Removing Today's Impediments
Limiting National Banks’ Growth

By Hon. James J. Saxton,* Comptroller of the Currency

Spelled out are the changes being made and which will be sought to reverse commercial bank lethargy that is competitive¬ness to improve the operations of the Comptroller’s Office; and to realign Federal Reserve control. Mr. Saxton declares we can no longer concentrate on liquidity and solvency without regard to supplementing those needs with other equally important ones. Contemplated changes include: mergers and branchings, loans on unlisted securities, underwriting revenue bonds, capital adequacy formula, financial disclosure and bank capital financing including stock options.

We have in our National Banking System a powerful instrument to stimulate our economic growth and to strengthen our international position. So far we have not made the best use of our commercial banks in performing these vital tasks. We all share the responsibility for past deficiencies. Today our task is to look forward, not backwards, nor side¬ways. But we must understand present shortcomings in order to meet future challenges. Recently the Advisory Committee on Banking to my office presented to the President its report on “National Banks and the Future.” That Committee has been exploring since last April the problems confronting our National Banks in their efforts to meet the needs of our growing economy. Many National Banks assisted the Committee through reports of their experience. The Advisory Committee Report furnishes us for the first time a broad, panoramic view of our National Banking System and its problems.

*Some months ago I was convinced that our national banking regulations were outdated, and were severely handicapping the adaptation of National Banks to the ever-changing needs of our dynamic society. I further believed that long years of working under these hampering restrictions had sapped the spirit of our National Banking System, and left it unprepared for its present-day tasks. The intervening months have confirmed my initial views. We have endeavored to meet this challenge, but the task has only begun.

The first step was to improve the channels of communication with the National Banks, and to become more familiar with the operations of the Office in full public view so that all might observe and appraise the policies being followed.

In our Weekly Bulletin we now furnish current information on all of our activities of immediate interest to the banking community. Public hearings are now held on applications for mergers, consolidations, new bank charters, branches, and other matters. Notices of opinions in cases of mergers and consolidations, and rulings on investment securities, are now published in the Federal Register and made available promptly to the National Banks. A program has been instituted for the distribution to National Banks of copies of current regulations and rulings of the Comptroller’s Office, such as letters, memoranda, and instructions. We have found that by opening these channels to public discussion in these ways, the views of the private interests have been more thoughtfully developed.

(Continued on page 28)
The Security I Like Best...
A continued... in which, each week, a different group of experts
of investment and advisory field from all sections of the country
participate and give their reasons for favoring a particular security.

GARRETT J. NAGLE, JR.,
Analysts, Burgess & Leith, Boston.

Combined Insurance Company of America.

"As predicted in last year's report, 1961 has been a great year—but the
first quarter of this year indicates that 1962 will be even better.
" This is how W. Clement Stone, noted in his latest annual shareholders' report and succinctly stated the attitudes of the Combined
Insurance Co. of America.

CICA was incorporated in Pennsylvania in 1919 and in 1940
moved its headquarters to Illinois. The parent company, through its
wholly owned subsidiaries, Combined American Insurance
Company of Dallas, Texas, First Casualty Company of Fort
Worth, and the Southern Hartford Accident and Life Insurance
Company of Boston, Mass., is engaged in supplying accident
and health insurance throughout the 50 states and the District of
Columbia, as well as to Canada, Puerto Rico, Guam, and Australia.

The company has risen to a po-
ite position recently, as one of the leading underwriters of individual
health and accident insurance in the
U.S., with sales of $200,000,000,000
policies in force held by over 1,800,000
policyholders.

Through approximately 1,000
well trained sales representatives, the company has been able to
acquire approximately 90% of the total
sales volume with the balance at
tributed to independent agents. Nearly 70% of the company's sales are
initiated through the low premium
accident policies. The initial pol-
icies ordinarily contain a $6,500,
and $16 or $32 for the full cover-
age policies. Although most of these
policies are noncancelable, the risk to the company is limited by the
maximum pay-
ment for any one injury to six
months, and reducing to 50% ben-
efits to people 70 years of age and
over.

In a great measure, the success of CICA due to W. Clement
Stone, "parent" and President of the
company. Mr. Stone is a rec-
ognized leader in the sales moti-
vation field. He is the co-author of
Success Through a Positive Mental Attitude and editor of the monthly
magazine Success Unlimited.

Recently, Mr. Stone com-
pleted for Prentice Hall his latest
book, The Success System That
Never Fails.

In addition to Mr. Stone, 19 ex-
ecutives officers and directors
round out the well integrated management team where all of these inter-
acting have been associated with the
company for more than five years. The following are the officers and
Directors of the company:

Chairman of the Board:
Mr. W. Clement Stone

President:
Mr. Charles F. Bassett

Vice Presidents:
Mr. Samuel L. Haas, Jr.
Mr. William B. Cary

Secretary:
Mr. John M. Seabrook

Treasurer:
Mr. C. R. Barnard

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The COMMERCIAL and FINANCIAL CHRONICLE

Published Weekly

By R. S. Paine Co.

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Thursday, October 11, 1962

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For any decline in the stock market during the coming months should be viewed as an "unusual buying opportunity." Mr. Dana supports this advice with a prediction of a short-run moderate business decline until late winter and a calendar 1963 industrial average range in the next six months with 1962's low to be the low for a number of years ahead. Recovery will come with greatest probability this year with a better, but flexible policy, and provision to add high quality stocks in next 5-12 months of investing offers. Owners expressed comments on national banks, car, industrial stocks, and net worth ratios.
HOW-NOW THE ART MARKET?
Here and Abroad

Since the publication of our recent articles on "Pictures versus I.B.M." in which we explored the matter of the 1933 Detroit Stock Crash performance in the art market, some interesting additional "indications" have been suggested.

From London come reports of the greatly increased sales volumes fetched by works of art auctioned at the famed Sotheby's. In October-July 1961-1962 these sales of their paintings amounted to $4.4 million, a new high, registering an increase of $500,000 over the previous season and about quadrupling the former three-year average. Prints scored a record 90% increase over the previous season.

While this overall performance is recorded as reassuring as to the year's demand, it leaves out of account a monthly or quarterly breakdown — not notably for stock market comparison: the effect of the 23-24, 25-26 decline on 1962 on the London Stock Exchange. In fact, it is said that a June sale was "stale" and its disastrous results. Also omitted from consideration are the so-called "yottievations" in the quality of the pictures.

Suggested Evidence

The interest proposition has been raised here lately that evidence of the state of the art market is supposed to be reflected in sales of the receipts versus the total of the advanced estimates. The publication, The International Art Market, follows this principle, in reporting as strongly "bullish" that the Burden sale in New York in late June fetched $145,000 against a total advance estimate of $5 million.

While this technique is probably the best available, it entails the highly speculative task of taking into account the possibility (not to mention the complexities) of "buyers and sellers," as art experts (and art buyers and sellers) are apt to say. Incidentally, the optimistic conclusions regarding the above-mentioned Burden sale are out-of-context by some other sales where the proceeds fell short of their estimates as the V. Tatton auction of April 14 at Park Berron in New York, where revenues of $175,000 (1953-6 total $217,000) estimate total.

From the above, it is plain that the main method of measuring the state of the art market would be a year-to-year comparison of the "in" sales versus the "out" sales. These "foreign" participations, barred from capital subscriptions, might be measured in a great variety of forms, including loans, grants, etc.

In Observations, Aug. 16 and Aug. 24, 1962.

For Banks, Brokers and Dealers

OBSERVATIONS... BY A. WILFRED MAY

SPAWNING "DEVELOPMENT"

Whole-sold, as we have described this investment in Latin American aid in the $20 billion Alliance for Progress program extending through the Inter-American Development Bank.

Significant new plans are coming to fruition, for an institution that is, in many respects, a companion venture in another of the world's hot spots, the African Development Bank.

While the United States' contribution to the new institution is not yet estimated, it will be substantially less, as in Latin America. The U.S. grand total of $844 million in contributions in the form of the stock of the Bank will be $2.3 billion, or 33% of the $6.9 billion of the total subscriptions of its capital. Our contributions to the Bank via the Social Progress Trust Fund (not the United States) is $344 million. In a long-term, the African capital subscription to the ordinary capital of the Bank aggregate $30 million out of total $133 million or 4%, with Latin American countries putting up the major portion of the International Bank's IDA, with its loans repayable in local currencies, the U.S. will have extended $16 million out of its $146 million total.

African Preliminaries

At last week's meeting of the African Institution's sponsors in Douala, Cameroon, it was decided to send teams to Europe and the United States to find out what amounts of aid might be expected from the various nations and from the World Bank. Comprising the technical sources of funds being solicited are Rome, Paris, Geneva, Washington, London, Stockholm, London, Ottawa, New York, Washington and Tokyo. The share capital of the African bank, estimated at about $90 million, is to be entirely limited to African countries.

Strongly emphasized, as with the Inter-American Bank in this hemispheric, is the preservation of "pompe rule," i.e., African membership dominant and character as "an effective tool of African development."

The non-African contributions will be raised in four billion. These "foreign" participations, barred from capital subscriptions, will be raised in a great variety of forms, including loans, grants, etc.

In Observations, Aug. 2 and Oct. 4.

Pacific Exch. Member

San Francisco, Cali.—Robert M. Bacon, former President of the Pacific Stock Exchange effective Sept. 29, 1962, by transfer of the membership form of John H. Bacon, the company and as Vice-President and director of the fund.

Mr. Bacon entered the securities business in San Francisco in 1935, joining his father William R. Bacon, former President of the San Francisco Stock Exchange. Mr. Bacon joined E. F. Hutton & Co. in 1952.

Special Purpose Corporations, trust funds, and participations in the Bank's loans and its debentures, promise many satisfactory expectations of our "softness," relative.

In any event, as with the Latin American aid, there will remain of getting the aid permeated through to the right hands, political and economic success and importance of removing the various strongdeterrents to accomplishing private investment.

P. S. ON OUR DEPT'S MANAGEMENT

In our article "So Far So Good" in this space last week, we pointed out that a special President's Day for the financing of the deficit outside the government's current funds during this year has been sound, it leaves out of account the monetization of the debt and inflation which—despite the presence of various effects—result from purchase of our own paper by the Federal Reserve System.

The succeeding report as of Oct. 3 by the FED, disclosing the large loan to the Federal Reserve Banks of $4,664,000,000, on record, shows this trend continuing. To be sure, the holdings of Governments at $30,589,000,000 marks a new high. At Sept. 30, 1961, former, the total holdings were "down" at $27,972,000,000.

Weekly changes, with their offset factors, would not necessarily be noted by a few, but, surely over a year long, the trend should be watched.

Hawkinson res. of TV Fund

CHICAGO, Ill.—The election of John Hawkinson as president of Television Shares Management Company, 1292 South La Salle Street, investment manager for the Mutual Life Assurance company, 14 New York, is announced by Chester D. Leining, chairman of the management corporation and President of the fund.

Mr. Hawkinson was Vice-President, Treasurer, and a director of Central Life Assurance Company, Des Moines, Iowa.

In his new position, Mr. Hawkinson succeeds William H. Cooley, who has been acting as president of the management company and as Vice-President and director of the fund.

Today's Profit Expectations

Hinder Investment Spending

By Dr. Gabriel Haugs, Vice-Chairman of the Board, Manufacturers Hanover Trust Company, New York City.

Hard-keeping review of economic growth fundamentals criticises prevailing views held as to economic causes and effects, and stipulates alternative policies. Government investments and in, prosperity and growth. Dividends, be admonished, can be paid out of depreciation, and high—otherwise, the price of doing business is lowered, total imports increased, and curtling it where it must.

Research and development has increased by 20% during the five years of the time. Our progress hinges on the creativity of inventors and individuals. The rapidly submitted to long and rigorous preparation, and on the practical men who can find a way to make things happen. It is a significant, the U.S. economy by 100%, in the Soviet bloc. But the main directions for growth we must work on will be manufacturing because the history never fully repeats itself. New circumstances and new men make the problems today's novel. Toward our solution must blend creative imagination with the lessons learned from the past.

Fast and Present

In the early days of our history, Americans explored the treasured house of nature. Later, the vigorous great economic and industry was made possible by a wire systems of laws, rapid growth of railroad, and the prevailing gospel of work. Our laws passed the freedom of choice to enter any occupation or line of business the right to manage one's affairs as long as one's income, wisely or not, free choice of party and political allegiance. Such laws rewarded initiative, responsibility, talent, and effort, and attracted people with traditionalism from the sea. Trade was relative unhappiness.

Education, the practical arts received encouragement far beyond the standards of the time.

We grew rich and powerful with the aid of borrowed foreign capital, immigrant labor, and imported materials. We put them to good use, and now we stand on our feet as sources of intellectual achievement for others. If our past teaches us and others one thing, it is that Water is the "maxim" of the "method of freedom."

Progress today still depends on the work and enterprise of millions. The numbers have risen, and the terms are more exacting. Rude labor which hatched out a nation from the wilderness is no longer good enough. That we have come a long way doesn't make the road easy. Men today must have many and changing skills, for the path of technical progress is strewn with obsolescence. Upon education, the task of serving shock absorber and life preserver, preventing obsolescence and uncertainty, has fallen and curing it where it must.

The growth of cities and their effect on the percentage of making people more dependent than ever on their jobs, on each other, on their governments.

Economic progress today, more than ever, is sought amidst radically altered world conditions. We live in a space-atomic aged that has given man the power to destroy life as a force of nature. Our role as chief defender of the West calls for a coordinated defense effort that can control the progress and destroy its structure. Taxes remain stable and inordinate. The urge for total defense of security technical skills continues unabated. Yet defense has increased the national economy more closely todger, extensive and personal, contributed to the advanced skills to the civilian economy.

At the same time, in the wide world around us we feel the impact of new peoples coming to nationhood, even as advanced peoples are disintegrating defense efforts and those that endanger the nation's freedom and resources.

In this time of surging change, the fortunes of the economy are tied to the actions of the state of the world over. It is everywhere, that if we win, if we lose, it does and falls to do, and its manner of achievement, making financial functions and responsibilities, lend momentum to our forward movement. The central government, the economy, or districts it; guides it or militates against it. Agenda for great economic growth in 1963, searching analysis of public programs and policies.

European Experience

The economies of European countries for our inquiry seem to move straightforwardly enough. Those nations whose economic progress...
Meeting Balance Payments And World Liquidity Needs

By Hon. Robert V. Roosa* Under Secretary of the Treasury for Monetary Affairs, Washington, D. C.

Our strategists and tacticians in the fight to solve our balance of payments: (1) blueprint the Government’s program; (2) emphasize that the principal objective of our policy is to stop the exodus of dollars; but mainly by persuading our allies that it would pay them to keep their dollars out of our hands. How? By purchasing here, at lower costs, some of the million dollar worth of goods that America needs— and achieving the ends of standardization at the same time.

We are in the process of revising our foreign exchange policies and of making specific recommendations to our allies to adjust their payments system and to replace fundamental corrective, Dr. Roosa reiterates there is no intention of imposing unilateral measures. He also cites the recent Canadian experience as an illustration of the effectiveness of new cooperative arrangements made.

The A.B.A. meetings began here in Atlantic City just as the annual meeting of the Free World’s finance ministers and central bankers ended in Washington, D.C. The financial officials of the more than forty countries renewed, indeed they reaffirmed, their expressions of confidence in the dollar and in our financial system.

Robert V. Roosa

New Government Action

That is why we have a special committee, headed by Secretary Dillon, which reports directly and frequently to the full Cabinet. The committee advises on all matters concerning the financial system, including the management and directives of the Federal Government.

Out of that committee’s work has come a new central system, covering all expenditures of funds overseas by every Federal agency. Every item must now be justified in terms of today’s priorities. And the national export drive is being supplemented by new impetus from the appointment last July of an Export Council. The council’s program will be designed to expedite all the vast expanded services for exporters that we have not yet noted, but actively, by working with individual companies and industry. It’s an all-out effort for expanded sales around the world.

So far as Government’s own part of the deficit is concerned, the large items have been military outlays and economic aid. Over the past 18 months, the Defense Department has cut roughly one-third from our net dollar spending through pending heavy on the new National Exchange Council, which has a regional component. The participation of 10,000 individual businesses.

Many are aware of these activities in their own area. You are crutially situated in situations involving the leadership necessary to make this program a success. I realize that bankers cannot all become financial experts to meet the banking community itself has vast resources of knowledge and experience, and fundamental objectives of freeing trade and payments between countries, but for immediate dollars-and-cents reasons— they would cost us more than they could possibly save. Our own money and capital markets are the most highly organized, most efficiently diversified, of any in the world. To try to impose controls by a few local politicians in any one of these areas would be entirely as ineffective, could only invite capital flight through many others. And to try instead a fragmentary approach—clamping the hands of the foreign transactions, or credit rationing, over the accessibility of dollars to the markets—would literally bleed the bloodstream of American capitalism.

No, so far as the flow of capital is concerned, there is no effective way to compel the flow of dollars to the markets themselves. That is why, as far as volatile short-term capital flows are concerned, we have combined the influence of debt management and monetary policy with our own year taxes to exert upward pressure on foreign short-term money rates. At the same time, we have maintained the pressures of Governmental operations in the longer-term market so that constructve investment in home would be encouraged. These operations in the short-term market have steered millions of dollars into short-term investments in the key Eminence of investment into the medium-term and field, and we expect that it will have a broad impact on the policies to invest one thousand exporters covering potential export of one-half billion dollars before the end of the year.

This combination of Government support with private enterprise can now provide exporters in this country with credit facilities that are the equal of any of mutual benefit . . .

Successful municipalities relying upon the independent financial consultant enjoy numerous benefits: favorable money rates, increased underwriter and dealer acceptance of their bond issues to name a few.

And, the municipal underwriter and dealer benefit equally. For the underwriter can be assured that the myriad of details such as engineering studies, feasibility reports, analysis of over-all debt structure and financial public relations that have been carefully planned and attended to prior to the financing.

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Lever Light Calendar

The calendar of scheduled new issue offerings continues to be relatively thin. The past two weeks have averaged about 1.5 million, not to mention the 250,000,000 at present. This has been a consequence of the past two months, which have seen the stock market down 25% since November. The overall performance of the market continues to be weakened by the Speculation which has been the major feature of the market. The overall performance of the market continues to be weakened by the Speculation which has been the major feature of the market.

Yueld Index Reflects Price Rise

The Commercial and Financial Chronicle’s yield index shows a market that is not as far away from its recent highs as the Speculation which has been the major feature of the market. The overall performance of the market continues to be weakened by the Speculation which has been the major feature of the market.

Next Week’s FrontPage Outlines

There is a little more move in the local bond market this week, which will stimulate interest. Some of the local bond market continues to be weakened by the Speculation which has been the major feature of the market. The overall performance of the market continues to be weakened by the Speculation which has been the major feature of the market.

MARKET ON REPRESENTATIVE SERIAL ISSUES

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*No apparent availability.

Larger Issues Scheduled For Sale

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

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*No apparent availability.
Profits Out of Thin Air

By Ian A. Cohnleigh, Economist

An autumn leaf of some significant procurement practices, production capabilities and profits among the aerospace companies.

The thing most attractive to investors about the aerospace industry is the fact that it is the largest and richest one in the world, the United States Government, being the primary customer, has limitless buying power; he is determined to increase his expenditure up to the skies and he has, in fact, expanded his spending steadily and hugely, for at least the next decade. The moon shot with its estimated cost of $25 billion, will cost $29 billion, to say nothing of our multi-range missiles, satellites, rockets, retaliatory weapons, and a whole load of new radar technology, centering around lasers.

Transition

The magnitude of all these expenditures tends to erode from aerospace companies, cyclical tendencies, but what the government is buying is a single-shot item, the aircraft of the future. While our primary U. S. defense force remains, a new market for production in this category is phasing out, with contracts completed this year, on the Boeing B-2 and the Convair B-58 (General Dynamics). The transition from conventional airplane production to missiles and space vehicles has drastically modified the entire industry. During World War II, assembly line flow of bombers and fighters was the big thing, with tens of thousands of workers on production lines, and the "swing shift" as much talked about as "the twist" today.

Now, all over the country, huge assembly lines, bending, welding and completing wings, frames and tails have given way to the technology laboratory, awash with highly trained scientists, engineers and technicians. The ratio of highly skilled to production workers has changed dramatically in companies like North American, McDonnell, Northrop, etc. The emphasis has gone into technology and resulting swift obsolescence in space-craft, dictates massive outlays for Research and Development.

Government contracts today may be in the air, but even what is bought is not so much geared to design and creation of relatively few highly sophisticated, electronically laden vehicles, missiles or satellites, models or prototypes. Further, the government now insists on getting more for its dollar. It is airing the big R & D contracts to companies with proven capabilities in design and development of prototypes with a high reliability and production capability; companies that have displayed effective cost control techniques and provided good past performance on contract fulfillment. Renegotiation is no longer an important factor, but that is only because the government support for strong (but inefficient) unions is the order of the day in Congress and on the West Coast.

Use of incentive-type contracts is being extended both by the Department of Defense, and NASA. Those companies capable of winning the contracts, by giving them a share in cost savings. Equally, they can penalize the inefficient, since losses incurred when costs exceed basic contract estimates, must also be shared.

McDonnell Aircraft

McDonnell ranks as probably the world's largest builder of military jet plant. In the past ten years, it has produced a combined total of over 2,000 Demons, Banshee and F-4F-1 Fighter bombers (a variation of the Phantom II all-weather plane) to be the major Navy carrier plane, and has been also by the Air Forces for tactical and reconnaissance work. Together, service orders call for the delivery of 966 of these planes in fiscal 1963.

Even more newsworthily is McDonnell's position in the automobile industry. The company designed and manufactured the earliest mounting of a domestic-manufactured jet engine in the Lear Jet, briefly, a design of his, forerunners manufacturing round out the Lear-Jet fleet of vehicles.

Lockheed

Quite probably the biggest buyers and investment managers, today, is the common of Lockheed Aircraft. Here the transition from aircraft to aerospace production has been smoothly made, and, to-day, Lockheed is represented in all phases of space flights, from propulsion, control and guidance systems to complete missiles, rockets, satellites, and satellites. Lockheed is a prime contractor to many major projects, and is renowned for development and production of our most important strategic missiles, Polaris. Lockheed has already fielded over $1.1 billion in contracts, and its share of the three contracts is $1.8 billion. Other aerospace projects at Lockheed include the Atlas missile, Sergeant satellite, the Avio booster, which supplies orbiting power for new satellites, and the C-141 military transport, the F-104 and Orion fighter planes. The company also has diversified commercial production in shipbuilding, industrial cranes and plastic film.

Since 1950, the development of the Electra resulted in substantial losses, Lockheed earnings have improved. Per share net, $3.29 in 1953, is expected to advance to about $4.60 this year and probably over $5 in 1963. Lockheed common, at around 50, is selling at less than 12 times. Indicated 1962 net, and pays a $1.20 dividend, which might be increased.

North American Aviation

North American Aviation is regarded for its "track record" in fighter planes and rocketry. It is the recognized leader in liquid rocket propulsion and prime rocket engine for the Apollo "Man-in-Space" program. Research at Rocketdyne Division is heavily devoted to increasing the thrust and booster power of our space vehicles. North American projects include the guidance system for the Minuteman, Manned (today to air power, Manned to Airpower, Manned to Airpower, Manned to Airpower, Manned to Airpower, Manned to Airpower, Manned to Airpower), and the C-47 military transport, the F-104 and Orion fighter planes. The company also has diversified commercial production in shipbuilding, industrial cranes, and plastic film. Since 1950, the development of the Electra resulted in substantial losses, Lockheed earnings have improved. Per share net, $3.29 in 1953, is expected to advance to about $4.60 this year and probably over $5 in 1963. Lockheed common, at around 50, is selling at less than 12 times. Indicated 1962 net, and pays a $1.20 dividend, which might be increased.

Equitable Securities Corporation

Hemphill, Noyes & Co.

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FLORIDA SECURITY DEALERS ASSOCIATION

At its recent election meeting, the Florida Security Dealers Association re-elected the officers for the ensuing year. They are:

Henry M. Ufford
President—Henry M. Ufford, Calvin Bullock, Ltd., Miami.

Robert J. Pierce
Vice-President—Robert J. Pierce, Pierce, Carrison, Walburn, Inc., Jacksonville.

William R. Houck

Lee P. Moore
A. M. Kidder & Co., Inc., Winter Park, and Mr. Houck were also elected to three-year terms on the Board of Governors of the Association.

SECURITY TRADERS ASSOCIATION OF NEW YORK

The Security Traders Association of New York will hold its 87th Annual Meeting on October 16th at the new Americana Hotel, October 13th. Those planning to attend should make reservations with Michael J. Henney, Michael J. Henney & Co., as soon as possible, as they have no no-shows set in for the docket.

The Association has also announced that the Nominating Committee will hold an opening meeting at Oscar's Delmonico Restaurant, Tuesday, 15th. The annual meeting of STASY will be at the Harbor View Club on Friday, December 7th.

For banks, brokers and financial institutions

Our latest brochure

"Facts & Figures on:

56 OTC Institutional-Type Utilities

Gas Producers/Pipelines

Independent Telephones"

summarizes the number of funds and insurance companies holding each of the companies above, the 1992 high-low, industry average, dividend, current yield; latest 1992 earnings per share and approximate current price.

Copy on Request

NERST NOTES

FLORIDA SECURITY DEALERS ASSOCIATION


Carroll House, Pittsburgh 19, Pa.

Also available is an analysis of Technical Measurement Corp.

Bend Market—Review—Wayne Hummer & Co., 105 West Adams Street, Chicago, 82, Ill. Also available is a list of interesting Low Priced Stocks.


Consumer Electronics Companies—Memorandum—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

Department Stores—Analysis—Orvis' Brothers & Co., 39 Broad Street, New York 4, N. Y. Also available is an analysis of Building Trades issues, with particular reference to the “Housing M. H. Hummer & Co., 105 West Adams Street, Chicago, 82, Ill.

Lithonia Lighting, Masco Corp., Melnor Industries, Modern Homes Corporation—Union Securities Co., 220 Bay Street, New York 4, N. Y.


Fourth Quarter Outlook—Discussion—First Security Bank of Utah, Salt Lake City, Utah.

Japanese Market—Review—Novum Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is an analysis of Mitshukoshi Ltd.

Japanese Market—Survey—DaWa Securities, 149 Broadway, New York 6, N. Y. Also available are memoranda on Honda Motor Co. and Yokohama Rubber Co.

Japanese Printing Industry—Analysis—Yamachi Securities Co. of New York Inc., 111 Broadway, New York 6, N. Y. Also available are data on Dai Nippon Printing and Toppan Printing.

Life Insurance Industry—Analysis—Straus, Blosner & McDowell, 29 South La Salle Street, Chicago 3, Ill.

Liquor Industry—Memorandum with particular reference to American Distilling, James E. Beam & Paddington, Bruns, Nerdenman & Co., 115 Broadway, New York 6, N. Y.


New York City Banks—Quarterly comparison of 9 largest banks—Bankers Trust Company, 16 Wall Street, New York 3, N. Y.

New York City Bank Stocks—Third quarter comparison and analysis of 10 New York Bank stocks—Laird, Bisell & Meade, 120 Broadway, New York 6, N. Y.


OTC Institutional-Type Utilities—Gas Producers/Pipelines and Independent Telephones—Brochure on 56 issues—Trouter, Singer & Co., 74 Trinity Place, New York 6, N. Y.

Over-the-Counter Index—Bulletin showing an up-to-date comparison between the listed industrial stocks and used in the Dow-Jones Average, and the counter industrial stocks used in the National Association of Securities Dealing Averages, both as to yield and market performance over a 13-14 year period—American Industrial Corporation, 600 Park Avenue, New York 22, N. Y. Also available is a discussion of Crescent Petroleum Corp. Silver and United Idaho Hill Mines—Analysis—Arnett Partners Limited, 220 Broadway, N. Y. Ont., Canada.


Tax Slices—Bulletin—Fahn¬ ge & Co., 5 Broadway, New York 6, N. Y. Also available are reviews of Foxboro Co. and Green Shoe Manufacturing Co.* * *


A.M. Corporation—Report—Westheimer and Company, 124 East Fourth Street, Cincinnati, Ohio. Also available are reports on Drackett Company, Frisches Restaurants Inc. and Na¬ jene, Inc.

Arlam's Department Stores—Reviews—Carroué & Co., 115 Broadway, New York 6, N. Y. Also available are comments on Cott Bottling of New England, Co., 115 Broadway, New York 6, N. Y.

American Express—Memorandum—Laird, Bisell & Meade, 120 Broadway, New York 6, N. Y. (500 copy).

Armstrong Rubber—Memor¬ randum—Pershing & Co., 120 Broadway New York 5, N. Y.

Ashland Oil Co.—R. W. Sparks & Co., 120 Broadway, New York 5, N. Y.

Associated Life Insurance—Life Insurance—Butcher & Co., 220 Bay Street, New York 4, N. Y.


R. G. Barry Co.—Memorandum—Rich¬ ter & Co., 24 Wall Street, New York 18, N. Y.

Beech Aircraft—Report—Colby & Company, Inc., 83 State Street, Boston, Mass. Also available are reports on EDO Corp. and Fibre¬ board Paper Products.

Belo Corporation—Bulletin—Sutro Bros. & Co., 89 Pine Street New York 3, N. Y. Also available is a revised of Fubbon Superintendent Co.

Borg-Warner Corp.—Analysis—Goldman, Sachs & Co., 87 Broad Street, New York 4, N. Y. Also available is an analysis of La Marcas Co.

California Liquid Gas Corp.—Memorandum—Kidder, Peabody & Co., First National Bank Build¬ ing, Chicago 3, Ill.

Canadian Aviation Electronics Ltd.—Auburn-Watt & Watt, Ltd., 6 Jordan Street, Toronto 1, Ont., Canada.

Christiania Securities Company—Bulletin—Laird, Bisell & Meade, 120 Broadway New York 5, N. Y. Also available is an analysis of General Foods Corp.


Corporal Ridge Properties—Analytical brochure—A. C. A. Allyn & Co., 22 South La Salle St., Chicago 3, Ill.

Deere & Co.—Memorandum—Hoy¬ ster, New York 3, N. Y. Also available is a memorandum on Oxford Paper.


Drake Co.—Analysis—John H. Kaplan & Co., 120 Broadway, New York 5, N. Y.

Ex-Collt. O Corp.—Survey—Abrams & Co., 220 Wall Street, New York 5, N. Y. Also available is a survey of Frasch Fratavier Co.

Financial Chronicle—Banking—Memorandum—Kidder, Peabody & Co., 20 Exchange Place, New York 9, N. Y. Also available is a memorandum on Pargis Inc.

Goldburn Properties—Memorandum—(Kidder, Peabody & Co., 20 Exchange Place, New York 9, N. Y. Also available is a memorandum on Madison Ave., New York 16, N. Y.

Goldburn Properties—Survey—Stan¬ ley Hefler & Co., 44 Wall Street, New York 16, N. Y. Also available are comments on Chicago Great Western and Illinois Central.

Garfield Mill—Memorandum—P. W. Brooks & Co., Inc., 120 Broadway, New York 5, N. Y.

Emphasis on Liquidity Costly to Commercial Banks

By Charles A. Agemian, Controller General, The Chase Manhattan Bank, New York City

Excessive concern with liquidity in commercial banks is losing its effectiveness. Profits are earning the banks money. The financial condition of many banks is improved, but many are still in need of improvement. There is a need for banks to maintain adequate capital and to invest in assets other than U.S. Government securities. "As conventional, F.H.A., V.A., mortgages, long-term municipalities and consumer loans, have increased, so has the demand for capital to finance these loans. The banks provide nothing—least of all liquidity. The Federal Reserve bank, which has been the most sterile, nonearning asset on a commercial bank's book. . . .

There is still a great deal of work to be done to change ar¬
chaical regulations, and to encourage the investing of this hard core of deposits representing savings into businesses that can make the profit."

**-A talk by Mr. Agemian before the Savings Divisions at the 85th annual conference of the American Bankers Association, Atlantic City, N. J., Sept. 24.-**

Reuben Rose V-P.

Irvin L. Axelrod was elected a Vice-President of Reuben Rose & Co., Inc., 115 Broadway, New York, N. Y., members of the New York Stock Exchange.

**ABA Monograph On Commercial Banking Industry**

The Commercial Banking Industry, a 392-page monograph prepared by The American Bankers Association, was published Oct. 10 by Prentice-Hall, Inc., Englewood Cliffs, N. J.

The monograph was written by the ABA's Department of Eco¬
omics and Research, using pre¬
pared materials by over 20 ex¬
[...]t in banking and academic fields. The monograph was re¬
[...]uested as background material for a study of the nation's finan¬
[...]al structure by the Commission on Money and Credit.

**Recommendations and conclusions of the monograph are the ones submitted to the Commission on Money and Credit. Other chapters have been revised and short¬ended.**

The monograph on commercial banking is one of eight volumes in the Library of Money and Credit published by Prentice-Hall.

The other seven, prepared by leading financial groups, are:

**The Consumer Finance Industry**

Life Insurance Companies as Financial Institutions.

**Management Investment Companies**

Mortgage Companies: Their Place in the Financial Structure.

**Mutual Savings Banking: Basic Characteristics and Role in the National Economy**

**Property and Casualty Insurance Companies: Their Role as Financial Instruments.**

**The Savings and Loan Business: Its Purpose, Functions, and Eco¬
[...]nic Justification.**

Copies of The Commercial Banking Industry may be ob¬
[...]ined from The American Bank¬
[...]ers Association, Department of Printing, 12 East 38th Street, New York, N. Y. The price is $7.50 per copy.

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[...]urities issues—and in developing or analyzing merger proposals or the financial aspects of other corpo¬
[...]ate problems. If no sale of securities is involved, the Corporation's services are available on a fee basis.

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State, Municipal, Revenue and Housing Securities

Bonds, Preferred and Common Stocks of Industrial, Public Utility and Railroad Corporations

Bank Stocks

Casualty, Fire and Life Insurance Company Stocks

Bankers' Acceptances

Certificates of Deposit

Securities of the International Bank for Reconstruction and Development

Canadian Securities

External Dollar Securities
Strengthening Banking
And Our Economic System

By Sam M. Fleming,* Retiring President of The American
Bankers Association, and President of the Third National
Bank in Nashville, Tenn.

End of the year report by retiring bankers' spokesman admonishes
country's bankers to maintain the strength of our banking
system, and the strength of our national economy. Mr. Fleming
recognizes domestic and international economic problems confronting
the nation, and lists the Association's accomplishments in the past year.
The retiring leader recommends that we stick to the tried and true
path to economic growth, and he notes that the experience of bankers
gaining increasing recognition. Turning to the increased interest rate ceiling on savings deposits, Mr. Fleming observes it
has not been an unmixed blessing and that it requires hard work
to avoid profit squeeze.

As a starting point for my report, I would like to comment on
a very significant development that has occurred within the last
week: That is, the release of a report containing some
84 recommendations by the A d v i s o r y
Committee to the Comptrol ler of the Currency. The A. B. A. web
comes any undertaking to
reexamine existing laws
and practices in order to enable
banking more efficiently to meet
the needs and challenges of the future. We are a debt of grati-
tude to the distinguished men who
gave of their time and talents to
collate such a comprehensive set
of proposals.

Time will be required to ana-
lyze fully all of the recommenda-
tions. Your Association is pro-
ceeding rapidly with such analy-
ses in the knowledge that it
is our stated policy to exert the
full weight of the Association to promote integrity and vigor of our
dual banking system.

Historically, the dual system of
banking is comprised of two ele-
ments—one federally chartered
and the other state chartered,
each having the full right to act
independently so long as such
actions do not impinge on the
rights of the other.

One of the main reasons this
system has thrived and contrib-
uted so materially to the growth
and development of our country
is that the Federal Government
has not been permitted to overstep
the judgment of the 50 states with
respect to banking structure and
branching practice. It is the con-
sidered view of your Association
that if the dual banking system is
to be perpetuated with the capaci-
ty to continue to perform its
vital role in the nation's economy
this right of the respective states
must be preserved.

Another development of pri-
mary importance is the increased
status and respect which com-
mercial banks have gained in the
country's capital.

We have long realized that
the strength of the banking sys-
tem is essential to the strength of
our national economy. Yet, in many cases in the past, we
have been reluctant to take posi-
tive positions on broad economic issues. Too often we have been
content to sit quietly by in the
wings when vital economic issues
were being debated. Then when
decisions were made which we
thought were not in the best in-
terest of our country, we gener-
ously protested, only to find our-
selves objecting to an encompassing
fact.

In the recent past, we have
made major strides in asserting
ourselves forcefully and, I hope,
articulately. At long last, we have
come to the realization that we, and
Americans, must share the conse-
quences of economic decisions re-
garding whatever we are doing in
our making. Our whole demo-
cratic system is based on the prin-
ciple that the decisions made as by the individual. This principle is
everyone. It is the responsibility of
call of bankers who, because of the
nature of their profession, are ex-
pected to be familiar with matters
of finance and economics.

By meeting this responsibility and moving to the front in eco-
nomic discussions, we have gained
new respect for bankers and
banking.

We find our opinions are being
sought on a wide range of
problems. We are being in-
vited to participate in more
and more discussions, and our voice is
increasingly heard with more regularity.

The impact of our experience and
knowledge is beginning to be felt on an
ingering number of issues vital to
the welfare of our nation.

We Americans are idealists.
This characteristic is our desire to
solve domestic issues as social wel-
fare, unemployment, medical care,
and the aged, and the farm prob-
lem.

Today’s Problems
But we must restrain ourselves
so that we do not undertake more
than we can accomplish. We must
give priority to programs which
are necessary for the survival. Naturally,
the top priority should be given to
our national defense—but in such
manner that community growth
and mismanagement are eliminated.

Close behind is the problem of
the chronic deficits in our inter-
ation trade. In 11 of the last 12 years, the fig-
ures have been in red. Gratifying
progress has been made in
reducing the deficits, but the prob-
lem by no means has been consid-
ered solved. We must be willing
to discipline ourselves to such
measures as tariffs to correct this
imbalance which is drain-
ing away our gold supply and
which, if not righted, will in time
undermine the soundness of the
dollar.

Other goods are meeting increased
competition in world markets. We
must do everything in our power to
encourage a conscious restraint
on the part of both labor and
management so that we are not
price-cutting out of these markets.

The new deflation schedule and
the investment restrictive section of
the tax bill which should spur the
modernization of plant and equip-
ment may be in the right direc-
tion and should be applauded by
the banking community. Yet, we
must guard against the com-
plete overhaul of our outmoded
system of taxation, which is such
a powerful stimulant of economic
growth.

Advocated countries that their
growth is commendable, but it serves
the national interest that we have
programmed in such a way that the
strength of our economy is not
jeopardized. The benefits received from our aid programs are
subject to question as we watch the terms of trade con-
stantly worsen for those undevel-
oped countries whose economies are so predominantly agricultural.

However, in establishing priorities for broad economic policies we
should not neglect basic eco-
nomic objectives.

All of us—whatever our eco-

However, in establishing
nomic interests or who vigorously
protest, only to find our-

Our participation in such
discussions can be effective only if
it is based upon a thorough ap-
proach of the challenges and
courses which confront us as a
country. We, must, therefore, be
alert to new developments affect-
ing our economic future and sen-
sitive to broad currents of thought
in the field of international fi-
nance and economics.

A. B. A.'s Accomplishments
Much work of the Association
during the past year was devoted to
studying these economic mat-
ters so that the Association and
individual bankers might be able
to make knowledgeable judge-
ments.

To assure that organized ban-
king has not been sacrificed but that the means to make such facts known,
we have greatly strengthened the staff of our Washington office.
Our efforts have begun to reap
rewards, and solid accomplishment has been realized in the current
session of Congress.

Here are a few of the highlights:

* There is every reason to believe
that we have established the prin-
ciple of tax uniformity.

Our conferred that the proper
approach toward assuring pay-
ment of taxes on dividend and in-
vestment income is notification rather
than withholding also appears to
be achieved.

We have been sustained in our
Continued on page 18

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The Commercial and Financial Chronicle... Thursday, October 11, 1962

SPECIALISTS IN

* United States
* Government
* Federal Agency
* State and Municipal
* Securities

Continued from page 16
Two Needed Reforms
For Member Banks

By E. Sherman Adams, Vice-President, First National City Bank, New York City

New York banker and former A.B.A. economist in clear-cut terms explains why (1) time and savings reserve requirements should be dropped; (2) demand deposit reserve ratios are too high; (3) reserve bases on geographic differentials should be eliminated; and (4) interest rate ceiling on time deposits.

Dr. Adams calls for a thoroughgoing of member bank reserves and restoration to commercial banks of their principal function as an intermediary for inter-bank financing.

I
Burdensome Reserve Requirements

The reserve requirement against time and saving deposits of member banks is outdated, unwaranted, illegical and discriminatory and should be abolished as part of a comprehensive program of reserve reform.

I doubt if anyone could dream up more than three vague plausible arguments for perpetuating this requirement; namely, (1) that it is needed for Liquidity, (2) that it is useful for credit control, or (3) that the Reserve has a right to the earning assets of member banks because of an agreement to deposit a certain portion of their own assets.

None of these can stand up under scrutiny. Take the liquidity argument. Required reserves are not available to meet loan demands and hardly at all to meet deposit withdrawals. In fact, they are the most non-liquid asset the average bank holds, more fixed than its fixed assets.

Some people assume that this requirement is somehow justified for credit control purposes. The Commission on Money and Credit considered this and came to the opposite conclusion. Its report states flatly that this requirement is unnecessary and should be repealed. Only one member of the Commission dissented, a labor union official.

After all, credit extension based on commercial banking savings deposits is no different from credit extension by other savings institutions. From a monetary standpoint, these deposits are in the same general category as mutual savings bank deposits, shares of savings and loan associations and, for that matter, U.S. Savings Bonds. There is no more execrable incentive for the present reserve requirement against these deposits than there would be for imposing a comparable requirement on other thrift organizations, including a requirement that the Treasury maintain unseizable savings bonds.

Anyone who tries to justify this requirement on the basis of the change in revenue it yields to the Treasury (via Federal Reserve bank earnings) puts himself way out in left field, right by the foul line. I have yet to hear of any theory of taxation that justifies the Treasury in taking all of the earnings of a portion of the American population. Would anyone have the temerity to suggest that this approach be applied to other busin¬ess firms?

So, it seems clear that this requirement should be repealed. However, it is important that this should be coupled with other needed reforms in the reserves set-up. Reserve ratios against demand deposits might indefinitely postpone these other important reforms. What is needed is a thoroughgoing reassessment of the whole system of member bank reserves,

II
An Unwarranted Price Control

Too little attention has been given to the problem of the interest rates that banks can pay on time, as contrasted with savings and loan association deposit rates. A rather high rate-regulation for savings deposits may drag on for many years. Meanwhile, it makes no sense that U.S. banks should continue to be competitively forced from competing effectively for time deposits, domestic as well as foreign.

Time deposits are a completely different animal than passbook savings deposits, not sixty-day reserves or vacation money; they are short-term investment funds, money-market money.

The arguments advanced in favor of a rate ceiling on personal savings have little application to time deposits. There is no reason in the world why a ceiling imposed on thrift assets should apply to these deposits. They are different kinds of money.

Some people have no impression that banks are competing effectively for time deposits right now, but this is not the case. At the present time banks have no assurance that the money market interest rates will rise, they will be able to pay the higher rates that will be required to retain deposits. Lacking this assurance, they cannot prudently compete aggressively in this money now. If they had such assurance, I believe they would cut the period of time, substantially increase the volume of their time deposits.

This is proper banking function, serving as an intermediary for short-term money. It is a function the commercial banking system should be permitted to perform. It would contribute to the orderly functioning of the American money market, and this would clearly be in the national interest as well as the interest of banking.

Coughlin & Co. 30th Anniversary

DENVER. Colo. — Coughlin and Company, Security Building, members of the Midwest Exchange, is celebrating the 30th Anniversary of its establishment in 1902. The firm acts as distrubutors and dealers in municipal and corporate securities of the Rocky Mountain area.

Officers are Edward B. Coughlin, Chairman of the Board; Walter J. Coughlin, President; Herbert P. Whitehead and Robert F. Gerwin, Vice-President; James M. Coughlin, Assistant Vice-President, and Wallace B. Wester¬man, Comptroller. The firm's institutional sales department is under the direction of Henry J. Jensen.

Edward B. Coughlin has been identified with the investment banking business for 40 years. Walter J. Coughlin, the firm's President, originally intended to pursue the practice of law, but became interested in investment banking and devoted his talents to this vocation. A graduate of the University of Loyola School of Law, he is a member of the Illinois Bar Association. He has served the Investment Bankers Association as Governor for the Rocky Mountain region, and also serves on the Board of Governors of the National Association of Securities Dealers.

Lazard To Admit W. B. McConnel

Lazard Freres & Co., 44 Wall Street, New York City, has announced that W. Bruce McConnel, Jr., has become associated, with the investment firm and that, subject to the approval of the New York Stock Exchange, he will become a partner of the firm on Jan. 1, 1963.

Mr. McConnel has been associated with the Pitts¬burgh firm of Singer, Deane & Scriber since 1946 and has been a general part¬ner of that firm since 1951.

He is the Chairman of the Western Pennsylvania Group, Investment Bankers' Association of America; Past President of the Bond Club of Pittsburgh, and currently a member of the Board of Gover¬nors of the Association of Stock Exchange Firms.

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"From a talk by Dr. Adams before the American Bankers Association of the District of Columbia, All the City, Sep¬tember 28, 1962."
FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

President Kennedy in undertaking his weekly barnstorming tours is trying to accomplish what no other President has been able to do. Regardless of how popular the polls may show Mr. Kennedy to be, his popularity won't rub off on the Congressional candidates. As in seeking for the election of Democrats who will support his program the President forgets that part of the program which was rejected was turned down in most instances by sizable votes and Mr. Kennedy has no basis for the feeling that Congress was acting against the wishes of the people.

It is the business of members of Congress to know what the people want and nobody can keep his ear closer to the ground than one who comes back to Congress year after year. They get mail on every conceivable subject and, in spite of the complaint of cynics that the Congressman never sees his mail, they know the contents of every letter that comes into the office. If he doesn't read it himself, his Secretary catalogues it for him and tells him at the end of the day what it says. Newspaper papers in his district are closely scanned, too, and it is they that are watched rather than the big metropolitan papers.

The frequently quoted expression that Mr. Kennedy has a larger following than his popular is a lack of validity. Mr. Kennedy has two qualities which are making him work active for him and they have to be watched by the opposition. These frequently don't like his proposals but they like his boy.

In some instances, as in the case of organized labor, they will bury their opposition to a particular measure and go along in support of his proposal to keep the team together.

Mr. Kennedy's medicaid program was one example. Organized labor was not particularly keen for it but they worked feverishly to put it through. I had leader after leader say to me that he knew the program was not what it wasってくるべく、彼について問題がなければ、彼の「望む」を欲しかった。

But this popularity, this team work, appeals to Mr. Kennedy personally, not to his program and this explains why he has had many defeats at the hands of Congress. Congress knows which side of a controversial issue the public wants better than the President. It is closer to the people. In every instance, if memory serves me right, of Mr. Kennedy's attempts to discipline Congress by pressing for the defeat of certain members was Woodrow Wilson. He tried to defeat the 11 willful men, as he described them and everyone was elected. Roosevelt the Great tried to defeat several Senators and one officer of the Rules Committee. he was defeated in every instance except that of the Rules Committee Chairman, John O'Connor of New York.

Eisenhower showed that he had it in mind in elevating members of Congress and his influence is yet to show up so far this year. He went all out for the Republican Governoratorial Candidate of New Jersey, his former Secretary of Labor, Mitchell, who was highly touted to win. Mitchell lost in a very surprising election.

Mr. Kennedy's activity in the campaign is a sad commentary on the fact that选りつき、彼について問題がなければ、彼の「望む」を欲しかった。

he has now come down definitely on the side of the latter. At the end of the campaign Congress had released $80 million of "special deposits," thereby enabling the President to increase their lending to business firms or private individuals to extend credit of this amount. The Governor of the Bank of New York and the British Government have asked the banks that the official request to restrict credit which was made last August will be no longer applied. That in itself would not have as assisted in a business revival, unless borrowers were prepared to make use of the additional facilities that were made available, the government doesn't have to stimulate demand. This was done on an experiment to release a small amount of stock.

Cautious the Watchword

The sum total of the actual reflationary measures, as far as a few, is coming from the potential reflationary measures; it is not at the moment, this the government is ready to consider. It is not yet true, the balance of payments position has improved and storing has been duly reserved for this purpose. It is not too late. But the cost of living index has been creeping up and wage demands disregard the policy of wage restraint. A number of labor leaders, especially the increasing cost of his government has suggested limit of 14% have been considerable. This gives rise to a number of laborers, which is presently slow. But it is an understatement to say that many wages are not up to the full living wage. It is a fact that the pressure would be stepped up be any government policy conditions to be resumed.

Labor Moderates in Difficult Position

Moreover, the government has every reason to expect that there will be some deflation at this rate are beginning to show some inclination to adopt a stateliolike atitude. The government is very anxious to induce the trade union movement to accept some form of wage policy in order to bring this system of "leapfrogging" wage increases to an end.

The more sensible among the trade union leaders realize the need for cooperation and the demands by various unions. It will be an extremely difficult task to resist pressure to accept agreements themselves about the relatively level of wages in various industries. Nevertheless, the existence of such agreements though far from bright are in fact better than none.

Should a business boom bring back conditions of over-full employment the modern trade union leaders would be promptly repudiated by their members which would then insist on hold-

out for all they could get.

Pending the conclusion of some understanding, the revival of the boom would be therefore inoppor-

tune. The government has promised those unemployment does not mean that the un

restrained wage plunder is resumed then we will have to pay what may cost more for the moderate trade union movement will not have a different sense in this respect as well as in respect of wage demands.

Major Transit Conflict

Britain is in the middle of a major conflict between the Transport Commission and the nationalised railroads and the railroad employees. In order to be able to make more efficient transport, the Transport Commission decided to close down a number of unprofitable lines. At the same time, since steam engines are being replaced by diesel engines, a number of railroads have closed down workshops and car shops will also be closed down.

It is difficult to judge the reason why this is happening. It is not because of the high cost of labor, but because of the government policy to cut down public expenditure. It is not so much that the idea is that unprofitable lines should be kept going as an additive service and that in many years steam engines will be replaced by diesel engines. The government policy is that railways should be retrained even if there are no steam engines to repair.

Evidently the only way in which the government will pay their way without closing down a number of railroads is by doing the same as what has been helped to the British people. Unless huge amounts are spent on additional expenditure, it is possible that the craze is bound to reduce itself to absurdity because the increasing number of automobiles threaten to create hopelessly congested conditions.

The subject of the problem has been ignored, however, throughcut the controversy. Yet the government has pointed out that the government is not prepared to encourage the increase in the number of automobiles on the roads. Hence the fact that the government is not prepared to encourage the increase in the number of automobiles on the roads is also not to be done. As to any quarter, there seems to be no reasonable alternative to the closing down of railroads. The future of the nation of automobility threatens to create hopelessly congested conditions.

The main reason for the government's failure to adopt the policy of encouraging increased expenditure has been helped by the British people. Unless huge amounts are spent on additional expenditure, it is possible that the craze is bound to reduce itself to absurdity because the increasing number of automobiles threaten to create hopelessly congested conditions.

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Our biggest competitors have just paid us another compliment.

As a result of Chrysler Corporation’s success with the “alternator” as standard equipment on almost 2,000,000 Chrysler-built cars, other producers are now offering their versions of this revolutionary device that produces current for all modern accessories without draining your battery—even in traffic jams. Naturally, we are pleased that our competition is adopting still another Chrysler “first.”

Valiant • Plymouth • Dodge • Dart • Chrysler • Imperial • Dodge Trucks
Domestic Oil Companies Going International

By Donald Ferrow, Analyst, Hornblower & Weeks, New York City; Members N. Y. Stock Exchange

Analyst asserts significant discoveries and rapidly expanding production underscore growing achievement of domestic oil companies abroad. Some of these new sources are being developed from foreign reserves, are presently establishing themselves in growingly vigorous markets abroad. Mr. Ferrow maintains that with the internationalization and expansion economically and elsewhere in the free world, these companies with well balanced integrated domestic operations and sources of prolific foreign production facilities and resources finds investment opportunities, a select group of domestic oil companies whose performance abroad has been notable.

The lure of prolific oil discoveries, immense untapped markets, and soaring demand in areas of rapid industrialization abroad as opposed to the somber prospects of high exploration and development costs and sluggish growth in domestic markets, has in recent years, attracted a number of these leading companies to take advantage of the international scene. Analyst estimates that these companies have invested over $4 billion in foreign operations during the past 10 years and that $2 billion is being spent this year.

The major new oil producing areas abroad is the Middle East, Africa, Asia, Latin America, the Western Hemisphere, and some of these companies have already reaped the rewards of their investments.

The Middle East, particularly in Egypt and Iraq, has been the source of much of the production boom. In 1957, 8% of the world's oil was produced in these countries. Today, the Middle East is producing about 40% of the world's oil.

Africa, a vast continent with vast potential for oil production, has been another important area. The discovery of oil in Nigeria in 1958 marked the beginning of a new era for this continent. Today, Africa is producing about 14% of the world's oil.

Asia, particularly in Indonesia and the Philippines, has also been a major oil producing area. Indonesia, in particular, has been a significant source of crude oil for the United States.

Latin America, particularly in countries such as Venezuela, Mexico, and Argentina, has been another important area. Venezuela, in particular, is a major producer of crude oil.

The Western Hemisphere, particularly in the United States, has been the source of much of the domestic oil production. However, the United States has also been a significant producer of crude oil.

The Asian Pacific region, particularly in Japan, has been another important area. Japan, a major importer of crude oil, has been a significant source of oil production.

The Middle East, Africa, Asia, Latin America, and the Western Hemisphere have all been major areas of investment for domestic oil companies. These companies have been able to take advantage of the rapid industrialization and growth in these areas to expand their operations and increase their production.

The domestic oil companies have been able to take advantage of the rapid growth and industrialization in these areas to expand their operations and increase their production. The domestic oil companies have been able to take advantage of the rapid growth and industrialization in these areas to expand their operations and increase their production.
How to get the school to Johnny on time

America will have to build about eleven school buildings and additions a day over the next three years to keep up with our growing educational demands. That means they’ll have to go up fast, but they’ll also have to be solidly built and economical. Here’s how the city of Elmira, New York, did it.

The contractor broke ground for the 55-room Elmira School on Dec. 2, 1960, and raised the first steel columns on March 27, 1961. 500 elementary students moved in on Sept. 9, 1961; followed by 1000 junior high students the next semester. That’s less than a year from start to finish, about half the time usually required to build a school this size. And it cost 13% to 17% less than the New York State average. The secret: pre-engineered steel components were factory-fabricated and shipped to the job site ready to erect. A new, lighter, stronger, tubular steel column was used to support bright, porcelain-enameled steel wall panels. These slender panels increased usable floor space by almost 5% and provided excellent insulation.

Like the Elmira School, many of the new school buildings we’ll need by 1966 will be built with functional, pre-engineered steel components. America grows with steel.
Interest in the stock market on the part of the public, which was almost at a low ebb in recent weeks, dried up even more this week when turnover dropped to the lowest level in several years.

There were plenty of excuses for the low state of market participation, apart from uncertainty. A Religious Supreme Court, National Football League, and NCAA basketball Series games, even a Canadian market holiday all helped to cut interest in stocks, though being capped off by a quasi-holiday tomorrow when securities markets were closed but other financial and business houses are shut down.

Indecision

Consequently, there was little decisive action to the all-time range of the variuos averages. A good deal of the better moods in the business news were pretty much ignored, the high output of the week having been one factor that failed to excite any attention.

General Motors, one of a market bellwether, has simmered down to a slight, investment-type issue that is selling below current levels but not at all. In fact, despite the wild gyrations of the stock market in the past year, GM has only wandered over a range of a baker's dozen points all year. It has, however, been holding fairly within easy touch of its all-time peak as any widespread interest is generated in it.

About the only debate centering on GM during the past few months, and whether the increased share of the market it has captured and the high level of output would enable this colossus to report record profits to eclipse $4.26 a share reported in 1955, the previous peak year.

Good and bad years have alternated for the auto industry in the past decade. But on top of what seems assured to be a near-record year for sales, the auto makers under GM officials are on the record with a prediction that next year's output will about match that of this year. That would be a good year back-to-back for a new world recordoutput.

In 1955, GM reported profits of more than a billion dollars, first in the auto industry. A huge corporation had rolled up a profit of that size. As of the middle of this year, the profit margin had dropped off past three-fourths of a billion, for $2.71 a share to traders looking shares, which led to predictions of a new peak. In fact, the market analysts were unanimous in forecasting a ability to reach a profit that the record was considered a mandate for increasing the size of the Plymouth Oil.

Marathon is another of the thriving oil companies that once were part of the Standard Oil combine which was dissolved by court order almost a century ago. Until the breakup, the share of the company’s output went to the six midwest states which was the marketing region up to that time. Later, the Plymouth acquisition, however, has its reserves rather than that of the refineries which, as with all oil companies in this country, are afflicted lately with price wars and low profits.

However, there is some hope that the industry is on the verge of remedying these poor price levels.

The earnings record of Marathon is impressive as it poured pre-tax income into exploration and development at the expense of reported earnings. But the successful expansion of its horizons offers the promise of growth in the future, and more than 15 times earnings and with a yield of better than 4%, the company is not likely to anticipate better times ahead. It has, however, been showing a cash payment has been supplemented by small stock dividends.

**Bargain Electronics Issue**

The record profit reported by R.C. in the first quarter as much of what has driven the company one of the bargain issues in the market at the field where, in the main, the story is one of profits well deflated from the earlier optimistic peaks.

The company that is linked impor-tantly with RCA, but is also well known as a distributor of electronic components, is one that has been conspicuously raising dividends. It is believed that Rapid growth prospects may be expected in a variety of fields, and with a price of 80c per share and a yield of 4%, its earnings growth should be 8%, one of the leaders in this group.

The international work of what now is Marathon Oil was started more than 40 years ago and the first billion was a separate entity, the Baker Oil producing well, which has been left to large reserves and with the shipments just starting to move into the international oil market.

R.C. has increased its substantial improvement in its fortunes still ahead, the company benefits and dividends are to be readily available growth prospects.

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R.C. has increased its substantial improvement in its fortunes still ahead, the company benefits and dividends are to be readily available growth prospects.
Why we call ourselves pipeliners of energy

Natural gas is too narrow a term to describe our business, even though it still accounts for more than three-fourths of our income. So is refined petroleum products—though we pump millions of barrels of motor fuels, fuel oils, and LPGases to the booming Midwest.

The right word is energy—energy to power and heat and light a growing America. As pipeliners of energy—we are always in search of new sources of energy, as well as new ways to move it, store it, supply it.

Potential new forms of energy: liquid natural gas and gasified coal.
Texas Eastern Transmission Corporation, Houston, Texas.

Texas Eastern: pipeliners of energy 🌍
MUTUAL FUNDS
BY JOSEPH C. POTTER

The Commercial and Financial Chronicle ... Thursday, October 11, 1962

They Know No Boundaries

While it is true that the mutual funds have enjoyed greatest success within the United States, many people fail to realize that the cooperative method of investment, under the guidance of experienced counselors, was in vogue in the United Kingdom and China long before it became popular here. The affluent society, now being created in the area where the funds had their origin, is predicated upon the assumption that individuals will learn to trust their investments to a group of experts. The Mutual Fund Association pointed this out recently in a survey of 200 families in the United States during the last 20 years.

From Geneva comes a story of a European group which, with American guidance, plans to do some global marketing. It is called The Wellington Funds, Ltd., formed to invest in the shares of United States-based investment companies. By virtue of this new fund will be marketed around the world by Investors Overseas Services. Inc., New York, with offices and representatives in 62 countries on six continents.

Its aim is to solve the investor's problem of "which fund to choose." The choice will be among 530 American mutual funds. As Investors Overseas Services explained it: "The investors beforehand, constantly under review, will consist of a limited selection of the best-performing, investment companies..."

It goes on to say: "An important feature of the new fund provides that the cost to The Fund of a security will be the lower of its portfolio transaction may not exceed 1% since the fund will be purchasing in large blocks. In this way, the fund will be able to adjust its portfolio at a minimum acquisition cost..."

Investment adviser to this new mutual fund is New York's Temple-Darlington National Bank, theparentuntogetherwithitssubsidiaries, currently manages more than $300 million in individual, corporate and mutual-fund portfolios. It is one of the 10 largest investment-advising companies in the United States.

Included initially in the portfolio of the Fund of Funds will be shares of Dreyfus Fund, Fidelity Trust Fund, Keystone; Series K-2, Massachusetts Investors Growth Stock Fund, Over-the-Counter Securities Fund, Putnam Growth Fund, Revere Fund, Research Investing Corp., Value Line Special Situations and Winfield Growth Fund. To be first choice of this foreign-based American-managed fund is a high compliment, indeed.

The underwriting period for the new fund runs through October. Latest word is that the management fees, a portion of the initial underwriting will remain in "a defensive position"—that is, cash and short-term interest investments.

It would seem to be but a passing question of time—and no great time, at that—the day will come when enterprising entrepreneurs have moved in on our major cities to manage funds that would invest in shares of selected European companies. While it is true that many such funds have long since taken up in European firms—manufacturing notable among these—there is the same thing as a fund to buy funds.

Scarcely a week goes by that the financial pages don't develop a new wrinkle. Banks and insurance companies began moving into investment counseling. They can be expected to widen their role.

Thus, the funds in this country have demonstrated that their basic approach to investment has the greatest merit. It may well be that, because they are so conscious of what they are doing, they are over-sensitive to criticism from anyone. The fact that much of the criticism is unjust and unrealistic does not help the disposition of fund managers. Of course, there's the bad spill in the stock market, which is an accidental event. Competitors of the thirty million dollar can be counted on to get more done than any academic finger-wagging.

The Funds Report

Canada General Fund, Ltd. reports a net asset value per share of $14.56 at Aug. 31, compared with $14.40 three months earlier and $15.90 a year earlier.

Carriers & General Corp. reports total net assets at Aug. 31 amounted to $17,366,074. This is equivalent to $20.80 per share, compared with $31.23 three months earlier.

Guardian Mutual Fund, Inc. reports net assets at Sept. 30 amounted to $87,925,109, of which $41,198,796, or 46.77% of net assets, are in the form of cash.

New England Fund announces that in the quarter ended Sept. 30 it acquired 1,500 additional shares of Dow Transco and 90 shares of International Business Machines. During the same period the fund sold 1,800 shares of International Telephone & Telegraph to eliminate the issues from its portfolio.

Scudder Fund of Canada, Ltd., reports net asset value as $13.68 (Canadian) per share on Aug. 31, compared with $13.86 on May 31, 1961, and $14.66 on Aug. 31, 1961. At Aug. 31, 1962 total net assets were $43,808,376.

Total net assets of Scudder Stevens & Clark Common Stock Fund rose during the quarter ended Sept. 30, 1962, from $44,074,070 from $44,177,397 at June 30, 1962. Net assets as of Sept. 30, 1962, were $46,938,070, or 8.6% higher than the March 31, 1962, total net assets of $43,590,509, or $10.91 per share.

Total net assets of Scudder, Stevens & Clark Fund were $77,778,409 on Sept. 30, compared with $75,434,441, equivalent to $17.64 a share. On Sept. 30, net assets were $87,925,106, or $20.73 a share.

Strengthening Banking And Our Economic System

This new plan has been appropriately hailed as a highly constructive advance in meeting the term credit needs of small businesses through private enterprise rather than direct government lending.

Faced with this situation, the Association decided it had no choice but to meet it. An important dues increase in the membership dues. This was done during the past year but only after a comprehensive study of alternatives and other factors involved. It is my considered judgment that the action taken was in the best interest of banking and that the dues which we may pay will prove to be one of the best investments of our respective banks.

Many A.B.A. services can be obtained...
Cobleigh, Gordon
Appoints in Japan

Cobleigh and Gordon, Inc., a New York City financial public relations and counselling firm, has appointed T. F. M. Adams & Co., Ltd., a leading Japanese financial and management consulting firm, to represent them in Japan. The announcement was made October 4 by David Cole Gordon, President of the New York firm.

Mr. Gordon noted that the increased flow of business and financial relations between the United States and the Orient has made it imperative for both American and Japanese companies to establish effective financial public relations programs in the countries in which they plan to operate. "The resulting improved mutual understanding and fluid international communication can stimulate sales and expand profits for progressive corporations on both sides of the Pacific," observed Mr. Gordon.

T. F. M. Adams is a well established firm offering clients consulting services on commerce, industry and investments. Cobleigh and Gordon specializes in financial public relations, stockholder relations, financial community liaison and corporate and financial counseling.

"Why we chose the NCR Computer." - S and W Fine Foods, Inc., San Francisco

"With the many items in our product line, we have urgent need for a data processing system whereby fast random access to data stored in our billing, accounts receivable, and inventory data on-line with the computer, then as sales data is introduced, the computer will make all the necessary billing extensions, post the accounts receivable, and reduce the separate inventories—all on an extremely fast random access basis. "Being in a business where QUALITY is of paramount importance, we were very impressed with the quality built into the NCR 315 System. Similarly, we were impressed with the quality built into NCR's software—in both the standard programs and backup support offered.

"In summary, we are certain the NCR 315 CRAM Computer System will be a highly profitable investment."

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Dual Banking System

Two of the biggest problems facing bankers today is the need for bankers with a broad view and the need for development of the computer. In the first, the challenge, the A.B.A. has inaugurated an annual personnel conference to help meet the challenge, the A.B.A. has inaugurated annual personnel conference to help meet the challenge, the A.B.A. has inaugurated annual personnel conference to help meet the challenge, the A.B.A. has inaugurated annual personnel conference to help meet the challenge, the A.B.A. has inaugurated annual personnel conference to help meet the challenge, the A.B.A. has inaugurated annual personnel conference to help meet the challenge, the A.B.A. has inaugurated annual personnel conference to help meet the challenge, the A.B.A. has inaugurated annual personnel conference to help meet the challenge, the A.B.A. has inaugurated annual personnel conference to help meet the challenge, the A.B.A. has inaugurated annual personnel conference to help meet the challenge, the A.B.A. has inaugura
Ordinarily, the passage of a Federal law with a fishing license would attract little attention in the business community. However, that before long almost all businessmen will begin to experience this new Federal law. Fishing license provisions over such low law charged through Congress and signed into law by the President will mean the closing days of the current session. The "fishing license" agencies of the Federal Division of the Department of Justice and in effect, end of an open season on American business.

Entitled the "Antitrust Civil Process Act," the Congress has authorized it to compel the production of documents, and to subpoena witnesses and documents as evidence in court. However, this is not a new idea. In the ordinary, this right has been used to obtain evidence relating only to alleged violations of special aspects of specific definable laws. Therefore, the judge presiding over a business or civil case always had the authority to declare any proposed action illegal and to make declaratory judgments that would not be admitted as evidence.

The antitrust laws are not like a civil or criminal case, however. They have been demonstrated in a recent document. The antitrust statutes are as irrational as a legal doctrine in the mind of the judge. The Justice Department, for example, has the power to compel the production of documents and testimonies of businessmen who are accused of violating the law. The Justice Department can require the defendant to produce such documents for examination. This is evidenced by the fact that the United States has not found its answer in this, but indicates that businessmen are an exception to the law. The Justice Department... has reason to believe that any person under investigation, whether in possession of an agent, or control of any documents, is in violation of the antitrust investigation, he may, prior to the issuance of an arrest warrant procedure, bring... [require] such person to produce such material for examination."

The authority of the government to control every business man's individual action is a practice that has not been evidenced in the past. It is not only that the United States has not found its answer in this, but indicates that businessmen are an exception to the law. The Justice Department... has reason to believe that any person under investigation, whether in possession of all or control of any documents, is in violation of the antitrust investigation, he may, prior to the issuance of an arrest warrant procedure, bring... [require] such person to produce such material for examination."

The Deficit Factor

Because there is growing concern

among business forecasters, the Treasury

now needs to say how it will allow the

economy to grow faster, as well as the
dollar. The Treasury also needs to know how

to grow and how many more billions of in-
come will be required to finance the deficit.

The Treasury has said that $2.5 billion

of the $2.5 billion in new cash will be

needed to finance the deficit, as well as

meeting a demand for an increase in

capital markets. It is expected to go into


Mr. George A. Murphy, Irving

Chairman, and William E. Peter-

son, head of the Department of

the Treasury, told the House

of Representives that the current problems of a

new deficit could be solved by

advisory that the Treasury would not need to

increase its deficit by $2.5 billion.

What About "Hot Money?"

This raises the question as to the time until the end of the year. As far as the Treasury is concerned, it has no intention of increasing the deficit beyond $2.5 billion.

The "hot money" question has been raised in the past as well. However, the Treasury has always maintained that it will not increase the deficit beyond $2.5 billion.

Mr. Murphy told the House that the Treasury would not need to increase its deficit beyond $2.5 billion. He said that the Treasury would not need to increase its deficit beyond $2.5 billion because the "hot money" question has been raised in the past as well. However, the Treasury has always maintained that it will not increase the deficit beyond $2.5 billion.

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New Top Officers of ABA

Mr. Monroe Kimbrel, Chairman of the Board of First National Bank, Thomson, Ga., was elected President of the American Bankers Association at the First General Session of the recent 88th Annual Convention of the Association at Atlantic City, N. J. Mr. Kimbrel was advanced from the Vice-Presidency of the Association.

William F. Kelly, President, First Pennsylvania Banking and Trust Company, Philadelphia, was elected Vice-President of the Association.

Background of Members, Kimbrel and Kelly

Mr. Monroe Kimbrel was born in Miller County, Ga., Aug. 4, 1916. He is the holder of a B. S. degree in economics from the University of Georgia, and a graduate of the Stonier Graduate School of Banking, where his thesis was selected for library distribution.

Upon leaving college, Mr. Kimbrel joined the staff of the Farm Credit Administration at Columbia, S. C. In 1946, he went to the First National Bank in Thomson, Ga., as Executive Vice-President; he became Chairman of the Board of the bank in January, 1961.

In the American Bankers Association, Mr. Kimbrel has been active for a decade. He was a member of several committees of the Agricultural Commission from 1959 to 1952, A. B. A. Vice-President for Georgia 1951-53, and regional Vice-President 1953-55. In 1955, he was appointed a member of the Association’s Federal Legislative Committee and served as Chairman of this committee from 1957 to 1961. He served as A. B. A. Vice-President in 1961-62.

Also active with the Georgia Bankers Association, he served as President of his state association in 1959-67.

Mr. Kimbrel is a Director of the Federal Reserve Bank of Atlanta. He is also a Director of several business and investment corporations.

He has served on the faculties of many banking schools and as a lecturer at The Stonier Graduate School of Banking. He is a past governor of Rotary International and has been active with and honored by many civic and educational groups.

William F. Kelly has served as President since 1955 and Director since 1953 of Philadelphia’s largest bank, First Pennsylvania Banking and Trust Company.

Born in Philadelphia on May 29, 1907, he is a graduate of St. Joseph’s Preparatory School and the Temple University Law School. He holds honorary J.D., D.D.L. degrees from LaSalle College and Villanova University and a D.S.C. degree from St. Joseph’s College.

Mr. Kelly has started his banking career with Continental Equitable Title and Trust Company in 1923. He joined First Pennsylvania in 1931 when the bank (then named The Pennsylvania Company for Insurance on Lives and Grantee Annuities) absorbed Continental.

At First Pennsylvania he was placed in charge of the new time sales division in 1935, elected Assistant Vice-President in 1938, Vice-President in charge of time sales, 1945; Senior Vice-President and Senior Loaning Officer, 1950; and Executive Vice-President in charge of loans and credit activities, 1952.

Mr. Kelly has been active in the American Bankers Association for many years. He was Chairman of the Consumer Credit Committee (now Institute Credit Committee), 1948-50; Chairman of the Small Business Credit Commission, (now Committee), 1952-56; and Chairman of the Credit Policy Committee, (now Committee), 1957-63. He also was a member both of the Administrative Committee and the Executive Council, A. B. A. governing bodies between conventions, in 1960-61.

During World War II Mr. Kelly served as Director of the Automobile and Machinery Division of O. P. A.

His community activities have included membership on the Board of Managers of LaSalle College, Board of Trustees of St. Joseph’s College, and the Board of Trustees of United Fund of the Philadelphia Area. In 1960 he was Chairman of Catholic Charities Appeal and Trustee of Jefferson Medical College Hospital. He also is a Director of the Greater Philadelphia Movement and a Director and member of the Governing Committee, Chamber of Commerce of Greater Philadelphia.

His business directorships include, in addition to the First Pennsylvania, Peoples Gas System, Inc. (New York); Philadelphia Transportation Company; Delaware and Bound Brook Road; Fidelity Mutual Life Insurance Co. and The Budd Company.

38,480,000 Bell System Pay Checks a Year

The Bell System employs 740,000 men and women—more than any other business. On the basis of a weekly wage payment, that’s 38,480,000 pay checks a year.

So the Bell System is not just communication services for millions of people and important projects for the defense of the nation.

The human side is jobs and opportunity for hundreds of thousands of men and women and billions of dollars in wages every year. The 1961 total was $4,312,000,000.

It is an important and indispensable part of the purchasing power and prosperity of the nation.

BELL TELEPHONE SYSTEM

Owned by more than two million Americans

Size is more than big figures. It’s jobs and wages and families and homes. Many thousands of Bell System men and women are promoted every year. More than 300,000 own stock in the company.
**NEWS ABOUT BANKS AND BANKERS**

**BANK AND INSURANCE STOCKS**

**THIRD QUARTER BANK EARNINGS**

Some of the major commercial banks have released earnings for the nine months of 1962. Of those listed below, it is immediately obvious that on balance banks are doing better than was originally expected. Of the 17 banks shown, only five reported lower earnings for the third quarter as compared to the second quarter. Although the Securities Exchange Commission has ruled that the only California bank listed below, its performance is much better than was anticipated during the early months of this year. Earlier indications were for lower bank earnings by as much as 15%. The Bank of America indicated a decline in the 12-15% vicinity.

Also of note is the improvement in earnings over the previous quarter. For instance, First National City Bank showed a slight increase for the year but for the third quarter showed an increase of 3.5% over the third quarter of 1962 and for the first six months showed a decline of a quarter of 1.7%. In the case of both the Continental Illinois National Bank & Trust and the First National Bank of Chicago the rate of decline was less than in the previous quarter. This obviously points to a turn-around in bank earnings.

Although earnings are tending upwards for commercial banks, delays do not show the same trend. The eleven New York Clearing House associations showed a decline in deposits of $138 million on which was less than 1% of total deposits. Total deposits as compared to a year ago, they are above that period by 3.9%, but revealing earnings during the third quarter by deposit trend in New York there is apparently no correlation. Also the collection of deposits, as one is well aware, has shifted more in favor of time deposits. The number of depositors, for bank institutions. It is interesting to note that in spite of a gain in total deposits of these banks, it has occurred entirely in this area with a slight decline in demand deposits.

The ability of many banks to improve earnings without any increase in the prime rate, which usually benefits borrowers and in an increase in interest paid speaks well for bank management. It is in fact the result of all of the banks focusing on a better exploration of more profitable areas so that banks may meet their costs.

The mortgage departments have been expanded, as have the bond departments of the major banks. Also of importance is the gradual evolution of overseas offices. Not only are London and Paris providing bases for operations but also other cities. In addition, the expectation of a continued expansion of American business continued by New York and Boston banks. It is obvious that as the Common market concept grows, representation in other geographic areas is essential, and is beginning to see the better banking institutional awareness of this as long as merger and amalgamation of branching laws now seems remote.

**For Share Earnings Performance — Selected Banks**

| Bank | Earnings | Dividends | Shares
|------|----------|-----------|-----|
| Bank of New York | $15.13 | $14.98 | 10.0
| Bankers Trust Company | 2.54 | 2.51 | 0.6
| Chase Manhattan Bank | 3.81 | 3.79 | 2.5
| Chemical Bank—New York, Tr. Co. | 3.41 | 3.44 | 2.1
| Continental Ill. Nat'l. Bank & Tr. Co. | 7.05 | 7.23 | 3.1
| First National Bank of Boston | 4.13 | 4.06 | 1.7
| First National Bank of Chicago | 3.19 | 3.43 | 7.0
| First National Bank in Dallas | 2.02 | 1.79 | 12.9
| First National City Bank | 4.14 | 4.17 | 0.2
| First Pennsylvania Bank & Tr. Co. | 1.44 | 1.41 | 2.1
| Industrial National Bank | 2.25 | 2.67 | 6.7
| Irving Trust Company | 2.18 | 2.18 | 9.0
| Manufacturers—Haverover Trust | 2.47 | 2.62 | 7.1
| Morgan—Guaranty Trust Co. | 4.51 | 4.81 | 2.6
| National Bank of Detroit | 2.38 | 3.57 | 5.3
| Republic National Bank | 1.65 | 1.74 | 5.2
| Security—First National Bank | 2.72 | 2.87 | 5.0

**NATIONAL AND GRINDLAYS BANK LIMITED**

**10 N. Y. CITY BANK STOCKS**

**3rd Quarter Comparison & Analysis**

**LAIRD, BISSELL & MEEDS**

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INDIA • PAKISTAN • EURA • INDIA • CHINA • EAST AFRICA
Wendt Appointed By I. B. A.

George B. Wendt, Vice-President in charge of the Bond Department of the First National Bank of Chicago was appointed Chairman of the Municipal Securities Committee of the Investment Bankers Association of America to serve the remainder of the unexpired term of Cushman McGee who passed away in August. The appointment was made by Curtis H. Bingham, Bingham, Walter & Hurry, Inc., Los Angeles, President of the IBA.

Mr. Wendt entered the Bond Department of the First Trust and Savings Bank in 1922 and was elected an Assistant Cashier in 1940, an Assistant Vice-President in 1949, and a Vice-President in 1955.

Mr. Wendt is a member of the faculty at the University of Wisconsin School of Banking. He is a member of the national Municipal Securities Committee, Investment Bankers Association of America, as well as a member of the Subcommission on Finance of Local Government, and a past chairman of the Municipal Securities Committee, Central States Group.

This past September, he served as Chairman for the First Municipal Conference sponsored by the Investment Bankers Association of America which was held in the City of Chicago.

Investment Forum In Chicago

CHICAGO, Ill.—A unique "Investment Forum" will be held from 12 noon to 6 p.m., Sunday, Oct. 14 at the Arts Crown Theater, McCormick Place. The Forum, which is open to the public without charge will cover the vital areas of investing under current conditions: the investments of young married couples; how people investing for current income: business men seeking growth of capital; how financial estate planning can save money on taxes; how corporate executives and owners of businesses can improve their pension and profit sharing plans.

The Forum is being sponsored by Eastman Dillon, Union Securities & Co. and is believed to be the largest one-day affairs of this kind ever presented to the general public anywhere in the country.

It will highlight an informative and professionally prepared presentation designed to review, in everyday language, the current state of the economy, the stock market, and outline a broad picture of different approaches to financial planning available to meet the varying needs of both large and small investors.

Following the stage presentations all guests will be invited to attend one or more of five different panel discussions called "Investment Forum Information Centers." Five panel discussions will be devoted to the following subjects:


At each of the Information Centers, the panelists will answer questions raised by members of the audience. Visitors will be encouraged to ask questions on the subjects outlined and current conditions.

Another highlight of the Forum will be exhibits by 18 mutual fund sponsors who are responsible for the management of more than 69 of the country's leading mutual funds. Representatives of these funds will be able to answer any questions on this modern method of investing. The 18 mutual fund sponsors participating in the Forum include: First National Bank of Chicago; Salomon Brothers; Merrill Lynch; Compass; Old Mutual; Putnam; Wellington; Oppenheimer; Washington National; Salomon Brothers; American; Waddell & Reed; and Stephens.

Reserved seat tickets are available, without charge, at Eastman Dillon's Chicago office, 135 South LaSalle Street, according to Paul Swenson, Eastman Dillon's sales manager in Chicago.

Customers Brokers To Meet

The Association of Customers Brokers of New York will hold a steel stock forum on Oct. 15 at 9 William Street, Speakers will be Alfred S. Rudd, Market Leader for Weeks, and Irving Komnoff, Herzfeld & Stern.

seventeen years of continued growth

The record of the Puerto Rico Aqueduct and Sewer Authority since its creation in 1945 shows accelerating growth in every area. Both gross revenues and number of water customers have more than quadrupled.

Water everywhere in Puerto Rico is pure—all drinking water on the island meets the highest standards of the U.S. Public Health Service. And the supply is constant and abundant. Rates are low: the average charge to residential customers for both water and sewer service, is under $4 a month.

The bonds of the Puerto Rico Aqueduct and Sewer Authority are well secured and fully exempt from Federal and State income taxation. These sound investments, at current prices, provide an attractive return to individuals and institutions. A copy of the Authority's latest annual report is available on request.

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO

Fiscal Agent for the Puerto Rico Aqueduct and Sewer Authority

1311 Ponce de Leon Avenue
San Juan, Puerto Rico

45 Wall Street
New York 5, N.Y.
Make Preparations Now For Another Bull Market

Continued from page 3

not yet turned down, it is flattening out and may turn up again in the next several months unless orders a show a definite downward trend. The seasonal factor, however, Note: Orders for cutting and forming new machine tools in August decreased slightly from July, but more favorably, compared to July. Cutting orders' decline reflected a more than seasonal decline.

Total private construction contracts for industrial and public utility building have declined recently and are now running below the current rate of expenditures. Unless these contracts show a marked rise in the near future, expenditures will turn down, reflecting the lower volume of contracts. Among these private contracts, commercial contracts are far stronger than those for residential building. An important factor in this respect is that the steel industry has cut back operations, with a resulting reduction in consumption of steel. This has been considerable during the past few months, as steel production will not decline below the second quarter's rate of production. The aluminum industry has been operating at a high level and has made a large order from a major customer for a new plant. This order has enabled him to sleep at night even if the price of stocks should decline he will be able to meet all obligations.

In order to adjust and rearrange his portfolio, the investor will have to be acquainted with the basis of this investment philo-

dy during the next six to eight months of the current bull market, I believe it is essential to emphasize common stocks in general and utilities such as the following: For the sake of simplicity, let us assume that there are only three industries and six common stocks. The following order is in alphabetical order.

List of Industries With Investable Stocks

Aluminum: Despite the many difficulties of this industry in the last few years, it may prove to be one of the most attractive of the next five years in terms of increases in sales and of improve-

ment in earnings. The real strength of this industry is its far better balance sheet. The industry has been hurt because of new use for aluminum in the automotive industry. In addition, the industry has failed to move more rapidly than the copper industry and place replace other materials in existing markets. If the industry can break even on its new contract orders, a profit more normal levels as the overcapacity problem is gradually overcome by reduced stockpiling, the industry can consumption should be accompanied by a sharp rise in earnings. The industry is nothing more than a highly competitive one with a world market, and there is no way of overcapacity in many of the large producers. In the case of overcapacity in many of the major producers, the industry is hoping that more normal conditions will return as overcapacity is absorbed.

Defence: There are many opportunities for investment in certain companies that should enjoy a large increase in volume and profits as a result of defense ac-

The defense industry has been in the public eye for the past several years. The industry has been highly competitive and has certain inherent characteristics which make it a promise of steady earnings and growth in the coming years. This is reflected in the increased earnings of the individual companies.

Drugs & Cosmetics: This field has been one of the most promising for common stock investment. There is a good chance that the top as a promising outlet for investment funds. The possibilities of the industry are great, and it has grown steadily during the past year. A number of small companies have been established in recent years, and many of them have been successful. The industry is expected to continue to grow at a steady rate under the qualifications required of the investment philo-

sophy.

Publishing: The increase in the number of young people buying books is a promising trend for this industry. The average age of the reader is increasing, and there is a large percentage of the population that is interested in reading for pleasure. This is reflected in the increased earnings of the individual companies.

Utilities: Some of the electric and light companies operating in this industry have been successful. The industry is expected to continue to grow at a steady rate under the qualifications required of the investment philo-

sophy.

Real Estate: The increase in the number of young people buying homes is a promising trend for this industry. The average age of the homeowner is increasing, and there is a large percentage of the population that is interested in buying homes for pleasure. This is reflected in the increased earnings of the individual companies.

Consumer Goods: The increase in the number of young people buying consumer goods is a promising trend for this industry. The average age of the consumer is increasing, and there is a large percentage of the population that is interested in buying goods for pleasure. This is reflected in the increased earnings of the individual companies.
As We See It

Not only the President but many others complain of what are regarded as insufficient outlays for plant and equipment—one of the leading causes, so it is said, of the failure of American industry to continue to grow as desired. But why no larger outlays for these purposes? Well, under modern conditions at least, such undertakings cost a lot of money, and in their very nature they are risky. Now the Fords, the Rockefellers, the Mellons and the others—that is young men with great ambition and exceptional ability—are not here any more, or rather they can no longer function as their forebears did. Uncle Sam is too hungry for anything they make from such ventures. Think what the present day tax rate would be on those early profits of the Ford enterprises, those of the elder Rockefeller, or any of the others. The risk of loss is great and the tax collector takes far too large a part of such earnings for it to be worth while for the individual. There are no serious proposals from official sources that we have heard of for eliminating those intensely progressive rates of individual income taxes. Of course, the rates are not progressive on corporate earnings, but, after all, the managers of all larger corporations have to turn over to Uncle Sam more than half of their earnings each year. In other words, even the larger corporation which might be considering some pioneering project comparable, for example, to the early operations of the Ford enterprises knows that it must make over two dollars to keep one! And all this has reference only to Federal income taxes. The heavy cost of keeping the records required by the laws of this day and time, the income taxes of the states, the "contributions" that must be made to social security and other funds on behalf of employees must, of course, also be taken into account. These are some of the costs—but not all of them—that we must pay and are paying for the "advanced" programs of the day. These costs will from all appearances grow rather decline in the foreseeable future, and, of course, they or the larger part of them are and must be included in the prices we pay for medical care, educational services and all the rest about which there is today so much complaint.

Where Are the Fords?

And where are the Rockefellers Foundations and the Ford Foundations of the future to come from? Where are the funds which used to supply educational plant and at least a part of the operational costs to come from in the future? The truth is that the very small contributions, voluntary but dependable, are today in very substantial part responsible for the troubled financial situation of so many of our educational and medical institutions, and it is responsible in substantial part at least for the over-night crop of schools and colleges of one sort or another at the expense of the taxpayer. Virtually all, if not literally all, of the funds, foundations and the like which are today doing yeomanlike work owe their origins to capital and capitalists dating from another generation when individual initiative and individual self-responsibility were the order of the day.

Now, the most disheartening aspect of all this is the fact that the campaigns now getting fully under way appear to offer virtually no hope of any strong, concerted endeavor to check this swing to socialist ideas and semi-socialistic programs of one sort or another. The President's demands upon Congress, so far as they bear upon this situation, certainly indicate no interest on his part in turning over a new leaf—or if any leaf is to be turned it is the wrong one. He would force us to go further still in compulsory, so-called insurance against the costs of disease or accident—demanding merely that those who are obliged to come into the scheme pay higher taxes than they otherwise would. Perhaps as viewed from the standpoint of the consumer or the individual these could be regarded as compulsory saving schemes, but certainly nothing of the sort could be said of the Treasury which directly or indirectly pays all these contributions for the ordinary needs of the Government.

"Burying" Capitalism

The chief moguls of the communist world was some time ago quoted as saying that he would "bury" the capitalist world. Well, he or rather the drift of semi-socialistic thought throughout the world has in one sense already all but buried it as it once was. If any further burying takes place it is definitely likely to be of this same order. It must be admitted that Mr. Khrushchev is already succeeding in burying a good deal of the older communist nonsense in actual practice if not in words, and it is just possible that the force of the trend of popular thought may presently alter its direction somewhat to the point, so it must be hoped, of preventing further deterioration in the basic structure of the so-called capitalist world. But if any such desired consummation is in process, it is not yet very evident.

Midwest Exch. Member

DETROIT, Mich. — Smith, Hague and Company, Penobscot Building, announces that Mr. Hai H. Smith, III, a principal in the investment firm, has been elected a member of the Midwest Stock Exchange. The firm's affiliation with the Midwest Stock Exchange is in addition to Smith, Hague and Company's membership in the New York Stock Exchange, American Stock Exchange, and other exchanges. The main office of Smith, Hague and Company is Detroit, with branch offices in Grand Rapids, Ann Arbor, Jackson, Kalamazoo and Lansing.

Why speculate?
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3.50 TO 100 PLUS TAX

COTY, THE ESSENCE OF BEAUTY THAT IS FRANCE

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Today's Profit Expectations Hinder Investment Spending

Continued from page 4

we admire have been consistently inefficient in using their national income than we. Interest rates have been too high but the broad picture is clear. In 1950, for example, while domestic investment in the United States amounted to a little over 16% of Gross National Product, Western Germany put in 24% and Japan even more. The consequencies are equally clear. In 1950, we have consistently had a rate of growth in total output, and in output per worker, well over twice ours. The United Kingdom, however, whose investment, like ours, lagged, also lagged in output and productivity gains.

Conversely, pay and consumption oppotunities in Europe have been a smaller share of national income. One consequence of the share of pay has been a little over 60% in the United States, and 70% in Europe. This plain fact challenges the "purchasing power theory," that the level of the national investment and growth here can be found by raising the share of pay in national income and visable to achieve full employment this way; the United Kingdom has done it. But full employement with investment small as a share of national income, and with a slow rate of growth.

It would be holding false hopes to suggest a simple numerival relationship between the climate and growth. We have seen the efforts of nations at the frontiers of Germany and France, the effort of the new nations of Asia and South America, the effort of the old nations in the "Third World". But the effort is not enough. The climate and growth efforts must be supported by additional policies. The share of investment in national income, the share of the budget, the share of public investment, the share of tax revenue as a share of national income, must be increased. The climate and effort must be supported by additional policies.

In the United States, for example, the share of investment in national income (after taxes) has fallen from 6% in the 1940's to 4% in the 1970's. This fall in investment, and the fall in the share of pay, has been an important factor in the stagnation we have experienced.

In the United Kingdom, the situation is reversed. The share of pay has been 70%, and the share of investment in national income (after taxes) has been about 25%. This is a situation that is quite different, and it is not clear that the British have been any less productive than we.

In the European Economic Community, the share of pay has been about 60%, and the share of investment in national income (after taxes) has been about 20%. This is a situation that is quite different, and it is not clear that the Europeans have been any less productive than we.

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ness some species of organized crime; that government officials, appointed and elected, know in their hearts what is the public interest and have no other concern; and that those whom they have been selected to serve and represent control their minds and their hearts for the public interest.

At the other extreme are some who see no place for government as evil, and perhaps unnecessary; who view society as a Darwinian struggle for economic survival; who believe that a rich society can do without government, and get by with fewer public services and expenditures than a poor society. For us in between, if we are to be left in peace, we must have fewer "unmet needs"; that the public interest is the simple sum of myriad private interests independently pursued; that private wants should always have precedence over public services; and that power inevitably corrupts.

The truth is not to be found at either of these extremes. Big government is not a surefire success for all time; nor is the private market a panacea. The power of the market can be misused, just as the power of government can be misused. Neither is a perfect solution for the social and economic problems that confront us. The situation requires a delicate balancing of the two, rather than an extreme of one or the other.

Government Functions

Some hope to close the "growth gap" by expanding the public sector through increased federal spending. They are counting the courtier of substituting public goods for private goods, and hope in the back pocket. For increased government spending is not necessarily effective. It can actually stimulate the private sector, and at times has the opposite effect.

For government to work, it must be able to distinguish between what is public interest and what is private interest, and to enforce its decisions. Government should not be able to accomplish a whimsical goal. If it is to have its own goals, it must be able to set priorities and act accordingly. It must have the power to determine what is in the public interest, and to enforce its decisions.

The importance of government is to provide a stable framework for a working society. This includes the structure of laws and the protection of private property, the enforcement of contracts, and the maintenance of order. Government's role is to make sure that the rules of the game are fair and that everyone is playing by the same rules.

Planning

A final issue bearing on public control of the economy is the extent to which government should be involved in planning. Opinions on this issue depend on attitudes toward government itself, run to extremes. Some believe in just good management, but when suggested by government officials, and mean only those things which it is government's duty to promote. Private enterprise, a healthy public policy, is the road to faster growth in the kind of economic system. When government does not intervene in its functions, it tends to generate more resources, incentives, and confidence from the creative forces of the country.

An agenda for growth, then, is simply stated. As we recall from a summer day, "Give us the tools and we will finish the job." The job of growth, of course, is never done. It is sparked by age-old motivations, fueled by the incentive of expected profits, and guided by human curiosity. But to make good speed we need to loosen the brakes on initiative and investment.

In a more optimistic past, our fathers thought that progress was inevitable. In the more realistic present, we know that nothing in this world is inevitable. Progress is possible, and we understand the process far better than before.

A course for growth is rather like a road map. It shows many ways to many places. Our task is to choose the best route to our goal of a stable, strong economy in America. Given the freedom to choose, we will find our way.

Removing Impediments to Commercial Banks’ Growth

Continued from page 2

and we have gained a more knowledgeable appreciation of the importance of the public interest. Many of the problems affecting the development of the banking system have come to light through these means.

We have endeavored also to streamline the organization of the Office of the Comptroller of the Currency to make its supervision-making process so that plans of action by our National Banks would be reviewed as closely and thoroughly at Washington as they are in the field. Fourteen Regional Offices have replaced the previous twelve District Offices. Through this reorganization we have unified previously-divided State administration, facilitated better utilization of our examination staff, and given long-overdue recognition to the economic growth which has taken place in the Southeast, the Mountain States, and the Southern States.

To achieve the effective use of these improved facilities, authority has been given to the Comptroller to delegate to the Regional Chief National Bank Examiners, issues which are of national importance. In Washington are now dealt with at the local level, and closer relationships are being developed with the individual National Banks.

Within the Washington Office, we have simplified rules and forms and schedules for handling applications for charters, mergers, and consolidations. In general, the procedure these applications are now being processed and decided more rapidly. The Comptroller required for such action in the past.

In recognition of the greater use of automated procedures by our National Banks, we have endorsed on a program designed to equip our bank examining staff with better bookkeeping and data processing. Pilot efforts have been completed, and a main framework which will prove helpful to bank examining personnel throughout the country. New classes in automation will be given whenever there is an examination, so that they may have the same type of training as the problems arising from the operations of National Banks. During the newly

100 years of the National Banking System, certain principles of law and rulings have been built to control the activities of National Banks. These principles have been re-examined and re-appraised in term of the consistent economic changes that have taken place for present-day conditions. Several areas of particular importance in the financial system are being re-examined as well.

1. Competition in banking. The phase of our banking operations is characterized by the effectiveness with which banks perform their essential functions in their region. The present pattern of competition, which is allowed to develop, banking is a regulated industry and the public is permitted only through a public charter. Public approval is also required for the expansion of banking units through merger, acquisition of non-banking companies—and through the formation of de novo branches as well.

The present pattern is followed in approving new charters, and in sanctioning the expansion of existing banks, is required to re-shape the emerging structure of our banking system. Determination must be made to conform to the ultimate pattern which is desired. The aim should be to achieve a banking structure best suited to serve the Nation’s economic interests of the United States, and the convenience and needs of the banking public, both present and future.

Over the long run, our banking sys- tem will be subject to the exercise of public authority in all the areas of activity that can be described as that of a “closed industry.” The emphasis of this early period of public regulation in this field, has been aptly called the “period of the safeguarding of the liquidity and solvency of banks. In these circumstances, we must be carefully to guard against any event that may have a significant effect on the future and must be aware of the factors which could have a significant effect on the future.

The necessity for preserving public confidence in the banking system is recognized and the need for safeguarding the liquidity and solvency of banks is recognized. This is the need to adapt the policies of banking facilities to the requirements of economic growth.

Throughout the Bureau we have sought to elevate the quality of our examinations, in addition to preparing the staff, we have been trained to improve the quality of our examinations and we have worked toward a common approach to the problems arising from the operations of our National Banks.

Substantive Matters

Although we found the operating results of National Banks in the Comptroller’s Office to be greatly improved, the problems were those relating to the laws, regulations and policies affecting the operations of National Banks. During the nearly
From Mutual to Commercial Bank

Letter to the Editor:

Lohman Said to Err On Tenuity of Gold to Money

Contributor Shell says Philip H. Lohman's advocacy of multilateral gold-devaluation. He avers Professor Lohman seriously err in stating gold's relationship to money is a "tenuous one."

Editor, Commercial and Financial Chronicle

The headline of Page One of your Sept. 13, "Multilateral Devaluation Would Mean End of Free World." Is frightening: for certainly the American Dollar can do nothing but rob the people of the United States of billions of dollars of the real value of their accumulated dollar-savings—the very people who constitute the United States of America.

While the author of the article, Dr. Phillip H. Lohman (Chairman, Department of Economics, University of Vermont), presents many facts of the subject of money with which no one can disagree, he arrives at various conclusions which are definitely open to question.

Right at the start he says: "The relationship of gold to our money supply is a natural one, as Webster defines tenuous as "Unsubstantial; insignificant; flimsy."

Therefore, "tenuous" is a proper description of "the relationship of gold to our money supply."

I have never been able to understand why it is a subject of monetary economics. My understanding is that America has more than 1/355 of a fine ounce of gold, and that this total stock must be maintained with a 25% gold backing. That would seem to be far from "tenuous"; and Dr. Lohman correctly acknowledges that inter-relationship of gold to Federal Reserve Notes in his article.

Gold Still IS THE Best Currency

Since the Dollar is currently recognized as the world's best currency, it is not to be tampered with. Therefore, the President acts in the honest and honest ground in declaring that there shall be no devaluation of the American Dollar. Commercial currencies are unable to meet a similar standard of relationship in terms of gold, it would seem to be an obligation of the nations issuing such currencies to put them on a gold basis comparable to that maintained by the United States in its dealings with foreign central banks and not to be "multilateral devaluation."

Dr. Lohman is recommending that the American dollar undergo devaluation, he is out-of-step not only with President Kennedy, but also with seventy economists from coast-to-coast known as the "Economists National Committee on Monetary Policy."

To be more specific on this point, Dr. Lohman says: "Mr. Kennedy's performance has not been as powerful as the American press thought it was. Europeans are not likely to turn to the President to pledge firm support of the dollar."

The fact is that he also maintains that there shall be no further devaluation of the dollar—a sentiment that he also emphasized in his letter to Mr. David Rockefeller published in Life Magazine of July 6, 1962.

No "Multilateral Devaluation,"

Dr. Lohman in his Chronic article dated July 13, should, under no conditions, include the American Dollar which is correctly regarded as the strongest currency in the world. But if other nations choose to de-value their currencies, that is strictly their own affair.

Very truly yours,

FREDERICK G. SHILL

New Haven, Conn.

Exchange Firms Receive Slate

SAN FRANCISCO, Calif.—Bayard Dominick, Partner, Dominick & Dominick, Inc., has been nominated for President of the Association of Stock Exchange Firms of America, Inc., replacing C. Eustis, current President. Of the Association, and a partner in Spencer Trust & Co., New York. Named with Mr. Dominick were the following nominees for executive offices:

Vice-President: James Crane Kellog, III, Spear, Leeds & Kri
cow, New York. 

Secretary: James R. Conklin, McKee Nunnally, Courts & Co., Atlanta.

Treasurer: Robert H. Bald


Nominations for membership on the Board, representing a slate of Governors for 1963 are as follows: James A. Hetherington, II, Good
e, Bickel, Jr., New York; John D. Baker, Jr., Reynolds & Co., New York; William E. Ruge,

Bostom; Charles A. McE
er & Co., Philadelphia.

The Association of Stock Ex

The annual mixed membership organizational meeting for members of the New York Stock Exchange, concluded the 1963 annual meeting. Those present at the meeting were the members at the Mark Hopkins Hotel, election of officers and board of directors will take place in New York on July 14.
Meeting Balance Payments And World Liquidity Needs

Continued from page 5

A ministrative check on outflows of capital that some who want them say is unnecessary to avoid arbitrary forcing of interest rates on bank loans and capital movements abroad. The answer must be essentially the same for the public and the private sectors can be expected to take action which might handicap a competitive, market economy - a capitalistic economy. But there are many in the United States whoBs to人都认为 this is not a problem, especially if government has a clear target in mind, but we will gain increased strength by being an integral part of a comprehen- sive total effort.

Steps That Can Be Taken

We know for example, that there are ways in which the central banks can also help in the financing of trade and investment in support of their desire, the maintenance of payments positions of our foreign coun-
tries.

There are ways in which American business and banks can help in the financing of trade and investment in support of the payment positions of the participating countries-

A kkind of approach is symbol-
security salesman's corner by john dutton

get together

the sharp drop in the Dow Jones industrial averages of over 30% recently brought to the forefront salient opportunities for increasing the volume of business in the clerical departments and the sales force. During vigorous bull markets the high volume of business is often so great that brokers erroneously think they are solely responsible for the large increase in their gross business. The clerical department also becomes in its efforts and explains with this the questionable all that the volume of business is too heavy to handle if properly. Clerical and executive departments also cover up their weaknesses (or overlook them) because everyone is outwards showing a profit for his department, and so he "covers up" if a few things go wrong.

But then comes the awakening. A bear market is in full swing and speculators alike often refuse to face reality and instead of asking "What caused it?" they changed and they should adjust their portfolios to the current economic outlook. They will have a hard time hug the sidelines. The salesman now have to go back to funda¬mental principles that were so essential to their clients that a rebuilding of their confidence is necessary. We can recoup our losses and eventually attain a position where we can make an indifferent profit in the future. Bear markets have in place in a free economic climate. They also serve to weed out the inefficient among the investment salesmen, the in¬dictment of the company and culling employees of some inves¬tment firms.

need for understanding and patience

Every day companies in all kinds of business close their doors and go out of competition. During the past few years many investment firms have been closed and now over 1000 new firms have expanded their wire system, their trading departments, and their clerical and bookkeeping de¬partments. In a period of expan¬sion in the brokerage business there is sometimes over-expansion. Investment firms and bro¬kers should be especially careful in this period of expan¬sion and be capable and make use of the facts of its balance of payments position from the intelli¬gent observer.

$800 million in foreign currencies

Useful as these operations in the exchange markets have been, it is not obvious how much good they do the United States or that is so significant—although the United States does have today appreciable foreign currencies. De¬signing currencies at its disposal, either for the use of cash or standby facilities. Rather, the signifi¬cance lies in the pattern set for the future of international payments. The technique of the arrangements, their expansibility in time, and their ability to pinprop the use of our resources at the point and time of need.

All of these new arrangements are, of course, reinforced by the enlarged capital resources of the In¬ternational Monetary Fund to pro¬vide additional funds of need. As a result of the increase in sub¬scriptions voted in 1958, the United States alone has a Fund

quote of over $1 billion. These Facilities are being further supplemented by the new $3 billion standby credit agreement among ten of the industrialized countries of which the United States share of $2 bil¬lion is now awaiting final ap¬proval by the Board of Governors of the Federal Reserve with our principal trading partners. These agreements provide for the exchange of gold and or¬bital currencies, usable by either party when needed to meet balance of payments difficulties or interna¬tional flows of funds. In addition, we have on occasion ac¬quired gold and other foreign currencies in those countries, far in modest amounts—chiefly through direct Treasury borrowing, or by accepting repayment of debts owed to us. We have already placed in usable foreign currencies rather than dollars.

recent report on pilot projects

Thus far, the operations have been mostly in the public "pilot" projects, testing and prob¬ing the value and possibility of their existence and their possible usefulness. But experience has, I believe, already demonstrated their usefulness in specific situations, involving marks, Swiss francs, lire, guilders, and other currencies. They form a part of the encouraging characteristic of the operations already undertaken has been the ease with which we have sold many of them. This point clearly emerges from the recent re¬port on Treasury-Federal Reserve operations prepared by Charles A. Conant, General Counsel, Federal Reserve Bank, Atlanta.

The release of this report reflects our policy of making available to the public facts in time to time as much of the de¬tail of our operations as we possibly can.

I should stress again, too, that it is no part of our intention to disguise the basic forces of sup¬ply and demand, or the various market evidences of changing needs and conditions. On the contrary, the sensitive signals of changes in fundamental conditions are reflected in price fluctuations in free markets. And as one of my foreign colleagues put it: "It is one thing to have a central bank in another country, perhaps with a slight ulterior motive, the United States has a central bank in every country. It closes its record so freely and frequently that it cannot— even if it were to try—hide the facts of its balance of payments position from the intelli¬gent observer.

Security salesman's corner

For the benefit of those who may be engaged in the book-keeping department of any investment firm, I wish to make a few remarks. These remarks are addressed to those who are engaged in the book-keeping department of any investment firm.

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It is not my intention to discuss the principles of accounting which are well established and understood by all. However, I wish to touch upon some of the practical considerations which arise in the course of book-keeping operations.

I. The Nature of Securities

A. Common Stock

Common stock represents an ownership interest in a corporation. The holder of common stock is entitled to participate in the earnings and assets of the corporation. The rights of the holder of common stock are subject to the rights of the holders of other classes of stock and to the provisions of the corporation's charter and by-laws.

B. Preferred Stock

Preferred stock is a class of stock which has priority over common stock in the distribution of dividends and in the liquidation of assets. The holder of preferred stock is entitled to receive dividends at a fixed rate, and in the event of liquidation, preferred stockholders are entitled to receive a specified amount per share before any payment is made to the holders of common stock.

II. Book-keeping Operations

A. Record-keeping

The book-keeping operations of an investment firm involve the recording of transactions in the firm's books. These transactions include purchases and sales of securities, payments of dividends, and receipt of interest. The books of the firm must be kept in such a manner that accurate and complete records are maintained of all transactions.

B. Reconciliation

Reconciliation is the process of verifying the accuracy of the book-keeping operations. It involves comparing the records of the firm with the records of the securities dealers and brokers with whom the firm transacts business. This process ensures that all transactions are accurately recorded and that there are no discrepancies in the firm's records.

C. Financial Statements

The financial statements of an investment firm include the balance sheet, income statement, and statement of changes in equity. These statements provide information about the firm's assets, liabilities, and equity, as well as its revenues, expenses, and changes in equity over a period of time.

III. Tax Considerations

Investment in securities generates taxable income for the investor. The investor must prepare and file accurate tax returns to report the income generated from the sale or redemption of securities. The tax liability of the investor is determined by the nature and amount of the income generated from the securities.

IV. Conclusion

The book-keeping department of an investment firm plays a crucial role in the operation of the firm. The department is responsible for maintaining accurate records of transactions, verifying the accuracy of those records, and preparing financial statements. The department must also ensure that the firm complies with all applicable tax laws.

In conclusion, the book-keeping department is an essential component of the operation of an investment firm. It is crucial for the department to be well organized, efficient, and able to maintain accurate records in order to ensure the success and profitability of the firm.

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Domestic Oil Companies Going International

Continued from Page 14

were primarily interested in the industry in this subsidiary whose net income of $1.4 million for the first half demonstrated that of the corresponding period of 1961 by 31.4%.

Venezuela:

In recent years, Standard-Oil New Jersey, the Royal Dutch/Shell Group and Gulf Oil Corporation account for about three-quarters of Venezuela's output, which has greatly diminished their exploratory and developmental activity in Venezuela while accelerating exploration for new oil fields particularly in new areas. By contrast, relative newcomers have cated developed appreciable resevres and have stepped up their respective production signifigantly.

During the first half of 1962, Venezuela, the world's leading oil exporter, increased its crude output by 9.4% over that for the corresponding period of 1961 to a record level of 2,160,000 barrels daily. This improvement has been due principally to the greatly increased demand for heavy Venezuelan fuel oils. Exporters have reported repeated sales at high prices to European and Japanese consumers. At the same time, Venezuela has been able to count on the stability of her main customers, which has enabled the country to maintain an export level of 2,160,000 barrels daily.

As of June, Venezuela's leading private oil operator, Caja de Ahorros de Petroleo, has, since its initial production in 1961, increased its output to a current level of about 30,400 barrels daily while making a significant discovery in the North of the country. The new discovery, known as the "Tucupita" pool, is located in the Zulia province and is presently producing at a rate of 3,400 barrels daily.

Middle East:

Neutral Zone and Iran:

With the exception of the Saudi-Arabia-Kuwait Neutral Zone, the Middle East has essentially been a concern of the major international oil companies. The Kirkuk field in the Neutral Zone is represented by Getty Oil and American Independent Oil. The Persian Gulf area, which is of great interest to Phillips Petroleum Co., has 11,000 barrels of daily production. Efforts in Iraq and Iran, to explore further, are being continued, and new production is expected from the Persian Gulf. The development of facilities for the production of natural gas is also being considered.

Atlantic Refining has recently discovered 15,000 barrels daily in the Persian Gulf, and the company is currently marketing its gas products under an agreement with the Iranian government.

Newcomers with a Significant Stake Abroad:

Newcomers on the international scene who are making significant contributions to the growing stake abroad which possesses well balanced domestic operations and strong foreign trade ties include Phillips Petroleum, Gulf Oil, and Ashland Oil. These companies are showing steady growth and are expected to increase their activities abroad in the near future.

Phillips Petroleum's Venezuelan operation has been considerably expanded by the addition of new fields to its existing operations. The company has increased its production capacity by about 150,000 barrels daily, and is currently producing at a rate of 2,160,000 barrels daily.

In the Persian Gulf, Phillips Petroleum has made several important discoveries, including the "Tanganyik" field, which is expected to come on stream in the near future. The company is also engaged in extensive exploration and development activities in the Persian Gulf area.

Gulf Oil Corporation's operations in the Middle East have been expanding rapidly, with new fields coming on stream and existing fields being worked up to full capacity. The company is currently producing over 1,000,000 barrels daily in the Middle East, and is expected to increase its production in the future.

Ashland Oil's operations in the Middle East have been focused on the development of new fields and the expansion of existing fields. The company is currently producing over 500,000 barrels daily in the Middle East, and is expected to increase its production in the future.

Continental Oil Company, on the other hand, has been expanding its operations in the Middle East through acquisitions and new field discoveries. The company is currently producing over 200,000 barrels daily in the Middle East, and is expected to increase its production in the future.

The commercial oil industry is continually growing and expanding, with new fields coming on stream and existing fields being worked up to full capacity. The companies discussed above are only a few examples of the many companies that are making significant contributions to the growing stake abroad, and are expected to continue to do so in the future.
### Indications of Current Business Activity

#### AMERICAN IRON & STEEL INSTITUTE:

<table>
<thead>
<tr>
<th>Latest</th>
<th>Previous</th>
<th>Month</th>
<th>Year</th>
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<tbody>
<tr>
<td>1,190,000</td>
<td>1,170,000</td>
<td>1,160,000</td>
<td>2,150,000</td>
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Iron imports and castings (net tons)

#### CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:

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<tbody>
<tr>
<td>2,552,000</td>
<td>2,540,000</td>
<td>2,528,000</td>
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<tr>
<td>Private construction</td>
<td>2,552,000</td>
<td>2,540,000</td>
</tr>
<tr>
<td>Public and municipal</td>
<td>2,552,000</td>
<td>2,540,000</td>
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<tr>
<td>2,553,000</td>
<td>2,541,000</td>
<td>2,529,000</td>
</tr>
<tr>
<td>5.02%</td>
<td>5.04%</td>
<td>5.06%</td>
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#### METAL PRICES (E. M. & J. QNATIONS):

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<tr>
<th>Metal</th>
<th>Latest</th>
<th>Previous</th>
<th>Month</th>
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<tbody>
<tr>
<td>Steel ingots</td>
<td>750.00</td>
<td>745.00</td>
<td>740.00</td>
<td>735.00</td>
</tr>
<tr>
<td>Iron pipe (by gross ton)</td>
<td>2.05</td>
<td>2.04</td>
<td>2.03</td>
<td>2.02</td>
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### BUILDING PERMIT VALUATION—DUN & BRADSTREET, INC.—101 CITIZENS—Month of... 

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<th>Total</th>
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<td>$27,078,000</td>
<td>$27,030,000</td>
<td>$26,982,000</td>
<td>$26,934,000</td>
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**Updated information on current business activity can be found in the above tables.**
Aiken Savings Trust
August 23, 1962 filed 100,000 common shares of beneficial interest.
Address—Florham Park, N. J.

American Cosher Provisions, Inc. (10/17)
June 28, 1962 filed 30,000 common shares. Business—Manufacture and sale of a variety of kosher and non- kosher meat and meat products. Proceeds—For debt repayment and working capital. Address—New York, N. Y.

American Mortgage Investors
Feb. 8, 1962 filed 1,400,000 shares of beneficial interest. Proceeds—For debt repayment and working capital. Address—New York, N. Y.

Alcof Chemical Corp. (10/22)

Allegany Aluminum Industries, Inc.

Allied Graphic Arts, Inc. (10/22-26)
May 14, 1962 filed 60,000 common which will be sold for the company and 125,000 for a stockholder. Price—$5. Business—Manufacture of photographic papers, films and chemical products. Proceeds—For an acquisition, debt repayment and general corporate purposes. Address—New York, N. Y.

Allegro Electronics, Inc.

American Bank & Screw Mfg. Corp. (10/22-28)
Dec. 15, 1961 filed $800,000 of 6% convertible subordinated debentures due 1982. Proceeds will be used to provide working capital. Proceeds—For the drilling of diamond drill holes, and expansion of debt and other corporate purposes. Address—New York, N. Y.

American Bolt & Screw Mfg. Corp.

Amerex Mining Co., Ltd.
April 24, 1962 filed 8,000,000 common shares. Price—$1. Business—the company is engaged in exploration, development and mining. Proceeds—For diamond drilling, construction of facilities in Florida, and repayment of debt. Proceeds—For acquisition of additional holders of common stock. Proceeds—For repayment of debt. Address—New York, N. Y.

Alco Electronics, Inc.

American Building & Loan Assn.

American Bell Telephone & Telegraph Co. (10/22-23)
Oct. 2, 1962 filed $250,000 of debentures due Oct. 1, 1982. Proceeds will be used for working capital and for expansion. Address—New York, N. Y.

American Bros. Trust Co. (10/18)

American Commerce & Securities, Inc.

American Financial Co. (10/18-22)
April 21, 1962 filed $500,000 of 6% convertible subordinated debentures due 1972, 75,000 common, and $20,000 warrants, to be offered to the public, in units consisting of one $100 debenture and 10 shares of common. Proceeds—For the development of a new location for the company's head office, and for the purchase of the company's first aircraft. Proceeds—For new location for the company. Proceeds—For debt repayment and other corporate purposes. Address—New York, N. Y.

American Fidelity Corp.

American Fidelity Corp.

American Fidelity Corp.

American General Finance Co., Inc. (10/18-22)
April 21, 1962 filed $500,000 of 6% convertible subordinated debentures due 1972, 75,000 common, and $20,000 warrants, to be offered to the public, in units consisting of one $100 debenture and 10 shares of common. Proceeds—For the development of a new location for the company's head office, and for the purchase of the company's first aircraft. Proceeds—For new location for the company. Proceeds—For debt repayment and other corporate purposes. Address—New York, N. Y.

American Gas Co. (10/29-31)

American Hold Co.

American Home Car Co.

American Home Service Co.

American Ins., Inc.
Oct. 1, 1962 filed $250,000 of debentures due Oct. 1, 1982. Proceeds will be used for working capital and for expansion. Address—New York, N. Y.

American Life & Casualty Co.

American Liability Assurance Co.

American Life Assurance Co.

American Mfg. & Supply Co.

American Mfg. & Supply Co.

American Mfg. & Supply Co.

American Mfg. & Supply Co.

American Mfg. & Supply Co.
NEW ISSUE CALENDAR

October 11 (Thursday)
Hawaiian Electric Co, Ltd.
Hawaiian
corporate
capital
$281,000

September 15 (Monday)
Milwaukee Gas & Electric Co.

October 15 (Monday)
Be-Mac Transport Co.

October 16 (Tuesday)
Met Food Corp.

October 17 (Wednesday)
American Steel Foundry Co.

October 18 (Thursday)
Associa Investments Co.

October 22 (Monday)
Atochemical Chemical


American Plan Corp.

American Re-Insurance Co.

Camco Linen Corp.

Comsat Corp.

Hallandale Electric Co.

American Electric Metals Corp.

Louisville & Nashville R.R.

Pack-Well Paper Industries, Inc.

Poulsen Insurance Co. of America

R. E. D. M. Corp.

Stainless Steel Holdings
corporate
capital
$100,000

October 23 (Tuesday)
American Telephone & Telegraph Co.

October 24 (Wednesday)
American Gas Co.

October 25 (Thursday)
Chesnut Hill Industries, Inc.

October 26 (Friday)
Texas Capital Corp.

October 27 (Saturday)
Associates Investment Co.

October 28 (Monday)
Atochemical Chemical

Allied Graphic Arts, Inc.


American Plan Corp.

American Re-Insurance Co.

Camco Linen Corp.

Comsat Corp.

Hallandale Electric Co.

American Electric Metals Corp.

Louisville & Nashville R.R.

Pack-Well Paper Industries, Inc.

Poulsen Insurance Co. of America

R. E. D. M. Corp.

Stainless Steel Holdings

October 29 (Monday)
American Finance Co.

October 30 (Tuesday)
First Connecticut Small Business Investment

October 31 (Wednesday)

November 1 (Thursday)

November 2 (Friday)

November 3 (Saturday)

November 4 (Sunday)

November 5 (Monday)

November 6 (Tuesday)

November 7 (Wednesday)

November 8 (Thursday)

November 9 (Friday)

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March 23 (Sunday)

March 24 (Monday)

March 25 (Tuesday)

March 26 (Wednesday)

March 27 (Thursday)

March 28 (Friday)

March 29 (Saturday)

March 30 (Sunday)

March 31 (Monday)
of farm equipment. Proceeds—For new plant, an
acquisition, a new factory, and working capital.
—Kaukauna, Wis. Underwriter—Loewi & Co., Inc.,
Milwaukee.

Bank National & Mortgage & Loan Co. Dec.
29, 1961 filed $596,000 of 6% cumulative preference
dividends of 128,000 common shares for stockholders
amendment. Business—A mortgage lending company.
Proceeds—For general corporate purposes.
—108 Ashland Hsm St, Tel-Aviv, Israel. Underwriter—
Adaman American Israel Investment Co., Inc.,
New York.

Barker Bros. Corp. June 22, 1961 filed 1,050,000
ordinary shares and 3,190,000 A ordinary shares
purposes. Business—Importation, sale and distribution
of cosmetics. Proceeds—For expansion and debt
repayment. Division—Barker Brothers, Inc., New
York. Underwriter—None.

Business—Television, radio, photographic, and
cosmetics. Proceeds—For expansion and debt
repayment. Division—Barker Brothers, Inc., New
York. Underwriter—None.

Barnes & Noble, Inc. March 15, 1962 filed 200,000
common. Price—By amendment (max. $12). Business—Real estate invest-
ment. Proceeds—For debt repayment, acquisition of a building, and working
capital. Office—52 Fifth Ave. N.Y. Underwriter—Hornblower & Weeks, N.Y.

Bene Cosmetics, Inc. March 2, 1961 filed 300,000 common. Price—
Sale—importation, sale and distribution of Italian
cosmetics. Proceeds—For expansion and working
capital. Office—114 W. 13th St., N.Y. Underwriter—Granite Securities, Inc.,
New York.

Birchtree Realty Co. Sept. 21, 1961 filed 288,476 capital
shares to be offered for public subscription. Proceeds—For
debt repayment, acquisition of a building, and working
Underwriter—None.

Data Systems Devices of Boston, Inc.

Apr. 28, 1962

Business—Company plans to design, develop and produce electronic and mechanical-devices, including printers for electronic computers. Proceeds—For product development, new plant and equipment and working capital.


Data Vending Systems, Inc.

Sept. 28, 1962


Data Vending Systems of Florida, Inc.

Sept. 28, 1962

Price—$4. Business—Company plans to acquire and operate enterprises in the field of electronic vending machines. Proceeds—For expansion and working capital. Office—444 Courtland St., Muncie, Ind. Underwriter—To be named. Note—This registration includes a $4,000,000 bond issue.

Delta Bowling Corp.

Sept. 28, 1962


Debtor Corp.

Oct. 28, 1962


Deuterium Corp.

Nov. 28, 1962


Diamond Dust Corp.

Dec. 27, 1962


Diamond Mills Corp.

Jan. 23, 1963

Price—$4. Business—All of $100,000 common, of which 100 are to be offered by the company and 80 by stockholders. Proceeds—For debt repayment and working capital. Office—417 Fith Ave., N. Y. Underwriter—Dean Witter & Co., New York.

Direct Dynal Corp.

June 13, 1962


Diamond Mills Corp.

June 13, 1962


Direct Dynal Corp.

June 13, 1962


Diamond Mills Corp.

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June 13, 1962


Diamond Mills Corp.

June 13, 1962


Diamond Mills Corp.

June 13, 1962

discount department stores and one retail store.
Proceeds—For working capital. Office—4066-08 Ave, Brooklyn, N.Y.


Business—To be offered for subscription by stockholders on the basis of one new share for each three shares held. Proceeds—For payment of charter and organization indebtedness and for working capital. Address—St. Louis, Mo. Underwriter—George A. Wetmore, St. Louis, Mo.

Business—To provide investment opportunities for the purchase of real estate securities, primarily the gasoline and oil marketing industries. Proceeds—Proceeds to investment. Office—141 Mills St., Boston. Underwriter—Paul C. Warner, Boston, Mass.


Florida Beef Research Laboratories, Inc. March 16, 1962 filed 200,000 common. Price—By amendment (max. $15).


FloeCorp May 10, 1962 filed 169,429 common to be offered for subscription by stockholders on the basis of one new share for each three shares held. Proceeds—For debt repayment and other corporate purposes. Office—100 W. 10th St., Wilmington, Del. Underwriter—None.


Forest & Sons, Inc. March 23, 1962 filed 100,000 common. Price—By amendment (max. $15).


Hallandale Rock & Sand Co. (22-26) March 30, 1962 filed 250,000 of 8% subordinated debentures due 1977, 200,000 common and 6-year warrants to purchase 25,000 common at $1 per share to be offered in units consisting of a $10 debenture, 6 common shares and one warrant. Price—$11 per unit. Business—Extraction, processing and sale of rock and sand. Proceeds—For a proposed 250,000-lb/day sand plant and an expansion of the company's facilities. Underwriter—Hallandale, Fla. Underwriter—Mutch, Khanbegan, Flynn & Co., N. Y.

Halos Lighting, Inc. Mar. 27, 1962 filed 300,000 common, of which 100,000 is to be offered by company stockholder. Price—$7. Business—Operates a small manufacturing plant for the production of lighting fixtures. Proceeds—For general corporate purposes. Underwriter—Chicago III. Underwriter—O'Neill & Co., N. Y. Note—This registration was withdrawn.


Hawaii Real Estate Investment Trust May 18, 1962 filed 150,000 common. Proceeds—For 7½% convertible interest and eight-year stock purchase warrants to be offered in units consisting of one share and one warrant. Proceeds—Proceeds for general corporate purposes. Office—251 Hanapi Rd., Pahoa, Hawaii. Underwriter—Van Alstyne, Noel & Co., N. Y. Offerings—To be named.


Heartland Development Corp. June 6, 1962 filed 1,000,000 shares of 5% convertible preference stock to be offered for subscription by stockholders on basis of one preferred share for each 10 common held. Price—$12. Business—Real estate. Proceeds—For general corporate purposes and debt repayment. Office—900 Beaver St, Alhany, N. Y. Underwriter—None.
Hickory Industries, Inc.  

**Hollingsworth Solderless Terminal Co.**  

House of Koshu, Inc.  

Hydro-Swarf, Inc.  

Ideal Toy Corp.  
May 1, 1962 filed 400,000 common, of which 250,000 will be offered by company and 150,000 by stockholders. Price—By amendment (max. $30). Proceeds—For debt repayment and working capital. Offering—None. Underwriter—White, Weld & Co., Inc., New York. Underwriter—Indefinitely postponed.

Industro-Matics, Inc.  

Intercontinental Management Corp.  


Leombo Corp.


Levine's, Inc.

Mar 29, 1962 filed 80,000 common. Price—By amendment (max. $30). Business—Retail sale of pre-cut and prefabricated plastic toys.


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for each two shares held, Price—By amendment (max. $7.50).—Business—Management and investment functions.

National Union Life Insurance Co. of Pittsburgh

Sept. 10, 1962 filed 100,000 shares common, to be offered for subscription by stockholders of the company's parent,

N. J. Underwriters—Stone, Ackerman & Co., Inc., and

Orbit Stores, Inc. (10/29-11/2)

May 28, 1962 filed 100,000 common. Price—By amendment (max. $15).—Business－Department stores. Proceeds—For equipment, in¬

Orr (J. Herbert) Enterprises, Inc.

May 1, 1962 filed 285,000 common. Price—$10.50. Busi¬

Outlet Mining Co., Inc.


Packaging Corp. of America (10/15-19)


Pan American Beryllium Corp.

July 28, 1962 filed 1,000,000 common. Price—$5.50. Business—Refined beryllium chemicals. Proceeds—For debt repayment, advan¬

Panhandle Eastern Pipe Line Co. (10/17)


Parker Radiator Corp.


Pellegrino Aggregates Techiono.


Perma-Bilt Enterprises, Inc.

May 18, 1962 filed 300,000 common to be offered for subscription. Price—By amendment (max. $5). Business—Manufacturing and sale of new homes. Proceeds—For completion of land and building.

Permutit Corp.


Pittsburgh Corning Corp.


Potash & Chemical Co. (10/20-11/2)


Progressive Corporation


Purolator Corp.


Durham Security Life Insurance Co.


Nuveen Tax-Exempt Bond Fund, Series 3

Oct. 17, 1961 filed $15,000,000 of tax-exempt bonds for the improvement of the University of the U. S., and public subdivisions therewith which are believed to be exempt from Federal income taxes. Proceeds—For investment. Office—Chicago, Ill. Sponsor—Nuveen & Co., Inc.

Nuveen tax-Exempt Bond Fund, Series 4


Nuveen Tax-Exempt Bond Fund, Series 5

Oct. 17, 1961 filed $15,000,000 of tax-exempt bonds for the improvement of the University of the U. S., and public subdivisions therewith which are believed to be exempt from Federal income taxes. Proceeds—For investment. Office—Chicago, Ill. Sponsor—Nuveen & Co., Inc.

Optical Co.


Orbit Stores, Inc. (10/29-11/2)

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Pellegrino Aggregates Techiono.


Perma-Bilt Enterprises, Inc.

May 18, 1962 filed 300,000 common to be offered for subscription. Price—By amendment (max. $5). Business—Manufacturing and sale of new homes. Proceeds—For completion of land and building.

Permutit Corp.

Potomac Real Estate Investment Trust

Poulsen Insurance Co. of America (10/20/62)

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**Teaching Systems, Inc.**


**Tennova Corp.**


**Texas Corp.**

Aug. 23, 1962 filed $1,000,000 of 5½% subord. conv. debentures due 1974 and warrants to purchase 20,000 shares of capital stock. Proceeds—For working capital; Office—1902 Cranwood Parkway, Warrensville Heights, Ohio. Underwriter—First Long-term Capital Corp., 1200 Vine St., Cincinnati, Ohio.

**Texas Producing Co. (10.17)**


**Texas Plastics, Inc.**


**Top Dollar Stores, Inc.**

May 1, 1962 filed 4,000,000 common of which 100,000 are to be offered by company and 100,000 by stockholders. Proceeds—For construction, promotion and selling capital. Price—$1. Business—Discount stores selling clothing, housewares, etc. Proceeds—For expansion, equipment and working capital. Office—4133 E. 14th St., N. Y. Y. Underwriter—Phillips, Appel & Walden, 113 Broadway, N. Y. Y. Underwriter—LaSalle Trust Co., Chicago.

**Top Dollar Stores, Inc.**


**Towers Marts International, Inc.**


**Safeguard Investors, Inc.**


**State Life Security Insurance Co. of Colorado**


**State Life Insurance Co. of Colorado**

March 31, 1962 filed 315,000 class A shares of which 215,000 are to be offered by the company and 100,000 by the stockholders. Price—$5. Business—Commercial finance and real estate investment and working capital. Office—1760 High St Denver, Colorado. Underwriter—None.

**Steele Cooper Corp.**


**Stockman’s Bank & Trust Co.**


**Standard Realty Construction Fund, Inc.**


**Starlet Realty & Construction Fund, Inc.**


**Star Tower Development Co.**


**Staton’s, Inc.**


**Staton’s, Inc.**


**Steel Products, Inc.**

Nov. 29, 1961 filed 260,000 common of which 200,000 are to be offered by the company and 60,000 are to be offered by stockholders. Price—$5. Business—Manufacture of and trade in ferrous and non-ferrous raw materials and finished products. Proceeds—For debt repayment, expansion and working capital. Price—By amendment (max. $7.50). Business—Manufacture of fluid control equipment used in machinery, helicopters and airplanes; Office—222 W. Jackson Blvd., Beverly Hills, Calif. Underwriter—None.

**Stock Controls, Corp.**


**Sunset Lab & Showroom, Inc.**

March 27, 1962 filed 250,000 common. Price—By amendment (max. $7.50). Business—Manufacture of fluid control equipment used in machinery, helicopters and airplanes; Office—222 W. Jackson Blvd., Beverly Hills, Calif. Underwriter—None.
ISSUES FILED WITH SEC THIS WEEK

**Ampal-American Israel Corp.**
Oct. 3, 1962 filed 150,000 shares of 6.5%, 15-year debentures (series J) due 1972. Price—At par. Business—Company was organized to make exclusive bilateral trade between the U. S. and Israel, and to aid in economic development of Israel. Proceeds—For repayment of loans. Officer—17 E. 71st St. Underwriter—Israel Securities Corp. (mail address).

**California Financial Corp.**

**Electronic Distributing Co.**

**Florida Power Corp.**

**Flying L Skytel**

**Georgia Power Co.**
Oct. 3, 1962 ("Reg. A") 250,000 common and $1,000,000 5% convertible preferred. Price—By offering (max. 100). Proceeds—For construction of a new generating plant and possible sale of 25,000 shares of class A stock. Officer—A. C. Bohem, Atlanta, Ga. Underwriter—(Competitive). Probable bidders—Blyth & Co., Inc.; First Boston Corp.; Lehman Bros. & Co.; Atlanta Bldg., Atlanta, Ga.; Salomon Brothers; dish & S. Co.; Atlanta Bldg., Atlanta, Ga.; U.S. Trust Co. & Co., Atlanta, Ga. Underwriter—Equitable Securities Co. (jointly); Lehman Bros. & Co. (jointly); Halsey, Stuart & Co. (jointly); Blyth & Co., Inc. (jointly); Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. (jointly); Halsey, Stuart & Co. (jointly); Blyth & Co., Inc. (jointly); Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. (jointly); Blyth & Co., Inc. (jointly); Kidder, Peabody & Co. (jointly);

**High Temperature Materials, Inc.**
Sept. 28, 1962 ("Reg. A") 5,000,000 of 5% convertible debentures due 1976, and 10,000,000 shares of common. Proceeds—For general corporate purposes. Officer—21 E. 40th St., New York, N. Y. Underwriter—None.

**Hi Selected Metal Stamping & Spinning Co., Inc.**

**Metropolitan Edison Co.**
Oct. 10, 1962 filed 150,000 preferred of $1,000 par. Proceeds—For general corporate purposes. Officer—393 South St., Philadelphia, Pa. Underwriter—4380 Market St., Philadelphia, Pa. Underwriter—(Competitive). Probable bidders—Liberty, Chapin, Halsey, Stuart & Co. (jointly); Lehman Bros. & Co. (jointly); Blyth & Co., Inc. (jointly); Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. (jointly); Blyth & Co., Inc. (jointly); Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. (jointly); Blyth & Co., Inc. (jointly); Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. (jointly); Blyth & Co., Inc. (jointly); Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. (jointly); Blyth & Co., Inc. (jointly); Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. (jointly); Blyth & Co., Inc. (jointly); Kidder, Peabody & Co. (jointly);

**Pacifice Power & Light Co.**
Oct. 3, 1962 filed 125,000 preferred of $100 par. Proceeds—For general corporate purposes. Officer—7400 N. Sherman St., Milwaukee, Wis. Underwriter—None.

**Perk-Pak, Inc.**

**Quick-N-Clean Corp., of Minnesota, Inc.**

**Regulators, Inc.**

**Russ Togs, Inc.**

**Russell Stover Candies, Inc.**

**Simpson & Co., Inc.**

**Wisconsin Natural Gas Co.**
Oct. 3, 1962 filed $5,000,000 of first mortgage bonds due 1982. Proceeds—For the conversion of 5% bond due 1962, and for other general corporate purposes. Officer—1301 N. Hubbard Ave., Chicago, Ill. Underwriter—None.

**Emce Electronics, Inc.**
Oct. 6, 1962 filed 100,000 common, of which 50,000 shares are to be offered by company and 50,000 shares by remoter. Proceeds—For general corporate purposes. Officer—1301 N. Hubbard Ave., Chicago, Ill. Underwriter—None.

**Goldsmith Bros.**
Oct. 6, 1962 filed 100,000 common shares at $4 14/4 by Blyth & Co., New York, N. Y.

**Lynx Corp.**
Oct. 6, 1962 filed $1,600,000 of 5% sinking fund debentures due 1977 and 160,000 common shares in units of $200 of debentures and 1/10 share of a $40 common. Proceeds—For general corporate purposes. Officer—Nevins, R. B.; and others.

**Surburban Water Service, Inc.**
Oct. 6, 1962 filed 20,000 shares at $18 by Putnam & Co., Hartford, Conn. The shares may be no dividend preferred or no-par common or a combination of both, as designated by the underwriting manager at least 24 hours prior to delivery of stock.

**Textron, Inc.**
Oct. 6, 1962 filed 100,000 shares at $25 per sh over by Blair & Co., Inc., New York, N. Y.

**Video Color Corp.**
Oct. 6, 1962 filed 100,000 common shares at $1.15 per share by Naftalin & Co., Inc., Minneapolis.

**Attention Underwriters!**
Do you have an issue you're planning to register? Or interested in what's selling out? Let us know about it so that we can prepare an item similar to those you'll find hereunder. Write to us at 330 Madison Av, 36th fl New York 16, N. Y. or write us at 55 Park Place, New York 5, N. Y.
Florida Urban Service Co. —J. June 1, 1962 it was reported that this company plans to sell $10,000,000 of first mortgage bonds due 1962. Proceeds—For construction. Office—120 S. Miami St., Springfield, Ill. Underwriters—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.-Merrill Lynch & Co. (jointly); First Boston Corp. Bids—Expected Nov. 27.

Kentucky Utilities Co. —Y. July 3, 1962 it was reported that this utility plans to sell $15,000,000 of 9% first mortgage bonds in the first quarter of 1963. Office—120 So. Lime¬stone Ave., Lexington, Ky. Underwriters—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.-Merrill Lynch & Co. (jointly); First Boston Corp. Bids—Expected Nov. 27.


Montana-Dakota Utilities Co. —12/5 Oct. 2, 1962 it was reported that this company plans to sell $12,000,000 of 25-year first mortgage bonds in December. Office—242 South 7th St., Minneapolis, Minn. Underwriters—to be named. The last bond issue was at competitive rates. Other bidders were: Blyth & Co., Inc.-Merrill Lynch & Co. (jointly); Halsey, Stuart & Co., Inc.-Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.-Merrill Lynch & Co. (jointly); Equitable Securities Corp.-Kidder, Peabody & Co.-First Boston Corp. (jointly).

Natural Gas Pipeline Co. of Georgia —Y. Sept. 26, 1962 it was reported that this subsidiary of Peoples Gas Light & Coke Co., plans to sell $35,000,000 of senior securities later this year. Business—Operation of two natural gas pipeline systems extending from Texas to the Chicago metropolitan area. Proceeds—For working capital. Underwriter—Dillon, Reavle & Co., New York City.


New South Electric Co. —Y. Aug. 1, 1962 it was reported that this Company plans to offer $40,000,000 of common stock. Proceeds—For extension and construction of the Southern system. Underwriter—To be named. The last stock issue was at competitive rates. Business—Electric power. Underwriters—(Competitive). Probable bidders: First Boston Corp.-Halsey & Stuart Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-Blyth & Co. (jointly); Kidder, Peabody & Co.-Morgan Stanley & Co. (jointly). Bids—Expected Nov. 27.

* * *


**The State of TRADE and INDUSTRY**

**Continued from page 15**

**This week ended Oct. 6, 1962,** as follows:

<table>
<thead>
<tr>
<th>Index of Wholesale Prices</th>
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<tr>
<td>North East Coast...</td>
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<td>Milwaukee</td>
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<td>Western</td>
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<td>91</td>
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**Total** | 103.7 |

**The West Coast, 91**

**Steps Up Steel**

**Competition Predicted**

Despite an order uptrend with buying running well ahead of last month's steelmakers doubt the market will support higher prices if the uptrend continues.

Selective increases can't be ruled out, but producers would have to find a way to rate such price increases. Most products face stiff competition at current levels, and a local government opposition to a price move seems to be somewhat like a Mediterranean bidding, Dr. Walter Heller, a Presidential economic adviser, said that such policies do not suggest that average prices should not rise. He added: "I would expect that if such price increases are inconsistent with price stability as a whole."

Cooling down is a way steelmakers are facing competition in themselves and in the importations of competitive materials, and with imported products.

Kaiser Steel Corp. trimmed its West Coast quotations by an average of $12 a ton last week, said dealers, eliminating long standing price differentials with the rest of the country. Industry sources said Kaiser's move might find it impossible to absorb freight or cut prices to sell on the West Coast, largely because steel company declared it will remain competitive.

A price squeeze, according to sources, steelmakers are facing competition in themselves and in the importations of competitive materials, and with imported products.

The International Steel Group, Inc., suddenly over the last 60 days, raised its West Coast truckload freight charge from $35 to $40 per ton for all steel hauled in the region.

**Rail Freight Loadings Decline for September**

**Revenue freight in the week ended Sept. 29 totaled 21,518,100 tons of all types of freight, according to the American Railroads reports. This was an increase of 4708 cars and 21.4% above the corresponding preceding week. Loadings in both weeks were affected by a conference of the American Railroads, carried through on the Northern Pacific, and the Burlington Union and Central lines.

The loadings represented a decrease of 24% from the corresponding week last year and 58% from the previous week.

**Steel Output**

**Production of steel output during the four weeks ended Sept. 29 reached 21,518,100 tons of all types, down from 21,686,000 tons during the preceding week. This was an increase of 4708 cars and 21.4% above the corresponding preceding week. Loadings in both weeks were affected by a conference of the American Railroads, carried through on the Northern Pacific, and the Burlington Union and Central lines.

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continued from p.6

The accompanying table is based on the annual reports of the banks. The data is presented for the years 1965-1987. The table includes information on the banks' assets, equity, and net income. The banks are listed alphabetically by state.

The accompanying graph shows the trend in the banks' net income over the years 1965-1987. The data is presented in a line chart, with the x-axis showing the years and the y-axis showing the net income in billions of dollars.

The accompanying table and graph provide a comprehensive overview of the banks' financial performance over the years. The data is useful for analysts and investors who are interested in the banking industry.
WASHINGTON, D.C.—Down on the fabulous "gold coast" of rapid growing Florida in a few days ago, was one intriguing, behind-the-scenes thing, plus those presented out in the open for all to see and hear, took place.

The occasion was the 29th annual Governors' Conference, an organization encompassing a territory from little Delaware to big Texas. Fifteen of the 17 Democratic governors (there is not a single Republican chief executive presently in conference) gathered at Hollywood, Fla. (pop. 40,000) half-way between Fort Lauderdale and Miami.

There is in the Diplomat hotel there was an air of nervousness for the first half of the conference because of the tragic chapter being recorded on the campus of the University of Mississippi. A handful of the governors bitterly assailed President John F. Kennedy and his brother Attorney General Robert F. Kennedy. But most of them were more than disapproving the use of Federal troops "or the necessity to use troops," kept silent publicly in the great crisis.

Impact on Democrats

Most of the 15 governors present—only Governor Ross B. Barnett of Mississippi and Governor James H. Davis, the wealthy singer and ballad songwriter from Louisiana were absent—lasted a little too early to assess the damage that had been done to the national Democratic party.

However, all agreed privately that the refusal of theolla of混乱 in the use of the armed soldiers, the Kennedy Administration actions, hurt in the South. On the other hand, they expressed belief that the party would be strengthened in other parts of the country.

Governor Orval Faubus of Arkansas, the dean of Southern Democrats, and the newly elected chairman of the 17-state conference, expressed the hope that it could result from this dark chapter of the Kennedy years.

"There may be one good thing that could result from this dark chapter. And I mean a positive thing," Governor Faubus. "It may mean that we will be able to get rid of the Kennedy's."

Only the Arkansas governor, and out-going Governor John Pat
terson of Kentucky, and the first Southern governor to come out for John F. Kennedy for the presidency, did not express overt discontent with the Kennedy brothers.

Said Governor Patterson: "The president and attorney general are not bad men, but one that is best for 'me' politically than that is least for the country."

The governors from the border states like Maryland, Kentucky, West Virginia and Missouri, were in a little different position to make fellow governors of the Old South. For instance, Governor William Walls of Virginia, who opposed Governor Faubus favored censuring fellow Gov
er Barnett for not complying with the Eighteenth and Fifteenth Federal Court of Appeals.

"The truth is none of those fellow governors ever did anything to help me over in my home community," said Governor Patterson. "Our country has been hurt because the Federal Government made a grave mistake in its invasion into the domestic affairs of Mississippi."

Eyes on Texas

The political ramifications may well be highly interesting to watch. The "ole Miss Tragedy" may have an effect upon the gov
ernors' race of Texas. There was an unusual speculation at the conference in Florida whether Rep
er's Goodwin, Governor Connolly of Texas, would now have a chance to be
come the first Republican chief executive in the Lone Star State since "way back when."

Some Texans at the conference said that while Candidate Cog
would probably be assisted a great deal by what took place in Mis
sissippi, Democratic Candidate John Connally, President Ken
dy's first Secretary of the Navy, appeared to have a clear field.

The Mississippi tragedy and the attendant bloodshed is not ex
tected to have any great effect next month on the Southern congress
cional races. Most of the in
terested have no Republican opposition. While Rep
government is getting more and more respectful all over Dixie, it still has a long way to go to attract local, state and congressional can
didates.

Says Net Gains for Democrats

What about the effects of the Mississippi tragedy on congressional democratic gains in areas outside the South? There were divergent views of the chief
electives who talked privately. The consensus of most of them was that the Democratic party will be helped by the strong enforcement stand taken by President Kennedy at Oxford, Miss., in Northern States.

Southern Negroes—and more and more of them are voting—al
doubtedly favor the National Demo
cratic leadership, one governor, who declined to predict use of his name said. He added:

"And from the best information I get the Negro voters of the Nation overwhelmingly favor the Democrats over the Republicans. The integration action taken by the national administration in Mississippi will strengthen the Democratic party on a national level with the vast majority of the Negro citizens—make no mistake about that. The Kennedy boys realize that."

Another governor, from a bor
der state, defending the action of the President, speculated that the bloodshed in Oxford would have been "worse if Richard Nixon been the president."

South's Role in Space Age

But there were some other signif
icant things that occurred at the Governors' Conference. The chief executive of the nation down on Wednesday and took a chumered plane to Cape Canaveral, an hour's drive from the NASA complex. They watched the dramatic blast off of Navy Commander Walter Schirra in an
nucleonix rocket-laid down into space.

The governors heard at Cape Canaveral that the space age in
dustries in the South are growing by leaps and bounds. The chief

executives saw at Canaveral, a weekday just a few years ago but now a booming region, a future of launching pads. Here the National Aeronautics and Space Administra
tion plans by the end of this decade to blast off a team of astron
auts to the moon.

"What a gripping, dramatic sight," said Governor Buford Ef
ington as the space craft dis
ppeared in the brilliant autumn sunlight at the Atlantic Missile Range after the blast off.

"It was dramatic, indeed," said Governor Elbert E. Carrel of Del
caware. "I said a little prayer for Walter Schirra, bless him."

Less Dependence on Federal Government

Before the governors packed their bags to return to their res
pective states, they took action by resolution that millions of Americans probably concur in. They adopted a resolution calling on the Kennedy administration to take "appropriate and necessary" action to end the Communist Cuban threat to freedom in the Western Hemispere. The "Mon
croe Doctrine" resolution was par
ticularly urged by Governor Pur
dy Bryant of Florida. Florida's soil is less than 100 miles away from the Soviet build-up.

The governors also adopted (segregation-integration had noth
ing to do with it) a pro-states rights resolution hoping to stop the
gradual erosion of the rights of the states by the central gov
ernment in Washington. At the same time the governors acknowled
ed that they had the respon
sibility of trying to help provide more services to the people by the respective states, rather than let Washington provide those ser
vices.

The governors also called on the President to cease the importation of oil and textiles which is said to be damaging the domestic economy of those states where these products play an impor
tant part in the economy.

[This column is intended to reflect "the behind the scenes" interpretation from the nation's capital and may or may not coincide with the "Chronicle's" own views.]

COMING EVENTS

INVESTMENT FIELD

Oct. 11-12, 1962 (Los Angeles) Association of Stock Exchange Firms Board of Governors meeting at the Ambassador Hotel.


ment Clubs Twelfth Annual Con
vention at the Sheraton Hotel.