., 74 Wall St., New York 5, N.Y. Also available are Switch Suggestion, 10 issues also available, and an memorandum on Interstate Enzymes Savings.

Savings & Loan Industry—Review—Reynolds & Co., 120 Broadway, New York 5, N.Y. Also available are reports on General Public Life Insurance Co. and Johnson & Wiley & Sons.

Selected List—Brochure of data furnished by Moody's Industrial List—mid-year—Bache & Co., 36 Wall St., New York 5, N.Y. Selected Stocks—Commentary on 43 issues—Butcher & Sherrerd

Tobacco Stocks—Report with particular reference to Philip Morris & Bullock, Inc., Imperial Tobacco Co. of Canada, Americana Tobacco and Manhattan Tobacco—Morgan Stanley & Co., 180 Water St., New York 6, N.Y. Also available is a bulletin on Standard & Poor's Corp.


ABC Vending—Memorandum—James, 85 Pine St., New York 5, N.Y. Also available are memoranda on Arkansas Louisiana Gas, Heller, International Resilience and Suburban Bank.

Air Products—Discussion—John C. Braden & Co., 120 Broadway, New York 5, N.Y.

Air Reduction Co.—Report—Draper & Co., 60 Broad St., New York 5, N.Y.


American Chain & Cable—Memorandum—Perkin & Co., 120 Broadway, New York 5, N.Y.

American Steel and Wire Co.—Memorandum—De Forest & Co., 120 Broadway, New York 5, N.Y.

Anchor Hocking Glass—Memorandum—Chas. E.施行 & Co., Inc., 41 East 42nd St., New York 17, N.Y.

Anchor House—Summary—Burlington, 25 Park St., Boston 2, Mass. Also available is a bulletin on the company


American Chain & Cable—Memorandum—Perkin & Co., 120 Broadway, New York 5, N.Y.

Anchor Hocking Glass—Memorandum—Chas. E.施行 & Co., Inc., 41 East 42nd St., New York 17, N.Y.

Anchor House—Summary—Burlington, 25 Park St., Boston 2, Mass. Also available is a bulletin on the company.

Anchor House—Summary—Burlington, 25 Park St., Boston 2, Mass. Also available is a bulletin on the company.

American Chain & Cable—Memorandum—Perkin & Co., 120 Broadway, New York 5, N.Y.

American Chain & Cable—Memorandum—Perkin & Co., 120 Broadway, New York 5, N.Y.

Anchor Hocking Glass—Memorandum—Chas. E.施行 & Co., Inc., 41 East 42nd St., New York 17, N.Y.

Anchor House—Summary—Burlington, 25 Park St., Boston 2, Mass. Also available is a bulletin on the company.

Anchor House—Summary—Burlington, 25 Park St., Boston 2, Mass. Also available is a bulletin on the company.

Anchor House—Summary—Burlington, 25 Park St., Boston 2, Mass. Also available is a bulletin on the company.

Anchor House—Summary—Burlington, 25 Park St., Boston 2, Mass. Also available is a bulletin on the company.

Anchor House—Summary—Burlington, 25 Park St., Boston 2, Mass. Also available is a bulletin on the company.
U.S. Needs a Unified Communications Policy

By Brigadier-General David Sarnoff,* Chairman of the Board, Radio Corporation of America

Industry leaders urged unification of American international communications carriers into a single privately-owned independently operated company. Mr. Sarnoff, General Manager of the General Electric Company, believes that such a company would be able to compete with the existing international satellite carriers. The proposal has been endorsed by the American Telephone and Telegraph Company, the Western Union Telegraph Company, and the International Telephone and Telegraph Company.

The lack of a unified communications policy, Sarnoff argues, would lead to a fragmented industry, with too many companies trying to compete in the same market. A single company, he believes, could provide a more stable and efficient solution to the problems of international communications.

*David Sarnoff

The Meaning of Space

Last July 10, an event of vast importance in world communications occurred with the successful orbiting of the AT&T's "Telstar" satellite. It was the first exchange of television programs between the United States and Europe. It has already been achieved through Telstar. Mr. Kappel, Chairman of AT&T, rightly said - "with a pride that can be shared by all Americans - the project provided an outstanding example of cooperation between government and private industry.

Already, the next important step in the development of global space communications is in progress. A new communications satellite - Telstar - will be transmitted into orbit within the year. The new satellite will receive video signals from one point on earth, transmit them to another point on earth, and then retransmit them to another point. In this way, it is possible to transmit television programs from one point on earth to another point on earth, and then to another point.

These are satellites which receive, amplify, and retransmit radio signals and to and from ground stations, thousands of miles apart. In the manner that overland relays at present operate over distances of only a few miles.

Until last month, it was not possible to transmit television over long distances through the air except by the use of numerous microwave towers. This was due to the fact that the radio spectrum was considered communications as well as intercontinental telegraphy. A free radiate among governments, and satellite serving as a high tower in space, could transmit messages over 500 miles, and sound not over a few miles but at least six thousand miles - or more than the distance from San Francisco to Paris.

The Coming Decade

Communications leaders are forewarners of a system that within the coming decade will provide visual communications through telephone, telegraph, telephone, and television and other media. The communications are practically any point on earth, and any point on earth. The communication is instantaneous, and the limitations of space are limited only by the diameter of the earth. The new technology will enable us to see and hear what is happening anywhere in the world. The new technology will enable us to see and hear what is happening anywhere in the world.

From these facts we can begin to plan the methods of organizing the world of tomorrow. It will be really in the world, in which an individual could be in visual contact with anyone, anywhere, any time of day or night, sight or sound, or simply a picture of a person, or a newsreel.

Global conferences, whether of statesmen, business and the like, will be possible. Should you wish to see the Emperor of Japan, you will be able to do so at the same time that the same conference is being held in any city in the world. The same conference will be held in any city in the world.

This is the time to plan our communication system. The time is right. The time is critical. If we do not plan our communication system, we may lose the opportunity to plan it. The time is right. The time is critical. If we do not plan our communication system, we may lose the opportunity to plan it.
Connecticut Brevities

Sikorsky, the free world's largest helicopter manufacturer, built the Sikorsky S-61 Skycrane, developed from a prototype by the Sikorsky subsidiary, Stratford Aircraft, Inc. The aircraft is now in service with about 1,000 customers throughout the world. It is a twin-screw, single-engine helicopter with a long-range capability of 500 miles and a maximum cruising speed of 185 miles per hour. The S-61 is designed to carry up to 14 passengers or 2,000 pounds of cargo.

Investing Policy Today

By Roger W. Babson

Mr. Babson maintains forecasting difficulties call for investor's broadest possible diversification among classes of securities, industries, and issues within an industry. Urges avoidance of new issues, lack of corporate profits, and the necessity of reinvestment. "None of the old objectives should be the rendering of social and economic 'service,'" he is at a loss to state.

Better Investment Clime Needed in Latin America

Chase Manhattan Bank report derived lack of recognition of, and efforts to make clear, the need for private investments in Latin America. Held responsible are managers and governments who do nothing to improve the investment climate and yet bawl the lack of progress made in their economies.

U.S. government and business should do more to persuade Latin American managers to improve the investment climate in their countries, said the bank. In its quarterly report, Latin American Financial Highlights, issues 1962-2, the bank stated that the governments of these countries have failed to improve their investment climates and that the managers have not made use of the opportunities available.

The bank said the problem of the alliance, is not that it seeks too much or that it gives away too much, but that it ignores the fact that the money it spends is not enough. It also criticized the governments for not providing adequate protection for foreign investments and for not creating an environment favorable to private enterprise.

The report emphasizes the need for increased investment in Latin America, stating that the region has a vast potential for economic growth and development. It also notes that the region's industrialization will require massive investment in physical and human resources.

Chas. W. Scraton & Co.

MEMBERS NEW YORK STOCK EXCHANGE

Specialists in the Purchase and Sale of Bonds

100 West 30th Street New York, N.Y.

Phone: 56-5930

1415 Main St.-Dallas, Texas

Direct wire to:
A. M. Kidder & Co. New York
Estabrook & Co. New York
New Hanseatic Corp. of America New York
Day & Gunn, Inc. Buffalo

Investing Policy Today

By Roger W. Babson

Mr. Babson maintains forecasting difficulties call for investor's broadest possible diversification among classes of securities, industries, and issues within an industry. Urges avoidance of new issues, lack of corporate profits, and the necessity of reinvestment. "None of the old objectives should be the rendering of social and economic 'service,'" he is at a loss to state.

Better Investment Clime Needed in Latin America

Chase Manhattan Bank report derived lack of recognition of, and efforts to make clear, the need for private investments in Latin America. Held responsible are managers and governments who do nothing to improve the investment climate and yet bawl the lack of progress made in their economies.

U.S. government and business should do more to persuade Latin American managers to improve the investment climate in their countries, said the bank. In its quarterly report, Latin American Financial Highlights, issues 1962-2, the bank stated that the governments of these countries have failed to improve their investment climates and that the managers have not made use of the opportunities available.

The bank said the problem of the alliance, is not that it seeks too much or that it gives away too much, but that it ignores the fact that the money it spends is not enough. It also criticized the governments for not providing adequate protection for foreign investments and for not creating an environment favorable to private enterprise.

The report emphasizes the need for increased investment in Latin America, stating that the region has a vast potential for economic growth and development. It also notes that the region's industrialization will require massive investment in physical and human resources.

Chas. W. Scraton & Co.

MEMBERS NEW YORK STOCK EXCHANGE

Specialists in the Purchase and Sale of Bonds

100 West 30th Street New York, N.Y.

Phone: 56-5930

1415 Main St.-Dallas, Texas

Direct wire to:
A. M. Kidder & Co. New York
Estabrook & Co. New York
New Hanseatic Corp. of America New York
Day & Gunn, Inc. Buffalo

Businessmen's BOOKSHELF

Certificates of Deposit—A special report dealing primarily with negotiable time-certificates—Richard W. Colby, Financial Services Publishing Company, 80 Beach Street, Boston, Mass., $5.00.


Portrait in Oil—How the Ohio Oil Company grew to become Martha Stewart, Inc.—E. P. Dutton & Co., Inc., 419 Fifth Avenue, New York, N.Y., 1961 (paper), no request.

Transportation at the Crossroads—The President Points the Way—National Highway Authority, Tenpack Building, Washington, D.C., (paper).
The First National City Bank, New York, has opened a branch In Afton, N. Y., extending its service in Westchester County and in the metropolitan area. The branch, located at 281 Broadway, will be handled by Mr. John J. Tischer, Manager. George W. Whalen will continue to direct the management of the branch, with Albert A. Mosse heading the Personal Finance Department.

George L. Farnsworth, Executive Vice-President, has been appointed to head Chemical Bank New York Trust Company's international division, it was announced Aug. 13 by Chairman Harold H. Helm. Mr. Farnsworth succeeds Executive Vice-President Clinton C. Johnson who will continue to be identified with the Division until Dec. 31, when he will retire under the bank's mandatory retirement plan at age 65.

Mr. Farnsworth joined Chemical New York Oct. 29, 1934, where he became Assistant Secretary in 1943. Assistant Vice-President in 1947, Vice-President in 1950 and Executive Vice-President in 1960. He was designated head of the bank's International Division in that year and continued to supervise its activities until Sept. 6, 1961, when he transferred to the International Division.

Sumner A. Williams has been named Regional Vice-President of Chemical Bank New York Trust Company, New York, it was announced Aug. 13 by Chairman Harold H. Helm. Mr. Williams, who has been a Vice-President in charge of a bank's office in 300 Park Avenue, will now handle the bank's affairs in the lower midtown area of Manhattan. Mr. Jantzen recently resigned to become President and Chief Executive Officer of Sterling National Bank & Trust Company, New York.

Mr. Williams began his career in 1928 with United States Mortgage & Trust Company, which was merged with Chemical Bank in 1929. He has since been assigned to various midtown offices of the bank, including Assistant Vice-President in 1950 and Vice-President in 1957.

The election of John B. Dunning as a Vice-President of the First National Bank of New York was announced Aug. 14. Mr. Dunning served previously as Trust Officer in the bank's Personal Trust Administration. James J. Neff, of the Bank's Personal Trust Administration, was appointed an Assistant Trust Officer.

Mr. Dunning joined the bank in 1942.

The Citizens Bank of Perry, N. Y., Perry, N. Y., received approval from the State of New York Banking Department on Aug. 9 to change the name of the corporation from The Citizens Bank of Perry, N. Y., to The Bank of Perry and to change the bank's capital and par value of previously authorized shares, and to increase the capital stock from $150,000, consisting of 6,000 shares of par value of $25 per share to $300,000 consisting of 15,000 shares of $20 par value of stock.

The consolidation of the National Bank and Trust Company, Norwich, N. Y., and the National Bank of Atwood, Atwood, N. Y., was approved Aug. 4 by James J. Saxton, Comptroller of the Currency. The consolidation is effective on or after Aug. 10, and the surviving institution will be the National Bank and Trust Company of Norwich.

The First New Haven Bank National, New Haven, Conn., will open a new office at 215 Church Street, a block south of its current location. The bank's Temple Street operations will be transferred to the new Church Street location.

Albert M. Gesler, Vice-President and Trust Officer.

The Board of Directors has declared a regular quarterly dividend of 1c per share on the Class A Stock to the record holders of record as of Sep. 20, 1962.

Dividend Notice

The First National City Bank, New York, opened a branch in Afton, N. Y., extending its service in Westchester County and in the metropolitan area.

The branch, located at 281 Broadway, will be handled by Mr. John J. Tischer, Manager. George W. Whalen will continue to direct the management of the branch, with Albert A. Mosse heading the Personal Finance Department.

George L. Farnsworth, Executive Vice-President, has been appointed to head Chemical Bank New York Trust Company's international division, it was announced Aug. 13 by Chairman Harold H. Helm. Mr. Farnsworth succeeds Executive Vice-President Clinton C. Johnson who will continue to be identified with the Division until Dec. 31, when he will retire under the bank's mandatory retirement plan at age 65.

Mr. Farnsworth joined Chemical New York Oct. 29, 1934, where he became Assistant Secretary in 1943. Assistant Vice-President in 1947, Vice-President in 1950 and Executive Vice-President in 1960. He was designated head of the bank's International Division in that year and continued to supervise its activities until Sept. 6, 1961, when he transferred to the International Division.

Sumner A. Williams has been named Regional Vice-President of Chemical Bank New York Trust Company, New York, it was announced Aug. 13 by Chairman Harold H. Helm. Mr. Williams, who has been a Vice-President in charge of a bank's office in 300 Park Avenue, will now handle the bank's affairs in the lower midtown area of Manhattan. Mr. Jantzen recently resigned to become President and Chief Executive Officer of Sterling National Bank & Trust Company, New York.

Mr. Williams began his career in 1928 with United States Mortgage & Trust Company, which was merged with Chemical Bank in 1929. He has since been assigned to various midtown offices of the bank, including Assistant Vice-President in 1950 and Vice-President in 1957.

The election of John B. Dunning as a Vice-President of the First National Bank of New York was announced Aug. 14. Mr. Dunning served previously as Trust Officer in the bank's Personal Trust Administration. James J. Neff, of the Bank's Personal Trust Administration, was appointed an Assistant Trust Officer.

Mr. Dunning joined the bank in 1942.

The Citizens Bank of Perry, N. Y., Perry, N. Y., received approval from the State of New York Banking Department on Aug. 9 to change the name of the corporation from The Citizens Bank of Perry, N. Y., to The Bank of Perry and to change the bank's capital and par value of previously authorized shares, and to increase the capital stock from $150,000, consisting of 6,000 shares of par value of $25 per share to $300,000 consisting of 15,000 shares of $20 par value of stock.

The consolidation of the National Bank and Trust Company, Norwich, N. Y., and the National Bank of Atwood, Atwood, N. Y., was approved Aug. 4 by James J. Saxton, Comptroller of the Currency. The consolidation is effective on or after Aug. 10, and the surviving institution will be the National Bank and Trust Company of Norwich.

The First New Haven Bank National, New Haven, Conn., will open a new office at 215 Church Street, a block south of its current location. The bank's Temple Street operations will be transferred to the new Church Street location.

Albert M. Gesler, Vice-President and Trust Officer.

The Board of Directors has declared a regular quarterly dividend of 1c per share on the Class A Stock to the record holders of record as of Sep. 20, 1962.
President's Views on the Business Trend and Tax Cuts

President Kennedy reports an economic upturn, pointing to indicators showing substantial gains in Gross National Product, industrial production, employment, dispositional incomes to be realized by last month of July figures. Asserts today's stock market rests on a sounder basis between the price of labor and the price of goods than at the end of last year. While declaring the right kind of tax cut, namely rate reduction coupled with long-needed reform and abolition of loopholes, he adds that raising an immediate tax cut could not be justified or needed.

In a heralded "State of the Nation" address over TV and radio at 7:30 p.m., the President rejected immediate tax cuts for the unnecessary, uneconomic and uneasiness for which with under the confidence b. F. Kennedy.

Text of the President's address

Good evening, my fellow citizens.

The Constitution of the United States states on page 100, "The Congress shall have the power to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States shall be deemed to be included in this grant of power.or top-" bottom-cuts for corporations and individuals.

I am very much aware that the people and the things behind the statistics and details of the economy may sometimes seem dry, but the economy and statistical economic and details are really a story of all of us, as a country. And these statistics tell us that we are going forward or standing still or backslide, they tell whether an unemployed man can find work and whether who has a job can get an increase in salary or own a home, or whether he can retire in security or his children to college.

Throughout the world, the people and the things behind the statistics tell us that we are concerned about whether our country has been made a recovery from this unprecedented depression. What are we concerned about is how we've been created and what we can do in the future.

First—where we've been. Today is the 45th anniversary of the year and a half, and we can take some heart in the fact that we haven't been in these gains which have been made.

GDP UP $5 Billion

The gross national product which is the total income that we produce. That has gone up 10%—over $50,000,000,000 in additional goods and services. There has been an increase in production, which is the output of the foundations of our economic order, and money has gone up $33,000,000,000 in 1961.

The disposable personal income, which is what we can spend, including new goods and services and income we have after taxes, has gone up $30,000,000,000, 80 percent, in the first half of the year.

Wages and salaries have gone up 10%—$70,000,000,000 and profits have gone up 19%—$9,000,000,000. So this story the story of our economic recovery.

Looking ahead, as far as this fall, while not as good as all of last year's gains, we think we still further gains.

Exports and imports which have been reported to me for July which is just coming in now do at least tell us that, as we are entering a new recession.

The world of trade is in the contrary—there is no doubt that the world is not the same and the world's trade is not the same. But there are other new countries and the world is not the same as it was in the years that brought prosperity to our country, and there may be a confidence in the long-range future.

It is possible that the current situation justifies the optimism, if new record high in industrial production and employment and a significant increase in the export of automobiles and other retail sales.
until poisoned by the Communists and the Fascists. Although the analogy of the Concert of Europe formed in 1814 is not perfect, yet, with much less usual and authority, it tended off world war for some years. Some organized Council of Free Nations is becoming hope for peace in the world.

The Assurance That We are Not In the Descent and Fall of the American Way of Life

Another subject lies heavily on American. We are faced with two voices. One is from the people who are deeply troubled, not only about the turbulent world around us but also about the present problems which haunt our days and nights. There are many despairing voices. There are many undertones of discouragement. The press headlines imply that corruption, crime, divorce, youthful delinquency and Hollywood love stories are our national occupations.

And amid all these voices there is a cry that the American way of life is on its way to decline and fall. I do not believe it. Perhaps amid this din of voices and headlines of gloom, I may say something about the inner forces from which the American way of life springs. The strengths of America. They assure its future and its continued service to mankind.

The mightiest assurances of our future are the spiritual and intellectual forces in our people. We are a nation, not by the words United States, but by the word America. America carries meanings which lie deep in the soul of our people. It reaches far beyond the size of cities and factories. It springs from our religious faith, our ideals of individual freedom and equal opportunity, which have come to us centuries since we landed on these shores. It rises from our pride in great accomplishments of our nation and from the sacrifices and devotion of those who have passed on. It lifts us above the ugliness of the day. It has guided us through even greater crises in our past. And from these forces, solutions will come.

This representative government, with its 138 years of life, has lasted longer than any other republic in history.

If you look about, you will see the steeples of tens of thousands of places of worship. Each week a 100 million people come to reaffirm their faith.

If you will look, you will find that the Bill of Rights is an enforced law of the land; that the dignity of man and equality of opportunity more nearly survive in this land than in any other on earth.

If you look, you will also find that from our educational system there comes every year a host of stimulated minds. They bring new scientific discoveries, new inventions, and new ideas. It is true that they revolutionize our daily lives. But we can readily adjust ourselves and our government to them without the assistance of Karl Marx.

I could go on and on reciting the mighty forces in American life which assure the permanence and its durability. Perhaps on this occasion it would not be immodest or inappropriate for me to cite my own life as proof of what America brings to her children.

As a boy of ten, I was taken from this village to the Far West 75 years ago. My only material assets were two dimes in my pocket, the suit of clothes I wore. I had some extra understandings provided by loving aunts. But I carried from here something more precious.

I had a certificate at the fourth or fifth grade of higher learning. I had a stern grounding of religious faith.

I carried with me recollections of a joyous childhood, where the winter snows and the growing crops of Iowa were an especial provision for kids. And I carried with me the family disciplines of hard work. That included picking potato bugs at 10 cents a 100. Incidentally, that money was used for the serious purpose of buying firecrackers to applaud the Founding Fathers on each Fourth of July.

In conclusion, may I say to the boys and girls of America that the doors of opportunity are still open to you. Today the durability of freedom is more secure in America than in any place in the world.

May God bring you even more great blessings.

J. E. Pittkin

NEEDLES, Calif.—Jay E. Pittkin is engaging in a securities business from offices at 1305 Front St.

What the world's best telephone service is built on

The foundation of your telephone service is composed of three integrated Bell System activities.

First, there's research at Bell Telephone Laboratories to find new telephone services and new ways to improve present services.

Second, there's manufacturing by the Western Electric Company in order to produce top-quality telephone equipment at the lowest possible cost.

What the world's best telephone service is built on

Third, there's the operation of the Bell System performed by the local Bell Telephone Companies at high standards of economy and efficiency.

The results of this three-stage action are improved local and Long Distance service... ever-better telephone instruments... the invention and use of such modern marvels as the Transistor... fast, dependable communications for defense and for you.
How Leading Authorities View Outlook for the Railroad Industry

Continued from page 1

Some of these, however, may require more than a few months to accomplish. One major development is the report of the Presidential Railroad Commission on the railroads' financial difficulties, released in February. The recommendations, if enacted, could result in large savings for the railroads. The carrier's efforts to meet the Board's recommendations have been opposed by powerful groups, including labor and the American Trucking Associations, which oppose many of the suggestions presented by the Commission. 

The Interstate Commerce Commission has pointed out, however, that the savings from improving regulations and eliminating inefficiencies can be substantial. One recent study has shown that the savings could amount to as much as 10% of the total rail costs. This is a significant amount, and it is hoped that the recommendations will be enacted in a timely manner.

Another major development is the increasing use of high-speed rail systems. These systems are more efficient and cost-effective than traditional rail systems, and their use is expected to grow in the coming years. 

The national interest is also at stake in this issue. The railroads have always been a vital component of our transportation infrastructure, and they are necessary for the movement of goods and people across the country. The United States is a nation with a long history of railroad use, and the railroads have played a significant role in the development of the country. 

In conclusion, the railroads face a number of challenges in the coming years. However, with the proper measures and regulations in place, these challenges can be overcome, and the railroads can continue to serve the needs of the country.

W. H. BATEMAN
President, Symington-Wayne Corp.

Our railroad business represents a little over 20% of our total business at the present time. We have not seen any indication of a downturn in the railroad market. In the current economic environment, there is a strong demand for all modes of transportation, and the railroads are well positioned to meet these demands.

We have been encouraged by the recent focus on rail infrastructure and the increased funding for rail projects. This has led to a number of improvements in the rail network, which is expected to benefit the industry in the long term. We have also been pleased with the recent increase in the use of high-speed rail systems, which is expected to further improve the efficiency of the rail network.

In conclusion, we can say that the railroad industry is well positioned to meet the demands of the current economic environment. We are optimistic about the future of our business and the industry as a whole.
The only time we've looked back in 100 years

... and the view is crystal clear: Great Northern Railway's progress has resulted from a constant effort to further the growth and prosperity of the region it serves.

Time works harsh penalties on businesses that are not built upon a belief that giving customers an extra measure of service for their money is the key to continued corporate life and vitality.

In these 100 years, we at Great Northern have seen many an enterprise come into being, then disappear as it failed to devote itself to daily-demonstrated service to the public.

The old saying has it, "As the twig is bent, so grows the tree". And this has been our pattern for ten decades. For James J. Hill, Great Northern's founder, understood the need for service in its fullest, most meaningful sense—and formed our first and all-time policy with these words: "The railroad is in partnership with the land upon which we live and walk. It will prosper only when the land prospers or the owner prospers."

Thus, Great Northern has adhered all these 100 years to an effort to aid the region it serves by providing low-cost transportation of the products of fields, forests and mines.

While our region is blessed with a great natural abundance, it is at considerable distance from the consumption centers of the Middle West and the East.

So Great Northern looks at its job as one of "equalizing"—moving products of the Northwest to processing and consuming areas at prices that keep this area competitive with the same commodities produced much closer to markets.

In its end result this unselfishness could be termed "calculated self-promotion"—for as the area we serve grows so Great Northern grows. By putting the area's prosperity first, the railway's own well-being has followed inevitably.

This habit—ingrained from our "childhood"—has enabled Great Northern to begin its second century with more vigor than at any time in its history.

A look to the next 100 years

Today, as in all the 100 years since the William Crooks pioneered our rail route from St. Paul up-river a scant ten miles, Great Northern's officers and some 20,000 employes are ever aware that their future lies on the bedrock of downright good service to the railway's passenger and shipping customers. Our habit of service runs far too deep and is much too precious to be laid aside simply because we've completed one hundred years.

We're pretty sure that come our 200th birthday we'll be thinking the same thoughts: that the railway has progressed because it continued to help its region grow and prosper by providing efficient, low-cost transportation services.

At least, that's exactly what we aim to keep on doing.

GREAT NORTHERN RAILWAY

1862 1962
To provide improved services to its users which will assure us a good share of the available business.

EDWARD S. EVANS, JR.
President, Evans Products Company

The midyear outlook for Evans Products Company is considerably better than it was during the same period last year. An early increase in demand is expected to improve service during the second quarter and a continuation of that trend is expected to result in a better second half of the year. This is a vivid demonstration that the railroad industry is for free enterprise operation and not just for railroad operation.

As we go into the second half our Railroad Equipment Division continues to receive strong support. Both our original aluminum and new stainless steel railroad equipment have continued to disprove the damage in freight cars that have been substantially renewed by railroads and shippers in the United States and Canada. The DF-B units are proving to be a significant contribution to the railroad owners and the shipper community in all types of freight cars.

As the year progresses, it is our belief that the railroads will turn to the railroad industry in a free enterprise operation to help develop and improve the railroad industry as a basic free enterprise operation. Even a brisk pick-up in carloadings, which is not now operating, will give us comfort that the railroads are for free enterprise as a way of life.

F. S. HALE
President, Plate Road

The Nickel Plate Plate is continuing its improvement program in order to meet future service requirements and to maintain a position of leadership in the industry.

In 1962, to date, 107-ton covered hopper cars, 40- and 50-ton hopper cars, 50- and 60-ton locomotives, and 500-bushel hopper cars have been acquired. Order for new equipment is designed for special services, which are becoming ever more important to the railroads.

A freight service continues to be the fastest growing segment of the railroad industry.

EVIDN HODGE, JR.
President, Philadelphia Steel Car Company and Its Subsidiary, Greenville Steel Car Company

The American railroads have for years been forced to struggle against labor to operate efficiently under long outmoded laws and regulations. Now we, who are already assured that the railroad industry is for free enterprise operation, are beginning to feel some genuine optimism that more realism is about to be applied in the railroad industry for the regulation of this vital industry.

There exists today evidence that the railroads' revenue cars have been forced to operate, is finally beginning to make its appearance in the legislative halls and in the executive branch of government.

In so far as Pittsburgh Fording is concerned it is expected that the railroad industry will be on the schedule of 1962.

Sales volume for the period was favorably affected as a result of the lessening restrictions which are due to the end of the strike which began in March of 1961. It is significant that the vast improvement in the railroad industry as a whole is the result of the realization that the railroads are able to perform the job of providing various parts and equipment to the railroad industry without the aid of government agencies.
The Market ... And You

BY WALLACE STREETE

A suspense story ended in the stock market this week and how much the on-again-off-again tax cut hopes had to do with it is moot. In any event, the industrial average rose above the 600 line for the first time since the May-June break.

That ended all the speculation over whether the line could kill off the rally that began last month. Why any particular level, even a nice, round one as in this instance, should or itself pose a problem is one of the market mysteries.

The fact, however, is that this particular index approached the 600 level seven times since the bear market dawned. But each time it did, enough profit-taking showed up to foil any attempt to break it. Such furtive assaults on a particular level build up a psychological climate of apprehension whenever a new attempt is made and, to a degree, induce the selling that is self-defeating.

Ruling out any immediate tax cut had been pretty well anticipated by the market. In fact, the optimistic view even before the official word was that the market would do better either way the decision fell. This presumed that a tax cut would stir up market buying, but the decision not to make the cut would be official evidence that the economy is sound, which also would help the market. That proved to be the case.

The immediate reaction to the end of tax relief hopes was one of indifference. But with no charger in selling to be absorbed, buyers took heart and became a bit bolder. Moreover, hopes were high that the rally could keep going since good markets are usual during summer months, and the stock market has a full two weeks before it reaches Labor Day which is a critical juncture since in some years drastic readjustments have occurred at that time.

As has been the case for a long time, the interest was all focused on the industrial index and the railroad and utility indexes were largely neglected. Both, in fact, had shown a disposition to falter while the senior average was backing and filling but they came to life a bit as the breakthrough came along.

Aerospace Reviving

Something of a repeat performance was the swing in the aerospace section after Russia's new space achievements hinted that our own efforts in this field would be stepped up importantly.

The company that is still regarded as an airplane parts supplier, but also has a solid footing in the aerospace field, is Rohr Corp., which has had its group of followers because of its low price/earnings ratio and its 8% yield.

Rohr's closest links are with Boeing, Lockheed and McDonnell, which are leaders in the space-missile fields. One of Rohr's activities is supplying them with missile nozzles, and it is stepping up its participation in this field.

A new, and still to be proven venture, is Rohr's entry into the large antenna structure field.

It has been showing earnings that ran more than double the dollar dividend requirement, and on estimates of a slight reduction in per share results in the current fiscal year it is still available at less than eight-times the anticipated profit.

Grumman Aircraft Company

The aircraft company that pretty much has stuck to its last, although not unknown to space work, is Grumman. For many years this has been the chief manufacturer, although unofficial, arm of the United States Navy and has been able to hold this role despite increasing competition. In a field noted for its booms and busts, Grumman has done a superior job of maintaining comparative stability. Furthermore it has shown earnings and paid dividends annually for nearly 30 years despite some year-to-year variations in its reports.

Apart from Navy planes, Grumman's big hope for the future is far from Outer Space. It has been the leader in developing a new concept for ocean boats, the hydrofoil boat. Currently the company and its government-backed 60-ton hydrofoil research ship which promises unimpeachable speed or on ocean liners of the future. Hydrofoils, in theory, will elevate a ship above the water surface and one large vessel under construction for the Maritime Administration is being planned to do more than 90 miles an hour. If successful, this will go into the Florida-Bahamas run under lease to W. R. Grace & Co.

In addition to the prospects for civilian ships, the hydrofoil idea also could become the basis for a whole new class of Navy destroyers, or at least for universal destroyers that would leave Grumman sitting in the center of a new science, and with a potential for unpredictable future profits.

Grumman hasn't neglected the possibilities in space work and, in fact, is stepping up its participation in this field. It is, in fact, working on components for an astronomical space observatory for extensive use in scientific research, which is scheduled to be placed in orbit next year.

An Interesting, Although Glamorous, Firm

There has been little glamour attached to such a mundane product as potash in the Space Age, although when the market is under pressure, all groups suffer. International Minerals & Chemical has not been immune, as it has been available recently at well below its peak price and in a solid, 4% yield bracket.

IMC is an important fertilizer producer with stated earnings. In fact, it did dip slightly from $3.07 to $3.04 in its last fiscal year. However, the company has just completed a new Canadian potash mine which is the first new source of this material for the company in a score of years. The new mine when in full operation is expected to make the company the nation's top producing company. With a better grade ore, and no need to pay others for its supplies, important economies can be made by the company.

In addition, IMC has not had its own source of nitrogen compounds to round out its fertilizer business but now has plans to cooperate with Northern Natural Gas to fill the gap. It is expected to go into operation in the middle of next year. Since the main trouble with IMC's operating results has been a profit squeeze from lower selling prices, the efforts to shave costs with its new projects could shake the company out of the stable earnings status. And, in time, as operating results improve, the long-standing $3.00 dividend could be improved since the prospects are that it will be earned twice over in the current fiscal year even before the new benefits show up.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]
Progress at the Railroad Industry

A. KING McCORD
President, Westinghouse Air Brake Company

The mid-year outlook for WABCO sales is encouraging. They are currently running more than 10% above 1961 and indications are that this will continue for railroad operation. Combined with the recommendations in the President's transportation message, this should deserves encouragement for the railroad industry.

ROBERT S. MacFARLANE
President of The Northern Pacific Railway

Northern Pacific Railway Company earnings, like those of many of the nation's railroads, were down from the first half of 1961 when building costs were substantially increased. The results for the first half show a modest gain. Passenger revenues, stimulated by travel to the Seaside World's Fair, posted a strong gain over the first half of 1961, and freight revenue, however, is more than offset by increased operating costs. This situation is due to one of the worst winters ever experienced in North America's long history of railroad operation. Other factors contributing to the decline included increased maintenance and repair program and a wage increase to employees. As a result, we expect the forecast for agriculture to be somewhat lower than the last year's results, and it is almost certain that earnings for the second half of 1962 will approximate those for the first half of 1961.

E. S. MARSH
President, The Atchison, Topeka & Santa Fe Railway System

Because of a number of local and immediate operating cost saving measures, the Santa Fe's operating expenses for the first six months of 1962 were slightly lower than those for the same period of the previous year by about 3%. Operating expenses in 1961 were 4% higher than in 1960. This year we expect that this year's expenses will be $4 million higher than last year's. The outlook for freight traffic remains uncertain, but we expect some improvement in short run operations. We are taking steps to reduce operating costs and to improve the financial status of the railroad. We estimate that the second quarter will be better than the first quarter and that the third quarter will be better than the second quarter. We are optimistic about the fourth quarter.

WILLIAM R. McCORMICK
Sales Manager, Railroad Division, Whitehead &Kales Co.

The railroad industry has been joined not only by its suppliers, but also by its customers in its all-out drive for long overdue legislative changes. Stumbled by President Kennedy's message to Congress, one of the railroad industry's public too is becoming increasingly aware of the need for fundamental change in our transportation system. The plan of freight cars ready to roll in a national emergency is below the mark, and the country's regulatory and legislative bodies realize that there will be a healthy increase in orders for freight cars.

Currently, with our country's railroad lines are given an electric chance, they again be able to meet the demand for freight cars as expected. This will result in other forms of transportation. When this happens, expedite sales to that industry will rise and the railway as a whole will benefit considerably.

J. C. MISON
President-General Manager, Atlanta and West Point Railroad Co., The Western Company of Alabama, Georgia Railroad

The improvement in the economy which began the first half of 1962 has continued with the accelerated pace anticipated or hoped for by some, and, while it may not have been equally distributed in the first four months of this year, it has been sufficiently widespread to attract business and increase the mounting of costs of doing business, and the increased revenue has not been reflected to the railroad industry. The area of Alabama and Georgia continues to be very attractive to the railroad industry. With little new rail construction to be expected in the near future, the railroad in these states will continue to be governed by the existing market conditions. The focus on the railroad industry's forecast for 1962 shows that the railroad industry has a bright future.

J. C. MISON
President, Burlington Lines

Revenues of the Kansas City, St. Joseph & Quincy for the first six months of 1962 approximated earlier estimates. Operating revenues of $125.5 million were $5.5 million more than for the first six months of 1961. Freight revenues increased by $4.6 million and passenger revenues increased by $4.0 million, for a total of $8.6 million. For the same six-month period, the railroad's earnings for 1962 were $5.0 million, an increase of $1.5 million over the earnings for 1961. There is cause for concern in the outlook for the second half of the year, as the rail industry has not been able to show its worth. Recent and impending increases in wages and other costs are expected to offset the gains in operating expenses; therefore, there is little reason for optimism about expected results for the second half, and for the year as a whole.

R. C. O'KANE
President and General Manager, The Nebraska Company

The present business cycle has reached a new stage. The current year started with a reasonably good backlog of orders which made it possible to operate at a third of capacity during the first quarter of 1962. The second quarter's operations were at a much lower rate but still on a positive trend. During the first six months of 1962, there were indications that the demand was not as strong as expected. The third quarter of 1962 could indicate that we will continue to operate at a lower level than that of the first quarter. The outlook for the third quarter would indicate that we will continue to operate at a lower level than that of the second quarter.

H. C. Morphy
President, Burlington Lines

Revenue for the third quarter was $125.5 million, an increase of $10 million over the revenue for the second quarter. The full impact of wage increases will begin to be felt in the second quarter of 1962. The outlook for the fourth quarter is not as optimistic as expected, and the revenue for the fourth quarter is expected to be $12 million lower than that of the third quarter. The outlook for the fourth quarter is not as optimistic as expected, and the revenue for the fourth quarter is expected to be $12 million lower than that of the third quarter.
During recent weeks, a great many Americans have become increasingly confused by conflicting statements and predictions of economic health. The question of whether a recession is under way has this year served only to intensify their bewilderment. Furthermore, public opinion is so divided over an issue directly affecting their own economic well-being that the group increasingly sought guidance from someone who would resolve their doubts and confusion.

Thus, when it was announced last week that President Kennedy would make a special economic address to the nation, many of those who hoped that a clear-cut answer would be offered to them. On Monday night, millions sat glued to their radio and television sets waiting to hear in the President's own words, what was happening and why.

Emphasis on Politics

While an answer of sorts was offered, it was interposed between what turned out to be President Kennedy's first campaign speech of the 1962 Congressional elections. Mr. Kennedy told them how much better off they are today than they were under the previous Administration; he promised them even greater growth in the future if Congress could be persuaded to pass all of the legislation he has proposed; and he stated that he would ask for a top-to-bottom tax cut next year.

After a position of secondary importance was Mr. Kennedy's statement that a recession is not imminent and that a reduction in taxes is not necessary this year. And, in order to forestall criticism from those who disagreed with his diagnosis of the economy, he promised to call Congress into a special session later in the year to request an immediate tax cut if a recession did develop.

Root of the Problem

Before one can approach the problem of the question of the cause of capital versus a decline in business activity, one must have an understanding of what caused it. On several occasions earlier this summer an analysis of the causes was presented in this column. In addition, I predicted that a severe recession would begin before the end of the current quarter. The reasons given for my forecast are extremely relevant to the issues under consideration; however, the importance of the reasons was, therefore, presented again in some detail, as follows:

"It has been evident since late last year that the future of the current business recovery was dependent upon the extent of capital expenditures rising along with personal consumption. Careful analysis of the underlying conditions of the recovery showed sufficient confidence among manufacturers to absorb the increased investments in capital equipment. Most economists believed that businesses desiring continued rise to this capacity would become strangled and capital expenditures would increase sharply. They further concluded that the increase in capital expenditures would serve as a stimulus to rising productivity and income throughout 1962 and 1963. To the extent that the forecast was valid, however, the most economists believed that businessmen must take two factors into consideration before deciding to embark on a large scale program of capital expenditures—not that they foresaw a demand for their products which would not be fulfilled but that they must also have good reason to believe that they will be able to make a sufficient return on any new capital outlays, i.e., they must expect to make a profit; "A businessman never knows for certain that an investment in a new plant and equipment will prove to be profitable. However, when he only needs to be concerned with his own judgment regarding future supply and demand, costs and prices, etc., he is able to make a decision on the degree of confidence in his forecast. When the complete uncertainty involved in government intervention is added, or worse—when the President demands that businessmen act as "irresponsible" because they attempt to make a profit, then the businessman's confidence disappears completely. It is likely that the President could not plan for the future or invest for the future. The stable cost-price relationships necessary for long-range planning do not currently exist. Instead, we have conditions held down by mandatory government controls while others rise under the pressure of government induced inflation. "Since the trends in government have been such that businessmen have no confidence that they will be able to recoup their investments in a new plant and equipment, they will not embark on a large scale program of capital investment. "Instead of witnessing an inefficient increase in capital expenditures and a consequent slackening in the rate of growth, we begin to see a retrenching on the part of businessmen and an overall reduction in capital expenditures. "A profound uncertainty induced by President Kennedy's 'anti-business' and 'anti-business' attitude toward the business world has seriously damaged the confidence of businessmen. I think we can anticipate a recession of great magnitude and duration than the present generation has yet seen.""}

Florida Water & Utilities Co.

Feb. 1, 1963

Debents: Offered

Florida & Co. New York City, has announced offering of $750,000 Florida Water & Utilities Co. 6% convertible debentures due Aug. 1, 1963, at par and senior to any other debt of the company. To pay the cash portion of the purchase price payable in connection with the acquisition of all of the outstanding capital stock of Florida Water & Utilities Corp., and to provide additional working capital, and for additional to the company's facilities during the balance of 1962. The balance of the proceeds will be added to working capital. The debentures are convertible into common stock at the rate of 87 shares for each $1,000 principal amount of debentures until July 31, 1972, and thereafter at the rate of 67 shares for $1,000 principal amount of debentures, subject to adjustment in certain events. The debentures are redeemable at the redemption prices ranging from 105% to par, plus accrued interest.

Jocahoff Opens

MIAMI, Fla.—Joseph Chakoff is engaging in a securities business from offices in the Meyer Building. He was formerly with Jay Morton, Inc. and Sirota, Taylor & Co.

Looking for an outstanding "growth situation"?

You WONT FIND this one on the ticker tape. But if it's growth you're looking for—solid, spectacular, long-range growth—"Look South!" Don't take our word for it. The figures shown here, released recently by the U. S. Department of Commerce, furnish authoritative proof that this is true.

This report shows the South in a decade growing faster than the North in 28 of 35 lines of business activities. And during the same period, the South achieved a larger share in the Nation's over-all economy in 24 of the 25 categories studied. Here is no flash-in-the-pan growth pattern. It is the inevitable result of a young and vigorous industrial area enjoying right now its active, vital growing-up years.

It's easier to grow and prosper in a healthy, well-nourished climate of growth. So, if you have your sights on an expanding and rewarding industrial future, why not come South now? You can't buy shares but you can share in this amazing, built-in "growth situation." Let our Industrial Development Department show you how. "Look Ahead—Look South!"
WILLIAM J. QUINN
President, Chicago, Milwaukee, St. Paul and Pacific Railroad Company

The most evident fact bearing on the general railroad outlook is that action in line with President Kennedy’s recent transportation message to Congress is essential to the progress of our industry. Wage increases granted in the past which are being paid, require offsets through legislative and work rule changes. This will be necessary in order to protect the companies against the consumption and service demands placed by the railroads on the labor market.

Although the Milwaukee Road anticipates that its basic rate increase of the last half of 1962, very favorable growing conditions in mid-western and north-central states, and the yield of new crop grains to a better-than-average crop are likely to reduce the costs of agricultural products.

Traffic growth in traffic which historically occurred on the Milwaukee during the last five years and fall will be strengthened by the slight improvement in general carloadings which occurred on the railroad during the first half of 1962, compared with the same period of 1961.

The Milwaukee Road is this year carrying out a capital improvement program carefully planned to give first consideration to shipper needs and to those items of capital equipment which are needed to take maximum advantage of any improvement in general business activity. A five-year program for the year 1962 includes delivery of a fleet of 655 new freight cars of various types, all of which have been received in service. All of these new cars are equipped with roller bearings and, in keeping with shipper preference, are of 76-ton capacity and slightly modified from those of older equipment.

Also in direct response to shipper known needs, the Milwaukee has this year placed in service 22 side-door refrigerated vans as the latest addition to its expanding fleet of non-operating refrigerated equipment for carrying fresh meats and other special products, these vans are the largest trains available in industry.

The installation, late in 1961, of an IBM 7070 computer in the Chicago offices has further improved customer service and added greatly to the efficiency of operations. The computer is now operative in all four of the company’s divisions - the marketing, station accounting, inventory management, our accounting data. The computer is designed to produce an accurate and complete data gathering network which provides input essential to full realization of the computer’s speed and versatility.

Loading of new automobiles in multi-level rack cars are increasing in importance. The continental handling of this traffic from points in the Midwest to the Pacific North-west was made possible last year by lowering over the mountain. Conventional piggy-back and Flexi-Van loadings show marked improvement over years and are expected to continue.

The active industrial development department of the Milwaukee Road has in recent years opened industrial parks at Eau Claire, Fond du Lac, Appleton, Cedar Rapids and Des Moines, Iowa, and the Milwaukee Land and Development Co., a subsidiary of the parent company, has been helping to establish industrial parks in the Midwest at points along the railroad’s 5,000 mile route. The company has also worked with private developers in establishing new industrial parks, some of the most notable of which are the plants at Milwaukee, Park, Inland Industrial Park at Elk Grove, Ill., the Sioux City Industrial Development Corp., at Sioux City, Iowa, and Andover Industrial Park, just south of Seattle, Washington.

In all departments new techniques, careful handling of expenditures, and capital cost reduction are improving the Milwaukee Road in a most promising potential.

GLEN RAMSEY
Vice-President, General Manager, Refrictor-Capacitor Division, Fansteel Metallurgical Corporation

The tremendous growth of the railroad industry on our over-all economy is, I’m afraid, not fully appreciated. Not only is it an industry that creates employment and businesses and jobs directly, and outside the business community of the need to keep the greatest and most efficient trans- portation facilities and services for the nation’s economic life and healthy, not enough people realize the impact of advanced freight-railroad service on the rest of the nation. Many roads spread out and affect almost every form of business and human activity with which one is in contact. It is the life blood of our city and nation of our railroad.

Railroads and Suppliers Employ 800,000 Americans

Because of a basic decision, made after the railroad’s near collapse which has remained unchanged to this day, our railroads have confined themselves to providing service and to the carrying of the goods of them that require their services. Today, they can’t be charged with the price requirements of the public for their fares and service is at a price that makes it possible to get the most out of our nation. By reducing “down time” for repairs to diesel locomotives, maximum utilization of the fleet is pos-

Glen Ramsey

The commercial activity behind the railroad business is considerable, the community, retail and wholesale trade are adversely affected and the fires of recession are felt.

Everyone, from the highest government official to the man in the street, should be concerned about the economic situation from the time in which we have been a great reduction in purchases by railroads. The report of its rate-making commission in the industry, which is the prime mover of the railroad program, has realized a peak of $5,899,000,000 in 1951.

Given the Opportunity Railroad Purchases Will Rise

With the reductions since 1957, the railroads are no longer bidding away money as it is logical that the railroads are in need of additional equipment and need to meet the need to the ever increasing demands of our expanding population. In the minds of railroaders, the future of the railroad industry must be the railroad must make a profit or at least be given the opportunity to operate profitably. The problems which affect the railroads are many and varied. There has been much discussion on these problems and I think the writers, have expressed their feelings regarding them.

Some Progress Made but More Action Needed

Some but not enough progress has been made because the railroads were not made for a "railroad of no returns". They can be saved if all of us, the government, the people and the railroads will not behind the programs already started or suggested and push them through. What is needed is quick action regarding taxes, depreciation, freight rates, operating expenses and relative treatment of competition.

President on Right "Track"

I honestly don’t feel that the opportunity will fully come to the railroad industry, I think President Kennedy is on the right "track" in the Congress regarding transportation, which opens: "An effective and dynamic transportation system is vital to our national economic well-being and development."

I support the President’s recommendations regarding: "Transportation of bulk commodities for which railroads are not well suited or service is not necessary are not restricted. It is proposed that the act be changed to maximum rates for such commodities which the same recommendation applies to agriculture and fishery products and industries."

"Assure all carriers the right to ship vehicles or containers on the carriers of other branches of the trans- portation at the same rates available to non-carrier shippers."

"Repeal the provision of the Interstate Commerce Act which provides for a maximum of $2 per hundredweight; it owns.

"Repeal the 10% transportation tax."

"Permit the railroads to operate under the same terms and conditions and regulations as competitive systems."

"For the railroad, first half net earnings, substantially better than last year, representing the best August period in several years. Freight traffic has been moving in good volume, even in the seasonal slowdown. The CP’s position is helped by diversified non-rail ac-

Donald J. Russell
President, Southern Pacific Company

Southern Pacific’s earnings for the year are both ben-

Edited for FRASER
This document was generated by a text-based tool for FRASER, which is an open-source initiative by the Federal Reserve System. It captures historical financial information and data for analysis and research purposes.
ment we have provided incentive rates to promote heavier loading with consequent savings for shippers.

We believe railroad rates still represent an excellent bargain for the public, even in this era of rising prices. During the last 20 years, railroad wages have multiplied many times whereas the cost of materials and supplies have more than tripled in cost. Yet in the same period, the increase in freight rates has averaged less than 50%.

The government's role in rate making has received much comment in the press this year as a result of President Kennedy's transportation message. He has asked Congress to reduce the amount of federal regulation of minimum rates, permitting the railroads to pass along to shippers the inherent advantages and low cost of efficient rail service.

Bills are pending before the Senate and the House of Representatives which would repeal two sets of regulatory restrictions on railroads which are now in effect. Existing laws grant special exceptions from rate regulation for water carriers transporting bulk commodities and for trucks carrying agricultural and fishery products. Freeing the railroads to compete on equal terms with these other modes of transportation, through greater freedom as to minimum rates on this traffic, would directly benefit the shipping public.

In the meantime, and in any event, we intend to keep on using to the fullest the technological advancements made by the railroad industry. We will continue to invest in centralized traffic control, automatic car classification yards, microwave communications and data processing machines to streamline our operations and offer the kind of transportation service needed in this fast-moving economy.

JOHN W. SCALLAN
President of Pullman-Standard Division of
Pullman Incorporated

After four years of famine business during which the railroads saw their carloadings and earnings drop to the lowest level since the depression years of the 1930's, there are indications, as we enter the second half of 1962, that brighter days are ahead for the railroads with resultant benefits to the supply industry.

Recent action of the Treasury Department and the Internal Revenue Service in setting up new, and more favorable guidelines and rules for the depreciation of railway equipment and facilities should act as one stimulant to rail carriers to modernize and improve their properties, and the repeal of the wartime 10% passenger-fare tax, should aid in further reducing passenger loads.

Now if the Congress will match the recent constructive action of the Administration by promptly enacting bills designed to implement the rest of President Kennedy's recommendations for transportation, we would share in a new era for both the railroads and their suppliers.

Despite the fact that the first six months of 1962 showed no improvement in the ordering of freight equipment, Pullman-Standard has shown no letup in its efforts to develop from its research and engineering the new cars and products that the railroads will need to effectively solve the material handling problems of their customers.

Although the railroads have been unable, because of depressed earnings to replace their fleets of freight cars in wholesale lots, there has been a growing interest on their part to buy specially designed equipment for the specific needs of various types of cargo, as well as in cars and devices to protect lading in transit.

As a result of its long-term effective research and development program and design engineering effort, Pullman-Standard has been able to sell increasing percentage of this specialized equipment. An outstanding example of this is the LO-DEX flat car, which has been 11 inches lower than any existing flat car, enabled many railroads with clearance problems to increase their piggybacking business. This car, a product of our research laboratories, also has been instrumental in assisting railroads to move more of their traffic by using rolling new automobiles from plants to distribution centers. The P-8 Standard four most significant developments has been the Hydroframe-69 underframe. This cushion underframe, for which Pullman-Standard has been granted a broad patent, is probably the most significant development to date for protecting of lading and reducing in claims for damage to goods in transit. In addition, this development permits design of certain types of specialized cars that would not be feasible. An example of this is the P-S Full Door box car, whose full length covers roll up into the top of the car like a garage door.

Many other major changes have been made in freight cars during the past three years with the result that many of the older cars now in service have become obsolete, and once railroad earnings and carloadings returned to normal, with heavy constructive legislation now under consideration, the potential market for these new type cars should be considerable.

With respect to passenger traffic, Pullman-Standard is concentrating its efforts in the rapid transit and commuter fields, with the full understanding that the nation's urban communities will continue to require mass passenger rail service for their commuting residents.

Executive looking for sites for a new plant or warehouse should consider the opportunities along the routes shown here.

This is the growing area of the United States, where 9 out of 10 industrial markets are outpacing the national growth.

When you locate along Union Pacific, your freight moves the automated way—smoothly, swiftly, dependably—thanks to electronic communications and extensive automatic traffic controls.

Continued on page 22
The Security I Like Best

Continued from page 2

President, Timken Roller Bearing Company

The resurgence of the American railroad industry is most evident in the motor industry. Yet, the giant strides of progress made in railroad building and construction have not been generally realized by many of us. Piggy-back cars, hauled trucks rapidly over long distances, are becoming standard equipment. The growth of motorized freight transport has been tremendous.

W. R. Timken
President, Timken Roller Bearing Company

Our piggyback operations have been enlarged also during the first part of the year, through the addition of new yards and equipment. This class of traffic continues to register substantial year-to-year increases and shows a trend of upward growth in the future.

To sum up, while the current outlook holds no strong promise for the near future, several general business activities during the next several months, it may well proceed on the same upward trend that has been so consistent.

W. R. Timken
President, Timken Roller Bearing Company

The Security I Like Best

Continued from page 2

during the past three years, when total capital expenditures in the industry averaged 5,000,000 cubic yards. The company bought the former coral quarry -- Coddrell, N. Y. -- and operated it in the 1950s about 5,500,000 cubic yards. In December 1962, the company owns over 1,500 acres.

The company's primary objective to customer is as important as the production of the stone. The company's capital expenditures are over 50

Norfolk and Western Railway Company

President, Norfolk and Western Railway Company

Our piggyback operations have been enlarged also during the first part of the year, through the addition of new yards and equipment. This class of traffic continues to register substantial year-to-year increases and shows a trend of upward growth in the future.

To sum up, while the current outlook holds no strong promise for the near future, several general business activities during the next several months, it may well proceed on the same upward trend that has been so consistent.

W. J. Strout
President, Norfolk and Western Railway Company

The substantial problem facing the railroads at the present time is burdensome and outdated work rules. This is an economic problem which has been and is continuing to be made by labor unions requires modification of rules which were adopted many years ago. Many of these agreements do not make sense as a whole, we are glad to report that Norfolk and Western continue to make the necessary changes and improvements for the present and the future, and we believe their proposed expansion into the Rolling mills will threaten its progressive future.

Our successful merger with the Michigan Railroad in 1965 proved the efficacy of rail mergers and combinations. We believe that rail mergers and combinations will play an important role in the future. We have entered into negotiations with the Nickel Plate, Wallach and other lines, which would result in the formation of an inter-divisional Commission approval, is both financially and economically sound.

We are convinced that we have to bring new industry to Norfolk and Western territory. We believe that the investment of capital in Norfolk and Western territory would be both financially and economically sound. Additional analysis and other mineral properties are being developed profitably. National Railroads Administration has been found feasible in both analytical and economic soundness.

The outlook for the immediate future is not as bright as the outlook for the past. Cross currents which have developed in recent months do not have run to have any more years, and the percentage of our revenues consumed by operating expenses will be greatly increased in the third quarter. The outlook for the Norfolk and Western 1966 first half net income of $224 million, or $43.76 a share, was 12% above that for the second half last year, and the percentage of our revenues consumed by operating expenses will be greatly increased in the third quarter.

The outlook for the immediate future is not as bright as the outlook for the past. Cross currents which have developed in recent months do not have run to have any more years, and the percentage of our revenues consumed by operating expenses will be greatly increased in the third quarter.

The prospective of a wide variety of natural resources, the Southeast has for many years enjoyed for some time a rate of economic development that has been rapidly increasing. This is the case in a variety of ways. The Southeast is a major producer of minerals, and the growth of the piggyback industry.

John W. Smith
President, Seaborne Air Line Railroad Company

Although the railroad industry has seen the first half of 1962 have exceed those of a year ago, it has not been exactly the same year. The increase in general, the improvement has been generally across the board.

The outlook for the immediate future is not as bright as the outlook for the past. Cross currents which have developed in recent months do not have run to have any more years, and the percentage of our revenues consumed by operating expenses will be greatly increased in the third quarter.

The outlook for the immediate future is not as bright as the outlook for the past. Cross currents which have developed in recent months do not have run to have any more years, and the percentage of our revenues consumed by operating expenses will be greatly increased in the third quarter.

The outlook for the immediate future is not as bright as the outlook for the past. Cross currents which have developed in recent months do not have run to have any more years, and the percentage of our revenues consumed by operating expenses will be greatly increased in the third quarter.

But the company's primary objective to customer is as important as the production of the stone. The company's capital expenditures are over 50

 spanish yards of finished stone. Over the years the company has acquired extensive properties for expansion, now totaling about 5,500,000 cubic yards. In December 1962, the company owns over 1,500 acres.

The company's primary objective to customer is as important as the production of the stone. The company's capital expenditures are over 50

Spanish yards of finished stone. Over the years the company has acquired extensive properties for expansion, now totaling about 5,500,000 cubic yards. In December 1962, the company owns over 1,500 acres.

The company's primary objective to customer is as important as the production of the stone. The company's capital expenditures are over 50
development and preliminary operating costs of the new lightweight aggregate plant, farther reduced net earnings by $10,000. Earnings for the year dropped to 64 cents a share. By July 28, 1961, the fiscal year ended March 31, 1961.

The first phase of the Federal Reserve Bank of St. Louis

York Trap Rock Corporation stock was 170,000 shares at $19 a share in July 1960, when 170,000 shares were sold for the account of the company's employees. The securities were used to acquire shares of Federal Reserve Bank of St. Louis stock in the construction of the Federal Reserve Bank of St. Louis.

Timken’s “AP” (All Purpose) railway bearings have been an important factor in the steady comeback of the American railroads. The Timken “AP” bearing has made greater freight car speeds possible. Expensive delays caused by hot boxes are a thing of the past. Maintenance costs have been slashed. Timken bearing equipped cars are averaging over 100 million miles per car setout for over-bearing bearings. This is in sharp contrast to the 8 to 8 hundred thousand miles per setout for hot boxes on friction bearing equipped freight cars.

In four short years the percentage of new freight cars equipped with roller bearings has increased from 16% to 75% which emphasizes the industry’s determination to improve its competitive position.

Cars for many different uses and many different commodities are being designed at such a rate that railroad management is encouraged by the possibility of this development to improve the industry’s ability to serve shippers.

In the long run, prospects for American railroads are good. Shippers realize the importance of railroad play in the welfare of our economy. The steadily increasing use of the piggy-back trains by the trucking industry is eloquent evidence of the vital importance of railroads to industry and commerce.

W. THOMAS RICE

President, Atlantic Coast Line Railroad Company

Carloads on the Atlantic Coast Line Railroad during the first six months of 1962 were considerably higher than for the same period last year. On the Atlantic Coast Line, for its first half-year performance it is expected that Coast Line will close out the year with a very fine increase in operating revenues. The bright spots in the overall picture for Coast Line is the very impressive growth of piggy-backing. We confidently expect the gain in piggyback traffic to continue.

A larger fleet of trailers, particularly for the movement of perishables, will enable us to provide service for a greater share of the piggyback market, as well as expand into the movement of a greater variety of commodities.

Another particularly encouraging trend is the increasing industrial development in the Southeast. During the first half of 1962 there were 89 new industries located in South Carolina. Certainly, this means added rail freight business for Coast Line, as well as a more buoyant economy generally for the southeastern region.

While passenger business accounts for only about 10% of Coast Line's total gross revenues, travel over Coast Line has been booming since the beginning of the second quarter this year. This generally reflects a trend which began last fall, and we expect the passenger business to continue at an accelerated pace during the remainder of the year.

Coast Line's management has complete faith and confidence in the future of the six southern states which we serve. An added investment of $18 million this year in buying 1,456 new units of the most modern freight equipment (much of it for transporting perishable and specialized commodities) is one demonstration of backing up that confidence with dollars.

Certainly, the Atlantic Coast Line is making a vital contribution to the growth and development of the region it serves. The potential of this area has practically unlimited, and we look toward the future with boundless enthusiasm and high hopes.

W. Thomas Rice

The American Red Cross

Carries on

But a

COAST LINE CLOSE-UP

can show you the difference!

Just as the layman cannot properly recognize and evaluate the different cuts of diamonds, the industrialist faces an equally difficult task in appraising the variables in plant sites.

How do you separate the gems from the glitter? With a COAST LINE CLOSE-UP analysis of sites. It is the practical guide to plant location—covering available markets and resources.

Let a COAST LINE CLOSE-UP show you the difference. A phone call or letter will start our industrial development specialists working for you. All inquiries held confidential.

Direct inquiries to:

R. P. Jobb, Assistant Vice President
Department B-632, Atlantic Coast Line Railroad
Jacksonville, Florida

LIKE DIAMONDS,
PLANT SITES OFTEN SEEM ALIKE...

Atlantic Coast Line Railroad

...serving the Southeast Coast 6

(715) 23

Calif: Investors Add

PASADENA, Calif.—Oliver E. Floyd, Jr., has been added to the staff of California Investors, 600 East Green Street.

With Evans MacCormack

(Special to The Financial Chronicle)

SAN DIEGO, Calif.—John C. Smith has become associated with Evans MacCormack & Co., 2046 Fifth Avenue. He was formerly with Norman R. Roberts Company and Independent Telephone Corporation.
Hoge Funds

TOPEKA & DELAWARE

July 20, 1961

The First General
Real Estate Tr.
Shares Offered

KING MERRITT & CO., INC., NEW YORK, CITY, HAS ANNOUNCED THE OFFERING OF 1,000,000 SHARES OF COMMON STOCK OF KING MERRITT & CO., INC., AT $10 PER SHARE WITH INITIAL PUBLIC SALE OF THE COMMON STOCK.

Net proceeds from the financing will be used by the Trust to carry on a program of acquisitions and concentration on investments in...
SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

This is the second in a series of investment columns published in the August 9 issue, dealt with "Young People Starting Out in Life.

I.

Retired Investors

These people have completed their span of creative activity. Their motivation concerning investment is primarily one of self-preservation. They find the outlet for their energies in areas not particularly concerned with "acquisitiveness." Most of them wish to enjoy the fruits of their labors. They also have fears, such as having insufficient income for the later years, and dissipation of their invested capital.

Most retired investors have small pensions, rental incomes, social security, and stocks and bonds as well as savings accounts. Although many small accounts can be worthwhile, the best prospects are those who have at least $50,000 in liquid assets, and upward to around $500,000. The larger accounts are often closely supervised by a bank, or they are already being visited by a friend of many years standing, and the connection continues to be difficult to sever. There are opportunities when larger accounts can sometimes be obtained from an advisor who may discontinue his business through illness or death or occasionally disagreements arise and there is a chance for the advisor's satisfaction that do occur. But the people who provide the security salesman are likely to be the middle income group who are not the more sophisticated type of investor. These are the individuals who also have "fears," whether they are less vested or overpressed. One of the most effective and competent ways of gaining their confidence is to allay these fears.

How to Gain the Confidence of Retired Investors

One of the first requisites of successful salesman to have a thorough knowledge of your product. This is most essential when dealing with retired people. These are experienced individuals who have had a lifetime of dealing with other people. They are quick to detect anyone who is a "posed." They will immediately become skeptical if they discover that a salesman is "talking over his head," discussing vague generalities, and who tries to impress them with his great skill as an investment advisor without having the knowledge that is required to guide them to a course of action that lies ahead. If you know your business, then they will sense it. If you don't know your business, then you recognize the need for a serious study of current tax law, securities, markets and securities. In addition, time should be spent each week in a review of changes in government policies, and public psychology. This is just as important for the volatile security markets.

Any man who tells the price of work in this business will be in danger of losing his clients as clients. You must control their accounts, supervise their investments, and produce results for them. This also applies to all other investors and their accounts with you.

Next in importance is never rush retired investors. See them by appointment. Find out what they want from life—what is their main interest in investing. Let your first interview consist of a pleasant conversation. Tell them about their individual accounts, the services you can render, and the reasons why they should invest with you. Be patient. You will find that after a few visits they become interested in your plans for their future.

A second interview should be held within a few weeks after the first. At this time, you should be able to discuss their investment program in more detail. You should be able to answer any questions they may have about your services, and the benefits you can provide to them.

A third interview can be held when the investor is ready to begin investing. At this time, you should be able to assist them in choosing the appropriate investments for their needs and goals.

The fourth interview should be held when the investor is ready to sell securities. At this time, you should be able to assist them in selling their securities at the best possible price.

The fifth interview should be held when the investor is ready to reinvest the proceeds from the sale of securities. At this time, you should be able to assist them in making the best possible investment decisions for their new funds.

These interviews should be held on a weekly, monthly, or quarterly basis, depending on the investor's needs and preferences. It is important to keep in touch with your clients regularly, in order to address any concerns they may have and to keep them informed of the latest market trends.

II.

New Pressph Brunch

PORTLAND, Ore.—R. W. Clark & Co. has opened a branch office at 812 Southwest Washington St., under the management of Endon Fritz Slade.
As We See It

which now renders such a course very
impossible in so many in-
stances is to be deeply re-
garded.

Among the numerous peo-
ple who have won their "freedoms"—or been handed it on a silver platter—recent times are very
few, if any, where deep and
grievous schemes have not ap-
ppeared among the people of
those peoples, where native dic-
tators have not been able to
establish order, and proceed
without noticeable concern about the real wel-
fare of the people, often with-
out any acceptable ideas as to
what that welfare is, and cer-
tainly without the least con-
cern about the sort of gov-
ernment of the nation that they
and the people. It
ought to be clear to the way-
farer by now that a com-
hasty "liberation" of these people often presents more problems than it cures.

Another difficult question by now should be evident to all the
notion that these back-
ward peoples, whether re-
cently or long ago under some sort of foreign control or ex-
ploration or not, have little consciousness of the interests in what we know as democracy and individual liberty. Many of them are definitely primi-
tive peoples, where the edge of what is going on or has gone on in the outside world is not taken into account.

Withdrawal of the foreign capitalist exploiter—if he is an exploiter—more often than not results in the capital, is withdrawn as
when both are taken away. Thus the natives find it as
difficult as to make a go of
their economic activities in
Katanga as does the Cuban
who is suddenly cut-off from
earnings that have kept alive
possibly the native land
owner and left dependent upon what he can gather from a small plot of land that now has become owner of. Thus withdrawal of foreign
capital, whether or not an
habitual exploiter, leave problems quite as serious as the
withdrawal of colonial masters.

Gifts No Solution

Again, it has proved untrue that these problems can be overcome by capital gifts from
abroad. The finest intentions
or venturesome foreign capi-
tals who do not insist upon restric-
tions and controls appear to the natives

Continued from page 1
to be about as objectionable as the "imperialist" capitalist he has dismissed. Loans to re-
cently formed governments are not likely to furnish the
wants of the newly formed states, or
the few that now have a happy
function to help prevent the
rise of conditions which tend
to promote war. The League
of Nations, instead of being, of course, the tool of the
nations we are endeavoring to
help, is often used for the
human beast. We leave it
ought to others better qualified to
discuss any other point on the
whole United Nations has done a
great deal better. What we are sure of is that it has
performed a great deal more
and not provide answers for many of the more
burning problems of our day,
the problems its architects hoped and expected that it would
solve.

In just what direction our salvation lies in all these matters we
do not profess to
know, but we are certain in
our own minds that the time
has come for fresh thinking.

G. L. Farnsworth

Appointed by

Chemical Bank

George L. Farnsworth, Executive
Vice-President, has been appointed
Chairman of the Board of Directors
of the Trust Co. of International
Division, previously announced by
Chairman
H. L. Homer.

Clinton C. Biddle, Pres-ident
President Clinton C. Biddle will
continue with the Division until De-

1961, when he will retire as the
bank's mandatory retirement plan
at age 65. Mr. Farnsworth,
joined Chemical New York on
Oct. 23, 1934; he became Assistant
Secretary in 1946, Assistant Vise-
President in 1947, Vice President
in 1954, and Executive Vice-
President in 1960. He was designated
Chairman of the Trust Co. of Interna-
tional Division in that year and contin-
uously supervises its activities until Sept.
6, 1961, when he transferred to the
International Division.

J. B. Buttrick

With Winslow, Cohn & Stetson

(Boston, Mass.) John E. But-
trick has become associated with

Winslow, Cohn & Stetson, Inc., 79
Mill St., Boston. Mr. Buttrick has
been in the investment busi-
ness for many years. He has recen-
tly been with R. W. Prespsich &
Co., New York, and was a partner in
Williams & Southgate.

V. E. De Curtis Opens

BRONX, N. Y. V. E. De Curtis is
conducting a securities busi-
ness from offices at 1969
Albany Ave.

With Irving J. Rice

ST. PAUL, Minn. William C.
Smalley has become associated
with the firm of Rice & Company,
Incorporated, Pioneer Building.

Chicago, Ill. Smith & Company
has become an investment busi-
ness in New York City, where he
was associated with Walton & Co., Oscar Gross &
Son, and L. D. Sherman & Co.

Fast Legislative Relief Can
Prevent Rail Bankruptcies

The Commercial and Financial Chronicle — Thursday, August 16, 1962

Continued from page 2

England, Great Lakes and Central
Eastern Regions—reported income
together and return to the Federal
Income Taxes of:

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>$120,000</td>
</tr>
<tr>
<td>1956</td>
<td>$125,000</td>
</tr>
<tr>
<td>1957</td>
<td>$130,000</td>
</tr>
<tr>
<td>1958</td>
<td>$135,000</td>
</tr>
<tr>
<td>1959</td>
<td>$140,000</td>
</tr>
<tr>
<td>1960</td>
<td>$145,000</td>
</tr>
<tr>
<td>1961</td>
<td>$150,000</td>
</tr>
</tbody>
</table>

The Result

Coverage of fixed charges of $175,000 (before Federal Reserve payments) by the St. Louis, Farmers

26. (115)
the discount of the nation's government paper.

The upward revision in rates which has taken place in the secondary market of

money and capital markets appears to be re-

flecting a significant change in the govern-

ment's concern among most of the key

figures in the financial district is what

the effect of the discount will do to the private

sector. At this time it is pretty
to be expected that if the discount

is raised, the answer not likely

to be the right one in this
country. We get feedback from people

who work in railroads on creating a

stirred-up public, for changes in

demand and corrections beneficial to

the industry. Let's move

governmentally to change public apathy

in railroads and industries.

Now heads up

for the change and
to public understanding.

John L. Taylor, Senior Vice-

President of the Federal

City, New York, has been ap-

pointed Manager of the Business

and Professional De-

velopment Division of the

182 United States

and the

1962 United States

railroad

campaign. The

name was

announced Aug.

17

in

Routine

8.

Millikin, Gen-

eral Manager

of Millikin, is

Senior Vice-

President

of

Bankers Trust

Company.

The chairman of

the Business and Professional Divi-

sion noted that the

Board of Directors of the

National Transportation

Association, 1695 Massachusetts Ave. N.W.,

Washington, has only

been

the

success of the current

policy of the

monetary

authorities is still one case out of

The

ruling

is

the

of the

and

capital

markets.

However, some
discounts in the Federal Reserve System

are

itself, but

discounts in

the

government.

If

the

discount

been

the

in

the

immediate

future.

The

the

discount

thus far,

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the

discount

the
Banco Popular

The largest bank in Puerto Rico is the Banco Popular. Although there are only approximately 250,000 shares, recent interest in the stock of this banking institution has been fairly active. Aside from the earnings record of the bank, the long-range outlook for the bank is somewhat contingent upon the growth of Puerto Rico. Puerto Rico enjoys Commonwealth status which is tantamount to territorial status. This entitles the residents to U. S. citizenship at the same time allowing the island to institute its own taxes.

To induce industrial development a ten-year tax exemption is granted to Puerto Rican corporations. So far, this ten-year exemption has been extended and has proved a boost to the economic growth of the Commonwealth. Below are some of the statistical indices which point-up the growth in the island and its economy.

Although the population has shown a large growth over the period, the rate of increase has slowed down over the past few years. Wealth, however, has been growing substantially as have bank deposits.

<table>
<thead>
<tr>
<th>Fiscal Years Ended June 30</th>
<th>1940</th>
<th>1950</th>
<th>1955</th>
<th>1960</th>
<th>1961</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (millions)</td>
<td>1.969</td>
<td>2.211</td>
<td>2.305</td>
<td>2.570</td>
<td>2.691</td>
</tr>
<tr>
<td>Total bank deposits (mil.</td>
<td>105.0</td>
<td>124.8</td>
<td>118.7</td>
<td>151.2</td>
<td>179.9</td>
</tr>
<tr>
<td>Total bank loans (mil.)</td>
<td>35.4</td>
<td>37.2</td>
<td>35.9</td>
<td>42.2</td>
<td>49.1</td>
</tr>
<tr>
<td>Total motor vehicles</td>
<td>36.247</td>
<td>41.771</td>
<td>140.497</td>
<td>166.762</td>
<td>179.497</td>
</tr>
<tr>
<td>Employment in public schools</td>
<td>829.124</td>
<td>820.132</td>
<td>266.442</td>
<td>241.306</td>
<td>345.478</td>
</tr>
<tr>
<td>Total CARR 1ST &amp; Securities business</td>
<td>120.00</td>
<td>118.30</td>
<td>119.12</td>
<td>123.11</td>
<td>129.41</td>
</tr>
</tbody>
</table>

Banco Popular has full coverage of the island with 49 branches there in addition, an office was opened in the Bronx, in New York City, within the past year. Not only is the Banco Popular the largest Puerto Rican bank in terms of locations but also, as indicated, in terms of deposits. June 30, 1963 deposits of $176 million show an increase of 73.6% over the year-end 1961. This compares with deposits of $140 million for the Banco Credit of Puerto Rico. Certainly deposit growth over the 18-month period from December, 1960 to the present has been unusual at 36%.

Although annual earnings for the year ending June 30, 1962 are not reported, one may assume that earnings are on the increase over the year-end 1961. This performance is favorable relative to major commercial banks in the United States. As to the past five years, this institution has doubled earnings on a per share basis—probably a very favorable performance as compared to banks on the mainland. Based on the long-term outlook for Puerto Rico, which will reflect itself in the growth of the bank, the shares of the bank are attractive. Investors should be conscious of the relatively thin market in these shares at the present time and also the 20% Puerto Rican withholding tax on dividends. Currently the shares are selling below the high of 1962.

<table>
<thead>
<tr>
<th>Bid Price</th>
<th>Dividend</th>
<th>Yield</th>
<th>Est. 1963 Earn.</th>
<th>P/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30</td>
<td>$2.00</td>
<td>6.6%</td>
<td>2.505</td>
<td>11.1x</td>
</tr>
</tbody>
</table>

Income Account

<table>
<thead>
<tr>
<th>Earnings</th>
<th>1961</th>
<th>1960</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Interest</td>
<td>$4,450,471</td>
<td>$5,357,175</td>
</tr>
<tr>
<td>Security Dividends &amp; Interest</td>
<td>1,265,977</td>
<td>1,324,964</td>
</tr>
<tr>
<td>Other Operating Earnings</td>
<td>2,570,158</td>
<td>1,760,284</td>
</tr>
<tr>
<td>Total Operating Earnings</td>
<td>8,282,506</td>
<td>8,426,461</td>
</tr>
<tr>
<td>Salary and Wages</td>
<td>3,032,600</td>
<td>2,850,822</td>
</tr>
<tr>
<td>Federal Income Taxes</td>
<td>230,002</td>
<td>241,849</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>4,609,000</td>
<td>5,609,203</td>
</tr>
<tr>
<td>Net Operating Earnings</td>
<td>$1,780,821</td>
<td>1,752,428</td>
</tr>
<tr>
<td>Per Share</td>
<td>$7.12</td>
<td>$7.61</td>
</tr>
</tbody>
</table>

Statement, December 31

<table>
<thead>
<tr>
<th>Assets</th>
<th>1961</th>
<th>1960</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$71,327,000</td>
<td>$37,724,000</td>
</tr>
<tr>
<td>U. S. &amp; Puerto Rican bonds</td>
<td>74,610,000</td>
<td>45,540,000</td>
</tr>
<tr>
<td>Loans and Discounts</td>
<td>8,090,000</td>
<td>6,879,000</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>5,100,000</td>
<td>4,850,000</td>
</tr>
<tr>
<td>Real Estate</td>
<td>51,000</td>
<td>51,000</td>
</tr>
<tr>
<td>Customers Liabilities</td>
<td>1,104,000</td>
<td>103,200</td>
</tr>
<tr>
<td>Other Assets</td>
<td>1,606,000</td>
<td>1,606,000</td>
</tr>
<tr>
<td>Total</td>
<td>$185,250,000</td>
<td>$156,529,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>1961</th>
<th>1960</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Stock</td>
<td>$5,000,000</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Surplus</td>
<td>5,250,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Unpaid Profits</td>
<td>1,751,000</td>
<td>1,186,000</td>
</tr>
<tr>
<td>Reserves</td>
<td>6,146,000</td>
<td>5,177,000</td>
</tr>
<tr>
<td>Customers’ Liabilities</td>
<td>1,104,000</td>
<td>103,200</td>
</tr>
<tr>
<td>Dividends Declared</td>
<td>949,000</td>
<td>378,000</td>
</tr>
<tr>
<td>Deposits</td>
<td>184,942,000</td>
<td>128,014,000</td>
</tr>
<tr>
<td>Total</td>
<td>$185,250,000</td>
<td>$156,529,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bank’s Value Per Share</th>
<th>1961</th>
<th>1960</th>
</tr>
</thead>
<tbody>
<tr>
<td>$148.00</td>
<td>$44.75</td>
<td></td>
</tr>
</tbody>
</table>

*Includes loans secured by U. S. Government.

The Commercial and Financial Chronicle . . . Thursday, August 16, 1962

In September

The proceeds of the Municipal Conference of the I. B. A. to be held Sept. 11-12 and the following out of the Municipal Bond Club of Chicago, Sept. 15-17, will be covered by our representatives, who will take photographs, to be published in a special pictorial section.

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. Beck, Commercial & Financial Chronicle, 23 Park Place, New York 7, N. Y. (Telephone 2-5076) — (Area Code 212)
<table>
<thead>
<tr>
<th>Stock Transactions for Odd-Lot Account of Odd-Lot Dealers and Specialists (in 1,000 shares)</th>
<th>Total purchases</th>
<th>Total sales</th>
<th>OutLOTS sales by dealers (commissions purchase)</th>
<th>Dollar value</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 4</td>
<td>3,215,500</td>
<td>3,281,600</td>
<td>2,116,971</td>
<td>1,085,000</td>
</tr>
<tr>
<td>July 3</td>
<td>1,209,600</td>
<td>1,253,700</td>
<td>351,200</td>
<td>64,000</td>
</tr>
<tr>
<td>July 2</td>
<td>383,800</td>
<td>383,800</td>
<td>215,600</td>
<td>43,500</td>
</tr>
<tr>
<td>July 1</td>
<td>266,800</td>
<td>245,600</td>
<td>127,500</td>
<td>24,200</td>
</tr>
<tr>
<td>June 30</td>
<td>1,209,600</td>
<td>1,253,700</td>
<td>351,200</td>
<td>64,000</td>
</tr>
<tr>
<td>June 29</td>
<td>383,800</td>
<td>383,800</td>
<td>215,600</td>
<td>43,500</td>
</tr>
<tr>
<td>June 28</td>
<td>266,800</td>
<td>245,600</td>
<td>127,500</td>
<td>24,200</td>
</tr>
<tr>
<td>June 27</td>
<td>294,800</td>
<td>276,600</td>
<td>180,000</td>
<td>35,800</td>
</tr>
</tbody>
</table>

**OIL, PAINT AND DRUG REPORTER PRICE INDEX—**

| Round-Lot Transactions for Account of Mem-
ber Dealers in Automotive Stocks | Total purchases | Total sales | Odd-lots sales by dealers (commissions purchase) | Dollar value |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>July 4</td>
<td>3,215,500</td>
<td>3,281,600</td>
<td>2,116,971</td>
<td>1,085,000</td>
</tr>
<tr>
<td>July 3</td>
<td>1,209,600</td>
<td>1,253,700</td>
<td>351,200</td>
<td>64,000</td>
</tr>
<tr>
<td>July 2</td>
<td>383,800</td>
<td>383,800</td>
<td>215,600</td>
<td>43,500</td>
</tr>
<tr>
<td>July 1</td>
<td>266,800</td>
<td>245,600</td>
<td>127,500</td>
<td>24,200</td>
</tr>
<tr>
<td>June 30</td>
<td>1,209,600</td>
<td>1,253,700</td>
<td>351,200</td>
<td>64,000</td>
</tr>
<tr>
<td>June 29</td>
<td>383,800</td>
<td>383,800</td>
<td>215,600</td>
<td>43,500</td>
</tr>
<tr>
<td>June 28</td>
<td>266,800</td>
<td>245,600</td>
<td>127,500</td>
<td>24,200</td>
</tr>
<tr>
<td>June 27</td>
<td>294,800</td>
<td>276,600</td>
<td>180,000</td>
<td>35,800</td>
</tr>
</tbody>
</table>
Securities Now in Registration

- **INDICATES ADDITIONS SINCE PREVIOUS ISSUE**
- **ITEMS REVISED**


American Brake Shoe Co. (8/21)

American Fidelity Corp. (4/9/62)

American Kosher Provisions, Inc. (7/31/62)

American Laboratories, Inc. (2/28/62)

American Options Corp. (2/28/62)

American Pacific Fund, Inc. (7/3/62)

American Phoenix Corp. (1/28/62)

American Southern Insurance Co. (3/30/62)
March 30, 1962 filed 2,480,000 of convertible debentures due 1962 and 249,000 common shares of which 130,000 are designated as reserved for stockholders. The securities will be offered in units of one share of common stock and one debenture. Proceeds—For debt repayment and general corporate purposes. Proceeds—For debt repayment and general corporate purposes. Proceeds—For debt repayment and general corporate purposes. Proceeds—For debt repayment and general corporate purposes. Proceeds—For debt repayment and general corporate purposes. Proceeds—For debt repayment and general corporate purposes. Proceeds—For debt repayment and general corporate purposes. Proceeds—For debt repayment and general corporate purposes. Proceeds—For debt repayment and general corporate purposes. Proceeds—For debt repayment and general corporate purposes.

- **PEOPLE OF CONSEQUENCE**

Chicago has more individual shareholders than any city except New York. That fact was just confirmed again by the new NYSE survey. To serve these investors' needs, management of the Chicago Tribune made plans for more than 70 offices in Chicago. And to them about investing services, stock and bond houses place more advertising for their services. But Chicago Tribune takes all in the three other Chicago newspapers combined. Are you using this domi¬

**Chicago Tribune**

- **YOUR PRIME SOURCE FOR ALL NEW ISSUES**

**Bought—Sold—Quoted**

For Banks, Brokers, Institutions

**Sidney A. SIGEL**

Established 1892.

**Members of New York Security Dealers Association**

39 Broadway, New York, N. Y.

**Digate 4379**

**TWX: N. E. 1-3237**

**Direct Wire to**

BOLTON, HENDERSON & CO., Los Angeles

- **Note—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed descriptions in this section are those of the underwriter but are not, in general, to be considered as firm offering dates.**
American Safety Table Co., Inc.

May 18, 1962. Filed 120,000 common, $1.00 par. For business—Manufacture, design and marketing of equipment used in the sewing industry. Proceeds—For working capital and equipment. Address—Montclair, N. J. Underwriter—Bolam & Company, Inc., New York.

American Southwest Realty Trust


American Strategic Minerals Corp.


American Savings Trust Co.


Anames Department Stores Inc.


Angler Industries Inc.

May 15, 1962 ("Reg. A") 125,000 common, $1.00 par. Proceeds—For general corporate purposes. Address—1525 1st Ave., N.Y.

Ardco Inc.

March 30, 1962 filed 100,000 common, $0.50 par. Proceeds—For general corporate purposes. Address—2720 Summer Ave, Memphis, Tenn.

Arden Farms Co.


Aries Corp.


Artline Mills Inc.


Ascot Publishing Co., Inc.


Atlantic Bowling Corp.

March 28, 1962. Filed 10,000,000 of 6% subdivided convertible debentures due 1972 for being offered for subscription by common stockholders at the rate of $100 of deben- turized stock for each $100 of debentures. Record date for the offer- ing is May 7, 1962. Proceeds—For debt repayment, expansion and working capital. Address—100 Medway St., Providence, Underwriter—None.

Atlantic-Hercey Co.


Atomic Manufacturing Inc.


Automatic Merchandising Inc.

May 24, 1962 filed 225,000 common, $5.00 par. Proceeds—For general corporate purposes. Office—3601 Sixth Ave., N.Y. Underwriter—J. C. Filene & Co., Inc., N. Y.

Automotive Merchandising Co.


Avionics Inc.

June 22, 1962 filed 1,000,000 of 1% subord. convert. debentures due 1971 to be offered for subscription for stockholders on the basis of 1 for each 10 held. Proceeds—For debt repayment and working capital. Address—2720 Summer Ave, Memphis, Tenn.

Barish Associates Inc.


Barker Bros. Corp.


Barringer Manufacturing Co.

March 30, 1962 filed 100,000 common, $1.00 par. Proceeds—For general corporate purposes. Office—462 S. Wacker Dr., N. Y. Underwriter—Global, Inc., N. Y.

Bay State Securities Inc.

Oct. 27, 1961 filed 100,000 common, $1.00 par. Proceeds—For general corporate purposes. Office—948 S. Wacker Dr., Chicago, Ill. Underwriter—None.

Beadon (John J.) Inc.

May 28, 1962 filed 150,000 common, $1.00 par. Proceeds—For general corporate purposes. Address—33 Leon St, Boston. Underwriter—To be named. Offering—Indefinitely postponed.

Beacon Papers Inc.

Aug. 2, 1962 ("Reg. A") 100,000 common, $1.00 par. Proceeds—For general corporate purposes. Proceeds—For equipment. Address—314 West Second St, Boston. Underwriter—None.

Benne Cosmetics, Inc.

March 2, 1962 ("Reg. A") 100,000 common, $5.00 par. Proceeds—For general corporate purposes. Address—1300 S. San Pedro St, Los Angeles. Underwriter—To be named.

Blankenship, Obsteg., Inc.


Bloomfield Building Industries Inc.

Mar. 26, 1962 filed $2,000,000 of conv. subord. debentures due 1973 to be offered by company and 40,000 of debentures due to be purchased by a holding company for 15 subsidiary in the real estate and building business for general corporate purposes. Address—1300 Fourth Ave., Seattle. Underwriter—Liebenbaum & Co., Morris Colson & C., N. Y.

Blue Magic Co. of Ohio, Inc.


Braun Engineering Co.

Mar. 15, 1962 filed 1,000,000 of 4% subord. debentures due 1974; also 100,000 common, of 1962 entire offering due to be purchased by a holding company for 15 subsidiary in the real estate and building business. Proceeds—For general corporate purposes. Office—150 Cutter Mill Rd., Great Neck, N. Y. Underwriter—Raymond Loewy & Co., N. Y.

Brandtten Instruments Inc.

May 28, 1962. Filed 1,000,000 common, of which 77,429 are to be offered by company and 22,580 by brandtten Inc. Proceeds—For general corporate purposes. Address—1030 W. July St., Chicago. Underwriter—Glazens & Co., N. Y.

Bright & Goodrich Film Co.


Bristol Publishing Corp.

June 23, 1962 filed 1,674,554 common shares to be offered for subscription by stockholders on the basis of 1 for each 15 shares held. Proceeds—For the acquistion of another toy company. Address—205 Fifth Ave, N. Y. Underwriter—J. B. Mew, N. Y. Underwriter—Glazens & Co., N. Y.

Caldwell Publishing Corp.


Camel Electronics Inc.

Sept. 23, 1961 filed 150,000 common shares, of which 40,000 are to be offered by company and 40,000 by stockholders for subscription. Proceeds—For capital expansion, research and development, equipment, and distribution of electronic tubes. Proceeds—Inventry, working capital, and other corporate purposes. Office—2801 E. 53rd St., N. Y. Underwriter—Phillips, Appel & Warden, 115 Broadway, N. Y.

Cameo Lingerie, Inc.

Child Guidance Toys, Inc.

M. E. Sargent, President, of which 70,000 are to be offered by company and 30,000 by stockholders.

Purchase—For working capital.


Cinerman, Inc.


Cirrus, Inc.


Cobb Bank Corporation


Coca-Cola Bottling Corp.

June 18, 1962 filed 420,000 class A shares of beneficial interest to be offered by the company and 90,000 by stockholders. Price—By amendment (max. $1) Business—Manufacture of soft drinks, beer and the like. Proceeds—For debt repayment and investment. Office—1145 K St., N. W., Washington, D. C. Underwriters—Norman Fiske Securities, Inc. (same address).

Columbia Broadcasting


Control Dynamics, Inc.


Cooper-Tinsley Laboratories, Inc.

Aug. 6, 1962 ("Reg. A") 50,000 common. Price—$3.50. Business—Development of medical and diagnostic equipment. Proceeds—For the development of diagnostic and therapeutic devices, for the sale and manufacture of chemical and biological agents, for the development of new medical and diagnostic tests, and for the expansion of existing Cooper-Tinsley Laboratories, Inc. Business—Development of medical and diagnostic equipment. Proceeds—For the development of diagnostic and therapeutic devices, for the sale and manufacture of chemical and biological agents, for the development of new medical and diagnostic tests, and for the expansion of existing Cooper-Tinsley Laboratories, Inc.

Cost-Plus, Inc.

May 14, 1962 filed 157,000, of which 178,000 are to be offered for public sale by the company and 12,000 outstanding by the present holders thereof. Price—To be determined by underwriters. Business—To be engaged in the manufacture and distribution of phonograph records, the production of the entire range of records, LP records for professional use, and the manufacture and sale of phonograph record equipment. Underwriter—R. fitz, Manhattan, N. Y. Note—This firm was formerly known as the Columbia Distributing Corp.

Continental Building Corp.


Continental Investment Corp.


Continental Research, Inc.


Convex Corporation


Craftsmen, Inc.


Cumberland Corp.


Courage, Inc.

March 26, 1962 filed $10,000 common. Price—By amendment (max. $9). Business—Company plans to qualify as a public utility and distribute electric power to a population of 35,000 living in centers around Cedar Lake, Ind. Proceeds—To construct a sewage disposal system. Address—Ray N. T. 3, Box 28, Cedar Lake, Ind. Underwriter—None.

Cove Building Corp.


Credible, Inc.

March 20, 1962 filed 1,000,000 common. Price—By amendment (max. $1). Business—Company plans to qualify as a public utility and distribute electric power to a population of 35,000 living in centers around Cedar Lake, Ind. Proceeds—To construct a sewage disposal system. Address—Ray N. T. 3, Box 28, Cedar Lake, Ind. Underwriter—None.

Crimson & Co.


Cuba Electric Co.

Jan. 26, 1962 filed 60,000, common. of which 50,000 are to be offered by the company and 10,000 by stockholders; also $1,200,000 of 6% convertible subordinated debentures due 1985. Price—By amendment (max. $1) Business—To operate a power-generating plant and to install and operate power plants in Cuba. Proceeds—for debt repayment, expansion, and general corporate purposes. Office—11-17 Clintonville St., White Haven, Pa. Underwriter—Arnold Malkan & Co., New York.

Cuker, Inc.


Cypress Petroleum Co.


Cynthia Gold Mines, Inc.


CYP Co.


Certified Capital Corp.


Chemical Corp.


Chesapeake Hill Industries, Inc. (9/24-28)

Nov. 25, 1961 filed 375,000 common of which 225,000 are to be offered by the company and 70,000 by stockholders. Price—By amendment. Business—Design and manufacture of women's, men's, and junior sportswear, accessories, and dresses. Proceeds—for debt repayment, equipment and working capital. Office—200 McKinnon St., Hollywood, Fla. Underwriter—Clayton Securities Corp., Boca, Mass.
Crown's

C-Thru Products, Inc.

Data Systems Device of Boston, Inc.

**NEW ISSUE CALENDAR**

**August 16 (Thursday)**

Duke Power Co. (Offering terms to be announced). Bonds

**August 20 (Monday)**

Automatic Controls, Inc. Common

Eastern Properties Improvement Corp. Units

Electromagnetic Industries, Inc. Common

Electromagnetic Industries, Inc. Conv. Debentures

Index & Retrieval Systems, Inc. Common

Sage International, Inc. Capital

Wulp Parker Systems, Inc. Common

**August 21 (Tuesday)**

American Bridge Co. Conv. Debentures

Gourmet Restaurants, Inc. Capital

Public Service Electric & Gas Co. Bonds

**August 22 (Wednesday)**

Kornhandler (Lou). Common

Louisville & Nashville RR Equip. Trust Cds. (Bids 12 noon EDT $1,751.25)

**August 27 (Monday)**

Aubrey Manual Corp. Common

Firmatron, Inc. Common

First Railroad & Banking of Georgia Debentures

Four Star Sportswear, Inc. Capital

Gaslight Club, Inc. Common

Kapner, Inc. Common

Massachusetts Electric Co. Preferred

**August 28 (Tuesday)**

Control Data Corp. Debentures

Fastpak, Inc. Common

Waltham Watch Co. Capital

Waltham Watch Co. Common

**August 29 (Wednesday)**

Air Heat, Inc. Debentures

Iowa Public Service Co. Preferred

Stephens (M.), Mfg. Inc. Capital

Worth Financial Corp. Common

**August 30 (Thursday)**

National Power Co. Preferred

Computer Concepts Inc. Common

Electronics Transmission Corp. Common

Camero Lingerie Co. Preferred

Computer Applications, Inc. Common

Cosat Corp. Common

Edison L. & M., Inc. Capital

Laminetics Inc. Common

Leaey Pay Corp. Common

Leverco Inc. Common

Leverco Inc. Capital

Oceanic International, Inc. Common

Sawyer's Inc. Debentures

Sawyer's Inc. Capital

Servoltronics, Inc. Common

Stolber Cycle Corp. Common

Welsh Panel Co. Common

**September 5 (Wednesday)**

Pennsylvania Power Co. Bonds

Trailer Travelers, Inc. Equip. Trust Cds. (Bids to be reissued $4,000,000)

**September 6 (Thursday)**

American Security & Trust Co. Preferred

Continued on page 34
Eastern Pennsylvania Investment Co.


• Eastern Properties Improvement Corp. (8/20)


Echlin Manufacturing Co.


Econo-Card International Inc.


Econ-O-Gray, Inc.


Electromagnetic Industries Corp. (8/20-24)


Electromagnetic Transmission Corp. (8/31)


Electronic Wholesalers, Inc.


Emcee Electronics, Inc.


Eller & Pike, Inc.


Dynomat Corp.


Dyna-Mron Corp.


Dyna-Mtron Corp.


Dyna-Mtron Corp.


Dyna-Mtron Corp.


Dyna-Mtron Corp.


Dyna-Mtron Corp.

Gould Paper Co.

Gourmet Food Products, Inc.

General Economic Development Corp.

Grape Products Corporation

Ginflan Corp.

Girard Industries Corp.
March 28, 1962 filed 150,000 common, of which 70,000 are to be offered by company and 50,000 by a stockholder. Price—$5. Business—Operation of a mail order business and distribution of home furniture. Proceeds—For expansion and other corporate purposes. Office—1060 Hollywood Blvd., Los Angeles.

Fund Investments, Inc.

Georgia Industries, Inc.

Gamma Camera Corp.
June 29, 1962 filed 80,000 common and 80,000 five-year warrants to be offered in units consisting of one share and one warrant. Proceeds—For development and sale of gamma ray design, manufacture and sale of "ladies' handbag and related items, and working capital. Office—288 Plymouth Ave., Fall River, Mass. Underwriter—Hamptons Investing Corp., Boston, Mass.

Garden State Small Business Investment Co.

Gaslight Club, Inc. (4/27/31)

Gaseco-Ware Corp. (9/4)
March 9, 1962 filed $500,000 of 7% conv. subord. debentures due 1972 (with attached warrants), and 65,000 common to be offered by company and 7,500 common to be sold by stockholder. Proceeds—For development of trophy company for a restaurant equipment manufacturer, a wholesaler, a developer of hat and home furnishings and a wholesale company operating leased discount departments dealing in hard goods. Proceeds—For debt repayment, expansion and working capital. Office—2555 W. Diversey Ave., Chicago. Underwriter—Michael G. Kletz & Co., N. Y. Note—This registration was withdrawn.

Genel Official Corp.

General Economic Development Corp.

General Investment Co. of Connecticut, Inc.

Genexvision Corp.

Grand Bahama Development, Ltd.

Great Continental Real Estate Investment Trust

Great Eastern Insurance Co.

Great Plains Corp.

Greater McCoy's Markets, Inc.

Greatest New York Stock Co., Inc.

Green (Henry J.) Instruments Inc.

Gold Leaf Pharmaceutical Co.

Gold Seal Paper Co., Inc.
June 29, 1962 filed 125,000 common, of which 62,500 are to be offered by company and 62,500 by stockholders. Proceeds—For debt repayment, expansion, research and inventory. Proceeds—$450,000. Address—77 Nassau St., N. Y. Underwriter—Federman, Stonehill & Co., N. Y. Offering—Expected in early Sept.

Golf Equipment Co., Inc.

Golf Lighting, Inc.

Gulf Atlantic Utilities, Inc.

Hallandale Rock & Sand Co. (9/24/28)
Oct. 27, 1961 filed 800,000 common. Proceeds—Undisclosed debentures due 1977, 200,000 common and 6-year warrants to purchase 25,000 common at $1 per share to be offered in 6,000 units. Proceeds—For working capital. Office—25 Engel St., Hicksville, N. Y. Underwriter—None.

Handy & Harman, Ltd.
April 11, 1962 filed 250,000 common, of which 100,000 will be sold by the company and 200,000 by a stockholder. Price—By amendment. Business—Manufacture of receivers, incandescent light fixtures. Proceeds—Continued on page 35
Hanna-Barbara Productions, Inc.  

Hansell & Co., Inc.  

High Temperature Materials, Inc.  

Hillcrest Commodities Corp.  

International Drug & Surgical Corp.  
July 27, 1962 filed $10,000,000 of 6% debentures due 1977, common and five year warrants to purchase 540,000 common shares to be offered in 180,000 units, each unit consisting of $100 of debentures, two common shares and warrants to purchase three additional shares. Price—By amendment (max. $10 per unit). Business—Real estate investment. Proceeds—For debt repayment, construction, and other corporate purposes. Office—252 South Wabash Ave., Chicago. Underwriter—Kidder, Peabody & Co. N. Y. Underwriter—Temporarily postponed. 

International TerraTzo Co.  

International Terrazzo Co.  

International Film Distributors, Inc.  

Investment Management Corp.  

Investors Real Estate Trust  

Investors Realty Trust  

Iona Manufacturing Co.  


duced for FRASER
http://fraser.stlouisfed.org/

Hiring & Packaging Associates

April 2, 1962 filed 2,620,000 common shares of which 1,062,000 are to be offered by company and 828,000 by stockholders. Taxes—Be included in the price of the shares. Proceeds—For debt repayment and working capital. Office—2503 E. W. Plumb, St. Louis, Mo. Underwriter—Hardy, C. N., N. Y. Offerings—Indefinitely postponed.

Jaap Penaart Associates, Inc.

Jan. 24, 1962 filed 2,000,000 common shares of which 2,000,000 are to be offered by company and 500,000 by stockholders. Sales—By amendment (max. $10). Business—Manufacture of packaged frozen ready-to-cook foods for supermarkets. Proceeds—For debt repayment and general corporate purposes. Office—917 E. Waveland Ave., Elizabeth, N. J. Underwriter—Hardy, C. N., N. Y. Offerings—Indefinitely postponed.

Keilmans, Inc.

March 30, 1962 filed 1,000,000 common shares of which 120,000 are offered by company and 880,000 by stockholders. Proceeds—For new facilities and working capital. Office—29 W. 11th St., Miami, Fla. Underwriter—Clayton Securities Corp., Of¬ferings—Expected sometime in October.

Jamaica Public Service Ltd

The company holds a franchise, of which 100,000 shares are to be offered by company and 15,000 shares by stockholders. Proceeds—For conversion into by the company of 1,000,000 shares of additional stock in its subsidiary. Office—307 Park Avenue, N. Y. Underwriters—Stone & Webster Securities Corp., and Chemical Bank.

Jameco Air Conditioning Corp.


Jasco Bros., Inc.


Jaylite Industries, Inc.


Kaiser-Nelson Corp.

Feb. 28, 1962 filed 1,400,000 common shares of which 50,000 are to be offered by the company and 1,350,000 by stockholders. Proceeds—For equipment, raw materials, debt repayment and general corporate purposes. Office—101 W. 34th St., N. Y. Underwriter—B. R. Snyder, R. P. Raymond & Co., Inc., N. Y. Offering—Indefinitely postponed.

Kaufman (D.) & Co. Inc.

June 28, 1962 filed 60,000 conv. subord. debentures due 1977 to be offered for subscription by stockholders of $100 debentures for each 100 shares. Proceeds—For operations of a wholesale drug business. Proceeds—For debt repayment and working capital. Office—6025 Park Ave., N. Y. Underwriter—None.

Kapner, Inc.


Kappa Carpet Corp.


Kavanau Corp.


Key Foods Corp.

Dec. 28, 1961 filed 60,000 Class A common shares, of which 4,400 are to be offered by the company and 44,000 by stockholders. Price—$7. Business—Packaging and sale of promotion and other corporate purposes. Office—29 W. 27th St., N. Y. Underwriter—Fabricant Securities Corp.

Lavater Chemicals, Inc.


Lee-Norse Co.


Lembo Corp.


Lesco Automotive Corp.


Leslie Fay (9/4)


Leslin Enterprises, Inc.


Leslie Bros.


Lewiston-Gorham Raceways, Inc.


Lily Lynn, Inc.

Feb. 23, 1962 filed 150,000 common shares of which 80,000 are to be offered by company and 70,000 by stockholders. Proceeds—By amendment (max. $12). Business—Design, manufacture and sale of women’s casual dresses. Proceeds—For debt repayment, working capital and expansion. Proceeds—For debt repayment, working capital and expansion. Office—30th St., N. Y. Underwriter—Giant, Inc., New York.

Lockfast Mfg. Co.

Marin County Financial Corp.

Marine Development Corp.

Marlins Polaredized Corp.

Massachusetts Electric Co. (8/27)

Massachusetts Electric Co. (8/7)

Maxwell Industries, Inc. (8/27-29)

Maxwell Industries, Inc. (8/16-28)

MealMail Service, Inc.

Merced Stores Co., Inc.

Mercury Books, Inc.

Milt Food Corp.
April 25, 1962 filed $1,500,000 of convertible subordinated debentures due 1977 to be offered by company and 3,400,000 shares of common stock. Business—By amendment. Offered by company and 3,400,000 shares of common stock. Proceeds—For general corporate purposes. Address—345 Underhill Blvd., Syosset, L. I. Underwriters—Singer, NEXT. Offering—Indefinitely postponed.

Metropolitan Acceptance Corp.
May 2, 1962 filed $200,000 of 8% subordinated convertible debentures due 1968 to be offered by company in units consisting of $100 of debentures and 20 common shares of common stock. Proceeds—For general corporate purposes. Business—For working capital. Address—241 Wall St., New York. Underwriters—McFadden, N. Y. Offering—Indefinitely postponed.

Midwest Technical Development Corp.
Feb. 26, 1962 filed 961,500 common shares to be offered for subscription by stockholders on the basis of one share for each two shares held. Price—By amendment (max. $10). Business—To engage in the distribution of shares on contractual plan to other mutual funds, in trading on over-the-counter market, and in the development of personal investment counsel. Address—1500 First National Bank Bldg., Minneapolis, Minn. Underwriters—None.

Military Corp.

Mimosa Corp.
May 2, 1962 filed 15,000,000 common shares, of which 1,000 will be sold by company and 1,000 by stockholders. Proceeds—For general corporate purposes. Address—25 Charter St., Baltimore. Underwriter—W. U. Wilson & Co., Inc. Offering—Indefinitely postponed.

Merkle-Ross Co.

Military Indus. Fund, Inc.

Military Medical Indus., Inc.

Memorial Services, Inc.

Monarch Plastics Corp.

Montebello Liquors, Inc.

Moonائي Corp.
March 29, 1962 filed 62,000 common shares, of which 8,000 are to be offered by stockholders. Proceeds—For general corporate purposes. Address—150 E. 55th St., New York. Underwriters—Dean Securities Co., Inc., N. Y.

Moser Safe Co. 

New England Contractors, Inc. 

New York Testing Laboratories, Inc. 

Noranda Copper Mines, Inc. 

Nordt Royalty Corp. 
July 15, 1962 filed 1,000,000 common. Price—By amendment. Business—Company acts as representative of artists, musicians, etc. and places in the music publishing business. Proceeds—For distribution to artists and musicians. 

Norton Corp. Ltd. 
March 29, 1962 filed 375,000 common, of which 100,000 are to be offered by the company and 275,000 by stockholders. Price—By amendment (max. $6). Business—Manufacture of tool and die and primary metal products. Proceeds—For general corporate purposes. Underwriter—Robbins, Clark & Co., N. Y. 

North West Securities Inv., Inc. 

Northwest Plastics, Inc. 

Nuclear Science & Engineering Corp. 

Nuveen Tax-Exempt Bond Fund, Series 3 

Oceanic International, Inc. 
(9/4/7) 

Old Line Life Insurance Co. of America 

Old Line Uni-Pac, Inc. 
July 30, 1962 filed 250,000 common. Price—By amendment (max. $4). Business—Company plans to sell or lease its own new factory building. Proceeds—For debt repayment, equipment and working capital. Office—15 Peachtree St., Atlanta. Underwriter—Drouet, Lang, 

Ontario Electric, Inc. 

Postscript 

Outlet Mining Co., Inc. 

Pacific Western Life, Inc. 

Packard-Ball Electronics Corp. 

Palermo State Life Insurance Co. 

Pan American Beryllium Corp. 

Pennsylvania Development Corp. 

Paper, Koenig, Lois, Inc. 

Parragon Pre-Cut Homes, Inc. 

Paul Harris, Stores, Inc. 

Peachtree-Blair Corp., Inc. 
Proceeds—For retirement of debt, new equipment and working capital. Office—38-40 South Main St., Providence, R. I.. Underwriter—Frederick F. Seager, Co., Inc., N. Y. Offer—This registration was withdrawn.


Ridgewood Financial Corp. March 30, 1962 filed 60,000, of which 11,250 are to be offered by company and 48,750 by stockholders. Price—By amendment (max. $7.50). Business—Investment. Proceeds—For organizational expenses and investment. Office—1117 E. 9th St., Cleveland, Underwriter—Ford, Reid & Co., Inc., Cleveland, Ohio. Offering—Indefinitely postponed.


Rilliker Development Corp. July 20, 1962 filed 2,000,000 common, of which 1,000 are to be offered by company and 1,000 by stockholders. Proceeds—For the development of a new real estate project and for real estate development and management company. Proceeds—For general corporate purposes, debt repayment and working capital. Office—1641 S. State St., Butte, Mont. Underwriter—H. Newirth & Co., Inc., N. Y. Offer—Expected sometime in September.


Santa Fe Drilling Co. March 30, 1960 filed 100,000 common, of which 100,000 are to be offered by company and 0 by stockholders. Price—By amendment (max. $3.50). Business—Furnishes labor and materials and drilling equipment and drills for oil. Proceeds—For debt repayment and equipment. Office—236 W. 57th St., San Francisco, Calif. Underwriter—Dean Witter & Co., Los Angeles. Offering—Expected in late 1962.
Selective Financial Corp.

Shin Mitsubishi Jukogyo K. K. (9/18)

Signalite Inc.

Simplex Lock Corp.

Skiers Service Corp.
Oct. 30, 1961 filed articles of incorporation, Price—By amendment (max. $20). Business—Distribution of coin-operated insurance vending equipment and related items. Proceeds—for inventory, advertising and working capital. Office—488 Pacific Coast Securities Co., San Francisco. Note—This firm formerly was named National Vending Ski Insurance Co., under the leadership of the late Mr. Jay Paul Colket, Jr., of Philadelphia.

Southeastern Real Estate Trust

Southeastern Towing & Transportation Co., Inc.

Speers (L., B.), Inc.

Speer Desk Service Systems, Inc.

Spencer Chemical Co. (9/10)

Sprint Technologies, Inc.
Oct. 28, 1961 filed 100,000 common, of which 200,000 are to be offered by the company and 400,000 by stockholders. Price—By amendment. Business—Manufacture of drug and food products, electronic and electrical devices and precision machinery. Proceeds—for the purchase of capital, patents, repayment of debt, and working capital. Office—10 Broadway, New York, N. Y. Underwriter—Blair & Co., N. Y. Underwriter—Expected in early Fall.

Stryker, Inc.
May 28, 1962 filed 100,000 common shares, of which 75,000 are to be offered by the company and 25,000 by stockholders. Proceeds—for expansion and development of a machine for production of high pressure, high temperature, high speed aircraft and aircraft missiles. Office—Spencer Chemical Company, 1000 Broadway, New York. Underwriter—Fernando Blvd., Burbank, Calif. Underwriter—First California Securities, San Francisco. Offering—Expected sometime in October.

Stryker Chemical Co., Inc.

Steel Plant Equipment Corp. (9/18-20)

Steifer Cycle Cycle Corp. (9/4-7)

(Stimson) Mfg. Co., Inc. (9/29-31)

Stokes Copper Corp.

Stratford Financial Corp.

Suburban Water Service Co.
July 25, 1962 filed 10,000,000 common and 30,000,000 preferred to be offered for public sale; also 3,396 preferred shares (par $10) to be offered for subscription by common stockholders. Price—$3.50. Business—Manufacture and sale of water service. Proceeds—for equipment, working capital and research and development. Office—5900 Main St., North-east, Minneapolis. Underwriter—Irvine J. Rice & Co., Inc., St. Paul. Note—This statement was withdrawn.

Tabach Industries, Inc. (9/17)

Tactair Fluid Controls Corp.

Tadeo, Inc.

Taylor Manufacturing Co.
June 1, 1962 (Reg. A) 50,000 common. Price—$4. Business—Two projects, one for the manufacture and sale of educational and recreational teaching aids. Proceeds—for equipment, promotion and advertising and working capital. Office—1932 Broad St. Ave., N. Y. Underwriter—Creative Ventures Corp., 152 Third Ave., N. Y.
Top Dollar Stores, Inc.
May 1, 1962 filed 150,000 common, of which 100,000 are to be offered by company and 100,000 by stockholders.

Proceeds—For working capital.
Address—19 W. Iredell Ave., N.Y., N.Y. Underwriter—Straus, Bloesser & McDowell, Chicago. Note—This registration is withdrawn.

Texas Pharmaceuticals, Inc.
Address—361 S. Alamo St., San Antonio, Tex., N.Y. Underwriter—Straus, Bloesser & McDowell, Chicago. Note—This registration is withdrawn.

United Markets Inc.

Vendex, Inc.

Vending Components, Inc.

Verlan Publications, Inc.
May 31, 1962 filed 175,000 common, of which 80,000 are to be offered by company and 9,500 by stockholders. Fees—For offering, distribution and extended coverage insurance. Proceeds—For expansion, new products and other corporate purposes. Office—230 S. Dearborn St., Chicago, Ill., Underwriter—J. W. Oppenheimer & Co., Inc., Philadelphia.

United-Overton Corp.

Worldwide Investments, Inc.
June 29, 1962 filed 44,000,000 common, of which 10,000,000 are to be offered by company and 15,000,000 by stockholders.


Washington Towing Association, Inc.
July 30, 1962 filed 100,000 common, of which 60,000 are to be offered by the company and 40,000 by stockholders.


Waterman Steamship Corp.

Welcome Baby, Inc.
Dec. 28, 1961 filed 75,000 common. Price—$2. Business—Company renders direct mail public relations services, promotion and advertising services to mothers on behalf of commercial clients engaged in general commodity, public relations, and general corporate purposes. Office—210-07 48th Ave., Bay¬ side, N.Y. Underwriter—First Philadelphia Corp. N.Y., Underwriter—To be named.


Wellsroads, Inc.

Wendy's, Inc.

Western States Real Investment Trust
ATTENTION UNDERWRITERS!

Do you have an issue you're planning to register? Our Corporation News Department would like to know about it. We can feature an item similar to these you'll find here. Would you telephone us at Rector 5-9706 or write us at 35 Park Place, New York 7, N. Y.

Prospective Offerings

**Adley Corp.**


**Biologics International Inc.**

Aug. 15, 1962 it was reported that this company plans to offer 75,000 shares of common stock. Price—$3. Business—Company plans to breed and develop experimental research projects. Offices—100 East 58th St., New York. Underwriter—No one named.

**Columbia Gas System Inc.**

Aug. 6, 1962 it was reported that the company plans to sell $25,000,000 of debentures or bonds in October. Offerings—By Lehman Brothers & Co., Inc. Proceeds—For general corporate purposes. Offices—Lena, Ill. Underwriter—Stanley Spanier & Co., Inc.

**Columbus Capital Corp.**


**Consumers Power Co.**


**Delaware Power & Light Co.**

Mar. 19, 1962 it was reported that the company has postponed until early Spring of 1963 its plan to issue additional common stock. Proceeds—Proceeds—For general corporate purposes. Offices—209 Broadway, New York, N. Y. Underwriter—The Chase Manhattan Bank, New York. Underwriter—Standard Securities Corp., N. Y. Note: This report was from the Chase Manhattan Bank, New York.

**World Financial Corp. (8/29-31)**


**Florida Power Co.**


**Food Fair Properties Inc.**

May 11, 1962 stockholders authorized the company to setup and sell a $10,000,000 of a convertible preferred stock which will be offered to all holders of the preferred stock. Price—By amendment. Business—To acquire and operate retail stores. Proceeds—Proceeds—To retire outstanding 6% preferred stock and to provide working capital. Office—306 South 10th St., Pittsburgh, Pa. Underwriter—Don D. Anderson & Co., Inc., Oklahoma City.
Northern Illinois Gas Co.

Feb. 28, 1962 it was reported that the company expects to raise $150,000,000 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—615 Eastern Ave., Bellwood, Ill. Underwriters—(Competitive). Bidlyh & Co., Inc.; Equity Securities Corporation of America; Lincoln Securities Co.; Smith, Barney, & Co.

South Carolina Electric & Gas Co.

Aug. 1, 1962 it was reported that the company has a rights offering to stockholders of approximately $8,000,000. Office—100 S. Main St., Columbia, S. C. Underwriter—To be named. The last rights offer¬ing was underwritten by Kidder, Peabody & Co., N. Y. Offering—Expected in the first quarter of 1963.

Southern California Edison Co.

July 3, 1962 it was reported that this company plans to sell $10,000,000 of 30-year first mortgage bonds, series P, due 1982. Proceeds—to be used for development and construction. Office—601 W. 5th St., Los Angeles. Underwriters—(Competitive). First Boston Corp.; Dean Witter & Co. (jointly); Halsey, Stuart & Co.; Kidder, Peabody & Co. (jointly); N. M. Dreyfus & Co. Inc.; Kidder, Peabody & Co. (jointly); Eastern Dillon, Union Securities & Co. (jointly); Equitable Securities Corp.; Drexel & Co. (jointly); Rockefeller & Co. (jointly); Kidder, Peabody & Co. (jointly); N. M. Dreyfus & Co. Inc.; Kidder, Peabody & Co. (jointly). The last offering of preferred stock in April 1959 was underwritten by Saunders & Co., Inc., N. Y., and A. C. Allyn & Co., Chicago.

San Diego Gas & Electric Co.

March 19, 1962 it was reported that this company plans to sell approximately $5,000,000 of common stock through a rights offering to stockholders, in the second quarter of 1962. Office—1756 Pacific Ave., San Diego. Underwriter—To be named. The last rights offering in February 1957, was underwritten by DeWitt & Co., San Francisco.

Windjammer Cruises, Ltd.

April 18, 1962 it was reported that this company plans to register 90,000 ordinary shares. Price—$4. Business—Operation of “Windjammer” sailing ship cruises. Premises—P. O. Box 918, Nassau, Bahamas. Underwriter—J. I. Magari Co. Inc., N. Y.
The trade of trade and industry
Continued from page 5

In the trade of trade and industry during the
month.

When steel inventories do stabilize, shipments are likely to rise at the rate of one million long tons or more. This matches the rate of rise. How long this increase last, however, is anybody's guess.

Production of 192 car models Attains Highest Volume Since 1921

Ford's Automobile Reports on Aug. 10 that more than 7,764,000 cars, or nearly 6,675,000 cars, will have been produced by 7,130,037 cars in 1961, ending 1962, a new all-time high. The number of 7,764,000 cars, or 7,130,037 cars, will be 10,000 units higher than the present monthly average, or 6,675,000 cars, in the current model year, which had already been ahead of August 14 with the final build-out of Ford Motor Co. Cars. Then, the car business ended a week ago. Some 393,000 cars built in that country during the first quarter of the year, when Canadian car production in '61 and '62 increased at an all-time high of 4 to 8 million units, will be the second highest only to 7,130,037 cars made in the '50 model year, but will include only 6,675,000 cars, or nearly 6,675,000 cars, in the industry's individual makes. Chevrolet Motors, Ford, and the surviving G.M. Motors produced the highest model run of any car company and was making more than 2,000,000 cars in the model year.

Out of the U.S. 8, for the week ended Aug. 11, confined to General Motors, which had the lowest level of the year, the two companies that lead in the national assembly operations at a total of 30 plants. Two Ford and 1944 model cars, or 7,130,037 cars, were produced by only 1,870,000 cars, or nearly 2,870,000 cars, in the preceding week.

Carloadings Off 3.4% From 1961

Week's Total:

Loadings were 9,198,000, freight in the week ended Aug. 4, totaled 505,424 cars, the Association of American Railroads announced. This was an increase of 1,630 cars, or 0.1% above the corresponding week of the preceding year.

Following are figures for every carloadings in 1961, were included in that week's overall total. The figures for 15,246 cars or 26.4% above the corresponding week of 1960, and 21,086 cars or 18.7% above the 1960 week.

Cumulative ippacity loading for the first 39 weeks of 1962 totaled 4,616,000 cars, or an average increase of 68,022 cars or 20.3% above the corresponding week of 1961, and 79,823 cars or 25.3% above the corresponding period in 1960. High-speed railroads originating system roads, among type of freight, 1962, compared with 58 year ago and in the corresponding week in 1960.

Intercity Truck Tonnage Shows 2.8% Gain Over 1961 Week

Week's Total:

Tonnage through the week ended Aug. 4, commercial and industrial truck tonnage, was 2.8% ahead of the volume in the corresponding week of 1961, the American Trucking Associations announced. Tonnage was 3.2% ahead of the volume for the corresponding week in 1960.

These findings are based on the weekly reports from 24 metropolitan areas conducted by the ATA. The reports were of 14,000 trucks. The report reflects what, in the past, have been reported at 4,000 trucks. This reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflects the difference in the routing of the carriers. The report reflect
President's Views on the Business Trend and Tax Cuts

Continued from page 12

tive factors that we have—$30, -
000,000,000 more we could produce.
Since the postwar boom, that has been
harnessed. But it could be
and the depression. We will not find
full employment in this country, we will not
find out because of the depression. We will
still find work, we feel, for the next several
years, and until we make better use of the
work that we have been doing, we will not
have; until we cleared away the effects not only of two recessions but of a depression.

All Must "Help"

Therefore, I'm asking your help, help to those of us who have and need help,
and American people, in putting to
enactment before adjournment questions of
the way our economy will speed up our economy,
which is the way to speed up more jobs and more growth.

There's still time to close this gap — and we must.

Specifically, I think before the Congress adjourns, whether you will
must be to enact these measures.

We need enactment of the
Investment Tax Credit, which would stimulate business outlays for modern machinery, the kind of taxes that would help keep America
competitively in Europe to stimulate the peacetime industries and produce more business men
business industries. This makes for new jobs. Combined with our joint proved depressional allowances, this should help to keep the profit
position.

Seven hundred thousand unemployed
men and women are now new workers. Graduates can find new work in new
industry and new jobs. More than
300,000 are working for new
men and women — can find help of our new food stamp

And 200,000 children of our
unemployed workers now get
were provided assistance only if
the wife and children had the experience of some of the best
they could meet in order to
their children's orders in order to

And aid has been stepped up to
particularly, of the near-aged,
help disabled and dependent people on
it has been made available to reduce their
dependency. One hundred thousand
men are retiring every year under Social Security at 62,
190,000 leaving the work force
providing jobs for younger men.

Cities "Case Histories"

More than 26,000 for this
program have been reported in the last in the coming years, and we think we will be able to help for housing especially

Railroad and bus and excise
has been repealed, and other
help our urban renewal

Our homes are not the
merely statistics and recitation of legis-
na. It is not the tale of a
the price of the Las Vegas

And in the last several years, the
men and women have been hired. Under our bill, we are making the changes and they are more

I have had cases of individuals
who were unemployed for many
months who have been
in an airplane company. He is
being retained as machine tool
as to why he is
being back on earning
up again.

In Davy, W. Va., a young couple
with only $10 a month and they
have to eat their way. They regard the food stamp
problem as the salvation of their
family budget.

In Carbon County, Pa., 56-year-
time of my Pennsylvania and
L.E. Holmes, the town of
and West Virginia. And in this
in the coal mines to support his family. Last
November, the coal miner

Our Federal supplement
provides to these people benefits for three additional
months. Our retraining program then took him new skills of
progress and defectors of special
privileges of interests to vote
every forward movement.

Action Essential

But the President of the United States, I believe, and the Con-
ceded to be committed to action in our time. Other
of the Speaker, we were committed to action in their
time. We cannot believe that we should let them go. For
any special group or area stand in the way of our
prosperity in the Nineteen Sixties.

We are not talking about Fed-
and going out of control.
On the state of America, we
pointing to a dollars for the dollars that we
spread, to close down those instal-
voluntary and activities that are not

Upon request of Deputy McNa
Nana has estimated that she can
$3,000,000 a year in the De-
that the temporary
omies, and other depart-
ment, the
board effort and all
for funds including the previous
spiritually
in this office.
I am urging the Congress more-
the $600,000,000 a year. That bill has

I have $1,000,000,000 a year on
farm surpluses, of which we
already have today $9,000,000,000
the farmer's income.

And so many of our tax
applied for, and the
of the United States

We are spending
the least amount that is cons-
their necessary national

We have some pride in the fact
that we kept last year's deficit
well below that incurred in the
in the recession of 1958, and reduced the annual cost of the
in the relation to the nation's

Debt Ratio Decreasing

This year, I believe, is the year
we can engineer our
has increased, the per-
centage of our debt to our wealth.
It will be the first time in the end of the Second World War and
our national debt.

In 1945, our national debt was
about 130% of our wealth. Now
is forward so fast that it's 60% and will
be stabilized, I think, somewhere about 40% of our
produces.

If the deficit comes from
a recession, and if we can take the
proper action in the proper time,
that is the right kind of a tax-
step we could take to prevent an

Promises Tax Reduction Effective

The single most important fiscal
impact of all is that the
where the economy is
the tax cut at the right time is the
most effective measure that this
would be to spur our
economy forward.

For the facts of the matter
that our present tax system is a
by the federal, state and local income
taxes. It will include long-needed
reform that logic and equity
and at the same time the

The billions of dollars this bill
will place in the hands of the con-
sumer and of business men
and if the job is to be done in
responsible way, is January 1963.
This bill will be presented to the
Congress for action next year.

For the facts of the matter
that our present tax system is a
by the federal, state and local income
taxes. It will include long-needed
reform that logic and equity
and at the same time the

Instead of being permanently
saddled with excess plant capacity

Tribute to First National City Bank

Secretary of Commerce Luther H. Hodges cited First National City Bank
for providing free foreign currency exchange service at all
23 New York branches and at selected hotels and stores. The bank
also maintains 24-hour currency exchange services at the Inter-
National Arrivals Building at Idlewild Airport.

During a visit to the bank's headquarters, Secretary Hodges
told of the successful U. S. Travel Service program and how
overseas travelers have increased 16% during the first four
months of 1962. "The fact that 50% of the visitors used
services is a measure of the importance of what
New York does to make visitors welcome," he

S. Moore (center) shows Secretary Hodges
(second from left) and United States Travel Service
Catherine Gilmore (second from right) multilingual post bank is the bank is using to
announce the service. Looking on are Charles H. Brown, Jr.
(Director, United States Travel Service), the Hodges, Walter, Durstine & Osborn, Inc. and John Bullitt
(First National City Bank). The latter directed a
letter from the Office of the Secretary of the Treasury
bringing this program to fruition
the banking taking in to correct our balance
at a lower of payments position. . .
U.S. Needs a Unified Communications Policy

Continued from page 9

shortly, we must come to grips with a number of conditions, many of which are crucial because of the fact that a satellite communications service will inevitably place new tests and burdens upon international working relations. In particular, these include the full implications of principle, policy, and strategy. There are already signs that we will be resolved without the most care - the need to establish the finest legal and technical criteria available in government processes.

We will take a meaningful step toward the establishment of a Communications Satellite System by the end of next year. In addition, this country has developed new proposals on frequency allocations and on the communications to be considered at an International Telecommunications Conference which may be held next year. All these steps together represent a useful beginning - but only a beginning - of a process which will cut across the wrestles of law and regulation over the entire orbiting communications spectrum in the field of communications on land, sea, and in space. My observations today, of course, are not intended, in any way, to suggest that we have plans for establishing a Satellite Communications Service at the earliest possible date. Our national interests and prestige call for our careful planning and preparation for leadership and to become the first country in the world in the development of a satellite communications system.

Nevertheless, it seems to me that this is the time, the golden opportunity, to set about establishing a national communications policy in which we shall bring coherence and viability to our individual communications efforts - that which exists today and that which will come tomorrow. We must take as a starting point the turbulence of coming events, the new factors that will affect our national interests and need, and our national posture abroad.

I would consider the following some of the most urgent in need of study and resolution. If we are to secure all the public interest in space, we must establish a national communications policy.

We cannot claim ignorance of what is to come. The future is on the horizon in the skies above us. On the threshold of the Age of Space, the supreme challenge to the law is to bring new concepts of order to this new field of change.

These complex problems involved in this entire subject - technological, political, social and economic - are not simple, they are not easy, and they demand a new and different approach. We believe that the differences of opinion will be expressed on the views and suggestions in this report.

If so, this would be a constructive device.

Indeed, free and open discussion would provide healthy recognition of the problems which we have emphasized and would add to the richness of this report.

In my view, these problems will not disappear, they will only intensify them and increase the pressures for remedial action.

We must determine and secure the benefits of the American concept - the privately owned communications service for national and international communications, subject to international and government regulations - and if we are to avoid the alternative of government ownership and control, our opportunities are diminished by time, a situation which the Communications Policy that would resolve the questions I have raised and be suitable for the near and future needs. Such a national policy should be in line with the Law.

The majority of our legal system lies in its capacity for organic growth - its ability to serve, in Justice Brandeis' words, the realization of man's ends, ultimate and mediate ends.

The legal architect and the communications would further establish these ultimate and mediate ends by combining their talents in a searching examination for the answers to the communications problems we have today and recommendations should work to the benefit of industry and government departments and agencies and the effective functioning of the American communications system. Out of such a joint effort could emerge a legislative program that would serve the law and the Congress.

I believe, I will agree with this public recent statement by President Kennedy, that 'there is no more important issue for the communications and we must grasp that advantage presented to the United States to establish a satellite to use this medium wisely and responsibly to further the understanding among the peoples of the world.

*Adapted from a speech delivered on General Samuel's behalf, during the past-operative conference, Roberts Cairo, Chairman of the Board, National Broadcasting Co.

Senior Citizens and Impact Of Social Security Taxes

Study cites rapid growth in ratio of persons 65-years or over to number of persons in labor force.

Today there are only four persons in the U.S. labor force for each person age 65 and over. The Social Security program was getting under way, there were six available workers to each older. In 1930 the ratio was eight people in the labor force for each older.

The rapid change in the above ratios is one of the most significant among the problems of our aging population, but some of its effects, particularly on the younger workers, are not fully recognized, says the family economics bureau.

Steady decline in the ratio of taxable workers to retirement age workers, is the result of the plans of many persons who are employed. This under worker must pay to meet the cost of new benefits or extension in Social Security benefits, says the bureau's report. The younger the worker, the lower is the proportion of workers who plan to pay in the total costs of such increases, it points out.

Social Security outlays have increased. The old age "trust fund" or reserve of Government bonds accumulated in trust for the cumulative contributions of the beneficiaries, has been reduced to equal the amount of future benefits promised to persons then on the benefits of Social Security. On a basis of one-fourth of the value of such promised future payments, without any allowance for the potential claims of those not yet on the benefits.

Older workers with only a few years left to pay Social Security taxes, and persons already on the benefit rolls, pay little or none of the added costs of new benefits being paid. Thus collections made from the pay checks of younger workers, together with matching contributions by their employers, may make up the difference, the report points out.

As medical science and more healthful conditions enable more people to live longer, we are at the same time retiring more people from useful work, and at younger ages. Women, for example, the Social Security statistics show, are living longer in spite of the fact that the age requirement for disability benefits was removed entirely in 1960. Already there is mounting pressure to lower retirement age. The increase in benefits and covering more people, says the report.

The resulting financial problems, the report concludes, will be further intensified by the continuing rise in the proportion of oldercitizens and that of persons aged 65 and over. In 1960 the Social Security benefits were over $4 billion. By 1970 this sum will be over $9 billion.

U.S. Citizens' Impact Of Social Security Taxes

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio of 65+ to Labor Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>2.70</td>
</tr>
<tr>
<td>1970</td>
<td>3.30</td>
</tr>
<tr>
<td>1980</td>
<td>4.00</td>
</tr>
<tr>
<td>1990</td>
<td>4.80</td>
</tr>
<tr>
<td>2000</td>
<td>5.60</td>
</tr>
</tbody>
</table>

Note: The ratio is calculated as the number of persons 65-years or over divided by the labor force.
WASHINGTON AND YOU

WASHINGTON, D.C.—The Federal Reserve Banks across the nation and the Department of Commerce's Office of Business Economics agree that the economic news of the first half of this year continued to expand.

The Conference Board is expected to show further expansion. Economists at the Department of Commerce assert that the Gross National Product—value of all goods and services produced in the second quarter rose to a new high of $532 billion, at a seasonally adjusted rate. This figure is $7 billion above the first quarter.

Cotton prices for the year mean greater economic activity than others. The summer months traditionally are a bit slower because of vacations and hot weather. Of course, snow and ice and freezing temperatures slow down business in wintry time in some sections of our country. Employment is generally lower in January and February and March at the construction field and in some other industries.

The Department of Commerce says that the cumulative increase in GNP in the five quarters following 1961 first-quarter low point has now exceeded $50 billion, or an increase of about 15%.

Personal income has increased nearly $8 billion for the second quarter at a seasonally adjusted annual rate of about $40 billion. The May and June increases in personal income were at the rate of about $1 billion.

The most important economic resource of a country is its manpower. Could one say that this country has been expanding right along, that the primary trouble as we economists see it is that the growth has not been fast enough. This is one reason many individuals and organizations have advocated a reduction in individual and corporate income taxes.

The Federal Reserve Banks keep their fingers on the economic pulse of their respective regions. This past week, the Bank of St. Louis reported that, despite the higher costs and total output of goods and services earlier, the economic expansion may be slowing somewhat.

The St. Louis Bank, unlike most of her sister Federal Reserve institutions, took a little dimmer view of the recent past in the march of business activity. After pointing to the unemployment total in July, and stating that the figure was estimated at 5.3%, the bank said there has been practically no change in average prices in recent months.

King Cotton

To the farmers of the old South and Southwest, cotton remains an important cash crop. It helps to buy clothes, some food, and farm machinery. The 1962 prospects are up near 4,000,000 bales over last year. A new crop of 15,002,600 bales is indicated.

Harvesting has already started In the Lower Rio Grande Valley of Texas, and harvesting will start in two or three weeks in scattered sections of other producing states. Excellent yield per acre prospects are shaping up.

The Federal Reserve Bank of Dallas reported that the cumulative increase for the first half of 1962 indicated a 35% increase in income. The income registrations in four major Texas markets for the corresponding period of 1961. The May and June registrations were up sharply.

Combining of early rice varieties are well underway in Louisiana and Texas. Pasture and forage conditions in the Southeast remain generally adequate. Cattle have become an important part of the economy in many sections of the South since stock controls have been placed on cotton and some other crops. Lack of rainfall has hit the larger region of the South, particularly in Alabama, Mississippi, Georgia, parts of Tennessee and North and South Carolina.

Bank Savings Deposits Increase

Competition continues to advance at a fairly healthy rate through the late spring and into the summer in the Fifth Federal Reserve District, which has headquarters at Richmond. There has been a marked increase in construction. Except for a minor setback in March, bank debits have increased by recent data.

"Perhaps the most interesting banking development so far this year has been the continued growth of time and savings deposits," said the Richmond bank. "Normally such deposits grow slowly or even decline as economic expansion improves market interest rates and draws funds from time deposits to provide larger working balances. This year, however, increased time deposits have continued to rise at a rapid pace for almost the first time since the first of the year. The increase can be explained in part as the result of the price expansion and the stability of lower interest rate and check services.

Cleveland's Federal Reserve Bank reports that market values of farm land in the Fourth Federal Reserve District, which includes all or parts of Ohio, Pennsylvania, Kentucky and West Virginia, are at record high levels.

Higher Fertilizer Prices

Prices paid for farm land throughout the country edged upward for the month of March 1, 1962. The annual survey by the Federal Reserve Bank of Philadelphia showed that the price of farm land increased by 5% from a year ago. Cleveland's Federal Reserve Bank reported a 4.2% increase.

Farmers are likely that the downward drift in net income of farmers has actually contributed to higher land prices," said the Federal Reserve Bank of Cleveland in a pertinent observation. "In that, connection, farmers have tried to offset declining or stable margins per acre by the acquisition of additional land. In an attempt to increase income by enlarging the volume of business, farmers have been buying more and more acreage for additional land.

"Mississippi's Federal Reserve Bank located in the Central Prairie States that farm real estate has established a new all-time high in the spring.

The Federal Reserve Bank of Chicago reports that large Midwest farms producing capital goods report that orders for the first six months of 1962 have exceeded last year by 30%. Demand for construction machinery was strong in the second quarter after a slow start in the first quarter because of severe weather.

The number of acres per farm reports that the Federal Reserve Bank of San Francisco continues to rise, the bank reports. The average size of farms varied from 6,216 acres in Arizona to 383 acres in Washington compared with the national average 336 acres.

From various parts of the country, reports are that great harvest appears in the offing. The trend continues for larger and bigger farms as labor costs continue to increase.

"Let's see—I think it was 20 years ago you said—quote! 'Hang on to it, XYZ HAS to go up!'

COMING EVENTS

INVESTMENT FIELD

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

Sept. 11-13, 1962 (Los Angeles, Calif.)
Western Association of Stock Exchange Firms' Directors Meeting at the Ambassador Hotel

Sept. 8, 1962 (Detroit, Mich.)
Michigan Group Investment Bankers Association Meeting

Oct. 8-9, 1962 (San Francisco)
Association of Stock Exchange Firms Annual Meeting at the Mark Hopkins Hotel

Oct. 3-5, 1962 (Minneapolis, Minn.)
Minnesota Group Investment Bankers Association Meeting

Oct. 11-13, 1962 (Los Angeles, Calif.)
Western Association of Stock Exchange Firms' Directors Meeting at the Ambassador Hotel

Nov. 4-6, 1962 (Boca Raton, Fla.)
National Security Traders Association Annual Convention at the Boca Raton Hotel & Club

Nov. 25-30, 1962 (Hollywood, Fla.)
International Bankers Association Annual Convention at Hollywood Beach Hotel

April 27-May 1, 1963 (Boston, Mass.)
National Association of Mutual Savings Banks 43rd annual convention at the Statler Hilton Hotel.

May 12-15, 1963 (Chicago, Ill.)
Financial Analysts Federation annual convention at the Palmer House.

Costello, Russotto Branch

LOS ANGELES, Calif.—Costello, Russotto & Co. has opened a branch at 835 South Figueroa Street under the management of Joseph Benton.

Financial Planning Branch

CROA, Fla.—Financial Planning Corporation has opened a branch office at 511 Delany Avenue under the direction of Ivan F. Willson.

Financial Security Office

PORTLAND, Ore.—Financial Security Office has opened a branch office at 3376 Northeast Sandy Boulevard under the management of Tom Boylan.

Attention Brokers and Dealers

TRADING MARKETS

Announcing the Expansion of Botany Industries Maxson Electronics Official Films

Our New York telephone number is 5Can L-4592

LERNER & CO., Inc.

INVESTMENT SECURITIES

190 Post Office Square, Boston 9, Mass.

Telephone: TEL. 342-2400

Cove Vitamin & Pharmaceutical

Common and Warrants

Versapak Film & Packaging

Common and Warrants

HILL, THOMPSON & CO., INC.

29 Wall Street, New York 5, N. Y.

Telephone: TEL. 2-4650