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EDITORIAL

## As We See It

The demands that the President is making of Congress, the partial success he is having in getting what he wants, his evident intention of taking his "advanced" ideas to the people in the campaigns this autumn, and the half-hearted resistence offered by the opposition, all serve as a forceful reminder of the degree to which socialism and related social doctrines have already taken us into camp. Time was—and not so very long ago—when the individual was expected to look after himself and did look after himself. There were, of course, those who did not do a very good job of it. We, all of us, were sorry for them, and did what we could to relieve them of undue suffering, but the fact that they were their own responsibility led to a good many very valuable results which, now that the state undertakes to look after the incompetent, the indolent and the unfortunate with a definitely generous hand, we shall sorely miss.

The difficulties that are now being encountered in providing adequate health care, in supplying educational needs (or what are regarded as such), the effort to find funds for all the research in and out of industry and other related factors of our life today are usually laid to causes which, while present and in some instances significant, are not the sole source of trouble. We are constantly complaining about the high cost of medical care in and out of hospitals in this day and time. It is expensive, and the cause is in part a result of the growing complexity of medical diagnosis and treatment which in turn stems from rapid discoveries and improved techniques. But there are other causes, too, as any one knows who undertakes to hire help of any sort these days or to buy articles which have to bear the cost of labor monopoly in manufacturing. (Continued on page 25)

## Removing Today's Impediments Limiting National Banks' Growth

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

**Spelled out are the changes being made and which will be sought to reverse commercial banks' faltering competitiveness; to improve the operations of the Comptroller's Office; and to realign Federal Reserve control. Mr. Saxon 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 branches, 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.


Hon. James J. Saxon

We all share the responsibility for past deficiencies. Today our task is to look forward, not backwards, nor sideways. 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 kaleidoscopic view of our National Banking System and its problems.

When I took office some ten 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 subdued 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 place 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 communications relating to the policies of the Comptroller's Office, such as letters, memoranda, and instructions. We have found that by opening the issues to public discussion in these ways, the views of the private interests have been more thoughtfully developed, (Continued on page 28)

## American Bankers Association Convention Issue

# The Security I Like Best...

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

GARRETT J. NAGLE, JR.
*Analyst, Burgess & Leith, Boston, Mass.*

**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 opened 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 1949 changed its residence to Illinois. The parent company, through its wholly owned subsidiaries, Combined American Insurance Company of Dallas, Texas, First National Casualty Company of Fond du Lac., Wis., and Hearthstone Insurance Co. of Boston, Mass., is engaged in supplying accident and health insurance throughout the 50 states and the District of Columbia, as well as Canada, Puerto Rico, Guam, and Australia.

The company has risen to a position as one of the ten largest underwriters of individual health and accident insurance in the country, with over 2,500,000 policies in force held by over 1,800,000 policy holders.

Through approximately 1,600 well trained sales representatives, the company has been able to acquire approximately 90% of their sales volume with the balance attributed to general agents. Nearly 75% of the company's sales are initiated through the low premium accident policies. The initial policy ordinarily costs $6 annually, and $16 or $32 for the full coverage policies. Although most of these policies are noncancellable, the risk to the company is reduced by restricting the maximum payment for any one injury to six months, and reducing to 50% benefits to people 70 years of age and over.

In a great measure, the success of CICA is due to W. Clement Stone, "parent" and President of the company. Mr. Stone is a recognized leader in the sales motivation field. He is the co-author of *Success Through a Positive Mental Attitude* and editor of the monthly magazine *Success Unlimited*. Recently, Mr. Stone completed for Prentice Hall his latest book, *The Success System that Never Fails*.

In addition to Mr. Stone, 19 executive officers and directors round out the well integrated management, with 17 of these having been associated with the company for more than five years.

| Year— | Premiums Written (000's omitted) | Earnings per Sh.* | Stock Divs. % |
|---|---|---|---|
| 1962 | $60,000 | $1.45 | 66⅔ |
| 1961 | 50,148 | 1.03 | 50 |
| 1960 | 42,934 | 0.87 | 33⅓ |
| 1959 | 36,346 | 0.37 | 25 |

*Adjusted to reflect 5,000,000 shares currently outstanding.

The future appears bright for CICA through internal growth and probably increased emphasis on the life field later on. In addition, the management has represented an interest in attractive acquisitions. Stock dividend disbursements, according to Mr. Stone, will be made until the capitalization reaches at least 10 million shares. Currently there are 5 million shares outstanding.

In view of the demonstrated rate of growth despite business cycles, CICA appears an attractive participation in the insurance field. The stock is traded in the Over-the-Counter Market.

EDWARD H. BRADFORD
*Vice-President, F. L. Putnam & Co., Inc., Boston, Mass.*

**Murray Company of Texas**

Shortly after World War II, 1947, to be exact, a small stockholder was faced with a decision. He held 10 shares of Murray Co. common stock. The company, not to be confused with Murray Corp. on the New York Stock Exchange, was to offer 10 shares of Murray Co. of Texas, reincorporated to acquire a new business, for each old share held. His holding had a market value of about $800. Should he go along with the deal, or should he sell out? Fortunately, he "went along." The actual exchange took place in 1948, and his new 100 shares became 200 shares in 1949, when the stock was again split, and 400 shares in 1955, when the company paid a 100% dividend. In 1960, his stock doubled again with another 2-for-1 split, bringing his holdings to 800 shares. Business prospered, and the stock rose in market price. By sitting tight, his $800 commitment now has an Over-the-Counter Market bid price of about $20,800. He, therefore, feels justified in thinking of Murray as "The Stock He Likes Best."

Murray is a sort of Texas-Yankee. The company originated in 1900 as a manufacturer of cotton ginning machines and equipment. In 1912, Van Winkle Gin & Machine Co. of Georgia was acquired and has since been absorbed in the Dallas operation. In 1938, the Carver Cotton Gin Co. of East Bridgewater, Mass. was taken over. These have been parlayed into one of the best known lines in the cotton ginning machinery business. The line is said to account for about 40% of domestic business and more than all competitors in foreign sales.

Through reincorporation in 1948, Murray acquired Boston Gear Works of Quincy, Mass., which is understood to account for approximately half of present business. The gear works makes stock products — gears, shaftings, bearings, sprockets, chains, etc.—sold nationally to equipment manufacturers and wholesalers in the United States and Canada. Gear Works has also developed ratiomotors of fractional horsepower and variable speed controls. Applications of the latter have been used in positioning Atlas missiles and in varied industrial use. Along with Gear Works, Murray acquired The Compressed Steel Co. of Boston in 1957, which now operates as a division producing cold drawn bars of varied shapes for manufacturers. Boston Gear has a top name in its field, gained through reliability and engineering.

In the absence of fireworks and fanfare, Murray common is a decidedly underpriced stock. Both the earnings record and the balance sheet are impressive. Sticking to the period since 1947, sales have advanced from $10 million to a current rate of about $42 million, while net for common has come from $600,000 to a possible $2,500,000 this year. Per share net, adjusted for splits, has risen from 59¢ in 1947 to about $2.50—as a guess — for 1962. During the period, equity per share has advanced from $4.19 to $20.01 and would be considerably higher if appreciation of Murray-owned real estate in Dallas were taken into account. Finances are strong. Working capital amounts to $18.3 million ($18 per share) and the current ratio at June '62 was 4.7:1. Long-term debt is only $1.4 million, while capital and surplus is $20.4 million, represented by 1,019,916 shares outstanding. With the exception of 1957-1958, when there was no change, dividends have been increased per adjusted share in every year since 1947. Year-end extras are paid, and this year an extra is expected to bring total payments to more than the $1.10 of '61.

One of two things could happen to Murray at this point, and either would be favorable to stockholders. As can be seen, the business is sound, stable and profitable. Boston Gear has had labor troubles, but these have been settled by a three-year contract. Funds have been built up and set aside to provide for the possible acquisition of another business. The officers and directors have shown a genius in picking up bargains and operating them profitably. The management, however, does not have a toe-hold on the stock, and it is also possible that Murray, itself, might be taken over. In April of 1958, stockholders were notified by airmail that outside interests were attempting to obtain control of the company. As the dust cleared away, it turned out that Col. Rockwell of Rockwell Standard, Alfons Landa, et al., had acquired approximately 17% of the common. Murray directors reacted with more stockholder-minded policies, upped dividends, split the stock, sharpened the appearance of the annual report and sent out more informative interim statements. Shareholders held their positions, and the stock moved to higher prices. As a guess, it might cost as much as 25% to 30% more than present prices of the common to obtain control. If, on the other hand, the company makes another acquisition, longer-term developments may carry the shares even higher. In short, it appears to the Murray stockholder that "somebody up there" likes him.

*(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)*

**This Week's Forum Participants and Their Selections**

# Make Preparations Now For Another Bull Market

*By* Ragnar D. Naess,* *Senior Partner, Naess & Thomas, New York City*

**Any decline in the stock market during the coming months should be viewed as an "unusual buying opportunity." Mr. Naess supports this advice with a prediction of a short-run moderate business decline and favorable long-run outlook, and a 525-550 low and a 625-650 D-J industrial average range in the next six months with 1962's low apt to be the low for a number of years ahead. Recommends seeking issues with greatest potential long-term rewards with a balanced, but flexible, portfolio and preparing to add high quality stocks in next 6-12 months of lowering prices. Offers capsuled comments on industries with investment promise.**

In many ways this is a difficult time to discuss investment policy because we are, so to speak, in an in-between period, or what may be termed "no man's land." Six months or a year ago it would have been possible to take a rather firm stand for action in the direction of reducing common stock holdings. At that time I did expect a considerable decline in the stock market and so stated on numerous occasions. Today the situation is entirely different. The stock market just experienced its most severe decline of the postwar period a few months ago; and we find ourselves with a market which is drifting aimlessly, although firmly with many stocks selling at far more reasonable prices in relation to earnings and dividends than those which prevailed during the last several years. It is difficult to state with conviction that stocks should be bought since many questions can be raised about the business and political outlook; yet it is also difficult to state with conviction that stocks should be sold. Hence, my statement that we are in "no man's land." Since I spend most of my time thinking about investment policy, and since it is my duty to try to resolve the imponderables regardless of their complexity, I will not hesitate to give the possibilities ahead as I see them to the best of my ability.

Ragnar D. Naess

The single most important factor in determining common stock prices is the trend of earnings which, in turn, depends upon the trend of business. It seems to me that the business curve is in the process of turning down. The weaknesses which have bedeviled the present recovery since the early part of 1961 continue to be in evidence. Inventory accumulation has been an adverse factor from the very beginning of the recovery in many consumers' goods industries, and particularly in consumers' durable goods. Production levels have consistently been in excess of immediate demand. This tended to slow the recovery markedly in comparison with recoveries during more normal periods when inventory liquidation continued for quite a time following the low point in the cycle.

Consumption of goods has been rising slowly because consumers spend an increasing proportion of their incomes for services. Expenditures for consumers' durable goods are no higher than they were three years ago.

Plant and equipment expenditures have been rising much too slowly in relation to overall activity. The backbone of a strong business recovery and of a high-level economy is a rising curve of plant and equipment expenditures and their maintenance at a high level following their recovery. These expenditures stimulate employment, payrolls, and consumer spending as no others are capable of doing. In this recovery, overcapacity in a number of industries has been the immediate cause of the lag in capital spending, giving us an economy top-heavy in consumers' goods and services. Intense competition and shrinking profit margins have narrowed the potentially profitable investment opportunities in many of our most important industries.

The excessive level of output in relation to immediate demand in many consumers' goods industries, the lack of dynamic improvement in consumers' expenditures for goods, and the slow improvement in capital expenditures by industry have so limited the recovery that business now appears to be close to a peak. It seems that we will suffer at least a modest recession beginning in the near future and running into 1963.

### Sector-by-Sector Analysis

More specifically, in consumers' goods, activity in apparel, radios and TV, appliances, furniture and floor coverings, and miscellaneous durables is substantially greater than immediate demand, so that chances favor cutbacks in these industries in the near future.

In machinery and equipment, an important component of capital spending, orders peaked some months ago; and while output has

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## Articles and News



## Regular Features



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# OBSERVATIONS...

BY A. WILFRED MAY

### HOW-NOW THE ART MARKET? Here and Abroad

Since the publication of our recent articles on "Picasso versus I.B.M."* in which we explored the matter of the comparative post-Stock Crash performance in the art market, some interesting additional "indicators" have been suggested.

From London come reports of the greatly increased sales volume fetched by works of art auctioned at the famed Sotheby's. In the October - July 1961 - 1962 season their sales of paintings amounted to £4½ million, a new high, registering an increase of £500,000 over the previous season and about quadruple the 1955-56 total. Prints scored a record 50% increase over the previous season.

While this overall performance record is reassuring as to the year's demand, it leaves out of account a monthly or quarterly break - down notably for stock market comparison: the effect of the April 29-June 23 decline of 20% on the London Stock Exchange. In fact, it is said that a June sale there turned in quite disastrous results. Also omitted from consideration are the year-to-year variations in the quality of the pictures.

#### Suggested Evidence

The interesting proposition has been raised here that evidence of the state of the art market is significantly revealed by the total 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 all-sale in New Port in late June fetched $415,000 against a total advance estimate of $100,000 less.

While this technique is probably the best available, it entails the logical fallacy of failure to take into account the possibility (not in this case, Park Bernet the auctioneers, inform us) that the presale estimates already reflect the market's possibly depressed status.

Incidentally, the optimistic conclusions regarding the abovementioned Burden sale are counterbalanced by some other sales wherein the proceeds fell short of the estimates — as the Von Tatianos auction of April 14 at Park Bernet in New York, where receipts of $173,000 fell short of the $217,000 estimate total.

Probably the only certain method of measuring the state of the art market would be a year-to-year comparison of the prices fetched by works by individual artists whose fashion has remained unchanged.

### SPAWNING "DEVELOPMENT"

Whole-souled, as we have detailed it,† is our commitment to Latin American aid in the $20 billion Alliance for Progress program extended directly and through the Inter - American Development Bank.

Significant now are plans 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, but seemingly as varied, as in Latin America. The U. S. grand total of $844 million devoted to the Inter-American institution out of its total receipts of $1,353,000,000, comes via three sources. Our contributions to the Bank via the Social Progress Trust Funds come to $394 million. Our capital subscriptions to the ordinary capital of the Bank aggregate $350 million out of a total $813 million, or 40%, with Latin American countries putting up the balance. To the Fund for "special operations," the "soft loan window" counterpart of the World Bank's IDA, with its loans repayable in local currencies, the U. S. has extended $100 million out of its $146 million total.

#### African Preliminaries

At last week's meeting of the African Institution's sponsors in Douala, Cameroons, 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 non-African sources of funds being solicited are Rome, Paris, Berne, Bonn, Prague, Moscow, Stockholm, London, Ottawa, New York, Washington and Tokyo. The *share capital* of the African bank, estimated at about $200 million, is to be entirely limited to African countries.

Strongly emphasized, as with the Inter-American Bank in this hemisphere, is the preservation of "home rule," that is African membership domination and character "as an effective tool of African development."

The non-African contributions will amount to about $800 million. These "foreign" participations, barred from capital subscriptions, will be made in a great variety of forms, including loans, grants, special purpose contributions, trust funds, and participations in the Bank's loans and its debentures. Already emerging are expectations of our "softness" role.

In any event, as with the Latin American area, the problem will remain of getting the aid permeated through to the right hands, political as well as economic and equally important, of removing the various strong deterrents to accompanying 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 while Secretary Dillon's financing of the deficit outside the commercial banks during the past year has been sound, it leaves out of account the monetization of the debt and inflation which—despite the presence of various offsets—result from purchase of the bonds by the Federal Reserve System.

The succeeding report as of Oct. 3 by the FED, disclosing the largest weekly increase, $1,466,000,000, on record, shows this trend accelerated. And the System's holdings of Governments at $30,568,000,000 marks a new high since the previous peak of $30,300,560 on Sept. 5 last. One year ago, Oct. 4, 1961, the total holdings of the debt were "down" at $27,972,000,000.

Weekly changes, with their offsetting factors, should not necessarily be viewed with alarm. But, surely over the long-term, the trend should be watched.

*In "Observations," Aug. 16 and Aug. 23, 1962.

†In "Observations," Aug. 2 and Oct. 4.



# Hawkinson Pres. Of TV Fund

CHICAGO, Ill. — The election of John Hawkinson as president of Television Shares Management Corporation, 120 South La Salle Street, investment manager and principal underwriter for Television-Electronics Fund, Inc., has been announced by Chester D. Tripp, Chairman of the management corporation and President of the fund.

John Hawkinson

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 continues as a director of the management company and as Vice-President and director of the fund.

# Pacific Exch. Member

SAN FRANCISCO, Calif.—Robert M. Bacon, **E. F. Hutton & Company, Inc.**, was elected to membership in Pacific Coast Stock Exchange effective Sept. 29, 1962, by transfer of the membership formerly held by Dean Dillman.

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.

# Today's Profit Expectations Hinder Investment Spending

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

**Hard-hitting review of economic growth fundamentals criticizes prevailing views held as to economic causes and effects, and stipulates an agenda to spur investment and growth. Dr. Hauge's proposals stress there is no shortage of funds today, only a gap in profit expectations. The economist to President Eisenhower points out that it takes an improved profits-outlook and not cash flow to induce investments and, in turn, prosperity and growth. Dividends, he admonishes, cannot be paid out of depreciation, and idle — high cost, obsolescent — capacity is held to be more a consequence of inadequate investment than a cause. Dr. Hauge specifies: (1) the type of growth-encouraging tax cuts we need; (2) the limitations of Government spending and financing; (3) the need to improve business confidence; and (4) the importance of adjusting our interest rates to cope with foreign markets.**

The economies of some nations are growing more vigorously than our own, and this fact is commanding much public attention today. Americans have been accustomed to being first in this field, and they want to know what has happened.

Gabriel Hauge

Part of the formula for growth we can rediscover by pondering our own past. Some things we can learn from the experience of our neighbors across the sea, in Europe and Japan. Some illuminating contrasts are to be found in the Soviet bloc. But the main directions for growth we must work out for ourselves because history never fully repeats itself. New circumstances and new men make today's problems novel. Tomorrow's solutions must blend creative imagination with the lessons learned from the past.

#### Past and Present

In the early days of our history, Americans exploited the treasure house of nature. Later, the vigorous growth of commerce and industry was made possible by a wise systems of laws, rapid growth of population, and the prevailing gospel of work. Our laws provided freedom of choice: freedom to enter any occupation or line of business the right to manage one's affairs and dispose of one's income, wisely or not; free choice of party and political agent. Such laws rewarded initiative, responsibility, talent, and effort, and attracted people with these qualities from across the sea. Trade was relative unhampered. Education and the practical arts received encouragement far beyond the standards of the times.

We grew rich and powerful with the aid of borrowed foreign capital, immigrant labor, and imported learning. But we put them to good use, and now we stand on our own feet as sources of intellectual and financial capital for others. If our past teaches us and others one thing, it is what Walter Lippmann has called "the method of freedom."

Progress today still depends on the work and enterprise of millions. But its price has risen, and the terms are more exacting. Rude labor which hacked out a nation from the wilderness is no longer good enough. That we have come a long way doesn't make the road ahead any shorter.

Men today must have many and changing skills, for the path of technical progress is strewn with obsolescence. Upon education, mainly public, has fallen the task of serving as shock absorber and life preserver, preventing obsolescence of human skills where it can and curing it where it must.

Research and development has become the growth industry of the times. Our progress hinges on the creativity of inventors and discoverers who have submitted to long and rigorous preparation, and on the practical men who can harness their breakthroughs to the benefit of trade and commerce. Our finely articulated urban society depends as it never did before on the rare talents of men who can manage vast organizations, both private and public. The growth of cities and their population has had the effect of making people more dependent than ever on their jobs, on each other, on their governments.

Economic progress today, moreover, is sought amidst radically altered world conditions. We live in a space-atomic age that has moved from a balance of power to a balance of terror. Our role as chief defender of the West calls for continued huge defense efforts that drain the economy and distort its structure. Taxes remain high. The voracious appetite of defense for scarce technical skills continues unabated. Yet defense requirements have also knit the nation more closely together, spurred invention, and contributed 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 breaking out of the confining molds of nation-states and creating continental trade areas and political communities.

In this time of surging change, the fortunes of the economy are more closely meshed to the actions of the state than ever in our past. Government is everywhere; government is big. What it does and fails to do, and its manner of discharging manifold functions and responsibilities, lends momentum to our forward movement, or drags anchor; shapes the economy, or distorts it; guides it or misdirects it. No agenda for growth can avoid a searching analysis of public programs and policies.

#### European Experience

The main lessons from Europe for our inquiry seem to me straightforward enough. Those nations whose economic progress

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# Meeting Balance Payments And World Liquidity Needs

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

**Our strategist and tactician in the fight to solve our disbalance of payments: (1) blueprints the Government's program; (2) emphasizes that the principal solutional responsibility rests upon the private sector of the economy, and (3) spells out essential tasks for bankers to undertake. Dr. Roosa is convinced that our convertible gold-dollar system, bulwarked by the IMF's resources, provides ample liquidity support for the world's needs. Explanation made of measures taken to defend the dollar, ranging from prepayment to adding foreign exchange to our gold reserves, recognizes financial stop-gaps cannot replace fundamental correctives. Dr. Roosa reiterates there is no intention to do away with basic market forces and decisions, and he 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. There, the financial officials of the more than eighty countries renewed, indeed they reinforced their expressions of confidence in us and in our dollar. But gratifying though this is, the reaffirmation of confidence must not be misinterpreted. It does not mean that any of us in the United States can slacken in any way the drive toward getting this country's international accounts into balance. It only means that enough has so far been accomplished to persuade the rest of the world that we will be able, if we try even harder, to finish the job.

Robert V. Roosa

That is why our discussion of the balance of payments at this meeting is so timely. For the banking fraternity has played, and will certainly continue to play, a leading part in alerting America to its balance of payments problems and the new efforts needed to limit costs and raise productivity in order to promote both greater growth and more exports. Bankers know that the dimensions of the problem ahead are still large, To be sure, thus far in 1962, the over-all deficit has approximated an annual rate of $1\frac{1}{2}$ billion—a striking contrast to the deficit of $2.5 billion in 1961, and to the much higher figure of $3.9 billion in 1960. While it is still not possible to sort out fully the influence of the recent Canadian difficulties from more lasting factors, the performance this year has been gratifying. But what this also means is that all of the more obvious, the "easier" measures to reduce the deficit have now been taken. That is why our approach in the Government is, and must be, to give continuing and direct attention, systematically and persistently, to every possible way—large and small—of helping our drive toward balance of payments equilibrium.

### New Government Action

That is why we have a special Cabinet committee, headed by Secretary Dillon, which reports directly and frequently to the President, in order to speed decisions and assure continuous top-level leadership within all branches of the Federal Government. Out of that committee's work has come a new control 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 receiving new impetus from the appointment last July of an Export Coordinator who will oversee and expedite all of the vastly expanded services for exporters throughout Government—not passively, but actively, by working with individual companies and industry groups to establish goals 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 abroad for defense—not by cutting down on activities, though some cuts have proved possible, but mainly by persuading our allies that it would pay them to return to us the dollars they receive. How? By purchasing here, at lower costs, some of the military equipment which they need—and achieving the ends of standardization at the same time.

We have been equally vigorous in limiting the balance of payments drains from our economic assistance programs. The balance of payments impact of the current $4 billion program is being reduced by providing more aid in the form of American goods and services. Eighty per cent of the funds being commited under current directives will directly result in American exports—and I can assure you that every significant outlay for aid that comes within that other twenty per cent (that is, spent abroad) must be justified in terms of national priorities at the highest level of Government.

### In The Last Analysis

Essential as is this close attention to Government programs, all of us recognize that, in the end, American success must rest on the performance of the private economy—its ability to find profitable opportunities for productive home investment, to reduce unemployment, to improve efficiency, to maintain price stability, and to seek out and penetrate export markets. This is the way, and the only way, we can expect to combine healthy growth at home with external balance. It is just such considerations that underlie so much of our emphasis on tax reform—reform that will stimulate new incentives to work, to invest, and to cut costs. Such reform has already reached some distance by revising depreciation guidelines; will soon hopefully be enlarged by the 7% tax credit for investment; and must be furthered in the next Congress by an across-the-board realignment and reduction in the tax rate structure. We simply cannot afford to carry on indefinitely, in this competitive world, with a tax structure that dulls initiative and brakes the economy at levels well below its full potential.

Government itself is now providing American businessmen with more information in detail on foreign markets than ever before. And foreign businessmen are being exposed to many more American products—through new trade centers abroad, through trade fairs, and through the determined day-to-day efforts of our foreign representatives. But these activities can reach their full potential only if the facts and opportunities of foreign trade become as familiar to the American businessman as they have long been to his foreign competitor—who, by necessity, has had to depend for generations on foreign markets for his daily livelihood.

The challenge is clear. We look to a further expansion in exports, not in hundreds of millions but in billions, within the next two years to help accomplish balance in our payments. That is not unrealistic. During the first half of this year, our exports were $6\frac{1}{2}\%$ higher than a year earlier. But it will take sustained and energetic effort. The Export Coordinatior, Draper Daniels, acting within the Department of Commerce, setting goals industry by industry and region by region, is already depending heavily on the new National Export Council, which has 33 regional councils and the participation of 10,000 individual businessmen.

Many no doubt are aware of these activities in their own area. You are crucially situated in your own communities to provide the leadership necessary to make this program a success. I realize that bankers cannot all become experts in the special problems of foreign trade. But you do know the problems of the local businessman and you can help him find the assistance he needs. Within the banking community itself there are vast resources of knowledge and talent—and it is a challenge to our correspondent banking system to tap these resources effectively and make them available to every American producer capable of reaching profitable outlets in foreign markets.

### Bank Financed Exports

There is one particular area where banking services and knowledge are absolutely essential—the financing of exports. Financing for export presents special problems—some technical and some attributable to the additional element of risk. The Export-Import Bank has long had programs for participating with banks in credits of this kind. The Export-Import Bank's commercial bank guarantee program, geared to the special political and exchange risks, has been streamlined and simplified to increase its usefulness. If any bankers still find problems, the Bank's Chairman and President, Harold Linder, wants to know about them. In addition, the resources of private enterprise are now being utilized more effectively through the facilities of the Foreign Credit Insurance Association—a cooperative effort of the Export-Import Bank and 72 insurance companies. The FCIA, operating successfully since February in the insurance of short-term credit, has now extended its activities into the medium-term field, and we expect that it will have actually issued policies to over one thousand exporters covering potential exports 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 industrialized country. I urge bankers to familiarize themselves with this program more closely by reading a little booklet published just last week by the Export-Import Bank entitled "From One Bank to Another." I understand that copies are available from the ABA office in New York and Washington.

### Rejects Capital Outflow Controls

But our balance of payments problems include even more than the need to expand exports, both of goods and of services, and to curb the outflow of dollars through Government programs, for they also involve the flows of capital. This country rejects direct controls on the flow of capital, not only because they would be inconsistent with our traditional 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 over outward capital movements in any one sector of these markets—say bank loans—would only invite capital flight through many others, And to try instead a comprehensive approach—clamping the cold hand of capital issues controls, or credit rationing, over the entire sweep of the markets—would literally congeal the bloodstream of American capitalism.

No, so far as the outflows of capital are concerned, there is no effective answer outside the forces of the markets themselves. That is why, so far as volatile short-term money flows are concerned, we have combined the influence of debt management and monetary policy for more than two years to exert some upward force on short-term money rates. At the same time, we have minimized the pressures of Governmental operations in the longer-term market so that constructive investment at home would be encouraged. These measures have been important in stemming outflows into money market instruments abroad and, at the same time, continuing a ready availability of funds for any form of productive new domestic investment—not only during the recession which ended last year but also throughout the expansion phase we have enjoyed since that time.

To those who favor some ad-

*Continued on page 30*

# Tax-Exempt Bond Market

BY DONALD D. MACKEY

Activity in state and municipal bonds increased dramatically as we approached our Wednesday deadline. During the Monday and Tuesday sessions large blocks of bonds were taken from the market and more recent new issue accounts were closed out profitably than has occurred during the previous month or more. The large Baltimore, Maryland; State of Washington; State of Rhode Island; Commonwealth of Puerto Rico; East Chicago, Indiana; State of Delaware; Omaha, Nebraska; Georgia State Ports District, as well as other sizable accounts, were closed out successfully early this week. This market activity was not entirely stimulated by investor interest. It appears that there has recently been enough institutional and investor demand in tax-exempt offerings to justify dealers and dealer groups in taking down the balances remaining in attractive new issue accounts for a moderate mark-up in price.

### Massive Assist From the Federal Reserve

This recent enthusiasm has not just stemmed from a general investor interest in tax-exempts as this broad interest has been with us right along. The immediate stimulation derives by what may be termed a massive interest on the part of the Federal Reserve in the Treasury markets. During the last reporting week, $1,374,000,000 of Treasury securities throughout the maturity spectrum were purchased by the Fed. These purchases were apparently moderated during the Thursday, Friday and Monday sessions, during which period there was a decided diminution of market activity accompanied by some fractional sell-off, but were resumed to some extent late Tuesday when the market's tone improved again. This Treasury market activity engendered interest throughout the bond market and generated a frenzy of trading that has not been witnessed since the surge that developed in early spring.

In the municipal bond sphere, the market continues to be abetted by favorable underlying factors. The supply of bonds and new issues is relatively very low and a sizable build-up seems not imminent. Dealer inventories are by most standards low, although they are doubtless higher than is readily apparent due partly to the recent closing of so many accounts. However, inventory situations are favorable, no matter how large, from the all-important viewpoint of cost. The market's rise since late summer has seen to that.

### Light Calendar Persists

The calendar of scheduled new issue offerings continues to be much lighter than is the seasonal average. The next month's total appears to be little more than $350,000,000 at present. This has been close to the average for the past month or more. This average should increase as we get into November, usually a heavy underwriting month, but it could double without taxing the street's underwriting machinery and without appreciably effecting the market level, other factors being equal.

The overall economic perspective continues to be favorable to the bond market. With the stock market in a continuing state of the doldrums, the bond market is favored to some extent by that attrition. Although the economy seems in no danger of a downturn, the augury seems not to favor any upside momentum. While personal income continues to set records, and certain consumer indices are favorable, the omnivorous tax grab appears to us to be inevitably choking a meaningful economic recovery.

### Yield Index Reflects Price Rise

*The Commercial and Financial Chronicle's* yield Index shows the market to be up over a quarter of a point since last reporting. The average yield deriving from our list of 20-year high grade general obligation bonds moved to 2.973% this week, down from 2.991% a week ago. At the market's present tempo, momentum alone should carry the Index through the year's previous high level established in early May. The Index registered a 2.965% yield at that time.

### Next Week's Prominent Offerings

There is a little more new issue volume scheduled next week with which to stimulate investor interest, should it follow along. The schedule totals about $125,000,000 which is somewhat more than this week's skimpy total. It includes two sizable general market state issues: $25,500,000 Commonwealth of Massachusetts (1963-2012) bonds and $26,652,000 Pennsylvania State Public School Building Authority (1963-2002) bonds.

The Massachusetts reoffering should attract a variety of high priced trust business and the Pennsylvania issue should attract the somewhat hungrier investors as well as the Pennsylvania investors who have their own variety of special tax problems. We feel that the market may carry through to a new high come a week from now.

### Recent Awards

The new issue calendar for the past week was light and totaled but $93,538,000 of bonds. However, as is almost always the case, there were a handful of issues of general market importance which will point up the feverish desire for buying bonds during the past few days.

Last Thursday was void of any important underwriting and Friday saw only one issue, $1,105,000 Trinity Bay Conservation District, Texas (1963-1972) bonds, come to market. This issue was purchased through negotiation by the syndicate managed jointly by Eddleman, Pollok & Fosdick, Inc., Rowles, Winston & Co. and Underwood, Neuhaus & Co. at a net interest cost of 2.768%. No reoffering scale was released and the bonds were placed privately.

Monday was also a dull day but there were rumblings of strength. Tuesday was a banner day with four issues of importance on the calendar. The largest issue of the week, $25,000,000 Port of New York Authority term (1993) bonds, was eagerly bid for with the group managed jointly by Harriman Ripley & Co., Inc. and Blyth & Co., the high bidder at a dollar price of 98.65 for a 3.40% coupon. The competing bid of a 98.37 also for a 3.40% coupon came from the account headed by Halsey, Stuart & Co., Inc., Drexel & Co., Glore, Forgan & Co. and Ladenburg, Thalmann & Co.

Other major members of the winning group include Smith, Barney & Co., The First Boston Corp., Kidder, Peabody & Co., Lehman Brothers, Lazard Freres & Co., Phelps, Fenn & Co., Goldman, Sachs & Co., Stone & Webster Securities Corp., White, Weld & Co., R. W. Pressprich & Co., Equitable Securities Corp., Paribas Corp., Paine, Webber, Jackson & Curtis, A. G. Becker & Co., Estabrook & Co., Alex. Brown & Sons, Clark, Dodge & Co., W. E. Hutton, Lee Higginson Corp., First of Michigan Corp., Hemphill, Noyes & Co., Shearson, Hammill & Co., Dominick & Dominick and E. F. Hutton & Co.

The bonds were offered at a dollar price of 99.50 to yield 3.42% and demand was instantaneous as the 20% retained for group sales sold immediately. As we go to press the market is quoted at 99⅜ to 99⅝. (Further below we comment on some other aspects of the Authority's current award.)

The City of Phoenix, Arizona, awarded $9,000,000 various purpose (1964-1984) bonds to the syndicate composed of the Bank of America N. T. & S. A. and Mellon National Bank & Trust Co., bidding alone, at a net interest cost of 2.8297%. The runner-up bid of a 2.866% net interest cost was submitted by the Blyth & Co. group. Six additional bids ranging in interest cost from 2.869% to 2.92% were also made for this issue. The bonds were reoffered to yield from 1.75% to 3.05% and initial demand accounted for more than half of the issue. As we go to press, over $3,000,000 of bonds remain in account.

Berkeley Unified School District, California sold $4,000,000 serial (1964-1987) bonds to the syndicate managed by Bank of America N. T. & S. A. at a net interest cost of 2.807%. The runner-up bid of a 2.81% net interest cost was made by the Wells Fargo Bank group. There were

Continued on page 47

## 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.

| | | | |
|---|---|---|---|
| **October 11 (Thursday)** | | | |
| Lexington, Ky. | 1,025,000 | 1963-1979 | 11:00 a.m. |
| Topeka, Kansas | 1,797,000 | 1963-1973 | 11:00 a.m. |
| Warren Township Junior High School Building Corp., Ind. | 2,500,000 | 1965-1979 | 9:00 a.m. |
| Whitley County Water Dist., Ky. | 1,375,000 | ------- | 11:00 a.m. |
| **October 15 (Monday)** | | | |
| Northbrook, Ill. | 2,450,000 | 1969-1995 | 8:00 p.m. |
| Rider College, Trenton, N. J. | 1,515,000 | 1965-2002 | 3:00 p.m. |
| Rutgers, The State University, New Brunswick, N. J. | 2,420,000 | 1964-2001 | 3:00 p.m. |
| Trenton, Mich. | 1,895,000 | 1963-1982 | 8:00 p.m. |
| **October 16 (Tuesday)** | | | |
| Georgia Rural Roads Authority | 2,600,000 | 1964-1977 | 11:00 a.m. |
| Hampton Roads Sanitary District Commission, Va. | 10,000,000 | 1963-2002 | 11:00 a.m. |
| Indianapolis Airport Auth., Ind. | 2,000,000 | 1964-1983 | 10:00 a.m. |
| Jerseyville, Ill. | 2,321,000 | 1963-1981 | 7:30 p.m. |
| Marquette School District, Mich. | 2,950,000 | 1964-1991 | 3:00 p.m. |
| Massachusetts (State of) | 25,600,000 | 1963-1982 | Noon |
| Michigan State Board of Education (Lansing), Mich. | 1,000,000 | 1964-2001 | 11:00 a.m. |
| Michigan State Board of Education | 3,750,000 | 1965-2002 | 11:00 a.m. |
| Nacogdoches Indep. Sch. Dist., Tex. | 1,200,000 | 1963-1986 | 7:00 p.m. |
| Pennsylvania State PS Bldg. Auth. | 26,652,000 | 1963-2002 | Noon |
| Pompano Beach, Fla. | 6,150,000 | 1968-1992 | 11:00 a.m. |
| **October 17 (Wednesday)** | | | |
| Bergen County, N. J. | 3,765,000 | 1963-1979 | Noon |
| Duke University, Durham, N. C. | 2,400,000 | 1964-2001 | 10:00 a.m. |
| Greenwood, S. C. | 1,100,000 | 1963-1989 | Noon |
| Mich. State Univ. (Bd. of Trustees) | 1,200,000 | 1965-2002 | 11:00 a.m. |
| Temple Terrace, Fla. | 1,650,000 | 1965-1992 | 11:00 a.m. |
| Univ. of Illinois, Board of Trustees (Urbana, Ill.) | 6,700,000 | 1965-2002 | 11:00 a.m. |
| Vero Beach, Fla. | 2,400,000 | 1964-1991 | Noon |
| Worcester, Mass. | 1,750,000 | 1963-1982 | 11:30 a.m. |
| **October 18 (Thursday)** | | | |
| Austin, Texas | 2,000,000 | 1964-1987 | 10:00 a.m. |
| Galveston, Texas | 3,700,000 | 1965-1992 | 2:00 p.m. |
| Somerset, Hartland etc., Central School District No. 1, N. Y. | 1,093,000 | 1963-1992 | 2:00 p.m. |
| **October 22 (Monday)** | | | |
| Edina, Minn. | 1,150,000 | 1964-1975 | 7:00 p.m. |
| Rutgers, The State University, New Brunswick, N. J. | 2,500,000 | 1964-1998 | 3:00 p.m. |
| Sheboygan County, Wis. | 1,100,000 | 1963-1982 | 2:00 p.m. |
| **October 23 (Tuesday)** | | | |
| Bucks County, Pa. | 1,400,000 | 1963-1992 | 11:00 a.m. |
| Chicago Park District, Ill. | 11,300,000 | 1964-1984 | ------- |
| Hartford Co. Metro. Dist., Conn. | 4,400,000 | 1963-2002 | 2:00 p.m. |
| Lafayette College, Easton, Pa. | 1,000,000 | 1964-2001 | 10:00 a.m. |
| St. Charles, Mo. | 1,300,000 | 1964-1993 | 8:00 p.m. |
| Union Sanitary District, Calif. | 1,250,000 | 1964-1993 | 7:30 p.m. |
| Willoughby-Eastlake S. D., Ohio | 1,000,000 | 1964-1978 | Noon |
| **October 24 (Wednesday)** | | | |
| Florissant, Mo. | 2,125,000 | 1964-1982 | 8:00 p.m. |
| New York, N. Y. | 107,900,000 | 1963-1992 | 11:00 a.m. |
| Ramsey County, Minn. | 3,000,000 | 1963-1992 | 10:00 a.m. |
| Richfield, Minn. | 1,580,000 | 1966-1985 | 7:30 p.m. |
| **October 25 (Thursday)** | | | |
| Dover, School District, N. J. | 2,946,000 | 1963-1992 | 8:00 p.m. |
| **October 29 (Monday)** | | | |
| Rainbow Mun. Water Dist., Calif. | 1,500,000 | 1963-1986 | 4:00 p.m. |
| Wyoming, Mich. | 2,325,000 | 1964-2001 | 8:00 p.m. |
| **October 30 (Tuesday)** | | | |
| La Puente Union High S. D., Calif. | 1,795,000 | 1963-1987 | 9:00 a.m. |
| Parkersburg, W. Va. | 1,090,000 | 1971-2002 | 10:00 a.m. |
| **October 31 (Wednesday)** | | | |
| Orleans Par., Parish Sch. Bd., La. | 6,500,000 | 1963-2002 | 10:00 a.m. |
| Woodbridge Township, N. J. | 2,075,000 | 1963-1982 | Noon |
| **November 1 (Thursday)** | | | |
| La Porte Indep. Sch. Dist., Texas | 1,500,000 | ------- | ------- |
| **November 5 (Monday)** | | | |
| Euclid, Ohio | 1,300,000 | 1964-1983 | Noon |
| State Teachers' College Board of Regents (Austin, Texas) | 3,075,000 | 1966-2012 | 10:00 a.m. |
| **November 7 (Wednesday)** | | | |
| Cincinnati, Ohio | 12,250,000 | 1964-1998 | Noon |
| Whittier Union H. S. Dist., Calif. | 3,185,000 | 1964-1982 | 9:00 a.m. |
| **November 8 (Thursday)** | | | |
| Galveston, Texas | 4,000,000 | ------- | 2:00 p.m. |
| Hunterdon Central H. S. D., N. J. | 1,600,000 | 1963-1982 | 8:00 p.m. |
| Port of Portland, Ore. | 2,000,000 | 1963-1982 | 10:00 a.m. |
| Port of Seattle, Wash. | 2,500,000 | ------- | 11:00 a.m. |
| **November 13 (Tuesday)** | | | |
| Las Virgenes Mun. Water D., Calif. | 2,000,000 | 1967-1992 | 8:00 p.m. |
| **November 14 (Wednesday)** | | | |
| East Bay Municipal Util. D., Calif. | 30,000,000 | ------- | ------- |
| Houston (Waterworks Rev. Bonds), Texas | 14,000,000 | ------- | ------- |

### MARKET ON REPRESENTATIVE SERIAL ISSUES

| | Rate | Maturity | Bid | Asked |
|---|---|---|---|---|
| California (State) | 3½% | 1982 | 3.25% | 3.10% |
| Connecticut (State) | 3¾% | 1981-1982 | 3.10% | 2.95% |
| New Jersey Highway Auth., Gtd. | 3% | 1981-1982 | 3.05% | 2.90% |
| New York State | 3¼% | 1981-1982 | 3.05% | 2.90% |
| Pennsylvania (State) | 3⅜% | 1974-1975 | 2.75% | 2.65% |
| *Delaware (State) | 2.90% | 1981-1982 | 3.05% | 2.90% |
| New Housing Auth. (N. Y., N. Y.) | 3½% | 1981-1982 | 3.00% | 2.80% |
| Los Angeles, Calif. | 3¾% | 1981-1982 | 3.25% | 3.10% |
| Baltimore, Md. | 3¼% | 1981 | 3.15% | 3.00% |
| *Cincinnati, Ohio (U. T.) | 3½% | 1981 | 3.10% | 2.90% |
| Philadelphia, Pa. | 3½% | 1981 | 3.25% | 3.10% |
| *Chicago, Ill. | 3¼% | 1981 | 3.25% | 3.10% |
| New York, N. Y. | 3% | 1980 | 3.32% | 3.25% |

October 10, 1962 Index=2.973%

*No apparent availability.

# Profits Out of Thin Air

By Ira U. Cobleigh, Economist

**An autumnal look at some significant procurement practices, production capabilities and profits among the aerospace companies.**

The thing most attractive to investors about the aerospace industry is that the ultimate buyer is the largest and richest one in the world, the United States Government. Not only does this customer have limitless buying power; he is determined to increase his expenditures on space competence steadily and hugely, for at least the next decade. The moon shot with manned space vehicles, alone, will cost $20 billion, to say nothing of our multi-range missiles, satellites, rockets, retaliatory weapons, and a whole new light ray technology, centering around lasers.

**Transition**

The magnitude of all these expenditures tends to remove from aerospace companies, cyclical tendencies, but what the government is buying is a far cry from the aircraft of yore. While our primary U. S. retaliatory force remains the long range bomber, production in this category is phasing out, with contracts completed this year, on the Boeing B-52 and the Convair B-58 (General Dynamics). The transition from conventional airframe production to missiles and space vehicles has drastically altered 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" is today.

Now, all that is changed. 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 such as Lockheed, North American, McDonnell, Northrop, etc. The rapid advance in technology and resulting swift obsolescence in space-craft, dictates massive outlays for Research and Development.

Government contracts today may be bigger than ever, but what is bought is not so much mass production as 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 air dollar. It is giving the big R & D contracts to companies with proven capabilities in delivering advanced prototypes with a high reliability and performance capability; companies that have displayed effective cost control techniques and provided rapid and dependable contract fulfillments. Renegotiation is no longer an important factor, but closer government supervision is increasing. Pressure is heavily applied against strikes on aerospace projects, and solid government support for strong (but responsible) unions is the order of the day, at Cape Canaveral and on the West Coast.

Use of incentive-type contracts is being extended both by the Department of Defense, and NASA. These encourage the efficient companies, 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.

We may conclude that while commercial jets, transports, and service and parts for them will continue, and supersonic manned planes may appear within the next decade, the big outlays will be in the higher air. In this area, a rising flow of revenue is definitely assured, and profit margins for efficient performers should tend to rise. Regardless of which political party is in power, restored leadership in spacemanship is a top-priority national goal, and we shall drive for it in the years ahead, unbalanced budgets notwithstanding.

Having thus limned aerospace as a depression-proof industry, let us cite, briefly, some of the companies within it, which seem in line to prosper, and to offer the prospect of interesting rewards to patient investors and/or speculators.

**Lockheed**

Quite popular among analysts and investment managers, today, is the common of Lockheed Aircraft. Here the transition from aircraft to aerospace production has been smoothly made, and, today, Lockheed is represented in all phases of space flights, from propulsion, control and guidance systems to complete missiles, rockets, satellite units. Lockheed is a prime contractor in many major projects, and renowned for development and production of our most effective operational missile, Polaris. Lockheed has already fielded over $1 billion in contracts on Polaris, alone. Other airborne projects at Lockheed include the Midas missile, Samos satellite, the Agena booster, which supplies orbiting power for most of our satellites, and the C-141 military jet transport, the F-104 and Orion fighter planes. The company also has diversified commercial production in shipbuilding, industrial cranes and plastics.

Since 1960, when development of the Electra resulted in substantial losses, Lockheed earnings have uptrended. Per share net, $3.38 in 1961, is expected to advance to about $4.40 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 respected for its "track record" in fighter planes, in missilry and rocketry. It is the recognized leader in liquid rocket propulsion and prime contractor 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, Hound Dog (air to surface) missile, Bullpup missile launcher, Roadrunner target missile, rocket planes and, for the future, supersonic bombers and commercial transports.

North American has benefited from excellent management in depth, solid earning power, and top quality reputation. Earning currently at the rate of above $4 a share, the $2.00 dividend is well protected, and the common, at 63, is a market leader among space shares.

**McDonnell Aircraft**

McDonnell ranks as probably the world's largest builder of military jet planes. In the past 15 years, it has produced a combined total of over 2,200 Demon, Banshee and Voodoo models. Its F4H-1 Fighter bomber (a variation of the Phantom II all-weather plane) is to be the major Navy carrier plane, and has been ordered also by the Air Force for tactical and reconnaissance work. Together, service orders call for the delivery of 466 of these planes in fiscal 1963.

Even more newsworthy is McDonnell's position in astronautics. The company designed and manufactured the manned orbiting capsules for Project Mercury, and is prime contractor in the Gemini (two men in space) program. Helicopters, VTOL's and electronics manufacturing round out the product line.

For fiscal year ended June 30, 1962, McDonnell had sales of $391 million, and per share net of $4.02 on the common. Quoted currently at 53, and paying $1, McDonnell common is regarded as an equity vehicle of merit in the space age.

**Other Companies**

Of other majors, General Dynamics, the largest defense contractor, should improve after some whacking loss write-offs, and the injection of new management team. Boeing, is prime contractor on the Minuteman and was just awarded $122.8 million in new contracts for it. The company projection in commercial transport is attractive, and production output of the K-C 135 Tanker and work on the DynaSoar glider are expected to offset termination of the B-52 contract at the end of this year. Aerojet General Corporation continues as a leader in solid and liquid propellants, with an indicated uptrend in earnings. Avco is moving forward energetically, and United Aircraft, Garrett, Grumman, Northrop deserve a detailed inspection and consideration for the longer term.

In any event, the aerospace business will not enter a depression. The national will to outpace the Russians, popular pride in, and enthusiasm for, our successes in orbitry, and the urgencies of our national defense all dictate that revenues, as well as products, in this industry will continue to go up. Among the companies cited above, some offer investors opportunity for rewarding gains. May you select wisely and fortunately, after appropriate investigation.

## Abernathy Joins Hemphill, Noyes

Lant S. Abernathy has joined Hemphill, Noyes & Co., 8 Hanover Street, New York City, members of the New York Stock Exchange, as Manager of Institutional Sales, it has been announced.

Mr. Abernathy has had sixteen years experience specializing in institutional sales, especially in the field of equity investment. He was formerly a partner in R. W. Pressprich & Co.

## H. E. Herrman To Admit

H. E. Hermann & Company, 26 Broadway, New York City, members of the New York Stock Exchange, on Nov. 1 will admit Albert J. Beberfeld to partnership.

# DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

*IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:*

**Aerospace Industry** — Analysis — Crow, Brourman & Chatkin, Inc., Carlton House, Pittsburgh 19, Pa. Also available is an analysis of **Technical Measurement Corp.**

**Bond Market** — Review — Wayne Hummer & Co., 105 West Adams Street, Chicago 90, Ill. Also available is a list of interesting **Low Priced Stocks.**

**Capital Gains Selections**—Bulletin—Bregman, Cummings & Co., 4 Albany Street New York 6, N. Y.

**Chemical Issues**—Survey—Hemphill, Noyes & Co., 8 Hanover Street New York 4, N. Y.

**Clearing House Banks**—Bulletin—M. A. Schapiro & Co., Inc., 1 Chase Manhattan Plaza, New York 5, N. Y.

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

**Department Stores** — Analysis — Orvis Brothers & Co., 30 Broad Street, New York 4, N. Y. Also available is an analysis of **Building Trades** issues, with particular reference to **Albee Homes, Lithonia Lighting, Masco Corp., Melnor Industries, Modern Homes Construction Co., L. F. Popell Co., Season-All Industries, Mary Carter Paint Co., L. E. Carpenter & Co. and Roberts Lumber.**

**Electric Utilities For Investment**—Survey—E. F. Hutton & Company, Inc., 1 Chase Manhattan Plaza, New York 5, N. Y.

**Favored Common Stocks**—Quarterly review of issues which appear interesting.—Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza New York 5, N. Y.

**Foreign Securities** — Bulletin — New York Hanseatic Corporation, 60 Broad Street New York 4, N. Y.

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

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

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

**Japanese Printing Industry**—Analysis — Yamaichi 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, Blosser & McDowell, 39 South La Salle Street, Chicago 3, Ill.

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

**Michigan Trends**—Monthly summary of economic developments—Raymond E. Danto Associates, 20111 James Couzens, Detroit 36, Mich.

**Municipal Bond Market**—Report — Continental Illinois National Bank and Trust Company of Chicago, 231 South La Salle Street, Chicago 90, Ill.

**New York City Banks**— Quarterly comparison of 9 largest banks—Bankers Trust Company, 16 Wall Street, New York 15, N. Y.

**New York City Bank Stocks**—Third quarter comparison and analysis of 10 New York Bank stocks—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

**Ohlman's Manual On Mutual Fund Management Companies** — 1962 Edition — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y. ($50. per copy).

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

**Over-the-Counter Index** — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 23-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

**Selected Stocks** — Issues which appear interesting at current levels—Evans & Co., Incorporated, 300 Park Avenue, New York 22, N. Y. Also available is a discussion of **Crescent Petroleum Corp.**

**Silver** and **United Keno Hill Mines** — Analysis — Annett Partners Limited, 220 Bay Street, Toronto, Ont., Canada.

**Stocks For Capital Gains**— Bulletin— Blain & Co Incorporated, 20 Broad Street, New York 5, N. Y.

**Tax Switches**—Bulletin— Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available are reviews of **Foxboro Co.** and **Green Shoe Manufacturing Co.**

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**A. & M. Instrument Inc.**— Analysis—V. S. Wicket & Company, Inc., 99 Wall Street, New York 5, N. C.

**AMP Incorporated**—Report—Purcell & Co., 50 Broadway, New York 4, N. Y. Also available are comments on **Amerada Petroleum.**

**American Enka**—Memorandum—Schrijver & Co., 37 Wall Street, New York 5, N. Y.

**American Financial Corporation**—Report—Westheimer and Company, 124 East Fourth Street, Cincinnati 2, Ohio. Also available are reports on **Drackett Company, Frisch's Restaurants Inc.,** and **Nutone, Inc.**

**Arlan's Department Stores** — Comments — Carreau & Co., 115 Broadway, New York 6, N. Y. Also available are comments on **Cott Bottling of New England, Four Star Television, San Diego Imperial, Tastee Freez** and **Thompson Fiber Glass.**

**Armstrong Rubber** — Memorandum — Pershing & Co., 120 Broadway New York 5, N. Y.

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

**Associated Baby Services**—Analysis—Butcher & Sherrerd, 1500 Walnut Street, Philadelphia 2, Pa.

**Bacharach Industrial Instrument Company** — Analysis — Arthurs, Lestrange & Co., 2 Gateway Center, Pittsburgh 22, Pa.

**R. G. Barry Co.**—Memorandum—Richter & Co., 1431 Broadway, New York 18, N. Y.

**Beech Aircraft** — Report—Colby & Company, Inc., 85 State Street, Boston 9, Mass. Also available are reports on **EDO Corp.** and **Fibreboard Paper Products.**

**Belco Petroleum**—Review—Sutro Bros. & Co., 80 Pine Street New York 5, N. Y. Also available is a review of **Pueblo Supermarkets Inc.**

**Borg-Warner Corp.** — Analysis — Golkin, Bomback & Co. 67 Broad Street, New York 4, N. Y. Also available is an analysis of **La Maur Inc.**

**California Liquid Gas Corporation** — Analysis — Walston & Co. Inc., 265 Montgomery Street, San Francisco 4, Calif.

**California Liquid Gas Corp.** — Memorandum — Kidder, Peabody & Co., First National Bank Building, Chicago 3, Ill.

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

**Christiana Securities Company**—Bulletin—Laird, Bissell & Meeds, 120 Broadway New York 5, N. Y. Also available is an analysis of **General Foods Corp.**

**Colgate**—Discussion in current issue of "Investors Reader"—Merrill, Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine street, New York 5, N. Y. Also in the same issue are comments on **Witco Chemical Company, U. S. Steel, Associated Dry Goods Corp., Portland General Electric Co., Warner & Swasey, Dr. Pepper Co., Garrett Corp., Bell & Howell Co., Textron,** and **Kelly Girls Service.**

**Continental Baking**—Report—Van Alstyne, Noel & Co., 40 Wall St., New York 5, N. Y. Also available are reports on **Hilton Hotels** and **First National Stores.**

**Coral Ridge Properties**—Analytical brochure—A. C. Allyn & Co., 122 South La Salle St., Chicago 3, Ill. Also available are analyses of **Marlin Rockwell Corp., Pubco Petroleum** and **Simplicity Manufacturing Co.**

**Curtiss Wright** — Memorandum—Rittmaster, Voisin & Co., 260 Madison Ave., New York 16, N. Y.

**Deere** — Memorandum—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y. Also available is a memorandum on **Oxford Paper.**

**Diamond Crystal Salt Co.**—Analytical brochure—Howard, Weil, Labouisse, Friedrichs & Co., 211 Carondelet St., New Orleans 12, La. Also available are analyses on **Billups Western Petroleum, Dallas Airmotive Corp., Standard Fruit and Steamship Co.** and **Metro-Goldwyn-Mayer.**

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

**Ex-Cell-O Corp.**—Survey—Abraham & Co., 120 Broadway, New York 5, N. Y. Also available is a survey of **Fruehauf Trailer Co.**

**Flying Tiger**—Report—Walston & Co., Inc., 74 Wall St., New York 5, N. Y. Also available are **Switch Suggestions.**

**General Motors** — Review—Newburger & Co., 1401 Walnut Street, Philadelphia 2, Pa. Also available are comments on **American Viscose, Columbia Broadcasting System, Eurofund Inc., Mesabi Trust** and **Southern Gas & Water.**

**Globe Rubber Products Corp.**—Memorandum—Kidder, Peabody & Co., 20 Exchange Place, New York 5, N. Y. Also available is a memorandum on **Pargas Inc.**

**Gould Properties** — Memorandum—Nat Berger Securities Corp., 595 Madison Ave., New York, N. Y.

**Gould Properties**—Review—Stanley Heller & Co., 44 Wall Street, New York 5, N. Y.

**Great Northern** — Comment—H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available are comments on **Chicago Great Western** and **Illinois Central.**

**Indian Head Mills**—Memorandum—P. W. Brooks & Co., Inc., 120 Broadway, New York 5, N. Y.

**International Harvester Co.**—Report—W. E. Hutton & Co., 14 Wall

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# NSTA NOTES

## 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

Robert J. Pierce

William R. Hough

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

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

*Secretary-Treasurer*—William R. Hough, William R. Hough & Co., St. Petersburg.

Lee P. Moore, A. M. Kidder & Co., Inc., Winter Park, and Mr. Hough 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 8th Annual Cocktail Party and Dinner Dance at the new Americana Hotel, October 13. Those planning to attend should make reservations with Michael J. Heaney, Michael J. Heaney & Co., as soon as possible, as there will be no tickets sold at the door.

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

# 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 savings business is lessening profitability. In supporting this observation, Mr. Agemian explains why commercial banks should go into longer-term loans and invest in assets other than U. S. Government securities—such as conventional, F. H. A., V. A. mortgages, long-term municipals and consumer loans—even if this should hamper ability to meet future commercial loan demands. Stressed is the minimal risk entailed; the need to confine most capital and reserve to highest risk loan portfolio; and the need to remove 5% time deposit requirement. In view of projected time-savings deposits equalling half of total commercial bank deposits by 1970, Mr. Agemian urges bankers to consider making necessary changes now.**

Let us take a look at time and savings deposits and their relationship to the deposit structure of our commercial banking system. In 1950 they were 25% of total deposits and now are running over 40%. Demand deposits increased during this period some 40% and time and savings 130%. Projections show that time and savings deposits will be 50% of total deposits of commercial banks by 1970 and from then on will forge ahead to new highs. This cannot be ignored.

Charles A. Agemian

What kind of money is this? If banks wish to make savings a profitable banking service, they must recognize the high degree of stability in such deposits. Unfortunately, many remember the 1930-33 period when the many bank failures triggered heavy savings withdrawals. Many changes have been made in our banking laws and our way of life to prevent a recurrence. Federal insurance of bank deposits has a great impact in preventing this catastrophe. Stability of such deposits is manifested by slow turnover and strong growth potential which, in itself, is a form of liquidity.

### Over-Liquidity Concern

Banks have always worried about liquidity—perhaps this explains the predilection to liquidity consideration and the void in stability consideration. I think our concern with liquidity is excessive. Liquidity is also the ability to take losses. This we ignore.

There are two basic ways to invest funds. Fundamentally in the pooled-funds approach commercial loan requirements are given priority—with the investment account always held in a liquid position so that funds may be shifted into commercial loans with a minimum of loss when the demand arises. The asset allocation method consists of separate funds created from various classes of deposits, capital and reserves. Assets are then acquired suitable to each type of such funds prudently providing adequate liquidity, safety, and maximum income. It enables commercial banks to compete on an equal basis with thrift associations which automatically use this method of investment.

The commercial banks, to stay in the savings business profitably, must be willing to acquire and invest in longer-term loans and investments even if this should hamper their ability to meet future commercial loan demands. To stay liquid to meet the loan demand that may never materialize is an expensive management decision.

### Questions Adequacy to Deposit Ratio

The question has often been asked as to how much capital is required to support savings deposits. This becomes important since we measure profitability by the amount earned on the shareholders' equity in the business. However, this concept of measuring adequacy to deposits is a long existing fallacy. We should not measure adequacy of capital against the deposit figure but against the assets in which such deposits are invested, for indeed, that is where the loss potential exists against which capital acts as a buffer to insure payment in full to all depositors. If we are to make savings profitable, it seems crystal clear that we must invest them, for the most part, in assets other than U. S. Government securities. These would be in mortgages of all types—conventional, F.H.A., and V.A.,—long-term municipals and consumer loans.

Let us look at conventional mortgages. Is there "commercial loan type of risk" in self-amortizing mortgage loans granted on the basis of conservative appraisals with built-in ever increasing collateral protection resulting from an enhancement of values and ever decreasing principal amount by amortization? No one can refute the statement that a minimal risk, if any at all, exists in government-guaranteed or insured F.H.A.-V.A. mortgages. The rating of high-grade municipals as risk assets by supervisory authorities is about as antedated and archaic treatment as I have ever encountered. I venture to guess that supervisory authorities will reconsider their position.

Our consumer loans experience tells us the small loss ratio that applies to such assets when conservatively made and properly handled. The large number of small accounts over which the total risk is spread provides a built-in margin of safety, and the liquidity characteristics of the asset cannot be ignored.

We would hope to prove that this thesis supports the contention that a smaller amount of capital funds is required to support the assets created by time and savings deposits, thereby increasing the profitability of this function as it applies to the shareholders' investment. We believe that most capital and reserves should support the commercial loan portfolio of banks where the highest risks are ever existent.

I do not want to belabor the fact that the 5% reserve requirement on time deposits is another handicap imposed on commercial banks. It provides nothing—least of all liquidity. The Federal Reserve Bank balance is, indeed, the most sterile, nonearning asset on a commercial bank's books. . . .

There is still a great deal of work to be done to change archaic regulations, and to encourage the investing of this hard core of deposits representing savings to increase prudently its profitability.

*A talk by Mr. Agemian before the Savings Division at the 88th annual convention of the American Bankers Association, Atlantic City, N. J., Sept. 24.

## Reuben Rose V.-P.

Irwin L. Axelrod was elected a Vice-President of Reuben Rose & Co., Inc., 115 Broadway, New York City, 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 Economics and Research, using preliminary papers by over 20 experts in banking and academic fields. The monograph was requested as background material for a study of the nation's financial 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 shortened.

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 Intermediaries.

The Savings and Loan Business: Its Purpose, Functions, and Economic Justification.

Copies of *The Commercial Banking Industry* may be obtained from The American Bankers Association, Department of Printing, 12 East 36th Street, New York, N. Y. The price is $7.50 per copy.

# 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 dual banking system, and the strength of our national economy. Mr. Fleming recounts domestic and international economic problems confronting the nation, and the Association's accomplishments in the past year. The banking leader recommends that we stick to the tried and true path to economic growth, and he notes that the experience of bankers is 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 past week: That is, the release of a report containing some 84 recommendations by the Advisory Committee to the Comptroller of the Currency. The A. B. A. welcomes 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 owe a debt of gratitude to the distinguished men who gave of their time and talents to compile such a comprehensive set of proposals.

Sam M. Fleming

Time will be required to analyze fully all of the recommendations. Your Association is proceeding rapidly with such analyses in the full knowledge that it is our stated policy to exert the full weight of the Association to preserve the integrity and vigor of our dual banking system.

Historically, the dual system of banking is comprised of two elements — 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 contributed so materially to the growth and development of our country is that the Federal Government has not been permitted to overrule the judgment of the 50 states with respect to banking structure and branching practice. It is the considered view of your Association that if the dual banking system is to be perpetuated with the capacity to continue to perform its vital role in the nation's economy, this right of the respective states must be preserved.

Another development of primary importance is the increased stature and respect which commercial banking has gained in the nation's capital.

We have long realized that the strength of the banking system ultimately depends on the strength of our national economy. Yet, in many cases in the past, we have been reluctant to take positive 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 interest of the economy, we vigorously protested, only to find ourselves in the position of objecting to an accomplished fact.

In the recent past, we have made major strides in asserting ourselves forcefully and, I hope, articulately. At long last, we came to the realization that we, and all Americans, must share the consequences of economic decisions regardless of whether we had a part in their making. Our whole democratic system is based on the principle of the free expressions of the individual. This principle is even more applicable in the case of bankers who, because of the nature of their profession, are expected to be familiar with matters of finance and economics.

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

We find our opinions are being sought on a wide range of economic matters. We are being invited to participate in more and more discussions, and our voice is being heard with more regularity. The impact of our experience and judgment is being felt on an increasing number of issues vital to the welfare of our nation.

We Americans are idealistic people. One outgrowth of this characteristic is our desire to solve such domestic issues as social welfare, unemployment, medical care for the aged, and the farm problem.

### Today's Problems

But we must restrain ourselves so that we do not undertake more than we can afford. We must give priority to programs which are necessary for survival. Naturally, top priority should be given to our national defense—but in such a manner that wastefulness and mismanagement are eliminated.

Close behind is the problem of the chronic deficits in our international balance of payments. In 11 of the past 12 years, the figures have been in the red. Gratifying progress has been made in reducing the deficits, but the problem by no means can be considered solved. We must be willing to discipline ourselves to such measures as are necessary to correct this imbalance which is draining away our gold supply and which, if not righted, will in time undermine the soundness of the dollar.

Our 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 priced out of these markets. The new depreciation schedule and the investment incentive provision of the tax bill, which should spur the modernization of plant and equipment, are steps in the right direction and should be applauded by the banking community. Yet, we must continue to press for a complete overhaul of our outmoded system of taxation, which is such a parasitic inhibitor of growth.

Aid to undeveloped countries is commendable, but it serves the national interest only if programmed in such a way that the strength of our economy is not jeopardized. In fact, the benefits received from our aid programs are subject to question as we watch the terms of trade constantly worsen for those undeveloped countries whose economies are so predominantly agricultural.

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

All of us—whatever our economic or political persuasions—earnestly want rising standards of living, expanding employment opportunities, reasonably full utilization of our immense productive capacity, and general price stability.

### Choosing the Right Fork

The disagreement is on the means, not the end.

Experimentation is a luxury that we can no longer afford. The forces of new economic competition abroad, the space race, the cold war, the vocal demands of liberal groups at home for extensive social reform are all projecting us toward a crossroad. We must soon choose between two disparate courses of action. Well-meaning advocates can be found to insist that each route leads to economic growth, but I assure you the scenery along the two routes is not at all similar.

One follows the tried and proven course of sound fiscal policies operating in a business environment which recognizes the worth and dignity of the individual and is designed to capitalize upon the energies, incentives, and growth potential inherent in a free enterprise economy.

The other inexorably leads to increased dependence upon government controls, pump-priming spending, and inflationary deficit financing.

The course we follow will be largely decided in the halls of Congress and in the conferences which help shape executive actions.

For this reason we must continue to participate in broad discussions of national policy, particularly on issues which have implications for the economic and financial well-being of our country.

Our participation in such discussions can be effective only if it is based upon a thorough appreciation of the challenges and choices which confront us as a nation. We must, therefore, be alert to new developments affecting our economic future and sensitive to broad currents of thougth in the field of international finance and economics.

### A. B. A.'s Accomplishments

Much work of the Association during the past year was devoted to studying these economic matters so that the Association and individual bankers might be able to make knowledgeable judgments.

To assure that organized banking has not only the facts but the means to make these 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 principle of tax uniformity.

Our contention that the proper approach toward assuring payment of taxes on dividend and interest income is notification rather than withholding also appears to be affirmed.

We have been sustained in our

*Continued on page 18*

# 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) reserves based on geographic differentials should be eliminated; and (4) interest rate ceiling should not be imposed upon time deposits. Dr. Adams calls for a thorough overhaul of member bank reserves and restoration to commercial banks of their principal function as an intermediary for short-term money.**

## I

### Burdensome Reserve Requirements

The reserve requirement against time and savings deposits of member banks is outmoded, unwarranted, illogical and discriminatory. It should be abolished as part of a comprehensive program of reserve reform.

E. Sherman Adams

I doubt if anyone could dream up more than three vaguely 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 U. S. Treasury has a right to the earnings on these funds and that the banks have no right to any earnings on this 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 question 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 bank 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 excuse for the present reserve requirement against these deposits than there would be for imposing a comparable requirement on other thrift institutions — including a requirement that the Treasury maintain an untouchable 5% cash reserve against outstanding Savings bonds.

Anyone who tries to justify this requirement on the basis of the 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 assets of any corporation. Would anyone have the temerity to suggest that this approach be applied to other business 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 are much higher than they need to be and constitute an unjustifiable burden and restraint on member banks. Also, antiquated differentials based on geography should be eliminated.

Piecemeal action for savings deposits alone might indefinitely postpone these other important reforms. What is needed is a thorough overhaul 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, deposits. Controversy over rate regulation for savings deposits may drag on for many years. Meanwhile, however, it makes no sense that U. S. banks should continue to be prevented from competing effectively for time deposits, domestic as well as foreign.

Time deposits are a completely different animal than passbook savings. These are not rainy-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 accounts should apply to these deposits. They are different kinds of money.

Some people have the 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 if money market rates should rise, they will be able to pay the higher rates that will be required to retain these funds. Lacking this assurance, they cannot prudently compete aggressively for this money now. If they had such assurance, I believe they could, over a period of time, substantially increase the volume of their time deposits.

This is a proper banking function, serving as an intermediary for short-term money. It is a function the American 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.

*From a talk by Dr. Adams before the Annual Meeting of the Savings Division of the American Bankers Association, at their 88th convention, Atlantic City, September 24, 1962.



# Coughlin & Co. 30th Anniversary

DENVER, Colo. — Coughlin and Company, Inc., Security Building, members of the Midwest Exchange, is celebrating the 30th Anniversary of its establishment in 1932. The firm acts as distributors 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. White and Robert F. Gerwin, Vice-Presidents; James M. Coughlin, Assistant Vice-President, and Wallace B. Westerman, 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.

W. B. McConnel, Jr.

Mr. McConnel has been associated with the Pittsburgh firm of Singer, Deane & Scribner since 1946 and has been a general partner of that firm since 1951.

He is 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 Governors of the Association of Stock Exchange Firms.

# 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. In asking 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. Newspapers 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 is more popular than his program has a lot of validity. Mr. Kennedy has two large voting blocs working actively for him and they have to be watched by the opposition. These blocs frequently don't like his proposals but he is their 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 working together.

Mr. Kennedy's medicare 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 crecked up to be, that it was pretty much a phony, but the "boss" wanted it.

But this popularity, this team work, applies to Mr. Kennedy personally, not to his program and this explains why he suffered so many defeats at the hands of Congress. Congress knows which sile of a controversial issue the public wants better than the President. It is closer to them.

The first President in my memory who tried 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 Congressman, the head 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 no influence in electing members of Congress and his influence is yet to show up so far this year. He went all out for the Republican Gubernatorial 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 facts, too. Only a few weeks ago he was applauding the Republicans for their cooperation and the record shows, if it had not been for the Republicans, Mr. Kennedy wouldn't have got through as much of his program as he did. On several occasions the Republicans saved him against Southern Democrats.

# Fieldcrest Mills Capital Stk. Sold

The initial public sale of the capital stock of Fieldcrest Mills, Inc. is being made with the offering of 300,000 shares of the stock at $14 per share by Blyth & Co., Inc., New York City, and associates.

Of the total, 200,000 shares are being sold for the company and 100,000 shares for certain stockholders.

Headquartered at Spray, N. C., Fieldcrest Mills designs and manufactures household textile products consisting of regular and automatic (electric) blankets, towels, sheets, bedspreads, woven rugs and carpets. It also styles and markets a coordinated line of bath fashions, including bath rugs and shower curtains.

Net proceeds to the company will be used for the reduction of bank loans, and for other working capital purposes.



# Britain Primes the Economy

*By* Paul Einzig

*LONDON, England* — After long hesitation between the desire to resist wage inflation and the desire to bring about a business revival, the British Government has now come down definitely on the side of the latter. At the end of September the Bank of England released £80 million of "special deposits," thereby enabling the commercial banks to increase their lending to business firms or private individuals to the extent of several times that amount. The Governor of the Bank of England notified the banks that the official request to restrict credit which was made in July 1961, no longer applied. That in itself would not have assisted in a business revival, unless borrowers were prepared to make use of the additional facilities that were made available to them. To that end, it was necessary to stimulate demand. This was done on a small scale, through a release of some £40 million or so of "Post War Credits," compulsory loans levied on taxpayers during the War. The government also announced its intention to increase public investment next year by about £175 million.

### Caution the Watchword

The sum total of the actual reflationary measures, as distinct from the potential reflationary measures, does not amount to very much. But, then, the government rightly considers it necessary to proceed with caution. It is true, the balance of payments position has improved and sterling has been remarkably steady for this time of the year when it is usually weak. But the cost of living index has been creeping up and wage demands disregard the policy of wage restraint. A number of wage increases far in excess of the government's suggested limit of 2½% have been conceded lately and pressure for higher wages is very strong even though business is slack. It is easy to imagine how much that pressure would be stepped up if boom-like conditions were to be resumed.

### Labor Moderates in Difficult Position

Moreover, the government has every reason to proceed cautiously with reflation at this stage when, for the first time, some trade union leaders at any rate are beginning to show some inclination to adopt a statesmanlike attitude. 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 a co-ordination of wage demands by various unions. It will be an extremely difficult task to reach an agreement amongst themselves about the relative level of wages in various industries. Nevertheless, the prospects of some such agreement though far from bright are in fact better than they have ever been.

Should a business boom bring back conditions of over-full employment the moderate trade union leaders would be promptly repudiated by their members which would then insist on holding out for all they could get. Pending the conclusion of some understanding, a revival of the boom would be therefore inopportune, at the present stage. If the unrestrained wage plunder is resumed then we would have to wait till the next recession before it would become possible once more for the moderate trade union leaders to talk sense.

### Major Transit Conflict

Britain is in the middle of a major conflict between the Transport Commission which controls the nationalized railroads and the railroad employees. In order to make nationalized transport pay, 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 steam engine repair shops will also be closed down.

In response to the scheme, which involves the dismissal of a large number of redundant employees, the National Union of Railwaymen brought out its members in a protest strike and is threatening to follow it up by other similar actions. Evidently the idea is that unprofitable lines should be kept going as an additional social service and that many thousands of steam engine repair shop workers should be retained even if there are no steam engines to repair.

Evidently the only way in which railroads could pay their way without closing down a number of lines would be if the government were prepared to adopt the policy of discouraging the motoring craze which has seized upon the British people. Unless huge amounts are spent on additional roads, that craze is bound to reduce itself to absurdity because the increasing number of automobiles threaten to create hopelessly congested conditions.

This aspect of the problem has been ignored, however, throughout the controversy. Yet the government's reflationary policy is bound to encourage the increase in the number of automobiles on the road. Given the fact that the government is not prepared to discourage such increase and is not even pressed to do so from any quarter, there seems to be no reasonable alternative to the closing down of railroads in districts where there is not enough demand for their services to justify their existence.

### Labor's Responsibility

The resistance of the trade unions to redundancy is not confined to railroads which are a declining industry. It is encountered also in expanding industries which could and should reduce their costs with the aid of labor-saving equipment. They are prevented from doing so by resistance to redundancy or they are only permitted to do so on terms which make the installation of costly modern equipment unprofitable. This explains why capital expenditure by industry is so unsatisfactory. No amount of reflation could remedy this state of affairs unless the trade unions can be persuaded to adopt a more sensible attitude in this respect as well as in respect of wage demands.

# Domestic Oil Companies Going International

By Donald Fernow, *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 newcomers on the international scene, having developed prolific foreign reserves, are presently establishing themselves in vigorously growing markets abroad. Mr. Fernow maintains that with the intensification of competitive conditions, domestically and elsewhere in the free world, those companies with well balanced integrated domestic operations and sources of prolific foreign production are advantageously situated. Discusses and recommends as 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 prospect of hign exploratory and development costs and sluggish growth in demand domestically, has since 1956 induced an increasing number of domestically oriented oil concerns to undertake foreign ventures. After prolonged and costly exploratory and developmental efforts, a number of these late entrants upon the international oil scene have made significant and rewarding discoveries, entrenching themselves in such already productive areas as Venezuela, the Middle East, and Canada while pioneering and establishing themselves in such new areas as Libya, Argentina, the Persian Gulf and Australia.

Donald Fernow

### Foreign Demand — Vigorous Growth and Uptapped Markets

In the free world outside of the United States, the oil industry is characterized by a strong uptrend in products consumption and far flung prolific oil reserves. Over the present decade, the free world's demand for oil is expected to increase at an average annual rate of 7% as contrasted with 2.7% for the United States. The pattern of growth, however, will vary as it has in the past, widely by region. Such highly industrialized areas as Western Europe, the British Dominions, and Japan probably will experience a slackening in growth by the mid-1970's, as certain product markets approach saturation. However, such areas as Latin America and the Asian subcontinent, which are currently in the early stages of industrialization, will undoubtedly continue to enjoy a very prominent rise in energy consumption well into the succeeding decade.

During 1961 the West European market which presently represents one-quarter of the free world demand for petroleum products, accounted for 46% of the free world's increase in demand. Surging industrial growth and rapidly rising standards of living underscore Western Europe's mushrooming economy whose population base is a third again as large as that of the United States. Burgeoning growth in automotive transportation and space heating will have a particularly salutary effect on petroleum products consumption. The scope of potential growth in the automobile field abroad is suggested by the fact that in the United States for every car in use there are three persons; in Western Europe, 15; throughout the free foreign world, 50. A mushrooming space heating market will in the late 1960's receive a strong stimulus from imported natural gas. By that time, Great Britain and France should be receiving substantial imports of liquefied methane from North Africa.

Japan's oil consumption, the most rapidly rising in the free world, has doubled since 1958. Though Latin America's economic growth has been erratic and subject to political vicissitudes, its consumption of petroleum products over the past decade increased at a rate of about 8% annually, and is expected to enjoy further vigorous growth. Africa and non-Communist Area (excluding Japan) represent an immense relatively untapped market, whose population is six times that of Latin America, but whose consumption of petroleum products is actually less.

Construction underway or planned involves an expansion of free world refinery capacity by one-third, 3.8 million barrels daily, by 1965. This extensive program includes 73 new refineries and capacity increases for 32 existing installations. About half of these new facilities will be constructed in Western Europe; the bulk of the remainder, elsewhere in the Eastern Hemisphere.

### Foreign Production—Soaring Output and Prolific Reserves

Foreign free world crude production over the period 1951-1961 registered gains in most principal areas of production far exceeding the 2% annual growth experienced by the United States. Production in Canada increased at an average annual rate of 17.5%; in Venezuela, at 5.5%; in the Middle East, at 19.3%; in Africa, at 25%; and in the East Indies, at 7%. Moreover the cost of finding and developing reserves abroad is strikingly below that for the United States. Over the period 1955-1960 the average cost of finding and developing a barrel of oil in the United States was \$1.51; in Canada, \$0.56; in Venezuela, \$0.22; in Africa, \$0.16; in Indonesia, \$0.07; and in the Middle East, \$0.01.

The rapid expansion of foreign crude production in recent years has not only been attributable to climbing output in already established areas of production but has also substantially been augmented by crude from newly developed areas. African production soared from 50,000 barrels daily in 1957 to 750,000 barrels currently. Algeria, Libya, and Nigeria, relatively new oil exporting states, account for nearly all of this rise. In Latin America, Argentina, whose current crude production is about 260,000 barrels daily, has since the commencement in 1958 of its new policy of cooperating with foreign oil companies, achieved near self-sufficiency. In North America Canadian production rose sharply, subsequent to the discovery of the Leduc oil field, from 50,000 barrels daily in 1947 to a recent level of 700,000 barrels. Encouraged by Canada's new National Oil Policy, the oil industry anticipates further prominent growth.

Reflecting world exploratory and developmental activity between 1951 and 1961, the ratio of world reserves to annual production rose from 24:1 to 37:1 despite a very striking rise in world consumption. At year end 1961 the ratio of reserves to annual production was 12:1 for the United States; 20:1 for Canada; 16:1 for Venezuela; 92:1 for the Middle East; and 55:1 for Indonesia. Of the 278 billion barrels of estimated free world crude reserves at year end 1961, the United States accounted for about 14%; Canada, 1.7%; Venezuela, 6.3%; Africa, 3.2%; the Middle East, 67.7%; and Indonesia, 3.7%. The oil reserves of the Middle East are twice those thus far identified elsewhere in the world.

### Foreign Oil Investment

The risks inherent in oil investment are fundamentally physical and political. Abroad the physical risks, those associated with exploratory activity, are in a general sense less than at home, in view of the prevalence abroad of extensive relatively unexplored sedimentary basins. On the other hand, the political hazards are greater, considering the periodic instability of governments in certain oil exporting nations. This latter factor, however, should progressively diminish as these nations grow in economic strength.

Though the return on invested capital abroad for the major international oil companies declined substantially from 24.4% in 1955 to 13.5% in 1959; it has since 1959 stabilized at around 13.3%, a level moderately above the current 7.8% return for a representative group of domestic integrated oil companies and the 9.5% return for industry in general.

### Newcomers on the International Scene

With profit margins contracting between declining product prices and rising costs for finding and developing local sources of crude, an increasing number of American oil companies have intensified their efforts to develop sources of crude abroad and of late have begun to establish themselves in vigorously growing foreign mark[illegible]. As newcomers on the international scene these companies have often had to accept less advantageous contracts and concessionary rights than those granted to already established international oil companies. In many instances, these newcomers have entered areas where previous exploratory efforts were unsuccessful and have pioneered remote and relatively inaccessible regions of complex geology whose forbidding nature had discouraged earlier attempts to find oil. Despite such formidable handicaps, these newcomers have participated in many ventures which have been notably successful. In recent years a steadily increasing proportion of the net annual increase in free world foreign crude output has been accounted for by these companies. Of late the flow of new foreign oil has begun to manifest itself significantly in earnings.

**Canada:** Among the more intrepid pioneers in the Canadian petroleum industry are Pacific Petroleums, Ltd. (39.5% owned by Phillips; 5.2%, by Sunray) and Pan American Petroleum (Standard Oil-Indiana), the leading factors in the development of a new major natural gas province in northeast British Columbia, where proven reserves already exceed an estimated 4.3 trillion cubic feet. A recent Pan American gas discovery tested at 30 million cubic feet daily; one by Pacific Petroleums, at 40 million cubic feet. Crude production of both concerns continues to climb sharply. During 1961, Pan American's production climbed to about 19,000 barrels of crude daily, up 42% over 1960, while Pacific Petroleums crude output rose by 16% to 14,285 barrels daily, its natural gas production, by 19% to 139 million cubic feet daily.

Hudson's Bay Oil and Gas Co., Ltd. (67.8% owned by Continental Oil) is another dynamic element on the Canadian scene which has experienced striking growth. Net gas sales soared from 4.3 million cubic feet daily in 1952 to a current level of 74.5 million cubic feet; net crude output from 2,494 barrels daily to 29,282 barrels. The improvement in Continental's earnings in 1961

*Continued on page 32*

# The Market . . . And You

BY WALLACE STREETE

Interest in the stock market on the part of the public, which was already at a low ebb in recent weeks, dried up even more this week when turnover dropped to the lowest pace seen in a couple of years.

There were plenty of excuses for the low state of market participation, apart from uncertainty. A religious holiday, the World Series ball games, even a Canadian market holiday all helped to cut interest in securities, the week being capped off by a quasi-holiday tomorrow when securities markets function while other financial and business houses are shut down.

### Indecision

Consequently, there was little decisive to the actions of the various averages. And some of the better morsels in the business news were pretty much ignored, the high output of the auto factories being one facet that failed to excite any attention.

General Motors, once a market bellwether, has simmered down to a staid, investment-type issue that moves narrowly more times than not. In fact, despite the wild gyrations of the stock market early this year, GM so far has only wandered over a range of a baker's dozen points all year. It has, however, been holding lately within easy touch of its all-time peak if any widespread interest is generated in it.

About the only debate centering on GM's performance this year has been 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 last decade. But on top of what seems assured to be a near-record year in unit production in 1962, GM officials are on the record with a prediction that next year's output will about match that of this year. That would be two good years back-to-back for a new note.

In 1955, GM reported profits of more than a billion dollars, first time any industrial corporation had rolled up a profit of that size. As of the 1962 half year, the profit had already run past three-fourths of a billion, for $2.71 a share on the outstanding shares, which led to predictions of a new peak. In fact, the market analysts were so confident of GM's ability to reach a record that the issue was considered a candidate for additional dividend largesse over the 50-cent year-end extra that it had tacked on to the $2 "normal" rate last year. The conservative nature of the price tag is illustrated by its 12-times earnings ratio and its yield of some 4.8% at recent market prices, both giving it a below-average price/earnings standing, and an above-average return.

### Stirring Oils

On occasion there was some stirring in the oils, but little conclusive came from it. This section is also one that has largely ignored the flips of the market averages this year. Marathon Oil, formerly the Ohio Oil Co., has yet to stretch its range for the year to a full 10 points, for instance.

In recent years Marathon Oil as it is constituted today has grown into a factor in international oil circles as well as an important domestic organization, where as once it had been merely a static, medium-sized, integrated domestic operation without appreciable growth prospects.

The international work of what now is Marathon Oil was started some four years ago and the first positive result was the first Libyan producing well, which since has led to large reserves and with the shipments just starting to move into the international oil markets. That leaves the substantial improvement in its fortunes still ahead, the income benefits tentatively slated to be readily apparent by 1964. Meanwhile, the domestic operations were expanded by widened territory through two acquisitions, one of them 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 half a century ago. Until it turned to foreign fields, however, it was a mundane operator. The dramatic developments are recent ones, including the Plymouth acquisition early this year. That added 10 southern states to the six midwest states which was the marketing region up to the merger. The primary aim of the Plymouth acquisition, however, has its reserves rather than its marketing operations 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 has been far from impressive as it poured pretax income back 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 at less than 15 times earnings and with a yield of better than 4%, the shares have done little to anticipate better times ahead. In the last couple of years the cash payment has been supplemented by small stock dividends.

### Bargain Electronics Issue

The record profit reported by Radio Corp. stirred up some attention, much of it of the nature of calling the company one of the bargain issues in the electronic field where, in the main, the story is one of prices well deflated from the earlier optimistic peaks.

The company that is linked importantly with RCA, but is available currently at a price half a hundred points under its peak, is Foxboro Co. Known as a leader in controls for continuous-process industries, Foxboro recently diversified into electronic and digital instruments and, under an agreement with RCA, took over a group of RCA computer engineers to fulfill some computer system contracts.

Larger aim of the working partnership with RCA, which supplies computers for the projects, is to perfect industrial control systems utilizing computers. This is a development project but puts Foxboro importantly in the field as new developments arise. Because of the start-up costs of its computer division, earnings this year are not expected to show anything startling although sales are still headed upward. But with the shares this year down to levels not seen since 1959 and far below last year's peak of 87, they were seen at a price below 30 as being well depressed and not yet reflecting the eventual improvement that seems in store for the future.

Like the auto companies, the fortunes of the auto parts companies have swayed in recent years even in cases like Borg-Warner where auto parts are now down to only a third of sales and its other manufacturing has been thriving. And, despite the good year the auto makers are experiencing, the price of Borg-Warner shares has shown little inclination to improve despite a 16% improvement in sales and a 59% increase in half year earnings. The better-than-5% yield is distinctly above average as is the price/earnings ratio which runs only around 11 times the results expected this year.

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

# The State of TRADE and INDUSTRY

*Steel Production*
*Electric Output*
*Carloadings*
*Retail Trade*
*Food Price Index*
*Auto Production*
*Business Failures*
*Commodity Price Index*

Third quarter business activity moved into new high ground, but by a disconcertingly narrow margin, said The First National Bank of Boston in the current issue of its *New England Letter*.

Continuing, the Bank said, numerous measures of the economy such as factory output, income, and trade established new records, although their course was not uniformly upward. Gains were small and erratic, and the over-all tone of business was so listless, so lacking in zip, that there was little promise of a faster pace, except that normally anticipated for the fall season. Nevertheless, the final quarter seems likely to be the best of the year, measured by gross national product, the broadest measure of our total activity. The annual total will probably end up some 7% above 1961, the best year-to-year increase since 1959. In view of the high degree of price stability, this will be largely a real gain. It must be accounted quite satisfactory, discounting early overoptimistic expectations engendered by official forecasts.

Wholesale commodity prices have continued to move very narrowly. The sensitive spot commodity index, including foodstuffs and industrial materials, has shown little tendency to firmness following a first half year decline to around the lowest level since the late Forties. In the government's comprehensive index, farm and food products have shown some modest strength. Industrial prices have presented a mixture of small shifts which continue to add up to little change. For large numbers of firms, experiencing such a cost and profits squeeze that they need higher price tags, this adds up to "painful stability." Some firms have marked up prices, only to be forced by competitive factors to lower them again. Excess capacity is still a factor in some industries, while here and there imports are providing the pressure.

As we move into the final quarter of the year, a period when early views of the shape of 1963 become important to business planning, there is much uncertainty, arising from many conflicting forces — some economic, some political. Although the present period should prove to be the best quarter of the year, there does not appear to be any sector of the economy with strong growth prospects. Looking ahead to next year, it seems reasonable that government outlays at all levels will continue to rise, and likewise consumer services. Some weakness is expected in consumer durables and in total construction. Much will depend upon what happens to plant and equipment outlays, and particularly the effect of depreciation and tax changes on investment plans. And the uncertainty of a tax cut as well as its effects on either business or consumers provides another unknown. Until some of these factors become a little clearer, advance planning may tentatively assume no substantial change in the level of the total economy from that of 1962, although there may well be some slackening during the year.

### Bank Clearings Rise 9.6% From 1961 Week's Volume

Bank clearings this week will show a decrease compared with a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Oct. 6, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 9.6% above those of the corresponding week last year. Our preliminary totals stand at $32,270,946,006 against $29,432,374,065 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

| Week Ended Oct. 6— | (000s Omitted) 1962 | 1961 | % |
|---|---|---|---|
| New York | $18,005,736 | $15,857,826 | +13.5 |
| Chicago | 1,423,712 | 1,336,081 | + 6.6 |
| Philadelphia | *1,200,000 | 1,189,000 | + 0.9 |
| Boston | 899,760 | 878,979 | + 2.4 |
| Kansas City | 513,576 | 499,827 | + 2.8 |

*Estimated.

### Steel's Output Down 1.1% From Preceding Week and Down 16.9% From Last Year's Week

According to data compiled by the American Iron and Steel Institute, production for the week ended Oct. 6, 1962, was 1,746,000 tons (*93.7%), as against 1,766,000 tons (94.8%) in the week ending Sept. 29.

Data for the latest week ended Oct. 6, 1962, shows a production decline of 16.9% compared to last year's week output of 2,102,000 tons (*112.8%).

Production this year through Oct. 6 amounted to 76,528,000 tons (*102.7%), or 5.5% above the Jan. 1-Oct. 7, 1961, period.

The Institute concludes with Index of Ingot Production by

*Continued on page 46*

# MUTUAL FUNDS

BY JOSEPH C. POTTER

## 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 counsellors, was in vogue in the United Kingdom and on the Continent long before it became popular here. The affluent society, now being created in the area where the funds had their beginnings, promises to repeat the startlnig success story recorded in the United States during the last 20 years.

From Geneva comes a story of a European group which, with American management, plans to do some global marketing. It is called The Fund of Funds, Ltd., formed to invest in the shares of United States-based investment companies. Shares of this new fund will be marketed around the world by Investors Overseas Services, a Geneva corporation 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 from among some 350 American mutual funds. As Investors Overseas Services explained it: "The investment portfolio, constantly under review, will consist of a limited selection of the best-performing U. S. investment companies."

It goes on to say: "An important feature of the new fund provides that the cost to The Fund of Funds in any partciular 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 charge."

Investment adviser to this new mutual fund is New York's Templeton, Damroth Corp. This company, together with its subsidiaries, currently manages more than $300 million in individual, corporate and mutual-fund portfolios. It is one of the 10 largest investment-counselling companies in the United States.

Included initially in the portfolio of the Fund of Funds will be shares of Dreyfus Fund, Fidelity Trend 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 anticipates a portion of the initial underwrting will remain in "a defensive position"—that is, cash and short-term time deposits.

It would seem to be but a question of time—and no great time, at that—before European entrepreneurs moved in on our major cities to manage funds that would invest in shares of selected European companies. While it is true that United States-based funds long have taken a position in European firms—manufacturing notably—this is not the same thing as a fund to buy funds.

Scarcely a week goes by that the basic fund idea doesn't develop a new wrinkle. Banks and insurance companies began moving in years ago. 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 the worthwhileness of what they are doing, they are oversensitive to criticism from any source. The fact that much of the criticism is unjust and unrealistic does not help the disposition of fundmen either. And, of course, there's the bad spill in the stock market, which is not calculated to mellow folks with a multi-billion-dollar responsibility.

When the dust has settled, the funds at home and abroad will be found to be more popular than ever, although it is idle to suppose that changes, surely in personnel and possibly in charges, will not be made. Competition for the thrifty man's dollar can be counted on to get more done than any academic finger-waggling.



## 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 $17,386 574. This is equivalent to $30.99 per share, compared with $31.23 three months earlier.

* * *

**Guardian Mutual Fund, Inc.** reports net assets at Sept. 28 amounted to $15,368,852, or $18.85 a share. This compares with $14,887,130 of assets and $21.57 per share at Oct. 31, 1961, close of the last fiscal year.

* * *

**New England Fund** announces that in the quarter ended Sept. 30 it acquired 1,500 additional shares of Mack Trucks and 50 shares more 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.

* * *

**Quality Distribution Shares, Inc.** reports that during the quarter ended Aug. 31 it acquired 3,000 shares of Atlantic Refining and 1,000 Union Gas System, Inc. It eliminated these holdings: 4,000 American Tobacco, 1,800 Arkansas Western Gas Co., 1,000 Liggett & Myers Tobacco, 2,500 Pet Milk, 1,500 Philip Morris and 2,400 shares of R. J. Reynolds Tobacco.

* * *

**Scudder Fund of Canada, Ltd.** reports net asset value of $13.66 (Canadian) per share on Aug. 31, compared with $13.86 on May 31, 1962, end of the fiscal year, and $14.66 on Aug. 31, 1961. At Aug. 31, 1962 total net assets were $43,689,378.

* * *

Total net assets of **Scudder Stevens & Clark Common Stock Fund** rose during the quarter ended Sept. 30 to $46,076,070 from $44,178,397 at June 30, James N. White, President, reports. Net asset value per share increased to $8.60 from $8.41 at the start of the quarter. On Sept. 30, 1961, the fund had total net assets of $48,198,559, equal to $10.81 per share.

* * *

Total net assets of **Scudder, Stevens & Clark Fund,** were $77,778,409 on Sept. 30, equal to $17.41 per share. At June 30, assets were $75,434,441, equivalent to $17.04 a share. On Sept. 30, net assets were $87,925,109, or $20.73 a share.

## Hugh W. Long's Sales Advisory Board

**Newly-formed Sales Advisory Board of Hugh W. Long and Co. discuss distribution of mutual fund shares with Milton Fox-Martin, Long Company President, seated in center. From left, seated, are Frederic C. Coltrin, Western States Vice-President, and C. Ellwood Kalbach, Northeastern States Vice-President, who is Board's Chairman; standing, Donald C. Larrabee, Atlantic States Vice-President; Robert G. Frank, Regional Vice-President, and J. Richard Werges, Central States Vice-President.**

# Strengthening Banking And Our Economic System

*Continued from page 10*

objection to a bill which would have further encroached upon the rights of the states by extending federal regulation to the manner in which interest charges are stated on instalment loans.

For some time it has been apparent that a serious weakness exists in the secondary market for conventional home mortgages. To correct this situation, the National Mortgage Market Committee, which was organized at the A.B.A.'s suggestion, has sponsored legislation to establish one private corporation which will insure conventional mortgages and another which will facilitate the buying and selling of mortgages so insured.

Enactment of this legislation would bring more lenders, including banks, into mortgages; promote conventional mortgages as opposed to federally guaranteed mortgages; foster home ownership; and lend needed impetus to the vital construction industry and, through it, to the economy.

After extensive research and study by appropriate A.B.A. committees, we supported, with certain reservations, the Trade Expansion Act—legislation which, if enacted, can provide an important first step in enabling us to compete better in the world market place.

The staff and various committees of the A.B.A. made exhaustive studies of the Report of the Commission on Money and Credit. These Studies have provided the basis for statements the A.B.A. submitted to various presidential committees which are expected to recommend important changes in our financial system.

Only three weeks ago, the A.B.A. and the Small Business Administration announced a plan whereby banks and the S.B.A. will cooperate to better meet the credit needs of small businesses. Under the plan, banks will supply the servicing and half of the loan funds. The bank's share of the loan, which will constitute the earlier maturities, will be repaid first, and the banks will receive ½% for servicing the S.B.A. portion.

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

From this brief rundown you can see that the staffs of both the New York and Washington offices and the many committees of the Association has been expanding their activities in behalf of banking without neglecting the far-ranging fundamental services of the Association. However, it soon became increasingly clear that the job could not be properly done without more manpower and more brain power.

Faced with this situation, the Assocciation decided it had no choice but to increase membership dues. This was done during the past year but only after a complete 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 pay will prove to be one of the best investments of our respective banks.

Many A.B.A. services can be

evaluated only in terms of the use made of them by member banks.

**Broad Viewpoint**

For example, one of the biggest problems facing banking today is the need for bankers with a broad viewpoint. To meet this challenge, the A.B.A. has inaugurated annual personnel conferences to help accelerate management development.

Our regional and state banking schools are indispensable in developing the type of leadership that is necessary to meet the problems of our changing times. The Banking Education Committee, in its first full year of operation, has made very significant progress in coordinating the work and objectives of banking's growing array of highly efficient schools.

Then, too, the American Institute of Banking with more than 90,000 enrolments, continues its major contribution of stressing banking fundamentals and is truly the very backbone of banking education.

But education is only one of the ways the A.B.A. helps you to meet your problems. Perhaps the most significant change in recent months which directly affected banking was the action by the Federal Reserve Board and the Federal Deposit Insurance Corporation permitting payment of interest up to 4% on savings.

Many of the nation's banks responded with substantial increases in their savings interest rates and in so doing tended to tighten the seemingly inexorable profit squeeze. It soon became apparent that the higher rates were not an unmixed blessing.

The savings conference in New York proved an excellent forum for helping to resolve this thorny problem. I am sure that every banker who attended the conference went home with new ideas on the importance of cutting costs, increasing efficiency, better portfolio and loan management, and the need to charge a reasonable price for services rendered.

I could cite the many other meetings and conferences that were sponsored by the Association to help you make your bank function better, but the list would be too long. I would, however, like to mention just one other meeting.

That is the International Monetary Conference, held last May under A.B.A. auspices in Rome, which brought together some 150 leading bankers of the Western World. This conference has been responsible for major gains in banker understanding, around the globe, of the importance of international cooperation in working out a sound international monetary mechanism.

**Dual Banking System**

We all have a big job to do in maintaining the strength of our dual banking system and the strength of our national economy. The Association can be instrumental, but in the last analysis it is up to us as individuals to be alert to new developments and new challenges and to do everything in our power to improve the efficiency of banking and protect our free enterprise system. The Centennial of the dual banking system which we will soon be celebrating will give us an excellent opportunity to explain our banking system to the public, and one of which we must take full advantage.

In closing, let me make one final observation. Our generation seems destined to live in a period of continuing crises—crises which present great opportunities as well as formidable problems. Perhaps never before in the history of our country does its future depend so completely upon the decisions we soon will have to make—decisions involving Berlin, and Cuba, the exploration of space and the probing of ocean depths, how to live in a new era and compete in revitalized world markets, how to accelerate our great economic system to its full potential and how to provide reasonable security without sacrificing our precious freedom.

As the leaders of our government seek answers to these and the many other problems of our complex and fast-moving age, they may do so:

In the knowledge that our banking system is at its full tide of strength and soundness.

In the knowledge that our banking system is alert and responsive to its duty to help see that our economy remains healthy and vibrant.

In the full confidence that there is no limit to the support which we bankers both individually and as an organization will extend to our nation in fulfilling its destiny as the leader of the free world and as the guardian of freedom.

*An address by Mr. Fleming before the First General Session of the 88th Annual Convention of the American Bankers Association, Atlantic City, N. J., September 25, 1962.

# Cobleigh, Gordon Appoints in Japan

Cobleigh and Gordon, Inc., a New York financial public relations and counseling 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 Oct. 4 by David Cole Gordon, President of the New York firm.

Mr. Gordon noted that the increased flow of business and finances 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 consultant services on commerce, industry and investments. Cobleigh and Gordon specializes in financial public relations, stockholder relations, financial community liaison and corporate and financial counseling.

# COMMENTARY...

*By M. R. LEFKOE*

Ordinarily, the passage of a Federal law which merely grants a "fishing license" would attract little attention in the business community. It is safe to asume, however, that before long almost all businessmen will begin to experience a growing sense of apprehension over one such law rushed through Congress and signed by the President during the closing days of the current session. The "fishing license" was granted to the Antitrust Division of the Department of Justice and, in effect, provided for an open season on American business.

Entitled the "Antitrust Civil Process Act," the new law authorizes the Attorney General to "compel the production of documentary evidence (defined as including 'the original or any copy of any book, record, report, memorandum, paper, communication, tabulation, chart, or other document') required in civil investigations for the enforcement of antitrust laws . . ." The failure to comply with such a demand would expose a company's executives to a maximum fine of $5,000 or five years imprisonment, or both.

### Doctrine of Irrelevancy

The Anglo-American concept of jurisprudence has always recognized the necessity of granting to both the initiator of any legal action and the accused the right to subpoena witnesses and documents as evidence in court. However, throughout our nation's history, this right has been used to obtain evidence relating only to alleged violations of specific, objectively definable laws. Therefore, the judge presiding over a civil or criminal case always has had the authority to declare any proposed exhibit irrelevant, and thus not admissible as evidence.

But the antitrust laws are not like other American laws. As I demonstrated in a recent column, "The antitrust statutes are as irrational a set of laws as have ever been conceived. They are nonobjective and contradictory; they are impossible for businessmen to adhere to; they make every businessman a criminal from the moment he enters business; they are, in large part, literally unconstitutional; they are devised to penalize those companies which are efficient and successful — *because* they are efficient and successful."

In the same column, I quoted Lowell Mason, past Chairman of the Federal Trade Commission, as saying: "If we had the money, we could get a 'cease-and-desist' order against *every businessman* who is engaged in interstate commerce. The businessman has nothing to say. He can only hope that the law of averages will keep him off the wrong end of a complaint." (Italics mine.)

### Self-Condemning

Thus, the Attorney General now need only pick out any firm he desires—for any reason whatsoever—and accuse it of violating some particular antitrust statute. Since the defendant is required to submit all of the documents demanded, and since if enough documents are collected some antitrust violation almost always can be discovered, enactment of this new act is tantamount to granting the Attorney General a "fishing license" with a *guaranteed* catch.

In addition to the general consequences just described, there are three aspects of this law which are all so terrifying that it is difficult to decide which one of them constitutes the greatest threat to the American system of free enterprise and individual rights.

In the first place, the literal constitutionality of the law is subject to serious question. Second, the extraordinary expenses which would result from attempting to comply with demands for voluminous documentary material could seriously impair the financial position of even a relatively large corporation. Finally, the adding to the previously enacted antitrust statutes the sweeping scope of this new law, the executive branch of the government has been provided with perhaps its strongest weapon yet for compelling business firms to accede to its "recommendations" without the authority of specific laws.

### On the Defensive

The Constitution guarantees all Americans (I have not found anything in it which indicates that businessmen are an exception) the right to "due process of law." Nevertheless, this new act, directed specifically toward businessmen, states that "Whenever the Attorney General . . . has reason to believe that any person under investigation may be in possession, custody, or control of any documentary material relevant to a civil antitrust investigation, he may, *prior to the institution* of a civil or criminal proceeding thereon, . . . [require] such person to produce such material for examination." (Italics mine.)

Thus, solely on the basis of suspecting a company guilty of violating a law it probably could not have kept from violating (if, in fact, it actually did), the Attorney General now can require the company to produce what effectively amounts to all of its records before he initiates normal legal proceedings.

### Past Examples

Several examples of the time, effort, and expense involved in Antitrust Department "fishing expeditions" are provided in Harold Fleming's enlightening book, *Ten Thousand Commandments: The Story of the Antitrust Laws.* One antitrust case discussed by Mr. Fleming concerns Standard Oil (N. J.). In that case, the government took 47,000 documents involving 65,000 pages. Another case he mentions is that of Socony-Vacuum (1940) in which government investigators took over 18 truckloads of documents from the defendent companies.

Of particular interest is an investigation related by Mr. Fleming which involves a government agency not specifically concerned with enforcing the antitrust laws. It is still extremely relevant in this context since it indicates the tremendous cost of an investigation to a company.

### "An Economic Farce"

Mr. Fleming writes: "In the late 1930's the Federal Communications Commission's investigators pulled out all of the drawers in the telephone company's head office. The cost of the investigation to the government was $1,500,000. AT&T officials estimated that it cost the company $2,500,000. The resultant 1939 'Report of the Investigation of the Telephone Industry' was an economic farce. It recommended that AT&T increase depreciation, reduce rates, and maintain the dividend—all at the same time."

If nothing else, the AT&T incident dramatically points out one necessary consequence of the new antitrust act: Even if the Justice Department can't find enough incriminating evidence to file suit in court, the company will still end up paying a literal fortune in order to comply with the government's request for information. Moreover, the expenses to the company can easily exceed the penalty for an actual violation of the law.

It is not necessary to spend much time considering in detail the dangerous weapon awarded the executive branch of the government by this new statute. Just ask yourself the following questions: Have you raised or are you considering raising your prices higher than the government might deem appropriate? Have you or would you consider holding out against unreasonable union demands backed by the threat of a strike when, at the same time, the government is "recommending" that you adopt the union's proposals?

If the answer to these or other similar questions is "yes," then ask yourself what you would do after the Justice Department demanded every piece of paper in your offices. Also keep in mind that a detailed examination of your files would most likely result in some type of antitrust action being instituted by the government, with the cards all stacked in its favor.

The power of the government to control every businessman's very existence has already grown to staggering proportions. Their rights are disappearing at an ever increasing rate under the onslaught of arbitrary regulations, dictatorial edicts, unjust and unconstitutional laws, and paralyzing controls. But it is still not too late to turn back the tide if you begin to fight for your rights. Even a few voices raised loud enough in protest will be heard.

# Irving Trust Bldg. Program

Demolition work has begun on three buildings in the financial district of lower Manhattan in preparation for construction of a 30-story expansion of the Irving Trust headquarters building at One Wall Street.

George A. Murphy, Irving Chairman, and William E. Petersen, President, led a group of banking and construction officials who directed the initial step of demolition atop the structure at 60 Broadway. The other two buildings to be removed are 62 Broadway and 70 Broadway.

When completed, the enlarged Irving Trust building will occupy the entire Broadway block from Wall Street to Exchange Place. The three buildings being removed were formerly occupied by The Hanover Bank and have a long history as quarters for financial houses.

# Our Reporter on GOVERNMENTS

*BY JOHN T. CHIPPENDALE, JR.*

The pattern of high enough short-term rates to give at least a semblance of help to our gold holdings, along with long-term rates not so high as to discourage financing by corporations and tax-exempt entities still prevails. In addition, there is considerable in the way of an understanding as to the future course of the money and capital markets because of the predictions about the future pattern of business, namely that there will be little change in the economy in either direction.

Nevertheless, there appears to be more than a small amount of opinion around that an economic downturn is in the making. Although the tax reduction idea is still very much in the picture, it seems now as though it will be well into the coming year before we will know what is going to happen to taxes. With or without a tax decrease, there will most likely be a rather sizable deficit of the Government that will have to be financed.

### Tax Cut May Be Too Late

It is the opinion of not a few highly regarded economists that the business pattern will continue to worsen as the year goes along. According to the statements which are being attributed to these individuals, another "rolling type" of readjustment is in the making with the length of time that it will run being estimated as a bit more than a year. It is not expected to bring about too sharp a set-back to the economy, although it will probably be felt in no uncertain terms by many concerns since there should be more than a modest decline in the pattern of business.

In addition, it is being pointed out by this group of forecasters that a reduction in taxes is not likely to have very much of an influence on the indicated trend of the economy since it is believed that any downward revision that will be made in income taxes will come too late to do much good.

### What About "Hot Money?"

This raises the question as to what will happen in the money and capital markets with the economy on the defensive. It appears as though the first thing to be considered is what will happen to the so-called "hot money" which is here in fairly sizable amounts. Will a modest recession in this country scare the owners of these funds right out of the country irrespective of the interest rate level?

It seems to be the opinion of most money and capital market experts that there is much more to fear in the United States from a business decline than there is from a boom, especially from the standpoint of what might take place from the monetary angle. It is evident that the domestic economy, the balance of payments problem, the value of the dollar and our gold holdings are so closely related that an unfavorable turn in any one of them would most likely have a similar effect on the other.

As far as the money and capital markets would be concerned in the event of a set-back in the economy there is not much in the way of precedent that could be of use at this time. However, in the past when the balance of payments and the gold problem were not with us, a policy of lower interest rates and an ample supply of credit were among the tools which were used to combat the business decline.

This time, with a much more limited approach indicated as far as monetary measures are concerned during an economic reversal, it appears as though the type of action that will be taken will have to be done with at least a weather eye toward the protection of the international position of the dollar. On the other hand, not all money market specialists go along with the idea that low interest rates and a heavy supply of credit will turn a recession into a business recovery.

### The Deficit Factor

Because there is growing concern among business forecasters and reputable economists about the future trend of the economy the question of a reduction in income taxes becomes of paramount importance to them since relief from the tax burden should be some kind of a stimulant for the economy. It is believed that a cut in taxes that would be retroactive to the first of next year could go a long way towards the turning of the economy in the right direction. Here again the future course of the money and capital markets would be dictated by the many problems that would come with the large deficit that will have to be financed.

The Treasury by selling $2.5 billion of 12-month bills will be raising $500 million of new cash as well as meeting a demand for an issue which has been growing. This probably means that only about $2 billion more in new money will have to be raised by the end of the year.

# New Top Officers of ABA

M. Monroe Kimbrel, Chairman of the Board, First National Bank, Thomson, Ga., was elected President of The American Bankers

M. Monroe Kimbrel William F. Kelly

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 Messrs. Kimbrel and Kelly**

M. 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 1950 to 1952, A. B. A. Vice-President for Georgia 1951-53, and regional Vice-President 1953-55. In 1955, he was apopinted 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-Presdient in 1961-62.

Also active with the Georgia Bankers Association, he served as President of his state association in 1956-57.

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.

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William F. Kelly has served as President since 1955 and Director since 1953 of Philadelphia's largest bank, the 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 LL.D. degrees from LaSalle College and Villanova University and a D.S.C. degree from St. Joseph's College.

Mr. Kelly started his business career with Continental Equitable Title and Trust Company in 1925. He joined First Pennsylvania in 1931 when the bank (then named The Pennsylvania Company for Insurance on Lives and Granting Annuities) absorbed Continental.

At First Pennsylvania he was placed in charge of the new time sales division in 1935, elected Assistant Vice-President in 1939, Vice-President in charge of time sales, 1945; Senior Vice-President and Senior Loaning Officer, 1950; and Executive Vice-President in charge of loan 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 Instalment Credit Committee), 1948-50; Chairman of the Small Business Credit Commission, (now Committee), 1952-56; and Chairman of the Credit Policy Commission (now Committee), 1957-60. He also was a member both of the Administrative Committee and the Executve 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 Philadelhpia 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 Railroad; Fidelity Mutual Life Insurance Co., and The Budd Company.

## Chicago Analysts Meeting

CHICAGO, Ill.—Wallace R. Persons, President of Emerson Electric, will be guest speaker at the luncheon meeting of the Investment Analysts Society of Chicago to be held Oct. 11 at the Ballroom of the Midland Hotel.

On Nov. 1 the Society will have a field trip to the Youngstown Sheet and Tube Company-Indiana Harbor Works.

# NEWS ABOUT BANKS AND BANKERS

*Consolidations • New Branches • New Officers, etc. • Revised Capitalizations*

**The First National City Bank, New York,** opened its fifth Nassau County branch in Hewlett. Located at 1316 Broadway, this is the bank's 96th New York metropolitan branch.

Heading the Hewlett Branch is Charles A. Schneider, Manager, who has over 42 years banking experience with First National City. Prior to his Hewlett assignment, he was with the bank's Clinton Avenue Branch in Brooklyn. Assisting Mr. Schneider is Harold W. Searby. Thomas Schiro is Personal Loan Supervisor for the branch.

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The **First National City Bank, New York** on Oct. 9 announced the appointments of Kenneth E. Frantz and Herbert E. Nevins as Vice-Presidents in its Pension Trust Department.

Mr. Frantz and Mr. Nevins were both formerly Assistant Vice-Presidents with the same dept.

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**THE FIRST NATIONAL CITY BANK OF NEW YORK**

| | Sep. 30, '62 $ | June 30, '62 $ |
|---|---|---|
| Total resources | 9,297,726,771 | 9,196,110,015 |
| Deposits | 8,103,830,498 | 8,023,006,462 |
| Cash and due from banks | 1,944,859,861 | 1,927,691,547 |
| U. S. Govt. security holdgs. | 1,476,928,310 | 1,725,774,852 |
| Loans & discts. | 4,703,701,983 | 4,385,067,112 |
| Undivid. profit | 140,022,961 | 136,395,998 |

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**THE CHASE MANHATTAN BANK, NEW YORK**

| | Sep. 30, '62 $ | June 30, '62 $ |
|---|---|---|
| Total resources | 9,399,056,947 | 9,720,493,263 |
| Deposits | 8,114,014,602 | 8,577,275,362 |
| Cash and due from banks | 1,976,797,984 | 2,186,431,376 |
| U. S. Govt. security holdgs. | 1,382,861,453 | 1,460,058,231 |
| Loans & discts. | 5,050,556,334 | 5,089,668,562 |
| Undivid. profits | 69,031,356 | 59,900,627 |

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Albert W. Doyle and Edwin M. Dorman, Trust Officers, have been advanced to Corporate Trust Officers at **Chemical Bank New York Trust Company, New York,** it was announced Oct. 9 by Chairman Harold H. Helm. Both are with the Bank's Corporate Trust Department at 20 Pine Street. Edward J. Reno, Jr., formerly Assistant Secretary, has been named Trust Officer-Trust Investment Dept. at 100 Broadway.

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**COMMERCIAL BANK OF NORTH AMERICA, NEW YORK**

| | Sep. 30,'62 $ | Jun. 30,'62 $ |
|---|---|---|
| Total resources | 291,612,174 | 290,995,723 |
| Deposits | 257,570,853 | 257,754,857 |
| Cash and due from banks | 32,131,530 | 36,932,552 |
| U. S. Government security holdings | 68,413,952 | 68,386,960 |
| Loans & discounts | 150,537,400 | 151,428,680 |
| Undivided profits | 3,294,111 | 2,925,861 |

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**The Bankers Trust Company, New York,** has announced the appointment of John A. Allen, Robert K. Hynes and William C. Ladd as Vice-Presidents in the Banking Operations, Credit Analysis and Investigation, and International Banking Departments respectively.

Mr. Allen joined Bankers Trust in 1946. He was named an Assistant Treasurer in 1953 and Assistant Vice-President in 1959.

Mr. Hynes also joined the bank in 1946. In 1953, he was named an Assistant Treasurer and in 1957 was appointed an Assistant Vice-President.

Mr. Ladd heads the Middle East and Africa section of the International Banking Department.

Newly named Assistant Vice-Presidents are George E. Beatty, Branch Office Loan Administration, Robert E. Jensen, Montague Street Office, Louis G. Kreutzer, Jr., Southwestern Division, and Paul W. Marpe, Foreign Exchange Trading.

Howard W. Oliver and Ronald H. Wood were named Assistant Trust Officers in the Personal Trust Division.

Gordon J. Bach, Banking Methods, Armond T. Darrin, Banking Operations, Henry J. Humphreys, Montague Street Office and Edward G. Martin, Coupon Collection, were named Assistant Treasurers.

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**BANKERS TRUST COMPANY, NEW YORK**

| | Sep. 30, '62 $ | June 30, '62 $ |
|---|---|---|
| Total resources | 3,517,819,966 | 3,660,988,931 |
| Deposits | 3,050,153,621 | 3,203,678,472 |
| Cash and due from banks | 823,055,986 | 898,087,068 |
| U. S. Govt. security holdgs. | 446,739,029 | 633,892,790 |
| Loans & discts. | 1,778,388,285 | 1,691,612,421 |
| Undivid. profits | 70,884,362 | 67,491,782 |

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**The Federation Bank and Trust Company, New York,** will open its newest branch, the Nostrand-Newkirk Office, at 1871 Nostrand Avenue, Brooklyn, on Oct. 27.

* * *

Richard L. Maloney, President of the **New York Savings Bank, New York,** died Oct. 4, at the age of 57.

Mr. Maloney joined New York Savings as its lawyer in 1942.

A year later Mr. Maloney was promoted to Vice-President. He was named Executive Vice-President in 1945 and President in 1947.

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Carll Tucker, Jr. has been elected to the Board of Trustees of the **Manhattan Savings Bank, New York.**

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A new branch of the **Bank of China,** opened Oct. 4, at 225 Park Row, New York.

Robert Yu is Manager of all New York operations of the Bank of China and Raymond Yoh is Manager of the new branch.

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Joseph J. De Palma has been named Manager of the new Bloomfield Avenue Office of **The National State Bank of Newark, N. Y.** The office, located at 550 Bloomfield Avenue, Newark, near the Newark-Bloomfield line, will open for business Monday, Oct. 15, 1962.

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**SOCIETY NATIONAL BANK OF CLEVELAND**

| | Sep. 30,'62 $ | Jun. 30,'62 $ |
|---|---|---|
| Total resources | 497,346,383 | 490,102,581 |
| Deposits | 454,195,543 | 449,834,610 |
| Cash and due from banks | 56,867,331 | 58,088,508 |
| U. S. Government security holdings | 103,558,745 | 109,625,374 |
| Loans & discounts | 268,262,537 | 254,599,214 |
| Undivided profits | 2,198,518 | 1,753,393 |

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Two new Trust Officers have been appointed at **National City Bank, Cleveland, Ohio.**

Robert A. Holop and Lloyd F. Loux, Jr., are the new officers, both in the Administration Division of National City's Trust Department.

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Comptroller of the Currency James J. Saxon announced approval Oct. 5 of the consolidation of the $15,700,000 **First National Bank of Michigan City, Michigan City, Ind.,** and the $19,700,000 **Merchants National Bank of Michigan City.**

The consolidated institutions will operate under the 1873 charter of the First National and under the title of **"The First-Merchants National Bank of Michigan City."** The consolidation is effective on or after Oct 5.

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The **Continental Illinois National Bank and Trust Company, Chicago, Ill.,** said Oct. 3 that it will open a representative office in Tokyo in the summer of 1963.

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**THE NATIONAL BANK OF DETROIT, MICHIGAN**

| | Sep. 30, '62 $ | June 30, '62 $ |
|---|---|---|
| Total resources | 2,238,806,074 | 2,311,898,075 |
| Deposits | 1,999,443,327 | 2,105,286,932 |
| Cash and due from banks | 437,855,866 | 500,998,398 |
| U. S. Govt. security holdgs. | 634,936,167 | 579,470,986 |
| Loans & discts. | 846,201,906 | 901,413,013 |
| Undivid. profits | 28,100,497 | 26,254,685 |

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**Broadway National Bank, Kansas City, Mo.** elected W. C. Lamar President.

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**THE SECOND NATIONAL BANK, ASHLAND, KENTUCKY**

| | Sep. 30,'62 | Jun. 29,'62 |
|---|---|---|
| Total resources | $34,051,942 | $34,109,657 |
| Deposits | 30,548,665 | 30,773,074 |
| Cash and due from banks | 6,871,627 | 6,894,766 |
| U. S. Government security holdings | 10,057,274 | 10,222,456 |
| Loans & discounts | 12,551,310 | 12,750,029 |
| Undivided profits | 456,568 | 482,919 |

* * *

**First National Bank in Dallas, Texas** elected Herman W. Lay, a Director.

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The **International Bank, Houston, Texas,** will open its doors at 1300 Texas and Caroline, Oct. 11, according to Irvin M. Shlenker, President.

The International Bank, which had its charter approved on May 10, recently elected a full board of 15 directors to serve the remainder of the year. They are, in addition to Mr. Shlenker:

John W. Hazard, Executive Vice-President Joseph E. Davies, Vice-President, Harold J. Erbs, Albert B. Fay, Joe Genitempo, Jr., Svend Hansen,

And O. W. Harigel, Senior Vice-President, **Houston National Bank;** E. A. Kelly, H. W. Krakower, C. M. Lindsey.

And Charles S. Oden, Melvin Rouff, President, Houston National Bank; William J. Salman, and Sidney L. Shlenker, Assistant Cashier, Houston National Bank.

The International Bank's capitalization, set at the first director's meeting is $600,000 with $300,000 capital, $200,000 surplus and $100,000 in undivided profits.

Bank officers, in addition to Irvin M. Shlenker and Mr. Hazard are: C. M. Lindsey, Vice-President; Guy D. Davidson, Vice-President and Cashier; Clyde G. Godbold, Vice-President: and John F. G. Kalb, Assistant Cashier and Auditor.

## Named Director

William C. Ewing, Jr. has been elected a director of Kalvar Corp., New Orleans based producer of a new heat developable film, the company has announced. Mr. Ewing is a Vice-President and Director of Clark, Dodge & Co. Inc., members of the New York Stock Exchange.

# BANK AND INSURANCE STOCKS

**This Week — Bank 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 period. Although the Security First National Bank is the only California bank listed below, its performance is much better than was originally anticipated in 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 3.7% over the third quarter of 1962 and for the first six months showed a decline of 1%. 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, deposits do not show the same trend. The eleven New York Clearing House Association banks showed a decline in deposits of $150 million which is less than 1% of total deposits. Looking at deposits as compared to a year ago, they are above that period by 3.9%, but measuring earnings during the third quarter by deposit trend in New York there is apparently no correlation. Also the complexion of deposits, as one is well aware, has shifted more in favor of time deposits, a costly shift for banking 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, without any substantial deposit growth, and with an increase in interest paid speaks well for bank management. The result of the latter fact has been the exploration of more profitable areas so that banks may offset this rise in 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 expansion of Central and South American activities continues 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 heartening to see the major banking institutions aware of this as long as merger and amelioration of branching laws now seem remote.

**Per Share Earnings Performance — Selected Banks**

| | —1st 9 Months— 1962 | 1961 | Incr. 1961-62 for 9 Months |
|---|---|---|---|
| Bank of New York | $15.13 | $14.98 | 1.0% |
| Bankers Trust Company | 2.54 | 2.51 | 0.6 |
| Chase Manhattan Bank | 3.81 | 3.70 | 2.8 |
| Chemical Bank-NewYork Tr. Co. | 3 95 | 3.82 | 3.4 |
| Continental Ill. Natl. Bk. & Tr. Co. | 7.05 | 7.25 | —2.8 |
| 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 | 4.12 | 0.5 |
| First Pennsylvania Bk. & Tr. Co. | 1.44 | 1.41 | 2.1 |
| Industrial National Bank | 2.85 | 2.67 | 6.7 |
| Irving Trust Company | 2.18 | 2.18 | 0 |
| Manufacturers-Hanover Trust | 2.47 | 2.68 | —7.1 |
| Morgan-Guaranty Trust Co. | 4.93 | 4.81 | 2.6 |
| National Bank of Detroit | 3.38 | 3.57 | —5.3 |
| Republic National Bank | 1.65 | 1.74 | 5.2 |
| Security-First National Bank | 2.73 | 2.87 | —5.0 |

## 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.

George B. Wendt

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 Subcommittee 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 Arie Crown Theater, McCormick Place. The Forum which is open to the public without charge will cover many of the vital areas of investing under current conditions: the investments of young married couples; older 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 one of 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 staged 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." The five panel discussions will be devoted to the following subjects:

The Economy; The Stock Market Today and the Next Six Months; Monthly Investment Plans; Dollar Cost Averaging.

Investing for Possible Growth: Education, Future Retirement.

Investing for Current Income.

Pension & Profit Sharing Plans.

Financial Estate Planning to Save Taxes.

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 60 of the country's leading mutual funds. Representatives of these funds will be available to answer any questions on this modern method of investing. The 18 mutual fund sponsors participating in the forum include: Broad Street Sales Corporation; Calvin Bullock, Ltd.; The Crosby Corporation; Distributors Group, Inc.; Eaton & Howard, Inc.; Keystone Custodian Funds, Inc.; Hugh W. Long & Co., Inc.; Lord Abbett & Co.; National Securities & Research Corporation; North American Securities Co.; John Nuveen & Co.; The Parker Corporation; Putnam Fund Distributors, Inc.; Selected American Shares; Television Shares Management Corp.; Vance, Sanders & Co., Inc.; Waddell & Reed, Inc. and Wellington Distributors, Inc.

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 15 William Street. Speakers will be Alfred S. Rudd, Hornblower & Weeks, and Irving Komonoff, Herzfeld & Stern.

## Dinsmore Associated With Vance, Sanders

LOS ANGELES, Calif.—Donald T. Dinsmore has joined Vance, Sanders & Company, Inc., large distributor of mutual funds, it has been announced by Henry T. Vance, President.

Mr. Dinsmore, who formerly was associated with Lester, Ryons & Co., will serve as a regional wholesale representative. Working out of the firm's Los Angeles office under John A. Carter, Jr., Vice-President, he will provide service to investment dealers in the Los Angeles area and other points in Southern California.

# Make Preparations Now For Another Bull Market

*Continued from page 3*

not yet turned down, it is flattening out and may turn down beginning sometime in the next several months unless orders show a reversal and begin to rise. [*Ed. Note:* Orders for cutting and forming new machine tools in August declined 17% and 16%, respectively, compared to July. Cutting orders' decline reflected a more than seasonal drop.]

Total private construction contracts for industrial, commercial, and public utility building have declined recently and are now running considerably 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 the strongest and the industrial contracts the weakest. Public and semi-public contracts are also substantially below current expenditures while public works are modestly below such expenditures. Residential building, which has been quite strong until recently, is also showing signs of slowing down. Residential contracts are considerably below expenditures and have come down from a relatively high level.

In some raw-material industries, conditions are more favorable than they are in finished goods. The steel industry has cut back operations so that for some months output has been considerably below consumption. Even if consumption of steel should decline, as it is likely to do during coming months, steel production will not decline below the low rate of recent months. The aluminum industry has been fabricating aluminum products somewhat in excess of ultimate demand and may have to cut back fabricating volume moderately.

All in all, the trend of business, at best, will level out during coming months and is likely to show a moderate decline.

**Long Run Inflationary Portent**

Political considerations are becoming more and more important in their impact upon economic policy in Washington. The Administration is acutely conscious of the importance, under present world political conditions, of maintaining a high-level economy growing from year to year, relatively free of unemployment and dynamic in character. If business makes no progress during coming months, and particularly if it shows signs of deteriorating, the Administration will surely propose to Congress a number of measures for action including, among others, personal and corporate tax rate reductions and substantial government spending. To the extent that Congress goes along with these proposals, there will be some cushioning of the business decline which may take place. More important in the security markets, if corporate tax rates are reduced, the earnings for the Dow Jones Industrial Average may remain at about $35 a share, the same as those estimated for 1962. Also, the reduction in tax rates, even if offset to some extent in its effect upon revenue collections by closing of loopholes and tax reforms, will increase the budget deficit substantially, which has inflationary implications for the long pull.

The background for the security markets then does not encourage the expectation that prices of common stocks will rise sharply during coming months. Neither are common stock prices likely to drop below the lows of 1962. If a business recession ends during the summer or fall of 1963, the stock market may continue in a range for the next six months between roughly 525-550 area as a low, and the 625-650 area as a high.

While a period of readustment may be ahead in business, the longer-range business outlook remains favorable. Therefore, the low in the stock market in 1962 may prove to be the low for a number of years ahead. In this sense, any decline during coming months will be an unusual buying opportunity. We have a wonderful chance of adjusting common stock holdings to take advantage of the next bull market based on the longer-range economic and political developments. The problem resolves itself to finding those common stock investments which offer the greatest potential long-term rewards.

**Investment Advice**

Over the years I have followed an investment philosophy which I believe accomplishes this and is of great benefit to investors seeking professional investment management. This investment philosophy demands that clients maintain balanced portfolios and that the proportion of common stocks versus bonds varies with changes in the economic and political outlook. There is no need to increase common stock holdings at this time, but I believe that one should be ready to do so within the next 6 to 12 months during periods of lower prices. This investment philosophy also demands that the common stocks held in portfolios should be of high-quality companies in terms of management, markets, products, and financial position. This gives the investor confidence and pride in his investment common stock portfolio, enables him to sleep at night even if the price of stocks should decline, and gives him a feeling of security. It encourages him to keep his stocks for a long period of time to reap the benefits from new developments that will make them more valuable. The size of a company does not determine its quality. Many small companies fulfill the necessary requirements, and many large companies do not.

In order to adjust and rearrange portfolios of common stocks on the basis of this investment philosophy during the next six to nine months in preparation for another bull market, I believe it is essential to emphasize common stock investments among industries such as the following. For the sake of convenience they have been arranged in alphabetical order.

**List of Industries With Investment Promise**

*Aluminum:* Despite the many difficulties of this industry in the last few years, it may prove to be among the most attractive over the next five years in terms of increases in sales and of improvement in earnings. The real strength of this industry is its far better-than-average outlook for sales because of new uses for aluminum which will open up new markets and displace other materials in existing markets. If the industry is able to restore profit margins to more normal levels as the overcapacity problem is gradually eliminated, the rapid improvement in consumption should be accompanied by a sharp rise in earnings.

*Chemicals:* This industry has shared problems of a character similar to those of the aluminum industry. Intense price cutting as a result of overcapacity in many important lines has had serious results in profits. The industry is still faced with a favorable growth prospect; and as in the aluminum industry, it is hoped that more normal conditions will return as overcapacity is absorbed.

*Defense:* There are many opportunities for investment in certain companies that should enjoy a large increase in volume and profits as a result of defense activities. This field is highly competitive and has certain inherent risks that detract from its investment standing so that it is necessary to be especially careful in selection of the individual companies.

*Drugs & Cosmetics:* This field undoubtedly must be rated near the top as a promising outlet for investment funds. The possibilities of further great progress in the battle against disease remain highly promising. No doubt the industry will be subject to additional regulatory controls, but this should not affect the prospect for greatly enlarged sales and earnings over the years.

*Electronic Equipment:* This industry also must be rated near the top among the most promising outlets for investment funds. It is important that common stock investments in this field be limited to companies with assured superior managements and gains in sales and earnings. The industry has had tough sledding for some period of time, but the good companies have come through beautifully and should continue to do very well.

*Finance:* The savings and loan associations still appear to have greater than average prospects for volume and profits even if these companies should be taxed, which now seems a real likelihood. Investments in the common stocks of savings and loan associations are admittedly more speculative in character than those in other industries, but the prospects ahead seem very interesting indeed, and therefore at least a moderate commitment appears to be justified.

*Leisure Time:* The prospects of long-term gains in the standard of living will mean that a greater and greater proportion of the consumer's dollar will go to expenditures for enjoying leisure time. A number of companies cater to the leisure-time activities of the consumer and appear to have much greater than average appeal. The available outlets for common stock investments in this field represent a number of industries of great variety including travel, photography, and athletics.

*Life Insurance:* This industry still appears to have much greater than average prospects for improved volume and earnings despite the competitive conditions that have developed in recent years. The urge and necessity on the part of the average head of a family to buy insurance protection continue to be as great as ever; and as the standard of living improves, the ability to afford such protection also is enhanced. Also, in addition, we are faced with the possibility of a brand new market in the field of variable annuities or other forms of variable insurance which may prove to be of major importance in this field.

*Miscellaneous:* There are many individual companies that cannot be readily classified or separated into industries that are relatively small in size but still have great promise. Air conditioning in its various forms, the manufacture of products made from glass, including fiberglass, and services of many different types are examples of the investment possibilities that can be included under this heading. Many of these fields offer unusual opportunities.

*Office Equipment:* This field certainly continues to be near the top in terms of investment opportunities. There are a number of companies which have excellent prospects.

*Oils:* The international oil companies and perhaps some of the domestic producing companies represent investments that may not be among the most dynamic but still have sufficient promise to rate under the qualifications required of the investment philosophy.

*Publishing:* The great increase in the number of youngsters going to school and college promises an expanding market for those publishing companies that are particularly interested in textbooks. They represent a good field for common stock investments.

*Utilities:* Some of the electric power and light companies operating in areas that have much greater thn average growth in population and industrial development continue to be among the most attractive for common stock investments.

*Small Companies With Unusual Prospects:* There will be an increasing interest on the part of investors in relatively smaller companies which enjoy the prospects of greatly increasing volume and profits. In this field, unusual care must be exercised to be sure that the various investment qualifications are present. There are many promising opportunities to be uncovered if one is willing to make the effort and take the time to investigate the large number of potential candidates. The stocks of most of these companies are quoted over-the-counter; and clearly, a portfolio can have only a relatively modest proportion of funds invested in this field.

If common stock portfolios are adjusted along the lines suggested, there is no doubt that the results should be highly gratifying during the next bull market which may begin some time in 1963, and should give us new highs in stock prices within the following two or three years.

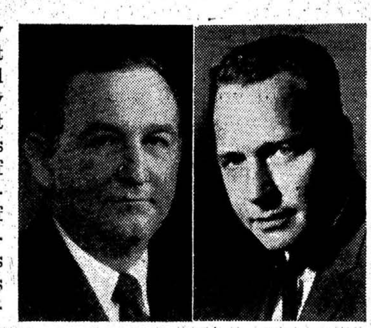
*An address by Mr. Naess before the Annual Meeting of the Trust Division of the American Bankers Assoc., Atlantic City, N. J., Sept. 24, 1962. The meeting was held as a part of the 88th annual A. B. A. Convention.

## Robinson-Humphrey Opens New Branch

VALDOSTA, Ga. — **Robinson Humphrey & Co.** has opened an office in the Daniel Ashley Bldg., with William G. Eager, Jr., registered representative, in charge. Mr. Eager was formerly Valdosta manager for Norris & Hirshberg Inc.

## N.Y. Secs. Co. Joins NYSE

New York Securities Co., 52 Wall Street, New York City, announced that it has become a member of the New York Stock Exchange.



Nelson Loud Craig Severance

At the same time, the firm announced that it had formed an Institutional Department under the supervision of Craig Severance and Nelson Loud. Alan Hart is manager of the Trading and Order Department.

New York Securities Co. conducts an investment banking business including private placement of equity and debt securities with institutions, managing public underwriting accounts, mergers and acquisitions, and financial consulting services for corporations. Its partners are: Joseph T. Dineen, Nelson Loud, F. Kenneth Melis, Bradford Mills, Craig Severance, Jarvis J. Slade, and Daniel Breitbart.

Craig Severance has become the firm's Exchange member.

## Know Your Number?

All taxpayers and particularly businessmen who are employers, whether they have employees or not, must pay special attention to the new regulations on taxpayers' account numbers. These numbers are essential to the operation of the Revenue Service's huge electronic brains which will soon be scanning the nation's tax returns and comparing them with the income information returns.

Failure to include the number, or failure to furnish the number on request can result in a $5 fine each time the taxpayer slips up, says Howard Rumpf, author of the Alexander Hamilton Institute's bulletin, "Taxes Interpreted."

There are three identification numbers — the Social Security Number, the Identification Number and the Employers Identification Number. If a taxpayer is not employed and has no need for a Social Security Number, the Revenue Service will provide him with an Identification Number, upon application. If later on, the person gets a job, the Identification Number will be converted to a Social Security Number.

When a taxpayer is an individual proprietor or a partner, he will be required to have an Employers Identification number as well as a Social Security Number or Identification Number, regardless of whether he has employees.

In some cases numbers must be obtained immediately, in others in 1963. The Internal Revenue Service has provided a date schedule for each type. Mr. Rumpf urges taxpayers to file their applications with their local tax offices as soon as possible.

## As We See It

Continued from page 1

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 employes 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 Rockefeller 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 dearth of just such contributions, voluntary but dependable, is 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 overnight 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 socialistic 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 still further 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 out all these contributions for the ordinary needs of the Government.

### "Burying" Capitalism

The chief mogul 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 also succeeding in burying a good deal of the older communistic 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. Hal 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 Grosse Pointe, Ann Arbor, Jackson, Kalamazoo and Lansing.

# Today's Profit Expectations Hinder Investment Spending

*Continued from page 4*

we admire have been consistently investing a larger proportion of national income than we. International comparisons are tricky, but the broad picture is clear. In 1960, for example, while domestic fixed capital formation in the United States amounted to a little over 16% of Gross National Product, West Germany was investing 24% and Japan even more. The consequences are equally clear: Germany and Japan 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 in Europe have been a smaller share of national income than ours. In West Germany, the share of pay has been a little over 60%; in the United States, around 70%. This plain fact challenges the "purchasing power theory," that the solution for unemployment and slow growth here can be found by raising the share of pay in national income. It is possible to achieve full employment this way; the United Kingdom has done it. But it is full employment with investment small as a share of national income, and with a slow rate of growth.

It would be holding out false hopes to suggest a simple numerical relation between the rate of investment and the rate of growth. It is easier to catch up from behind, benefiting from the trials and errors of nations at the frontiers of technology. It is easier, too, to set records starting from a low postwar base. We are obviously not going to match recent West German and Japanese rates of growth. Nor can we expect to continue producing 46% of the world's manufacturing output, as we did in 1960.

Still we should be able to do considerably better than we have in recent years, by improving the climate for investment and growth. Some see us in a new stagnation, setting in after 1957, following a decade of catching up with accumulated technology, deferred investments, backlog demands from 15 years of depression and war. It is doubtless true that by 1957 we had completed catching up on the most urgent of these needs and exploited the best of the high-yield investment opportunities that had accumulated. It is doubtless true, too, that the growing importance of service in consumer demand may well have implications for the volume of investment. But the accelerating growth in the labor force, as the war babies reach working age, the forthcoming jump in new family formations and in consumer demand, can help infuse new vigor into the economic system. Of first-rank significance, moreover, is the fact that the frontiers of technology are opening wider. Growth may come harder at home, and in Europe for certain, but stagnation is not in sight. What is clear is this: we must get straight in our heads what fosters growth and then act to bring it about.

### Investment

Among the keys to a faster growth and to high employment, as well, more investment is No. 1. To this end, profit expectations must be enhanced. Expectations are subjective, but realized profits are tangible enough. As we know, they have declined in recent years. In four of the last five years, corporate profits after tax have been less than 5% of Gross National Product. In all five years they have been below the level of profits in 1956, in real terms, and even more so as a percentage of Gross National Product. The disappointing rate of new investment since 1956 should have exploded the fallacy that since "cash flow" has risen, nothing specific need be done to increase the profitability of investment. For cash flow—depreciation reserves plus retained earnings—has clearly trended up, while investment has not.

Business, of course, cannot pay dividends out of depreciation allowances. Nor do firms or individuals invest just because they have cash or credit; they invest only if they expect a reasonable return. Idle capacity, where it represents high cost or obsolescent facilities, is more a consequence of inadequate investment than a cause. The more uncertain the venture—and new departures are always uncertain—the higher the expected return needed to induce investment. Profit expectations have not been, are not now, good enough to induce the volume of investment required to maintain high employment in the short run, or the type of investment essential for high growth in the long run.

We do have a choice. Both consumer demand and business investment spending are essential for a healthy economy. The sum total of these two flows of spending determine the level of employment of labor and of plant and equipment. The proportion between these two spending flows largely determines the rate of growth. Consumer spending depends mainly on income after taxes; business investment is guided mainly by profit expectations. We now have the worst of both worlds: neither high employment, nor rapid growth. Our consumer spending and saving pattern is geared to a high-growth economy; but existing profit expectations and resultant investment flows are incompatible with rapid growth.

Arguments that all we need to restore increased profitability to business is high-level prosperity both beg the question and confuse effects for causes. Profit expectations must be improved first; then investment will rise; in consequence, the economy will prosper and grow.

Investment, of course, must be more broadly conceived than plant and equipment. It is also the skills and experience to operate them. Denison has attributed 42% of the rise in worker productivity in the past to increased education. Education is largely a public function. But with growing sophistication of productive techniques, business must train increasing numbers of workers, and retrain them more often as research bears fruit in office and factory. Educational investment by business is huge, perhaps on the order of magnitude of public education itself, or of business spending on productive equipment. Added investment implies more outlays for education and training. Whatever encourages one must stimulate the other.

### Tax Reform

The one clear task we must undertake to spur investment and growth is a significant revision of our tax system. Tax revision is not the only key to the future, but it is one we could do something about promptly if we develop a will to do so.

Our tax structure places undue emphasis on evening out the business cycle. Bearing heavily on income, it slams the brakes on growth. Thus the impact of our tax system is more damper than updraft. It has also been designed as an instrument of redistribution of income for which it is ill-suited. The genuine social obligation of providing a decent minimum sustenance for those in need can be realized better via expenditure policy. The poorest of all pay no personal income taxes. Thus a steeply progressive rate structure reduces savings and deters risk-bearing investment without benefiting those who most need help. We should never forget that this sector of our population will be benefited more by a speedup in our growth than by any tax-designed system for distribution of income and wealth.

The corporate income tax is a tax on efficiency, on risk-taking, on growth. The firm making no profits pays no tax. The tax-supported services of government, however, are open to commercial enterprises whatever the color of the ink on their books. The costs of government incident thereto should be distributed more equitably than they are under a 52% corporate income tax. In this case, equity and growth go hand in hand.

In statesmanship, as in mountaincering, there is no greater mistake than trying to leap a chasm in small jumps. Statesmanship is desperately wanting in tax policy; the revisions needed are far-reaching. Once again it must be made more attractive to earn income than to save taxes. A government which urges business to invest without basically improving profit prospects is like a woman who tries to sew without threading the needle.

To open the way for needed changes, strict budget ceilings on expenditures must be set and adhered to by the Executive and Congress.

The corporate income tax should be cut as a matter of first priority.

Personal income taxes should also be reduced, specifically including the essentially punitive upper-bracket rates.

Essentially, the preponderance of direct taxation of income—business and personal—in the Federal tax structure must be reduced in the interests of growth. This is a page we can usefully borrow from Europe's fiscal book. Another page we can borrow is to reorganize our indirect tax structure, specifically the present hodgepodge of excise taxes, to the end that these taxes are more uniform and broadly based and provide a larger share of Federal tax revenue than is now the case. Such a shift of emphasis from direct to indirect taxation may not be politically timely, but it is time at least to discuss it. European governments have used indirect taxes far more than we; and, to judge by results, the policy has been a good one. This is not a question of regression, or progression, of radicalism or reaction, but a simple choice between more growth and less growth.

### Monetary Policy

While tax revision to stimulate investment is the most obvious requirement for economic growth, monetary policy is not on the back shelf.

Economic growth requires adequate financial accommodation, but not an inflation-breeding flood of credit. In fact, there is no shortage of funds today, only a gap in profit expectations. Easy money will not restore profits or make up for small expectations.

The financing of growth is a main function of our industry. As bankers, we are well equipped to finance the credit needs of business. The flow of savings is adequate, and interest rates are reasonable. Yet many improvements are possible in the kind and quality of banking services to the economy. These we must provide within the limits of state or federal law and regulation; and where these limits are impediments to our more adequately accommodating the needs of growth, we must seek to have them widened.

Monetary policy is still on hand to cope with booms, to curb inflation. It is available to fight recessions when other countries are following a policy of monetary ease. But when recession comes here while prosperity prevails abroad, it is a weapon we obviously cannot use to the hilt. For monetary policy then must balance domestic against international needs. It can still be flexible enough to smooth the functioning of the economy, averting credit scarcity and shoring up confidence.

Against pale profit prospects, however, which slow growth and deny us full prosperity, monetary policy is the wrong weapon. The deficiency can be overcome only by a fundamental readjustment in the share of income going to profits. It is a job for fiscal policy, for tax cuts and spending limitations. But these would fail without complementing monetary action.

Now that domestic needs and balance of payments constraints are frequently at odds, the task of the Federal Reserve System is difficult indeed. More than before, it needs the freedom to discharge its statutory responsibilities without political directives.

In the face of our concern over gold losses, easy money would be a dangerous policy. Should it result in accelerated short-term capital outflows and gold losses, it might set off unduly restrictive counteraction, risking our progress toward a more competitive world economy. A world of convertible currencies and stable exchange rates is too valuable a prize and too recent an achievement to risk by inviting instability in short-term capital movements.

Adjusting interest-rate policy to the state of foreign money markets is no more a surrender of sovereignty than is the lowering of trade barriers. The two policies are complementary, and pursued for the gains that arise from expanding trade with rapidly growing markets. This community of interests may be called a pooling, not a surrender, of sovereignty. What we have lost, in fact, is some of our international autonomy, but this kind of loss has become inevitable in many spheres in our kind of interdependent world.

Nor are lower tariffs a cure for the balance of payments problem which so concerns monetary policy. Whether implementation of the Trade Expansion Act would improve, or worsen, our balance of payments position depends on our success in keeping our prices competitive. Lower trade barriers are desirable on other grounds: holding down the external tariff wall of the European Economic Community as its internal barriers are gradually abolished, and increasing our productivity and growth through international specialization and exchange. More freely flowing trade will also tend to make irresponsible behavior regarding wage, price, fiscal, and monetary policies more difficult.

The international pivot of our monetary policy, a fixed exchange rate for the dollar, ultimately depends on the success of its domestic counterpart, stability of the price level. Should our prices rise persistently more than European prices, we would face the uncomfortable alternatives of devaluation or deflation. It is easier to maintain price stability while productivity is advancing rapidly than while it is rising slowly. In this sense, healthy economic growth is a centerpin of our economic policies.

### Business Climate

Focusing on the tangible defects in the economy, and on the tangible adjustments to be made, should not lead us to neglect intangibles as they bear on economic growth. Attitudes, expectations, intentions have measurable effects too. Prices, for instance, are valuable information, but do not tell us everything about product value or expected sales. Wage rates are important in collective bargaining but do not measure labor cost. Consumers are not automatons, predictably spending a fixed percentage of their after-tax incomes in rigid patterns. Above all, businessmen are not cogs in a vast economic mechanism whose investment decisions are reflex reactions to metered doses of tax reduction or government spending increments. The price system is a mechanism, but the market is an organism, and behavior is the outcome of costs and confidence, current income and uncertain expectations. Businessmen are not hypochondriacs who can be cured by prescribing economic placebos. Our business system is a sensitive organism to be treated with skill and care, not with insulin shock treatments.

Confidence is a key intangible in investment decisions as well as in consumer demand. Wisely or not, private confidence hangs on such issues as public spending and deficits, and the role and posture of government in the regulation of the economy. These issues are concrete enough when it comes to their impact on economic growth. Some future historian, for example, may well speculate on the cost in billions of dollars of Gross National Product of last summer's steel episode.

### The Place of Government

The American continental climate tends toward extremes, and so too does the climate of opinion of which we have been speaking. On the one hand are those who declare the slogan of America's "unmet needs," assume that they can be met only by government; believe that a rich society should support a lavish and extravagant public sector; assert that only government is concerned with the public interest; feel that business is a great conspiracy and big business 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 neither know nor care for the public interest.

At the other extreme are some who regard all government as evil, and perhaps unnecessary; who view society as a Darwinian struggle for economic survival; who believe that a rich society can do more for itself privately and get by with fewer public services and expenditures than a poor one; that since we are better off, 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 here to say, quite apart from the global power struggle which commits one-tenth of our output to defense. It may well have to be big, but there is no reason why it should not be limited—in power, in expenditure, in function. Government should not be allowed to grow bigger by constantly loosening its own belt.

### Government Finances

Some hope to close the "growth gap" by expanding the public sector through increased Federal spending. They are courting the risk of substituting memories for hopes, and bad memories at that. For increased government spending in the 1930's did not effectively stimulate the private sector, and at times had the opposite effect. Nor is the other instance—wartime—a useful analogue. More recently an increase in Federal spending by some $11 billion in the last two fiscal years, matched by a deficit in the regular budget of almost the same amount, has not averted the lag in the economy's performance. Growth in our kind of economy is the product of private enterprise. Government must understand this, accept it, and encourage it. This is government's main contribution to growth: to strengthen the private sector, not to deprive it of either resources or incentives.

In taxation we have come to accept the ability-to-pay principle—the rich pay more taxes than the poor. We practice the ability-to-borrow principle—the wealthy borrower is a better risk for larger sums. But it does not follow that a wealthy country ought to have a large and growing public debt. Does it follow either that its taxes ought to rise in proportion to its national income?

Credit is the lifeblood of trade; thus private debt grows with private output. Local government investment in schools and other public facilities grows with population and income, so, legitimately, may local public debt. But national debt is largely the legacy of past wars, depressions, and present subsidies. Are ill-conceived farm subsidies or nonservice-connected veterans' payments an investment?

We need to view government accounts from many perspectives, to understand and improve the role of government in the economy. We must distinguish between income transfers and purchases of goods and services; between expenditures which directly generate income and those which do not; between expenditures which indirectly add to tax revenues and those which do not; between expenditures improving the operation of the private sector and those hampering or competing with it. But definitions must be clear. An "investment" yielding no measureable return is not really a capital item, what ever its cost and expected life. A capital budget making no provision for capital replacement through depreciation charges is consumption, not investment. New labels do not change reality. The compelling discipline is the consequence of our actions, not the choice of terminology.

### Government Functions

In the context of economic growth, what are the proper functions of government? There is no final answer, for government is by the consent of the people, whose views may change. Some are public functions by logic, providing the basic framework for a working society: the structure of laws and the mechanisms for their enactment, administration, and enforcement. Some are public functions by necessity, such as defense. Others are public functions by law, by custom, by belief. Here the boundaries are fluid and may move either way.

There are functions beyond the power of private enterprise which circumstances and opinion dictate should be undertaken, such as our space program. Other functions may be ill-suited to the private incentive system, but still thought essential in the public interest. There are our resource policies and programs, both natural and human. We conserve and develop human resources by education, but also by information, public health, and research. We conserve and develop natural resources for our enjoyment, or for our enrichment. Lastly the government has the power and the duty to promote commerce, preserve competition, and prevent the abuse of monopoly power. Its responsibility in this area is clear, but the spirit in which it is carried out is clouded, and so are the rules and practices which guide its actions.

### Planning

A final issue bearing on public confidence sustaining growth calls for caution. This is the issue of government planning. Opinions on planning, like attitudes toward government itself, run to extremes. Planning by business is just good management, but when suggested by government officials, it means different things. Programs of achievement to which the government is committed can generate controls to make the goals come true, and thus to direct public intrusion in the private sector. Many public plans, of course, are no more than reasoned forecasts, really information services, implying no measure of coercion or control. Yet among us the word "planning" itself is emotionally loaded and the less used the better.

The right of government to use its taxing, spending, and monetary powers for growth, stability, and prosperity is established by law and popular consensus. Regulation of public utilities whose monopoly power is not adequately constrained by competition is widely accepted. There are, however, constant pressures, under the stress of collective bargaining disputes, and of failures at persuasion by government, to extend the concept of public utility and accompanying controls to "key" industries. Such intrusions are not defensible on grounds of either freedom or growth.

The essence of government to us is service. For peoples with a general staff concept of government, central planning for a command economy makes sense. But for us it is out of character and out of the question. Our planning is for a consensus society, which means decentralized planning by individuals and businesses assisted, but not directed, by government.

Where government is by the consent of the people, planning by the private sector also needs their support. Productive resources must be flexible. Workers, for example, must be able and willing to shift from declining to expanding areas and occupations and to acquire new skills. Growth means change, and change is costly. But other options open to these workers are still more costly. If efforts are successful to maintain obsolete jobs, making many investments unprofitable, growth is slowed.

We need to protect the men, but not the obsolete jobs. This is a key conclusion from the report of the recent Presidential Railroad Commission. It could be wisely adopted by management and labor, in railroading and elsewhere. Emphasis on job maintenance appears to be shifting somewhat to employment security and adjustment assistance. This progress is welcome. To undergird it, attitudes toward pay need to recognize the connection between cost-increasing pay policies and undue stimulus to replace men by machines. Such attitudes must also reflect concern for absorbing the unemployed into useful work.

### Conclusion

The directions for growth in our economy follow the method of freedom. The gateway to growth is productive investment. The climate for investment must not be overcast, but partly cloudy, with a bright chance of good returns on venture capital. For a better growth climate, taxes on corporate and personal income must be cut and a more suitable balance between direct and indirect taxes achieved. Investment feeds on capital and credit, but it runs on hopes of profit. Growth requires financial accommodation but not the monetary ease which would inflate prices, destroy our competitive position in the world, and undermine the dollars as a reserve currency. Government has a role to play but must stick to its part. Private enterprise, not public activity, is the road to faster growth in our kind of economic system. When government overreaches its functions, it robs resources, incentives, and confidence from the creative forces of our country.

An agenda for growth, is then, simply stated. As we recall from grimmer days, "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 release 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 is inevitable, and few things impossible. 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 vigorous, strong economy in America. Given the freedom to choose, we will find and travel that way.

*An address by Dr. Hauge before the 88th Annual Convention of the American Bankers Association, Atlantic City, N. J., Sept. 26, 1962.

## IBA Mun. Bond Advertising Kit

WASHINGTON, D. C.—The Municipal Bond Advertising Kit recently issued by the Special Committee for Public Education on Municipal Securities of the Investment Bankers Association of America has attracted wide attention. The Washington office of the IBA has been kept busy with a rash of inquiries regarding the ad kit.

It is of interest to note that inquiries and orders have been received from numerous non-IBA members. The Committee regrets that the ad kit will be furnished only to IBA members.

Many IBA members have asked that the ads be made available in a reduced size. To meet this growing demand, reproducible mats can now be obtained in a 5 x 7 inch size. This is considerably smaller than the page proofs represented in the ad kit. However, the smaller size has not reduced the impact of the ads. The Committee stated that the price is the same for both sizes of mats.

## New Hawaiian Firm

HONOLULU, Hawaii — **Finance Securities, Inc.**, 195 South King Street. Officers are Hiram L. Fong, President; Clifford Yee and Edward Y. S. Wong, Vice-Presidents; Daniel B. T. Lau, Secretary; and Mun On Chun, Treas.

# Removing Impediments to Commercial Banks' Growth

*Continued from page 1*

and we have gained a more knowledgeable basis for the determination of the public interest. Many problems affecting the developing structure of our banking system have come to light through these means.

We have endeavored also to streamline the organization of the Office, and to speed up the decision-making process so that plans of action by our National Banks would not lie idle for want of decision by this Office. Fourteen Regional Offices have replaced the previous twelve District Offices. Through this re-organization 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 Northwestern States, the Rocky Mountain States, and the Southern States.

To assure the effective use of these improved facilities, authority in many matters has been delegated to the Regional Chief National Bank Examiners. Issues which formerly had to be resolved in Washington are now dealt with at the local level, and closer relationships are being developed with the individual National Bank.

Within the Washington Office, we have established accelerated and firm schedules for handling applications for charters, mergers, and branches. Under this new procedure these applications are now being processed and decided months ahead of the typical period required for such action in the past.

In recognition of the greater use of automated procedures by our National Banks we have embarked on a program designed to equip our bank examining staff with better knowledge of automatic data processing. Pilot efforts have been completed, and a manual prepared which should prove most helpful to bank examining personnel throughout the country. Regularly scheduled classes in automation will be given to our examiners, so that they may have special training to cope with the problems resulting from automation.

Throughout the Bureau we have sought to elevate the quality of personnel and the level of performance. In making personnel assignments to key positions, in addition to technical knowledge and ability, consideration has been given to factors of vigor, vitality, drive, and interest in supporting a program aimed at improving the National Banking System. Personnel qualification requirements have been modified, new types of positions have been established, and the pay structure has been revised, to assure the recruitment and retention of a well-qualified staff. We have given special attention to the building of our staff of attorneys in the area of trusts.

**Substantive Matters**

Although we found the operating procedures of the Comptroller's Office to be greatly in need of improvement, the more basic problems were those relating to the laws, regulations and policies affecting the operations of National Banks. During the nearly 100 years of the National Banking System, layer upon layer of laws and rulings have been built to control the activities of National Banks. They all must be re-examined and re-appraised in terms of their consistency and their appropriateness for present-day conditions. Several areas are of particular significance.

(1) *Competition in banking.* No phase of our banking operations is more fundamental to the effectiveness with which banks perform their essential functions in the economy than the pattern of competition which is allowed to develop. Banking is a regulated industry in this country, and entry is permitted only through a public charter. Public approval is also required for the expansion of banking units through merger, consolidation, or holding companies—and through the formation of *de novo* branches as well.

The policies which are followed in approving new charters, and in sanctioning the expansion of existing units by any means, will shape the emerging structure of our banking system. Decisions in individual cases must conform to the ultimate pattern which is sought. In general terms, the aim should be to achieve a banking structure best suited to serve the national and international interests of the United States, and the convenience and needs of the banking public, both present and future.

Over the long history of the development of our banking system the exercise of public authority has produced an attitude that can only be described as that of "a closed industry." The emphasis of the past, inherited from the early years of public regulation in this field, has been attuned largely to the aim of safeguarding the liquidity and solvency of banks. In these circumstances, both the spirit and the image of banking have largely been static if not regressive — protective rather than venturesome.

The necessity for preserving public confidence in the banking system has not diminished over the years—the need to safeguard liquidity and solvency is as great today as in the past. Alongside this need, however, is one of equal significance to the progress both of our commercial banking system and of our economy generally. This is the need to adapt the provision of banking facilities to the requirements of economic growth. That objective cannot be accomplished in an environment dedicated solely to the protection of existing units in banking — or indeed in any business or industry.

Over the past two decades we have witnessed cataclysmic changes in our economy which have far outpaced the developments which have taken place in our commercial banking system. Other types of financial institutions have developed and grown phenomenally while our commercial banks have lagged behind. To retrieve the position of the commercial banks, and their central role in the economy, a whole new spirit must be engendered.

We must look forward to the needs of the future, and adapt our policies with respect to bank expansion to those requirements. Initiative and enterprise should be encouraged. The way should be opened for fresh capital to flow into banking, and the field of banking should be made attractive to the new generation of highly-trained men and women selecting careers for a bright and appealing future.

All of our policies with respect to the chartering of new banks, and the expansion of existing banking units, should take sensitive account of these needs.

It is not alone sufficient, however, to allow new banks to be chartered, and existing ones to expand. Our needs cannot be fulfilled unless these banks have the power to operate effectively.

Our Advisory Committee has recommended a number of revisions in the powers of National Banks. Let me review some of these briefly.

(2) *Lending powers.* Perhaps of most basic importance to effective banking operations is the authority to lend. Lending is the *raison d'etre* of the commercial banking industry.

The powers relating to real estate loans are particularly in need of reform. Real estate lending authority is now encrusted with a variety of archaic restrictions which have greatly impaired the capacity of National Banks to carry on their activities in the public interest.

Modifications are also required in the regulations affecting working capital loans and consumer instalment loans. Means should be found to apply to loans on unlisted securities, standards comparable to those now applied to loans on listed securities. The present rules affecting loans to corporate families are inconsistent in principle, and should be conformed to some uniform set of policies while guarding against undue concentration of lending. Finally, the basic lending limits applied to National Banks should be reasonably broadened.

(3) *Investment powers.* National Banks are now subject to more rigorous investment limitations than those applied to other financial institutions, and a substantial liberalization is required. The present general limitations should be eased, and certain added specific forms of investment should be made eligible.

Closely related is the need to authorize National Banks to underwrite revenue bonds, a form of obligation which has grown more common over the past two decades. This broader authority would serve to extend the participation of National Banks in public improvement projects, and would lower borrowing costs to the issuers.

(4) *Trust powers.* The rapid growth which we have experienced in personal savings necessitates a new attitude toward the exercise of trust powers by National Banks. The present restrictions do not reflect the need for such services, and this area requires a thorough re-examination. Last week the Congress passed a bill transferring to my Office from the Federal Reserve authority in this area. We intend as soon as possible to re-examine and rewrite Regulation F in order to enable National Bank trust departments to meet fully the needs of the public for these services.

(5) *Borrowing powers.* Fundamental changes have occurred since the present eligibility requirements for Federal Reserve discounts and advances were inaugurated. There is broad support in the banking community for modernized concepts of eligibility, in order to enable commercial banks to operate more effectively. Comparable broadening of powers is also favored with respect to borrowing from other sources.

**Changes Soon to Be Announced**

There are a number of matters relating to the capital position of National Banks, and to their corporate procedures, which urgently require change. On some of these matters we shall announce new policies within a very short time. These new regulations will be published in the *Federal Register* in proposed form, and all National Banks as well as others who may be interested will be invited to submit comments before promulgation. I can describe these new regulations briefly as follows:

(1) *Financial information.* In order to insure that shareholders and potential purchasers of securities of National Banks may be provided with all the pertinent information they require, all National Banks regardless of size will be required to conform to certain uniform reporting regulations. Every National Bank will be required, within 30 days after the close of each fiscal year, to supply its shareholders with an Annual Report containing financial information according to standards set by the Office of the Comptroller. Where proxies are solicited, there will be a requirement that shareholders must be given the information necessary for intelligent voting. The minimum information which must be provided will be specified in detail by the Office of the Comptroller.

We have taken these steps in order to safeguard shareholders' interests, according to the same principles followed in safeguarding shareholders of listed securities. There is widespread dissatisfaction with the information now supplied to holders of unlisted securities, including bank securities, and it seems appropriate with respect to the securities of National Banks that the Comptroller's Office should assume the responsibility for instituting the required reforms.

(2) *Ownership Reports.* The proposed new regulations will require that a report be made to the Comptroller whenever there is a significant change in the beneficial ownership of the stock of a National Bank.

(3) *Employee stock option plans.* In order to enable National Banks to attract and retain competent executive personnel, the new regulations will permit the adoption of employee stock option plans which qualify for tax treatment under Section 421 of the Internal Revenue Code. These plans will be subject to approval by the shareholders of the bank and by the Comptroller, and a method is provided in the regulations for the approval by shareholders of authorized but unissued stock to be made available for fulfilling stock option plans.

(4) *Preferred stock.* Although existing statutes permit the issuance of preferred stock by National Banks, it has been the common view that the Comptroller would approve the issuance of such stock only in distress situations. The new regulations will make it clear that preferred stock may be issued by National Banks according to normal business considerations. Minimum standards will be set for the protection of the investing public and of the banks.

(5) *Capital debentures.* There has been a general feeling also that the Comptroller would not approve the use of capital debentures by National Banks, even though there is no statutory provision against the issuance of bonds by National Banks. The new regulations will specifically permit National Banks to incur indebtedness in the form of capital debentures, provided that the total amount of such indebtedness does not exceed the statutory limitation on overall borrowing.

(6) *Stock dividends.* There has been much criticism of the present procedures for the issuance of stock dividends by National Banks, particularly the requirement for preliminary approval by the Comptroller before the submission of proposals to the shareholders. The new regulations will eliminate most of the paper work and delay in the stock dividend procedure. Applications for stock dividends will be considered approved unless there is notice to the contrary within 15 days. An alternate procedure to be provided will permit shareholders to approve in advance a quantity of authorized but unissued stock out of which stock dividends may be distributed. Finally, no distinction will generally be drawn between recurring and nonrecurring stock dividends, and it will no longer be required that recurring stock dividends must be related to earnings for the current year or to the market value of the bank's stock.

(7) *Authorized but unissued stock.* The Comptroller in the past has ruled that National Banks may not follow the usual corporate practice of holding authorized but unissued stock. Under the new regulations shareholders of National Banks will be allowed to approve the issuance and holding of shares to be issued at the discretion of the Board of Directors and with the approval of the Comptroller. Under this new procedure stock may be issued without further shareholder action for such purposes as stock options, the acquisition of assets, the distribution of stock dividends, and the like. Transactions such as mergers, which require specific shareholder approval, will continue to be subject to that requirement.

(8) *Capital adequacy ratios.* There is one other matter, although not regulatory in nature, which will soon be presented for public comment prior to the final formulation of new policies. This is the matter of the capital position of National Banks.

At present a formula, commonly known as the "risk-asset formula," is employed by the Comptroller's Office as a screening device in appraising the capital position of National Banks. There is real doubt that any arbitrary formula can provide a sufficient basis for determining capital adequacy. Although the risks represented in the assets of a bank should be taken into account in determining the adequacy of its capital position, a number of other factors should also be considered.

At the present stage of our thinking, it is our view that the appraisal of capital adequacy should take account of the following factors:

a. The quality of management;
b. The liquidity of the bank's assets;
c. The bank's earnings history;

d. The quality and character of ownership;
e. The capacity of the bank to carry its occupancy expenses;
f. The potential volatility of the bank's deposit structure;
g. The quality of the bank's operating procedures; and
h. The bank's capacity to meet the present and future financial needs of its trade area, considering the competition it faces.

At times in the past, adherence to arbitrary formulas has resulted in the failure of National Banks to serve the full credit needs of their communities. A revision of our present tests of capital adequacy is clearly required. The present risk-asset formula will be abandoned.

**Matters Affecting Other Regulatory Agencies**

There are a number of matters affecting the operations of National Banks in which other agencies of Government are involved. The Report of our Advisory Committee takes particular note of the problems arising out of the requirement for mandatory membership of National Banks in the Federal Reserve System; the regulation of interest rates; the level and scope of reserve requirements, both against demand deposits and against time and savings accounts; the present division of responsibilities for bank regulation and supervision; and the limitations now imposed on the branching powers of National Banks. These are all issues of great concern throughout the banking community, and are now undergoing thorough re-examination and reappraisal within the Federal Government.

**A Look Ahead**

For too long we have merely accepted the limitations under which our National Banks operate. A vital new spirit is required in our National Banking System. In every city and town throughout the country, the attitudes and efforts of the banks in the community influence critically the skill and energy with which industrial and commercial opportunities are explored and developed. There exists among the bankers of our country the nucleus about which may be formed a new aggressive movement to realize to the full our potential for economic growth.

This task, so essential to our future, requires a forward new outlook in the banking community. All of us should strive to the utmost to achieve this aim. Progress to attain our ultimate capacity should be our goal in the years ahead.

*An address by Mr. Saxon before the 88th Annual Convention of the American Bankers Association, Atlantic City, N. J., Sept. 24, 1962.

## Timmers Associated With Vance, Sanders

CHICAGO, Ill.—Harold J. Timmers, Jr., has joined Vance, Sanders & Co., Inc., it has been announced by Henry T. Vance, President.

Mr. Timmers, who formerly was associated with Lehman Brothers, will serve as a regional wholesale representative. Working out of the firm's Chicago office, he will provide service to investment dealers in the Mid-Western states including Illinois, Iowa, Wisconsin, Minnesota, Michigan and Indiana.

## From Mutual to Commercial Bank

**Chairman of the Board Arthur Williamson (left) and President Mervin B. France were among the forty officers who personally signed Voting Trust Certificates issued in connection with unification of Society for Savings and Society National Bank.**

CLEVELAND, Ohio—On Sept. 17, more than 150,000 Greater Clevelanders became "instant stockholders" and indirect owners in Society National Bank of Cleveland, the city's and state's fourth largest commercial bank, and the 70th largest bank in the nation.

Distribution of certificates representing equity interest in more than $40 million of surplus and reserves of the old Society for Savings in the City of Cleveland was the final step in a decade of change and challenge. Trustees and officers of the mutual, restricted in their efforts and desire to grow, completed the first conversion of a mutual savings bank to a commercial bank.

To the financial world, the distribution (most in Scrip and Voting Trust Certificates and some in cash) represented one of the largest stock transfer operations ever undertaken.

The distribution of Voting Trust Certificates, Scrip and cash was the final chapter in the story of the unification of Society for Savings and Society National Bank which was begun on Dec. 31, 1958.

"In his opinion approving the unification plan developed and submitted to the Court of Common Pleas of Cuyahoga County by the Trustees of Society for Savings and the Directors of Society National Bank, Judge Daniel H. Wasserman determined that regular savings depositors of Society for Savings as of the close of business on Dec. 31, 1958, are the beneficial owners of the surplus assets of that bank. Following his instructions, we are distributing these rights to 300,000 people who are eligible to receive them," Mervin B. France, Society President, said.

As outlined by Mr. France, the following steps were taken in effecting the conversion to a commercial bank.

Owners of a "regular" savings account in Society for Savings at the close of business Dec. 31, 1958 were mailed certificate(s) evidencing their beneficial ownership in Society Corp. which was formed in connection with the "unification plan." This company owns all of the stock of Society National Bank of Cleveland, except Directors' qualifying shares as required by law.

**Two Types of Certificates Distributed**

The certificates were one of two types, or both types. The first is a *Voting Trust Certificate*, which was issued for each even multiple of $500 which a depositor had in his savings account on Dec. 31, 1958. The second is a *Scrip Certificate* representing a fraction of one Voting Trust Certificate. Scrip was issued for any balance in the savings account that was in excess or less than an even multiple of $500 at the time of the unification. Arrangements were made for combining the Scrip into a full Voting Trust Certificate.

When asked to comment on what this ownership means to the 300,000 people who will participate in the distribution, Mr. France said, "Now, for the first time in Society's history—first as a mutual savings bank and now as a commercial bank — Society for Savings savings depositors at the time of the unification are now indirectly owners of Society National Bank of Cleveland. They will soon receive *tangible* evidence of that ownership. This distribution of tangible ownership fulfills one of the major objectives of your Trustees in undertaking the unification.

"As Society National Bank prospers, the ownership of the eligible depositors will increase in value. These owners can contribute to the growth of their equity interests by continuing to do business with Society National Bank at every opportunity, and by recommending its services to friends and business associates. In terms of services and financial stature, Society National Bank stands ready to meet all banking and trust requirements of individuals and business. Its services have expanded to include savings, personal checking and commercial accounts, as well as all types of loans, complete trust services, and international banking, plus many more. With total resources of more than $490,000,000 Society National Bank is now the 70th largest bank of the 13,000 commercial banks in the United States."

*LETTER TO THE EDITOR:*

# Lohman Said to Err On Tenuity of Gold to Money

**Contributor Shull flays Philipp H. Lohman's advocacy of multilateral gold-devaluation. He avers Professor Lohman seriously errs in stating gold's relationship to money supply is a "rather tenuous one".**

*Editor, Commercial and Financial Chronicle*

The headline of Page One of your Sept. 13, "Multilateral Devaluation Would Help U. S. and Rest of Free World." is frightening; for certainly any devaluation of 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. Phillipp H. Lohman (Chairman, Department of Commerce and 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 decidedly open to question.

Right at the start he says: "The relationship of gold to our money supply is a rather tenuous one." Webster defines tenuous as "Unsubstantial; insignificant; flimsy." Therefore, if "tenuous" is a proper description of "the relationship of gold to our money supply," I have been reading the wrong authors on the subject of monetary economics. My understanding is that the American Dollar constitutes 1/35th of a fine ounce of gold, and that Federal Reserve Notes 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, its gold-content should not be tampered with. Therefore, President Kennedy is on sound and honest ground in declaring that there shall be no devaluation of the American dollar. If weaker 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 nations. But if by "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 some 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 Telstar performance was not as powerful as the American press thought it was. European financial circles expected the President to pledge firm support of the dollar." The fact is that he did just that; for he clearly stated 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," as developed by Dr. Lohman in his *Chronicle* article of Sept. 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 devalue their currencies, that is strictly their own affair.

Very truly yours,
FREDERICK G. SHULL
New Haven, Conn.

## Exchange Firms Receive Slate

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

Vice-Presidents: James Crane Kellogg, III, Spear, Leeds & Kellogg, New York; and McKee Nunnally, Courts & Co., Atlanta.

Treasurer: Robert H. B. Baldwin, Morgan Stanley & Co., New York.

Also announced were the following nominations to the Board of Governors: John H. Brooks, Putnam & Co., Hartford; Howard B. Dean, Harris, Upham & Co., New York; John H. Hayward, Reinholdt & Gardner, St. Louis; J. Earle Jardine, Jr., William R. Staats & Co., Los Angeles; William D. Kerr, Wertheim & Co., New York; William M. Meehan, M. J. Meehan & Co., New York; George J. Otto, Irving Lundborg & Co., San Francisco; Nathan K. Parker, Kay, Richards & Co., Pittsburgh; Robert A. Podesta, Cruttenden, Podesta & Miller, Chicago; Henry W. Putnam, De Coppet & Doremus, New York; Millard F. West, Jr., Auchincloss, Parker & Redpath, Washington, D. C. and John C. Whitehead, Goldman, Sachs & Co., New York.

Nominations for membership on the committee to present a slate of Governors for 1963 are as follows: James A. Hetherington, II, Goodbody & Co., New York, Chairman; John D. Baker, Jr., Reyoulds & Co., New York; William E. Huger, Courts & Co., Atlanta; Harry C. Piper, Jr., Piper, Jaffray & Hopwood, Minneapolis; and Elward Starr, Jr., Drexel & Co., Philadelphia.

The Association of Stock Exchange Firms, the trade organization for members of the New York Stock Exchange, concluded the Fall Meeting of its Board of Governors at the Mark Hopkins Hotel. Election of officers and board members will take place in New York on Nov. 14.

# PUBLIC UTILITY SECURITIES

BY OWEN ELY

## Cincinnati Gas & Electric Company

Cincinnati Gas & Electric Company is one of our oldest utilities, having been organized as a gas company in 1837, and has paid cash dividends in every year beginning with 1853 (110 years). The company serves 2,600 square miles in southwestern Ohio and northern Kentucky. Cincinnati and environs with a population of 1,500,000 constitute the principal area served with electricity and gas, and 326 other communities are provided with electricity and 81 with gas. Electricity contributes about 58% of revenues and gas 42%. The breakdown in electric revenues is 40% residential, 26% commercial, 26% industrial and 8% miscellaneous; and for gas 58% residential (sapce heating is important), 19% commercial, 17% industrial and 6% other.

Natural gas is purchased from the Columbia Gas System and propane gas plants are maintained for standby and peak shaving. The average cost of purchased gas is about 51¢ per mcf and the average selling price about 80 cents.

The company's three steam plants have a capacity of 1,228,000 kw and a new 240,000 kw unit will be added late in 1962, bringing the total to 1,468,000 kw. Peak load last year was slightly over 1,000,000 kw. An interesting new development is the company's decision to purchase a remote control jet-engine-propelled generating unit which will produce 100,000 kw. It will cost only about $80 per kw compared with about $125 for a large conventional steam plant; also it can be located at or near a load center, reducing the required investment in transmission facilities. No doubt the electric utility industry will watch this experiment with considerable interest. However, it is understood that the plant will be used for meeting peak loads only and possibly would not be suited for continuous heavy duty.

The company hopes to reduce costs by joining with its large neighbors, Dayton Power & Light and Columbus & Southern Ohio Electric, in coordinating future construction of generating and transmission facilities. A study of this project is being made and the Columbus and Dayton Companies are acquiring rights-of-way preparatory to constructing an interconnection between those companies as a first step in the program.

Total construction costs this year are estimated at $45 million but expenditures are expected to drop to $33 million next year and $31 million in 1964. A subsidiary, Union Light, Heat & Power Company, plans to sell $5 million mortgage bonds next year, but no other system financing of a permanent nature should be required through at least 1964 and perhaps 1966.

The company, being located on the Ohio River and near major coal fields, enjoys low fuel costs—about 22 cents per million btu. The company has just signed a fifteen year contract with the Davison Fuel & Dock Company for 15,575,000 tons of high quality deep mine coal from the Kanawha River district of West Virginia. The average cost, including transportation, will be 20 cents per million btu. This, together with a similar contract expiring in 1972 with Peabody Coal Company for strip-mine Western Kentucky coal, will provide approximately 80% of system requirements.

Ohio is the only state which specifies that utilities should be allowed to earn a fair return on *net reproduction cost*, instead of on *net book cost* of plant. However, the commission and state courts have found various ways to water this down. Instead of full reproduction cost the equivalent of "fair value" seems to be allowed, and rate of return is set at a level below 6%. Nevertheless, Cincinnati G. & E. in the past decade has been earning between 6.2% and 7.4% on year-end net book cost, and in the 12 months ended June 30, earned 6.6% according to data published by Standard & Poor's.

The company some time ago obtained some moderate rate increases. However, it has now been forced by a recent decision of the Ohio Supreme Court (upholding a commission order of April 1960) to use flow through of tax savings resulting from the use of accelerated depreciation, in lieu of further proposed rate increases. The company expects to adopt flow through in the near future, adding about 28 cents a share and bringing estimated 1962 earnings to about $2.75. The company has estimated the amounts of tax deferrals from accelerated depreciation for the years 1954-1966 as follows:

| Year | Amount | Year | Amount |
|---|---|---|---|
| 1954 | 1¢ | 1961 | 23¢ |
| 1955 | 3 | 1962 | 28 |
| 1956 | 7 | 1963 | 32 |
| 1957 | 9 | 1964 | 32 |
| 1958 | 12 | 1965 | 31 |
| 1959 | 15 | 1966 | 35 |
| 1960 | 20 | | |

It is possible that some reduction in municipally-regulated rates might now be made under renegotiations, according to Standard & Poor's, but it is estimated that this would only amount to about 6 cents a share after taxes. The company is fortunate in having fuel adjustment clauses applicable to some 98% of its kilowatt-hour sales, while 99% of gas sales are also covered by escalator clauses providing for changes in rates corresponding to changes in the cost of gas from suppliers.

Cincinnati G. & E., operating in a rather stable industrial area, has nevertheless about doubled its revenues since 1952 share earnings have increased from $1.40 in that year to the estimated $2.75 in 1962. The trend of earnings has been upward in each year except for a setback from $2.01 in 1957 to $1.85 in the following year. Gains since 1958 reflect moderate rate increases plus the anticipated adjustment to flow through this year.

At the current price around 46, paying $1.70, the stock yields 3.7%. It is selling at 18.3 times the earnings of $2.51 reported for the 12 months ended June 30 and only 16.7 times the potential estimated earnings for calendar 1962, assuming (as appears likely) that flow through is made retroactive to January 1, 1962. The average P-E ratio for all electric utilities approximates 19.

# Meeting Balance Payments And World Liquidity Needs

*Continued from page 5*

ministrative check on outflows of capital, or those who want some arbitrary forcing up of interest rates on bank loans and capital issues to thwart flows abroad, the answer must be essentially the same—neither the public nor the private sectors can be expected to take action which might handicap the functioning of a competitive, market economy—a capitalist economy. But there are many answers that can be sought short of that prescription. None will cut through the problems with a single, decisive thrust; each will seem minor in itself, but will gain decisive strength by being an incremental part of a comprehensive total effort.

### Steps That Can Be Taken

We know for example, that Europe will not be able overnight to transform its own capital markets in order to carry a larger part of the world's capital requirements. But there are many kinds of steps that can be taken, not only by the Europeans but by Americans as well, that will help somewhat in lessening the pressure for outflows of capital from the American markets while also contributing toward the evolution of needed new facilities in Europe. This kind of approach is symbolized by the work that the Export-Import Bank has been doing, for example, in placing some of its own paper with European investors. The investment banking community in New York is making a comparable contribution, not only in its own long-run competitive interests but also with short-run benefit to the American balance of payments, by making increasingly vigorous efforts to attract European funds. Those efforts extend also to the broader listing of American securities on European exchanges. They have resulted in sales of a significant proportion of recent security issues in New York to foreign investing institutions—both directly and in secondary distribution. Pressures have consequently begun to mount within those countries which still maintain tight controls, as individuals seek the freedom to invest abroad and cite, in support of their desires, the currently strong balance of payments positions of their particular countries.

And there are ways in which American business and banking can also help in the financing of commercial requirements. Ingenuity in searching out sources of funds abroad for American businesses operating there, as well as imaginative extension of participation arrangements to more foreign lenders in the credits granted by American banks at home and abroad, can pay off in broadened contracts and a wider range of services for any customers engaged in foreign operations.

### Prepayments of Debt to Us

For the present, in the area of Governmental capital flows, we have been successful in developing a large reverse flow to the United States in the form of prepayments of long-term debt owed the United States Government by the surplus countries of Western Europe. Prepayments this year by France, Italy, and Sweden have already amounted to $550 million. We know that such prepayments do not "solve" our balance of payments needs, but they do reduce the outstanding supply of dollars abroad that our foreign deficit would have otherwise produced. They temporarily reduce strains while the slower, but more lasting, forces of market adjustment are bringing our trade and payments position back into equilibrium.

Cooperative efforts between nations have been the basis for most of our progress over the past 18 months toward developing and strengthening our international financial system. The backbone of that system, as it has evolved out of experience since World War II, rests on the widespread use of the dollar as a supplement to gold in the international reserves of other nations and as a medium of international payments.

### Present System Supports Liquidity

This convertible gold-dollar system, bulwarked by the resources of the International Monetary Fund, has served the world well. It has provided ample liquidity to support more than a doubling of world trade since 1950—a trend which is continuing with an increase of 6% in the first half of this year compared to the like period of 1961. It has permitted the industrialized countries to dismantle part of their exchange controls, to lessen their restrictions on capital movements (and in a few cases to remove them) and to restore the convertibility of their currencies for all ordinary payments. And it has, at the same time, allowed individual nations to work out their own economic destinies, free to develop along the lines of their own capacities and choices, but within a framework of ever-growing cooperation among nations to work out and achieve common objectives.

These are no small accomplishments. Yet progress has brought with it new problems. In meeting them, again in the spirit of neglecting nothing, of trying to cope with all the pieces of the problem, large or small, we have worked out in cooperation with the other leading countries a new system of defenses for the dollar. Little if any of this could have been done if the United States was not clearly determined to bring its balance of payments back into fundamental equilibrium, and to do this in a way that would be adapted to the progress already achieved in liberalizing trade as well as to the longer-run needs for convertibility, liquidity, and growth in the future. All that has been done has rested on the clear understanding—among all of the participating countries—that financial arrangements, essential as they are for the support of trade, cannot take the place of real correction in our underlying balance of payments position.

### Convertibility Protected Against Speculative Raids

Convertibility brought with it freer flow of short-term funds among nations. While this was a highly desirable addition to international liquidity, it also involved an increased risk of sudden and disruptive flows of short-term capital between nations. Funds were now free to move, at least on short-term, among all the leading countries, not only in response to differences in money market rates of interest but also in reflection of changing fears or hopes concerning the weakness or strength of each country's economic position. The balance of payments disciplines—always present—were even more clearly visible. The need was to develop new arrangements which, while never concealing the persisting force of those disciplines, would limit the scope for speculative aberrations which could so easily develop in the new environment.

This is why the United States, working step by step with the leading foreign nations, has taken the initiative over the past year and a half to build an enlarged set of defenses for the international monetary system, building on experience and existing institutions and supplementing and reinforcing the protection already implicit in the world's existing monetary reserves and in the International Monetary Fund.

The new initiatives have taken the form of a new set of arrangements under which the United States, for the first time in a generation, is dealing directly in the foreign exchange markets, in a great enlargement of the resources available through the IMF, and in the application of cooperative arrangements to the London gold market. Taken together, an entirely new dimension has been added to our international financial system.

### Reserves Enlarged With Foreign Exchange

One innovation is that the United States is now holding foreign exchange as part of its own reserves. These foreign currencies can be acquired when one or another of the leading industrial countries has a deficit with the United States. In turn, such holdings, once acquired, can be used, with the understanding of the other countries involved, to buy up dollars flowing into the hands of foreign official institutions, thus becoming an alternative to drawing on our own gold stock, if and when our dollar outflow might exceed the amounts that one or another of these foreign central banks and governments might wish to hold voluntarily. In a similar way, temporary disturbances in the exchange markets can be checked before setting off a massive speculative run as we alternatively acquire and then release holdings of the other major currencies. Moreover, our holdings of foreign currencies (or arrangements permitting us to borrow them on a limited standby basis) can support much larger sales of forward exchange. By participating in the forward markets to assure larger availabilities of "turn-around" facilities, we make it feasible, for example, for private parties abroad, who may wish to hold dollars passing into their hands for temporary periods, to go on holding them while assured of the availability of enough of their own currency to meet expected needs at some later date.

With our own balance of payments in deficit, we have acquired foreign currencies to support these activities largely by means of so-called swap agreements arranged by the Federal Reserve with our principal trading partners. These agreements provide for a reciprocal exchange of currencies, usable by either party when needed to meet temporary shifts in the international flow of funds. In addition, we have on occasion acquired currencies from certain countries, so far in modest amounts, by outright purchase, by direct Treasury borrowing, or by accepting repayment of debts owed the United States Government in usable foreign currencies rather than dollars.

**Recent Report on Pilot Projects**

Thus far, the operations have been mainly in the nature of "pilot" projects, testing and probing the mechanical possibilities and their possible usefulness. But experience has, I believe, already demonstrated their value in meeting specific situations, involving marks, Swiss francs, lire, guilders, and Belgian francs. One encouraging characteristic of the operations already undertaken has been the early reversibility of many of them. This point clearly emerges from the recent full report on Treasury-Federal Reserve operations prepared by Charles A. Coombs of the New York Federal Bank. The release of this report reflects our policy of making available to the public from time to time as much of the detail 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 supply and demand, or the various market evidences of changing needs and conditions in the international financial position of the United States or any other country. We want and need the sensitive signals of changes in fundamental forces that are reflected in price fluctuations in free markets. And as one of my foreign friends remarked to someone from another country, perhaps with a slight ulterior motive, the United States publishes and discloses its record so freely and frequently that it could not—even if it were to try—hide the facts of its balance of payments position from the intelligent observer.

**$900 Million in Foreign Currencies**

Useful as these operations in the exchange markets have been, it is not their past or current size that is so significant—although the United States does have today approximately $900 million of foreign currencies at its disposal, either in the form of cash or standby facilities. Rather, the significance lies in the pattern set for meeting future contingencies—the technical feasibility of the arrangements, their expansibility in time of agreed need, and the ability to pinpoint the use of our resources at the point and time of need.

All of these new arrangements are, of course, reinforced by the enlarged capacity of the International Monetary Fund to provide assistance in time of need. As a result of the increase in subscriptions voted in 1958, the United States alone has a Fund quota of over $4 billion. These Facilities are being further supplemented by the new $6 billion standby credit pool agreed to by ten of the industrialized countries last December, a pool in which the United States share of $2 billion is now awaiting final approval by the Congress.

Taken together, these new arrangements — emerging from a mutual understanding of common problems and needs among the industrialized countries—powerfully enlarge the defensive capabilities of our convertible gold-dollar system to withstand strains or shocks from any source. A little of their defensive potential can be glimpsed in the assistance that emerged so promptly and effectively at the time of the recent Canadian difficulties, and during the spring of 1961, when sterling was under heavy pressure. But it is clear that the emerging system is capable of much more, including both defending the dollar itself from any conceivable attack as well as contributing to the needs of the world for adequate international liquidity over the years ahead.

**Only A Beginning**

The United States decision to hold foreign currencies as part of its reserves—taken in conjunction with the wide range of cooperative facilities being worked out with other leading countries—can make a major contribution toward enlarging the usable means of international payments. But we have only made the beginning. The skills, energies and judgment of many men, in many countries, will be needed to fashion the changing shape of these and possibly other new measures as experience provides the needed tests.

The renewed and healthy confidence in the stability of our international monetary system so evident at the sessions of the world central bankers and finance ministers at the Fund meeting last week nonetheless reflects already an increased appreciation of the arrangements now in place—arrangements that have necessarily been revealed only in bits and pieces as they have emerged over the past 18 months. It is worthwhile repeating the closing sentence in the appraisal contained in a communique issued September 19 by the members of the ten countries in the Fund's special resources group:

"The additional resources thus provided together with present national reserves and the existing resources of the IMF, are large enough to provide the support that might be needed to assure the stability of the existing exchange rate system as based on present gold parities."

But I cite that only to introduce the more important conclusion: We must not claim too much. The emerging system presupposes—as any workable arrangement must—that the United States and other leading nations will pursue their expanding growth objectives and do so by methods that will also assure an equilibrium in their basic trade and investment accounts. That is why I have emphasized the priority of the measures for meeting our own balance of payments problem at this time. And that is why it is so important—as the President stressed last week — that other countries now capable of doing so assume a fuller share of the burdens of defense and aid.

In attacking those real and difficult tasks, we should not be diverted either by false fears for the stability of our monetary system or by vain hopes that mere monetary reform can substitute for more basic measures. To sink back into complacency would be to undermine all our very real achievements to date. But we must also appreciate the progress that has been made, so that we can identify the real challenges of the future and turn our energies toward meeting them. In that process, the bankers of the Nation can play a vital and constructive role.

*An address by Mr. Roosa before the 88th Annual Convention of the American Bankers Association, Atlantic City, N. J., Sept. 25, 1962.

# SECURITY SALESMAN'S CORNER

*BY JOHN DUTTON*

## Get Together

The sharp drop in the Dow Jones Industrial averages of over 30% in less than six months has brought to the forefront salient opportunities for increasing the cooperation and efficiency of the clerical departments and the sales force of many investment firms. During vigorous bull markets the high volume of business is often taken for granted. Some salesmen erroneously think they are solely responsible for the large increase in their gross business. The cashiering department also becomes lax in its efforts and explains this with the questionable alibi that the volume of business is too heavy to handle it properly. Other clerical and executive departments also cover up their weaknesses (or overlook them) because everyone is outwardly showing a profit for his department, and so "why worry" if a few things go wrong.

But then comes the awakening. A bear market is with us. Investors and speculators alike often refuse to face reality and instead of admitting that the times have changed and they should adjust their portfolios to the current economic and market conditions, they hug the sidelines. The salesmen now have to go back to fundamentals and attempt to convince their clients that a rebuilding of their portfolio is the only way they can recoup their losses and eventually attain a position where they may avoid taking undue losses in the future. Bear markets have their place in a free economic climate. They also serve to weed out the inefficient among the investment salesmen, the investors, and also the clerical and cashiering employees of some investment firms.

**Need for Understanding and Cooperation**

Every day companies in all kinds of business close their doors because they failed to stay ahead of competition. During the past few years many investment firms have opened new offices, they have expanded their wire system, their trading departments, and their clerical and bookeeping departments. In a period of expansion in the brokerage business there is sometimes over-expansion. Investment firms and brokers (just like their customers) become overoptimistic and they spread out fan-like all over the country. Competition has been intensified. Last year about this time the brokerage offices were crowded and it appeared as if the need for more facilities to handle the business had not been satisfied. Today, security salesmen are avidly seeking business and many branch offices are operating at a loss.

The investor who is not satisfied with the service he is getting from broker A will not wait long to let him know about it. Broker B across the street will be pleased to have his account. The day for excuses, for errors, for mistakes in statements, confirmations, dividend credits, and uncooperative, registered representatives and salesmen, has long passed us by. The customer now is king and, unless you are a real competitor for his business, you are going to lose out in the keen battle for survival that lies ahead.

**All Employees have a Stake in the Success of their Firm**

If you are an employee in the book-keeping department recognize now that your job hangs in the balance. If you keep your mistakes at a minimum, if you go to your desk every day resolved that you will do your job as well as you are able to do it, then you are on the team and you are helping your firm, and your salesmen (who are your first line troops) in this battle for customers. If you are in the underwriting department it is your difficult task to obtain securities for reoffering to your clients that are priced right and that are suitable for this market. Your salesmen cannot meet competition with merchandise that is not attractive and appealing. If you are in the research department, the day is past when you can complain about the requests made upon your time for information, portfolio analysis, and any other assistance you can render to your salesmen in helping them to do more business. If you are in the trading department you cannot affort to be lax in supplying accurate markets and quotations as often as they are needed by your salesmen who are fighting the battle, not only for themselves, but also to keep you in your job day after day. Sales promotion such as advertising should be as effective as possible. Every assistance to the sales department should follow as a matter of course. Without it, the men you must depend upon to provide the service that will hold your customers will be unable to do so.

Your competition is literally breathing down your neck today and no matter how large, or how small a link you are in the chain, that chain is no stronger than its weakest link.

**And How About the Salesman?**

No one needs to remind the salesman that he is now engaged in a competitive battle for his life. There are brokerage offices on almost every corner in most major cities and many small towns. There are investment firms that have not increased their overhead and who have built their business on a local basis, meanwhile keeping a tight rein on expenses all through this bull market. Their employees are loyal, trained well, and hardworking. They are ready for the competitive battle in which we are engaged in the investment business today.

Salesmen particularly need the help and the cooperation of their book-keeping department. They can't analyze a territory, a customer's portfolio, seek out new clients, keep up with markets, underwritings, the bond market, facts concerning many companies, and still have the time and energy to make excuses for clerical errors that now should be held to a minimum. A salesman can't jeopardize his clientele by offering them underwritings that are unsuitable to their needs at this time. He can't do the research that should be accomplished by others in his firm and still have a clear mind for selling which is his primary job.

Your salesmen need the tools with which to work. They need inspiration and motivation. They cannot assume the role of book-keeper, analyst, peace-maker, margin clerk, and salesman. They must be one or the other, they cannot be both, or all of them.

Meetings between the partners, the executive officers, and the sales department are not enough. Nor will management solve the problem if they do not follow through and bring to the attention of every employee that it is only people who make a business grow and help it to prosper. If you are a real competitor today, you will realize that whatever your job may be you contribute to the overall welfare, your own job security, and the job security of your associates who make up the team that is "your firm." Your salesmen on the front line need your help in meeting competition today in a battle where only the best, and the fittest, will survive.

# A B A to Hold Its 1963 Convention In Washington

The American Bankers Association will convene in Washington, D. C., in 1963 and in Miami Beach in 1964, it was announced by M. Monroe Kimbrel, newly elected President of the Association. Mr. Kimbrel is Chairman of the board of the First National Bank in Thomson, Ga.

The 1963 Convention will be held Oct. 6-9. The A. B. A. has met in Washington on four previous occasions, most recently in 1953.

Next year's Convention will serve as a climax to the A. B. A.-sponsored nationwide observance of the Centennial of the dual system of banking. The addition of federally chartered banks to the already existing system of state banks was authorized by the National Currency Act of 1863.

The same housing procedure will be used as in previous years. Hotel applications will be sent to A. B. A. members in the spring of 1963. No applications will be accepted by the Convention hotels directly. Official reservation forms will be used and will be handled by the Convention Housing Bureau.

The dates for the 1964 Convention will be Oct. 25-28. The A. B. A. has convened once in Miami Beach—in 1959.

# Domestic Oil Companies Going International

*Continued from page 14*

was attributed primarily to its interest in this subsidiary whose net income of $4.1 million for the first half of 1962 exceeded 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, whose subsidiaries account for about three quarters of Venezuela's output, have greatly diminished their exploratory and developmental activity in Venezuela while accelerating their search for new oil elsewhere, particularly in new areas. By contrast, relative newcomers have of late developed appreciable reserves and have stepped up their respective production significantly.

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 3.2 million barrels daily. This improvement has been due principally to a very strong rise in European demand for heavy Venezuelan fuel oils. Exploratory success in Venezuela has remained high: for every ten dry holes, there have been 5.8 producers as contrasted with only one in the United States. While concessionary terms are not presently as advantageous to private oil concerns as they were under the preceding regime, earnings of these companies rose about 10% in 1961 and have continued to show improvement.

### New Producing Capacity

Much of the increase in Venezuela's output is the consequence of newly developed production in Blocks 1 and 12, Lake Maracaibo. The recent installation of facilities in these blocks has increased their productive capacity from 100,000 to 210,000 barrels daily. Production from Block 1, which is considered one of the world's most prolific oil fields on an acre-by-acre basis, continues to rise sharply. Sun Oil, the operator has a 45% interest in Block 1 and a 23½% interest in Block 12. The company's net Venezuelan production in 1961 soared by 17.1% over that of 1960 to 42,753 barrels daily (about 27% of its total output). Atlantic Refining, also holds a 45% interest in Block 1 and has a 33⅓% interest in Block 12. During 1961 about 35% of Atlantic's production or about 55,000 barrels daily, was derived from Venezuela.

Phillips Petroleum's Venezuelan operations have recently been highlighted by a 3,600 barrel a day discovery in Lot 17, Lake Maracaibo and by a substantial increase in newly developed production in Lot 9, Monagas State. A 56% interest is held in both lots. Current net output of 35,000 barrels daily is about 30% above the average level for 1961.

**Argentina:** Within less than four years, Argentina has trebled its crude production and achieved near self-sufficiency, principally by enlisting the assistance of foreign oil companies which operate on a contractual as opposed to a concessionary basis. Argentinan crude production during the first half of 1962 averaged 255,000 barrels daily, 10% over that for the similar period in 1961. Pan American (Standard Oil-Indiana), the country's leading private oil operator, has, since it initiated production in 1959, increased its output to a current level of about 35,000 barrels daily while making a number of significant discoveries.

**Libya:** Since exploratory activity began in 1956, more than a dozen oil fields have been discovered in Libya. While much of the existing 300,000 barrel per day crude capacity awaits the completion of pipelines and other transportation facilities, the swift pace of exploration and development continues undiminished. Commercial production in Libya began in October, 1961 when oil commenced flowing by pipe line from Jersey's Zelten field (Concession 6) to a port terminal at Brega. With the completion of a pipeline to the coast at Es Sider, commercial production began to flow from Oasis' Dahra field (Concession 32) in June 1962. Oasis Oil Company, in which Continental Oil, Amerada Petroleum, and Marathon (Ohio) Oil each hold a one-third interest, is rapidly extending its exploratory and developmental activity in Block 59 which appears thus far to be Libya's most prolific concession. The Raguba field (Concession 20), in which Jersey has a 50% interest, Texas Gulf Producing, a 25.5% interest, and W. R. Grace & Co., a 24.5% interest, will commence production later this year when a pipeline link with the Zelten-Brega pipeline is completed.

During the first half of 1962, Libyan production averaged 101,000 barrels daily. For 1963 average daily production of 150,000 barrels is estimated for Zelten; 120,000 barrels, for Dahra; and 60,000 barrels, for Raguba. These anticipated levels of production for 1963 are expected to make a substantial contribution to concessionaires' income. Amerada's share of Oasis production is being marketed through Continental which has a marketing outlet in West Germany and Austria. Marathon is in the process of establishing a market for its Libyan oil in Spain. Offshore exploration in the Gulf of Sirte is presently being undertaken jointly by Phillips Petroleum and Atlantic Refining.

**Algeria:** The Algerian Sahara since 1956 has become one of the world's major oil and natural gas producing provinces. Production which began in 1958 is currently averaging about 460,000 barrels daily and is expected to continue to climb briskly. At Hassi R'mel, the world's second largest gas field, reserves are estimated at 35 trillion cubic feet. The Hassi Messaoud field, whose limits have not yet been delineated, is thought to contain 5 billion barrels of oil. French interests represent about 80% of invested capital. Foreign companies may enter joint ventures with French concerns. However, their interest may not exceed 50%. Only the Royal Dutch/Shell Group and Socony Mobil, among the foreign companies, are presently exporting oil from Algeria. Phillips Petroleum, Cities Service, Sinclair, El Paso Natural Gas, and Newmont Mining, however, are engaged in intensive exploratory activity. South of Hassi Messaoud, Phillips has a 25% interest in Block 49B where four major gas condensate fields have been discovered. Southeast of Hassi Messaoud, in Block 96, in which Sinclair and Newmont have, respectively, a 28% and a 19% interest, an oil discovery was recently made; while to the north of Hassi Messaoud another oil discovery was made in Block 45C in which Cities Service has a 49% interest.

**The Middle East: Neutral Zone and Iran:** With the exception of the Saudi-Arabia-Kuwait Neutral Zone and Iran, Middle East oil is essentially a concern of the major international oil companies.

American participation in the Neutral Zone is represented by Getty Oil and American Independent Oil (in which a 33.54% interest is owned by Phillips Petroleum; a 30.16% interest, by Signal Oil & Gas; 12.70%, by Ashland Oil & Refining; 2.65%, by Sunray D-X, and 20.95%, by other parties) who share equally in the production of a concession which during 1961 averaged 157,276 barrels daily, up 15% from 1960.

In Iran, American companies, other than major internationals, participating in the Consortium include (either directly or through a participating interest in American Independent Oil), Getty Oil, Richfield Oil, San Jacinto (Continental Oil), Atlantic Refining, Signal Oil & Gas, Standard Oil (Ohio), Tidewater Oil, Phillips Petroleum, and Ashland Oil & Refining. Consortium production during 1961 represented 99% of Iran's total average daily output of 1.18 million barrels, which since 1956 has risen by 119%. During the first half of 1962 Iranian crude production averaged 1.26 million barrels daily, up about 7% over the corresponding period of 1961.

The most notable recent exploratory success in the Middle East was achieved in the Persian Gulf by Pan American International, the operator of a joint Indiana Standard and National Iranian Oil venture. The Darius discovery well, about 3½ miles south of Kharg Island was tested initially at 35,000 barrels daily. Subsequently, 45 miles to the west another discovery well, Cyrus 2A, tested up to 12,000 barrels daily. With marketing and refinery facilities being expanded in Italy and established in Australia, Indiana Standard is making available foreign outlets for its new prolific Middle East reserves.

**Australia:** The discovery of oil in the Surat Basin, 200 miles west of Brisbane in late 1961 by Union Oil, the operator of a joint venture (in which Union Oil and Kern County Land each has a 40% interest and Australian Oil and Gas has a 20% interest) was achieved after ten fruitless years of exploratory effort and an expenditure of more than $100 million by other oil companies. Thus far five producing wells have been drilled in the Surat Basin, the latest testing at 1,645 barrels daily. A ready market awaits the first commercial production in this country, as Australia currently imports 250,000 barrels of crude daily. Elsewhere in Australia, exploratory activity is being undertaken by Phillips Petroleum, Sunray D-X, Delhi-Taylor Oil, Continental Oil, Ohio Oil, as well as by several other companies.

**Elsewhere Abroad:** American oil companies, other than internationals, are currently engaged in exploration and production in several other foreign localities. In Mexico Continental Oil is producing oil from an offshore field in the Bay of Campeche. Indiana Standard recently acquired a large concessionary area in the Aden Protectorate and rights from the Indonesian Government to explore a large area in central Sumatra. Significant Colombian discoveries have been made of late by joint ventures in which Indiana Standard, Cities Service, Sinclair and Richfield are participants. In the Spanish Sahara, several companies, including Atlantic Refining, Sun Oil, Standard Oil (Ohio), and Richfield, are engaged in exploration. Other areas where domestic oil concerns are searching for oil include Bolivia, Burma, Guatemala, Ireland, Mauritania, Mozambique, Pakistan, Senegal, Spain, and Trinidad.

### Newcomers with a Significant Stake Abroad

Newcomers on the international oil scene with a substantial and growing stake abroad which possess well balanced domestic operations and whose common stocks appear reasonably priced in relationship to the prevailing market include Atlantic Refining, Continental Oil, Phillips Petroleum, Signal Oil & Gas, Standard Oil-Indiana, and Sun Oil.

**Atlantic Refining** has in recent years made significant strides in building up its reserves, increasing its crude self-sufficiency (currently about 92%), upgrading its refinery facilities and expanding its position in petrochemicals and marketing. Between 1957 and 1961 the proportion of its total crude and natural gas liquids output represented by foreign production increased from 11.5% to 40.7%. Foreign production is derived from Venezuela, Canada, and Iran, while exploration abroad is being conducted in the foregoing as well as in Australia, Bolivia, Libya, Spanish Sahara, and Turkey.

**Continental Oil** whose crude and natural gas liquids production for several years has exceeded its refinery runs, has recently been able to meet the impact of price wars in the mid-continent area while improving its earnings. Petrochemicals output is significant and increasing. Foreign interests are substantial and should henceforth expand rapidly. Between 1957 and 1961 foreign production increased from 12.2% of total output to 20.9%. Crude production is maintained in Canada (Hudson's Bay Oil & Gas), Iran, Libya, Mexico, and Venezuela, while exploration is being undertaken in the preceding as well as in Argentina, Australia, Guatemala, Ireland, Somali, Tunisa, Turkey, and West Africa. Marketing outlets have been acquired in Belgium, Great Britain, and West Germany; refinery facilities, in Italy and West Germany.

**Phillips Petroleum** enjoys a prominent position in such vitally growing segments of the oil industry as petrochemicals, natural gas, and LPG. The company is the nation's largest processor of natural gas liquids. Production is in excess of refinery runs; while marketing has been extended to 47 states. Between 1957 and 1961 foreign crude production grew from 7.6% to 22.4% of total output. Production interests are maintained in Canada (Pacific Petroleums) Iran, the Saudi-Arabia-Kuwait Neutral Zone, and Venezuela; while exploration is being undertaken in the foregoing as well as in Algeria, Australia, British Honduras, Libya, and Spain. Marketing outlets are being established in Great Britain and Australia. The company has manufacturing interests (principally petrochemical) in eight countries.

**Signal Oil & Gas** is a major West Coast independent which has grown substantially in recent years principally through acquisitions. With the stabilization of West Coast product prices, earnings this year should continue to demonstrates a sharp rebound from the profit erosion which they had heretofore suffered since 1957. Between 1957 and 1961 foreign crude production as a proportion of total output rose sharply from 17.5% to 45.8%. Production abroad is represented by participating interests in Argentina, Iran, the Saudi-Arabia-Kuwait Neutral Zone, and Venezuela; while exploratory activity is undertaken in the foregoing as well as Bolivia, Canada, and Guatemala.

**Standard Oil—Indiana,** the mid-West's leading refiner and marketer and the nation's sixth largest oil concern, recently strengthened its marketing position through re-organization and consolidation. The progress of this major oil concern abroad has been particularly noteworthy. Between 1957 and 1961 foreign crude production climbed sharply from 3.1% of total output to 16.2%. Presently production abroad is being undertaken in Argentina, Canada, Iran, and Venezuela, while exploratory activity is being pursued in the foregoing as well as Colombia, Hadhramaut, Indonesia, Libya, Mozambique, Spanish Sahara, and Trinidad. Persian Gulf discoveries rank among the world's most prolific. The company's position in marketing and refining abroad is being extended in Italy, and established in Australia.

**Sun Oil** has expanded its natural gas production and petrochemical activities significantly in recent years. Shipbuilding has been an additional source of income. Between 1957 and 1961 foreign crude production as a proportion of total output increased rapidly from 5.0% to 30.2%. Foreign production is derived principally from Venezuela. Canadian output is modest. Exploration is being undertaken in Canada, Guatemala, Pakistan, Spanish Sahara, Trinidad, and Venezuela. Company products are marketed in Belgium, Canada, Great Britain, and the Netherlands.

**Domestic Oils Going International**

| Company | Year Earnings 1961 | Year Earnings 1957 | Percent Change | Approx. Market Price* | Price Earns. | Annual Cash Dividend | Percent Return |
|---|---|---|---|---|---|---|---|
| Atlantic Refining | 4.92 | 3.82 | +29 | 49 | 10.0 | $2.40 | 4.9 |
| Continental Oil | 3.02 | 2.38 | +27 | 50 | 16.5 | 1.70‡ | 3.4 |
| Phillips Petroleum | 3.31 | 2.80 | +18 | 46 | 13.9 | 1.90 | 4.1 |
| Signal Oil & Gas | 1.33 | 2.41 | —45 | 22 | 16.5 | 0.80† | 3.6 |
| Standard Oil (Indiana) | 4.30 | 4.24 | + 1 | 44 | 10.2 | 2.21§ | 5.0 |
| Sun Oil | 3.60 | 3.43 | + 5 | 45 | 12.5 | 1.00† | 2.2 |

* As of October 5, 1962.
† Plus stock.
‡ Includes extra.
§ Includes market value of Jersey stock distribution.

# Indications of Current Business Activity

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

| | | Latest Week | Previous Week | Month Ago | Year Ago |
|---|---|---|---|---|---|
| **AMERICAN IRON & STEEL INSTITUTE:** | | | | | |
| Steel ingots and castings (net tons) | Oct. 6 | 1,746,000 | 1,766,000 | 1,641,000 | 2,102,000 |
| Index of production based on average weekly production for 1957-1959 | Oct. 6 | 93.7 | 94.8 | 88.1 | 112.8 |
| Unofficial indicated steel operations (per cent capacity). The American Iron & Steel Institute discontinued issuing this data late in 1960 | Oct. 6 | 58.5 | 60.5 | 56.0 | 72.0 |
| **AMERICAN PETROLEUM INSTITUTE:** | | | | | |
| Crude oil and condensate output—daily average (bbls. of 42 gallons each) | Sept. 28 | 7,355,210 | 7,376,410 | 7,266,010 | 7,143,560 |
| Crude runs to stills—daily average (bbls.) | Sept. 28 | 8,228,000 | 8,290,000 | 8,413,000 | 8,101,000 |
| Gasoline output (bbls.) | Sept. 28 | 30,065,000 | 29,990,000 | 30,404,000 | 29,858,000 |
| Kerosene output (bbls.) | Sept. 28 | 2,777,000 | 2,972,000 | 2,787,000 | 2,895,000 |
| Distillate fuel oil output (bbls.) | Sept. 28 | 13,551,000 | 13,392,000 | 13,780,000 | 13,264,000 |
| Residual fuel oil output (bbls.) | Sept. 28 | 4,979,000 | 5,375,000 | 5,194,000 | 5,854,000 |
| Stocks at refineries, bulk terminals, in transit, in pipe lines | | | | | |
| Finished gasoline (bbl.) at | Sept. 28 | 179,160,000 | 180,296,000 | 175,059,000 | 150,470,000 |
| Kerosene (bbls.) at | Sept. 28 | 36,519,000 | 37,042,000 | 35,479,000 | 34,079,000 |
| Distillate fuel oil (bbls.) at | Sept. 28 | 170,480,000 | 169,060,000 | 159,266,000 | 150,461,000 |
| Residual fuel oil (bbls.) at | Sept. 28 | 53,949,000 | 54,933,000 | 52,738,000 | 32,765,000 |
| **ASSOCIATION OF AMERICAN RAILROADS:** | | | | | |
| Revenue freight loaded (number of cars) | Sept. 29 | 596,862 | 592,154 | 581,420 | 637,294 |
| Revenue freight received from connections (no. of cars) | Sept. 29 | 524,456 | 508,614 | 492,382 | 525,572 |
| **CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:** | | | | | |
| Total U. S. construction | Oct. 4 | $353,900,000 | $467,900,000 | $271,200,000 | $450,500,000 |
| Private construction | Oct. 4 | 179,700,000 | 240,500,000 | 105,800,000 | 243,400,000 |
| Public construction | Oct. 4 | 174,200,000 | 227,400,000 | 165,400,000 | 207,100,000 |
| State and municipal | Oct. 4 | 158,300,000 | 186,400,000 | 134,300,000 | 188,500,000 |
| Federal | Oct. 4 | 15,900,000 | 41,000,000 | 31,100,000 | 18,600,000 |
| **COAL OUTPUT (U. S. BUREAU OF MINES):** | | | | | |
| Bituminous coal and lignite (tons) | Sept. 29 | 8,780,000 | 8,835,000 | 8,755,000 | 8,827,000 |
| Pennsylvania anthracite (tons) | Sept. 29 | 309,000 | 312,000 | 280,000 | 327,000 |
| **DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100** | Sept. 29 | 116 | 117 | 116 | 113 |
| **EDISON ELECTRIC INSTITUTE:** | | | | | |
| Electric output (in 000 kwh.) | Oct. 6 | 15,987,000 | 16,023,000 | 15,999,000 | 15,035,000 |
| **FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.** | Oct. 4 | 318 | 305 | 204 | 330 |
| **IRON AGE COMPOSITE PRICES:** | | | | | |
| Finished steel (per lb.) | Oct. 1 | 6.196c | 6.196c | 6.196c | 6.196c |
| Pig iron (per gross ton) | Oct. 1 | $66.23 | $66.44 | $66.44 | $66.44 |
| Scrap steel (per gross ton) | Oct. 1 | $24.83 | $25.50 | $26.83 | $39.17 |
| **METAL PRICES (E. & M. J. QUOTATIONS):** | | | | | |
| Electrolytic copper— | | | | | |
| Domestic refinery at | Oct. 3 | 30.600c | 30.600c | 30.600c | 30.600c |
| Export refinery at | Oct. 3 | 28.600c | 28.575c | 28.625c | 27.275c |
| Lead (New York) at | Oct. 3 | 9.500c | 9.500c | 9.500c | 11.000c |
| Lead (St. Louis) at | Oct. 3 | 9.300c | 9.300c | 9.300c | 10.800c |
| ‡Zinc (delivered) at | Oct. 3 | 12.000c | 12.000c | 12.000c | 12.000c |
| Zinc (East St. Louis) at | Oct. 3 | 11.500c | 11.500c | 11.500c | 11.500c |
| Aluminum (primary pig, 99.5%) at | Oct. 3 | 24.000c | 24.000c | 24.000c | 24.000c |
| Straits tin (New York) at | Oct. 3 | 108.125c | 108.625c | 108.500c | 121.500c |
| **MOODY'S BOND PRICES DAILY AVERAGES:** | | | | | |
| U. S. Government Bonds | Oct. 9 | 89.26 | 89.33 | 88.55 | 87.21 |
| Average corporate | Oct. 9 | 87.72 | 87.59 | 87.18 | 85.72 |
| Aaa | Oct. 9 | 91.91 | 91.77 | 91.19 | 89.92 |
| Aa | Oct. 9 | 90.20 | 89.78 | 89.23 | 87.86 |
| A | Oct. 9 | 87.32 | 87.18 | 87.05 | 84.94 |
| Baa | Oct. 9 | 82.52 | 82.15 | 81.78 | 80.69 |
| Railroad Group | Oct. 9 | 84.30 | 84.04 | 83.66 | 83.15 |
| Public Utilities Group | Oct. 9 | 89.37 | 88.95 | 88.81 | 86.78 |
| Industrials Group | Oct. 9 | 90.20 | 89.92 | 89.23 | 87.45 |
| **MOODY'S BOND YIELD DAILY AVERAGES:** | | | | | |
| U. S. Government Bonds | Oct. 9 | 3.80 | 3.79 | 3.87 | 3.95 |
| Average corporate | Oct. 9 | 4.57 | 4.59 | 4.62 | 4.73 |
| Aaa | Oct. 9 | 4.28 | 4.29 | 4.33 | 4.42 |
| Aa | Oct. 9 | 4.40 | 4.43 | 4.47 | 4.57 |
| A | Oct. 9 | 4.61 | 4.62 | 4.63 | 4.79 |
| Baa | Oct. 9 | 4.98 | 5.01 | 5.04 | 5.13 |
| Railroad Group | Oct. 9 | 4.84 | 4.86 | 4.89 | 4.93 |
| Public Utilities Group | Oct. 9 | 4.46 | 4.49 | 4.50 | 4.65 |
| Industrials Group | Oct. 9 | 4.40 | 4.42 | 4.47 | 4.60 |
| **MOODY'S COMMODITY INDEX** | Oct. 9 | 362.3 | 362.4 | 368.8 | 372.8 |
| **NATIONAL PAPERBOARD ASSOCIATION:** | | | | | |
| Orders received (tons) | Sept. 29 | 363,568 | 364,389 | 358,991 | 365,915 |
| Production (tons) | Sept. 29 | 370,697 | 362,815 | 359,995 | 349,991 |
| Percentage of activity | Sept. 29 | 99 | 98 | 97 | 98 |
| Unfilled orders (tons) at end of period | Sept. 29 | 485,804 | 498,180 | 475,662 | 570,722 |
| **OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100** | Oct. 5 | 116.16 | 115.09 | 112.98 | 113.71 |
| **ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS** | | | | | |
| Transactions of specialists in stocks in which registered— | | | | | |
| Total purchases | Sept. 14 | 1,997,880 | 1,676,990 | 2,617,540 | 2,309,960 |
| Short sales | Sept. 14 | 409,830 | 421,620 | 595,610 | 407,840 |
| Other sales | Sept. 14 | 1,445,660 | 1,350,050 | 2,055,610 | 1,901,810 |
| Total sales | Sept. 14 | 1,855,490 | 1,771,670 | 2,651,220 | 2,308,650 |
| Other transactions initiated off the floor— | | | | | |
| Total purchases | Sept. 14 | 428,710 | 351,980 | 586,090 | 299,920 |
| Short sales | Sept. 14 | 67,800 | 81,600 | 101,000 | 33,400 |
| Other sales | Sept. 14 | 332,070 | 297,280 | 384,710 | 290,580 |
| Total sales | Sept. 14 | 399,870 | 378,880 | 485,710 | 323,980 |
| Other transactions initiated on the floor— | | | | | |
| Total purchases | Sept. 14 | 717,193 | 565,409 | 970,626 | 707,173 |
| Short sales | Sept. 14 | 138,616 | 105,375 | 164,500 | 74,330 |
| Other sales | Sept. 14 | 682,177 | 525,151 | 835,983 | 631,730 |
| Total sales | Sept. 14 | 820,793 | 630,526 | 1,000,483 | 706,060 |
| Total round-lot transactions for account of members— | | | | | |
| Total purchases | Sept. 14 | 3,143,783 | 2,594,379 | 4,174,256 | 3,317,053 |
| Short sales | Sept. 14 | 616,246 | 608,595 | 861,110 | 515,570 |
| Other sales | Sept. 14 | 2,459,907 | 2,172,481 | 3,276,303 | 2,824,120 |
| Total sales | Sept. 14 | 3,076,153 | 2,781,076 | 4,137,413 | 3,339,690 |
| **STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION** | | | | | |
| Odd-lot sales by dealers (customers' purchases)—† | | | | | |
| Number of shares | Sept. 14 | 1,145,158 | 956,505 | 1,362,876 | 1,635,836 |
| Dollar value | Sept. 14 | $55,530,757 | $48,243,729 | $64,580,020 | $94,018,032 |
| Odd-lot purchases by dealers (customers' sales)— | | | | | |
| Number of orders—customers' total sales | Sept. 14 | 1,347,483 | 1,053,248 | 1,452,879 | 1,617,693 |
| Customers' short sales | Sept. 14 | 25,862 | 32,856 | 27,722 | 19,307 |
| Customers' other sales | Sept. 14 | 1,321,621 | 1,020,392 | 1,425,157 | 1,598,386 |
| Dollar value | Sept. 14 | $61,984,568 | $51,530,987 | $68,372,694 | $84,561,257 |
| Round-lot sales by dealers— | | | | | |
| Number of shares—Total sales | Sept. 14 | 470,500 | 367,780 | 470,340 | 497,950 |
| Short sales | Sept. 14 | ------ | ------ | ------ | ------ |
| Other sales | Sept. 14 | 470,500 | 367,780 | 470,340 | 497,950 |
| Round-lot purchases by dealers—Number of shares | Sept. 14 | 284,490 | 260,960 | 408,040 | 506,410 |
| **TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):** | | | | | |
| Total round-lot sales— | | | | | |
| Short sales | Sept. 14 | 893,070 | 906,540 | 1,247,570 | 669,830 |
| Other sales | Sept. 14 | 14,373,430 | 11,546,110 | 18,082,630 | 15,081,560 |
| Total sales | Sept. 14 | 15,266,500 | 12,452,650 | 19,330,200 | 15,751,390 |
| **WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):** | | | | | |
| Commodity Group— | | | | | |
| All commodities | Oct. 2 | 100.8 | 101.0 | 100.8 | a |
| Farm products | Oct. 2 | 98.4 | 99.5 | 98.4 | a |
| Processed foods | Oct. 2 | 102.1 | 103.0 | 102.2 | a |
| Meats | Oct. 2 | 100.5 | 102.9 | 101.4 | a |
| All commodities other than farm and foods | Oct. 2 | 100.8 | 100.8 | 100.8 | a |

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound. a Not available.

| | Latest Month | Previous Month | Year Ago |
|---|---|---|---|
| **BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—217 CITIES—Month of August:** | | | |
| New England | $27,078,008 | $39,275,676 | $36,043,525 |
| Middle Atlantic | 100,911,439 | 179,836,450 | 284,336,845 |
| South Atlantic | 58,368,879 | 57,857,948 | 85,194,541 |
| East Central | 120,143,792 | 146,075,145 | 121,009,917 |
| South Central | 112,699,836 | 128,943,302 | 119,278,928 |
| West Central | 50,419,246 | 45,206,758 | 45,985,581 |
| Mountain | 30,998,251 | 37,756,327 | 35,177,661 |
| Pacific | 161,218,186 | 128,572,194 | 130,130,230 |
| Total United States | $661,837,637 | $763,523,800 | $857,157,228 |
| New York City | 40,091,160 | 131,269,484 | 240,131,428 |
| Total outside New York City | $621,746,477 | $632,254,316 | $617,025,800 |
| **CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of August 31:** | | | |
| Total consumer credit | $59,146 | $58,521 | $54,739 |
| Instalment credit | 45,514 | 44,976 | 42,090 |
| Automobile | 18,530 | 18,291 | 17,061 |
| Other consumer credit | 11,648 | 11,570 | 10,986 |
| Repairs and modernization loans | 3,216 | 3,182 | 3,165 |
| Personal loans | 12,120 | 11,924 | 10,898 |
| Noninstalment credit | 13,632 | 13,554 | 12,649 |
| Single payment loans | 5,274 | 5,203 | 4,769 |
| Charge accounts | 4,638 | 4,607 | 4,409 |
| Service credit | 3,720 | 3,744 | 3,471 |
| **DEPARTMENT STORE SALES—FEDERAL RESERVE SYSTEM—1957-59 Average=100—Month of September:** | | | |
| Adjusted for seasonal variation | 117 | *115 | 110 |
| Without seasonal adjustment | | | |
| **EDISON ELECTRIC INSTITUTE—** | | | |
| Kilowatt-hour sales to ultimate consumers—Month of July (000's omitted) | 64,972,059 | 63,847,590 | 59,526,521 |
| Revenue from ultimate customers—Month of July | $1,097,099 | $1,074,247 | $1,008,534 |
| Number of ultimate customers at July 31 | 60,668,010 | 60,560,545 | 59,436,337 |
| **METAL OUTPUT (BUREAU OF MINES)—Month of July:** | | | |
| Mine production of recoverable metals in the United States— | | | |
| Gold (in fine ounces) | 120,900 | *109,385 | 132,264 |
| Silver (in fine ounces) | 2,822,330 | *3,048,800 | 2,862,241 |
| Copper (in short tons) | 91,077 | *102,800 | 97,834 |
| Lead (in short tons) | 22,177 | *23,950 | 20,523 |
| Zinc (in short tons) | 38,807 | *42,367 | 37,516 |
| **METAL PRICES (E. & M. J. QUOTATIONS)—September:** | | | |
| Copper— | | | |
| Domestic refinery (per pound) | 30.600c | 30.600c | 30.604c |
| Export refinery (per pound) | 28.588c | 28.564c | 28.036c |
| ††London, prompt (per long ton) | £234.131 | £234.125 | £229.452 |
| ††Three months, London (per long ton) | £232.600 | £230.705 | £233.065 |
| Lead— | | | |
| Common, New York (per pound) | 9.500c | 9.500c | 11.000c |
| Common, East St. Louis (per pound) | 9.300c | 9.300c | 10.800c |
| ††London, prompt (per long ton) | £51.900 | £51.048 | £63.991 |
| ††Three months, London (per long ton) | £51.956 | £61.682 | £65.690 |
| Zinc— | | | |
| East St. Louis (per pound) | 11.500c | 11.500c | 11.500c |
| §§Prime Western, delivered (per pound) | 12.000c | 12.000c | 12.000c |
| ††London, prompt (per long ton) | £64.088 | £64.582 | £73.943 |
| ††London, three months (per long ton) | £64.900 | £65.497 | £74.536 |
| Silver and Sterling Exchange— | | | |
| Silver, New York (per ounce) | 115.461c | 108.304c | 91.375c |
| Silver, London (per ounce) | 99.206d | 91.801d | 79.750d |
| Sterling Exchange (check) | $2.80382 | $2.80382 | $2.81222 |
| Tin, New York Straits | 108.480c | 108.511c | 121.881c |
| Gold (per ounce U. S. price) | $35.000 | $35.000 | $35.000 |
| Quicksilver (per flask of 76 pounds) | $192.000 | $192.000 | $188.000 |
| Antimony— | | | |
| ¶New York, boxed (per pound) | 36.250c | 36.250c | 36.250c |
| Laredo, bulk (per pound) | 32.500c | 32.500c | 32.500c |
| Laredo, boxed (per pound) | 33.000c | 33.000c | 33.000c |
| Aluminum— | | | |
| 99% grade ingot weighted average (per lb.) | 24.000c | 24.000c | 25.500c |
| 99% primary pig export | 22.500c | 22.500c | 23.250c |
| **Nickel | 79.000c | 79.000c | 81.250c |
| Bismuth (per pound) | $2.25 | $2.25 | $2.25 |
| Platinum, refined (per pound) | $82.000 | $82.000 | $82.000 |
| Cadmium (per pound, delivered ton lots) | $1.75000 | $1.75000 | $1.60000 |
| (Per pound, small lots) | $1.80000 | $1.80000 | $1.70000 |
| Cobalt, 97% grade (per pound) | $1.50000 | $1.50000 | $1.50000 |
| **MOTOR VEHICLE FACTORY SALES FROM PLANTS IN U. S. AUTOMOBILE MANUFACTURERS' ASSN.—Month of September:** | | | |
| Total number of vehicles | 556,492 | 273,098 | 438,386 |
| Number of passenger cars | 471,170 | 196,341 | 354,978 |
| Number of trucks and motor coaches | 85,322 | 76,757 | 83,408 |
| **TIN—CONSUMPTION OF PRIMARY AND SECONDARY TIN IN THE UNITED STATES BUREAU OF MINES—Month of July (in long tons):** | | | |
| Stocks in beginning of period | 32,140 | 32,055 | 28,535 |
| Receipts | 5,265 | 6,950 | 6,485 |
| Supply | 37,405 | 39,005 | 35,020 |
| Stocks at end of period | 31,610 | 32,140 | 28,815 |
| Total processed | 5,795 | 6,865 | 6,205 |
| Intercompany scrap transactions | 185 | 155 | 115 |
| Consumed in manufacturing | 5,610 | 6,710 | 6,090 |
| Primary | 3,850 | 4,735 | 3,920 |
| Secondary | 1,760 | 1,975 | 2,170 |
| **U. S. GOVT. STATUTORY DEBT LIMITATION As of Sept. 30 (000's omitted):** | | | |
| Total face amount that may be outstanding at any time | $308,000,000 | $308,000,000 | $298,000,000 |
| Outstanding— | | | |
| Total gross public debt | 299,498,292 | 31,841,941 | 293,749,860 |
| Guaranteed obligations not owned by the Treasury | 487,334 | 469,830 | 270,628 |
| Total gross public debt and guaranteed obligations | $299,985,627 | $302,311,771 | $294,020,489 |
| Deduct—Other outstanding public debt obligations not subject to debt limitation | 373,498 | 373,961 | 441,988 |
| Grand total outstanding | $299,612,128 | $301,937,810 | $293,578,500 |
| Balance face amount of obligations issuable under above authority | 8,387,871 | 6,062,189 | 4,421,499 |
| **UNITED STATES GROSS DEBT DIRECT AND GUARANTEED—(000's omitted):** | | | |
| As of Sept. 30 | $299,985,627 | $302,311,771 | $294,020,489 |
| General funds balance | 9,268,346 | 8,530,305 | 8,955,997 |
| Net debt | $290,717,283 | $293,781,466 | $285,064,492 |
| Computed annual average | 3.285% | 3.263% | 3.096% |

*Revised figure. ¶Domestic five tons or more but less than carload lots boxed. §§Delivered where freight from East St. Louis exceeds 0.5c. **Fort Colburn, U. S. duty included. ††Average of daily mean and bid and ask quotations per long ton at morning session of London Metal Exchange.

# Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

NOTE — Registration statements filed with the SEC since the last issue of the "Chronicle" are now carried separately at the end of this section "Securities Now in Registration." Dates shown in parenthesis alongside the company's name, and in the index, reflect the expectations of the underwriter but are not, in general, firm offering dates.

Also shown under the caption "Effective Registrations" are those issues which became effective this week and were offered publicly.

**● ABC Business Forms, Inc.**
July 27, 1962 ("Reg. A") 51,500 common. **Price**—$3.50. **Business**—Manufacture, design and development of business forms. **Proceeds**—For debt repayment and working capital. **Office**—3500 N. W. 71st St., Miami. **Underwriter**—Givens & Co., Inc., Miami. **Note**—The SEC has issued an order temporarily suspending this issue.

**A. L. S. Steel Corp.**
March 29, 1962 filed 100,000 common. **Price**—$4.50. **Business**—Sale of processed flat rolled strip steel. **Proceeds**—For debt repayment, equipment, and working capital. **Office**—126—02 Northern Blvd., Corona, N. Y. **Underwriter**—Bernard L. Madoff, N. Y.

**Abbott Realty Fund, Inc.**
June 29, 1962 filed 380,000 class A common. **Price**—$10. **Business**—Real estate ownership and management. **Proceeds**—For debt repayment and general corporate purposes. **Office**—292 Madison Ave., N. Y. **Underwriters**—Morris Cohon & Co. and Street & Co., Inc., N. Y.

**Advance Mortgage Corp.**
April 27, 1962 filed 200,000 common. **Price**—By amendment. **Business**—The making and servicing of real estate first mortgage loans. **Proceeds**—For debt repayment. **Office**—First National Bank Bldg., Detroit. **Underwriter**—Shields & Co., N. Y.

**Aerial Control Geotronics**
May 28, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Application of electronic and air photography developments in the field of geodetic surveying and regional mapping. **Proceeds**—For debt repayment, equipment and working capital. **Office**—2412 S. Garfield Ave., Monterey Park, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco.

**Aerosystems Technology Corp.**
Aug. 29, 1962 filed 165,000 common. **Price**—$3. **Business**—Company has been engaged in experimentation on aerodynamic concepts and holds ten U. S. Patents relating to advanced vertical lift vehicles and systems for achieving controlled vertical flight. **Proceeds**—For additional equipment, research and development, plant facilities and other corporate purposes. **Office**—Route 15, Sparta, N. J. **Underwriter**—Chase Securities Corp., N. Y.

**Agency Tile Industries, Inc.**
July 27, 1962 ("Reg. A") 110,000 common. **Price**—$2.50. **Business**—Importing, marketing and distribution of ceramic tiles. **Proceeds**—For debt repayment, new products, sales promotion and working capital. **Office**—256 Fifth Ave., N. Y. **Underwriters**—Leib, Skoot & Co., Inc., Clifton, N. J., and Price Investing Co., N. Y.



**Aiken Savings Trust**
Aug. 22, 1962 filed 100,000 shares of beneficial interest. **Price**—$10. **Business**—Company plans to qualify as a real estate investment trust. **Proceeds**—For investment. **Address**—Florence, S. C. **Underwriter**—None.

**Air Master Corp.**
May 26, 1961 filed 180,000 common, of which 90,000 will be sold for company and 90,000 for stockholders. **Price**—By amendment. **Business** — Manufacture of aluminum storm windows and doors, and other aluminum products. **Proceeds**—For working capital, and other corporate purposes. **Office**—20th Street and Allegheny Avenue, Philadelphia, Pa. **Underwriter** — Clayton Securities Corp., Boston. **Note**—This offering has been postponed.

**Alcolac Chemical Corp. (10/22)**
March 23, 1962 filed 50,000 common. **Price**—By amendment (max. $6). **Business**—Manufacture of specialty chemical products. **Proceeds**—For general corporate purposes. **Office**—3440 Fairfield Rd., Baltimore. **Underwriter**—Robert Garrett & Sons, Baltimore.

**Allegheny Aluminum Industries, Inc.**
Dec. 21, 1961 filed 100,000 common. **Price**—$4.25. **Business**—Manufacture of aluminum and fiberglass awnings and aluminum combination storm-screen windows and doors. **Proceeds** — For an acquisition, debt repayment and general corporate purposes. **Office**—5007 Lytle St., Pittsburgh, Pa. **Underwriter**—To be named.

**Allied Graphic Arts, Inc. (10/22-26)**
Mar. 27, 1962 filed 180,000 common, of which 60,000 will be sold for the company and 120,000 for a stockholder. **Price**—By amendment. **Business**—Publication of mass circulation catalogues (for department stores and mail order firms); a semi-annual magazine and stamp collectors' books. **Proceeds**—For debt repayment and working capital. **Office**—551 Fifth Ave., N. Y. **Underwriter**—Bache & Co., New York.

**All-State Properties, Inc.**
April 24, 1962 filed $5,000,000 of conv. subord. debentures due 1977. **Price**—At par. **Business**—Company and subsidiaries conduct a general real estate business with emphasis on land development and home construction in Fla., Md., N. Y., and Ky. **Proceeds**—For repayment of debt. **Office**—230 Park Ave., N. Y. **Underwriters**—To be named.

**Alsco Electronics, Inc.**
March 28, 1962 ("Reg. A") 100,000 class A common. **Price** — $3. **Business** — Wholesaling and distributing of electronic parts, kits, components, etc. **Proceeds** — For inventory and working capital. **Office**—2520 N. Broad St., Philadelphia. **Underwriters**—Albert Teller & Co., Inc., and H. A. Riecke & Co., Inc., Philadelphia.

**Amerel Mining Co. Ltd.**
July 31, 1961 filed 400,000 common shares. **Price**—50¢. **Business**—The company is engaged in exploration, development and mining. **Proceeds**—For diamond drilling, construction, exploration and general corporate expenses. **Office** — 80 Richmond St., W., Toronto. **Underwriter**—E. A. Manning, Ltd., Toronto.

**American Bolt & Screw Mfg. Corp. (10/22-26)**
Dec. 15, 1961 filed $900,000 of 6% convertible subordinated debentures and 90,000 common, to be offered in units consisting of one $100 debenture and 10 shares. **Price**—$100 per unit. **Business**—Manufacture of standard and special industrial aircraft and missile fasteners. **Proceeds**—For debt repayment, equipment and other corporate purposes. **Office**—Lawson Blvd., Oceanside, L. I. N. Y. **Underwriter**—S. D. Fuller & Co., N. Y.

**American Educational Life Insurance Co.**
Sept. 28, 1962 filed 60,000 class A common. **Price**—$7.50. **Business**—Writing of life insurance policies and allied lines. **Proceeds**—For investments, and working capital. **Office**—1808 West End Bldg., Nashville. **Underwriter**—Standard American Securities, Inc., Nashville.

**American Fidelity Corp.**
June 4, 1962 filed 500,000 common. **Price**—$11. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—423 E. Market St., Indianapolis. **Underwriters**—Reynolds & Co., Inc., N. Y., and Cruttenden, Podesta & Miller, Chicago.

**● American Finance Co., Inc. (10/29-11/2)**
April 21, 1961 filed $500,000 of 6% convertible subordinated debentures due 1972, 75,000 common, and 25,000 warrants, to be offered in units of one $200 debenture, 30 shares, and 10 warrants. **Price**—$500 per unit. **Business**—Company and its subsidiaries are primarily engaged in the automobile sale finance business. One additional subsidiary is a Maryland savings and loan association and two are automobile insurance brokers. **Proceeds**—For the retirement of debentures, and additional capital funds. **Office**—1472 Broadway, N. Y. **Underwriter**—Myron A. Lomasney & Co., New York.

**American Flag & Banner Co. of New Jersey (11/7-9)**
May 1, 1962 filed 100,000 common. **Price**—$3.25. **Business**—Production of flags, banners and accessories. **Proceeds**—For taxes, debt repayment and working capital. **Office**—1000 Main Ave., Clifton, N. J. **Underwriter**—K-Pac Securities Corp., N. Y.

**American Gas Co. (10/29-31)**
March 26, 1962 filed $1,685,000 of 6½% convertible subordinated debentures due Sept. 1, 1977; also 275,000 common. **Price** — For debentures, at par; for stock, by amendment. **Business**—Transportation, distribution and sale of natural gas. **Proceeds**—For debt repayment and expansion. **Office** — 546 S. 24th Ave., Omaha. **Underwriter**—Cruttenden, Podesta & Miller, Chicago.

**American Kosher Provisions, Inc. (10/17)**
June 25, 1962 filed 130,000 common. **Price**—$5. **Business**—Manufacture and sale of a variety of kosher and non-kosher meat and meat products. **Proceeds** — For debt repayment, expansion and working capital. **Office**—39 Norman Ave., Brooklyn, N. Y. **Underwriter**—Willard Securities, Inc., N. Y.

**American Mortgage Investors**
Feb. 8, 1962 filed 1,300,000 shares of beneficial interest. **Price**—$15. **Business** — A newly-formed business trust which plans to invest in first mortgages. **Proceeds**—For investment. **Office**—305 S. County Rd., Palm Beach, Fla. **Underwriter**—Hayden, Stone & Co., N. Y. **Note**—This company was formerly named American First Mortgage Investors.

**American Options Corp.**
April 11, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Company plans to sell "puts and calls" and may act as a broker-dealer. **Proceeds**—For general corporate purposes. **Office**—120 Broadway, N. Y. **Underwriter**—Provost Securities, Inc., N. Y.

**American Pacific Fund, Inc.**
July 9, 1962 filed 94,500 common. **Price**—Net asset value. **Business**—An open-end management company specializing in life, health, casualty and accident insurance. **Proceeds**—For investment. **Office**—1523 Kalakaua Ave., Honolulu. **Underwriter**—American Pacific Management Corp. (same address).

**● American Phoenix Corp.**
Jan .24, 1962 filed 340,000 class A shares. **Price** — $10. **Business**—General real estate. **Proceeds**—For corporate purposes. **Office**—320 Park Ave., N. Y. **Underwriter**—Troster, Singer & Co., New York.

**American Plan Corp. (10/22-26)**
March 30, 1962 filed $2,480,000 of convertible debentures due 1982 and 248,000 common shares (of which 218,000 will be sold for the company and 30,000 for stockholders). The securities will be offered in units of one $10 debenture and one share. **Price**—By amendment (max. $22.50 per unit). **Business**—Production and servicing of physical damage insurance on automobiles, trucks and mobile homes. **Proceeds**—To purchase American Fidelity Fire Insurance Co. **Office**—American Plan Bldg., Westbury, N. Y. **Underwriter**—Bear, Stearns & Co., N. Y.

**American Re-Insurance Co. (10/22-26)**
Sept. 28, 1962 filed 175,862 capital shares to be offered for subscription by stockholders on the basis of one new share for each eight shares held of record Oct. 16. **Price**—By amendment (max. $55). **Business**—Company re-insures fire, marine and casualty firms. **Proceeds**—To increase capital funds. **Office**—99 John St., N. Y. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

**American Safety Table Co., Inc.**
May 23, 1962 filed $100,000 common. **Price**—By amendment (max. $7). **Business**—Design, manufacture and marketing of equipment used in the sewing industry. **Proceeds**—For expansion, debt repayment and working capital. **Address**—Mohnton, Pa. **Underwriter**—Reuben Rose & Co., Inc., N. Y.

**American Southwest Realty Trust**
Feb. 12, 1962 filed 1,000,000 common. **Price**—$11. **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—800 Hartford Bldg., Dallas. **Underwriters**—Kidder, Peabody & Co., N. Y. and Rauscher, Pierce & Co., Inc., Dallas. **Offering**—Temporarily postponed.

**American Strategic Minerals Corp.**
July 9, 1962 filed 400,000 common. **Price**—By amendment (max. $3). **Business**—Company plans to explore for strategic minerals. **Proceeds**—For debt repayment, exploration and working capital. **Office** — 527 Failing Bldg., Portland, Ore. **Underwriter**—To be named.

**American Telephone & Telegraph Co. (10/23)**
Oct. 2, 1962 filed $250,000 of debentures due Oct. 1, 1996. **Proceeds**—For advances to subsidiaries and expansion. **Office**—195 Broadway, N. Y. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co.; First Boston Corp.-Halsey, Stuart & Co. Inc. (jointly). **Bids**—Oct. 23 (11:30 a.m EST) in room 2315, 195 Broadway, N. Y.

**Americana East Inc.**
Sept. 18, 1962 filed 400,000 common. **Price**—$2.50. **Business** — Development, construction and management of industrial, commercial and residential properties. **Proceeds**—For construction, surveys, working capital, and other corporate purposes. **Office**—173 First St., Macon,

Ga. **Underwriter**—Nusouth Growth Stock Sales Corp., 4101 Steam Mill Rd., Columbus, Ga.

**Anchor Industries Corp.**
Nov. 24, 1961 filed 38,500 common. **Price**—$8. **Business**—Design and fabrication of precision sheet metal products. **Proceeds**—For machinery research, sales promotion, and working capital. **Office**—26 Essex St., Hackensack, N. J. **Underwriter**—Amber, Burstein & Co., Inc., New York. **Note**—This registration is being withdrawn.

**Angler Industries, Inc.**
Aug. 17, 1962 ("Reg. A") 120,000 common. **Price**—$2.50. **Business**—Manufacture of hardware, and the assembly of products for the electronics industry. **Proceeds**—For debt repayment, equipment, inventory, and working capital. **Office**—107 Trumbull St., Elizabeth, N. J. **Underwriter**—Edward H. Stern & Co., N. Y.

**Antenna Systems, Inc.**
Sept. 28, 1962 filed 35,000 common. **Price**—By amendment (max. $30). **Business**—Design, manufacture and installation of large microwave antennas and antenna components. **Proceeds**—For reduction of bank loans, and working capital. **Office**—349 Lincoln St., Hingham, Mass. **Underwriter**—None.

**Arden Farms Co.**
May 23, 1962 filed $6,000,000 of 6% conv. subord. debentures due 1990 to be offered in $100 units; also 49,993 shares of $3 cumulative preferred stock and 205,105 common shares to be offered for subscription by stockholders of the respective classes on the basis of one new share for each 10 held. **Price**—For debentures, at par; for stock, by amendment. **Business**—Manufacture, purchase and sale of ice cream and other dairy products. **Proceeds**—For debt repayment. **Office**—1900 W. Slauson Ave., Los Angeles. **Underwriter**—None.

**Argus Financial Fund, Inc.**
Feb. 12, 1962 filed 800,000 capital shares to be offered in exchange for certain securities acceptable to the Fund. **Price**—Net asset value (expected at $12.50 per share). **Business**—A diversified open-end investment company which plans to participate in the long-term progress of savings and loan associations, and allied financial businesses. **Proceeds**—For investment. **Office**—1118 Torrey Pines Road, La Jolla, Calif. **Dealer-Manager**—Argus Financial Sales Corp. (same address).

**Artlin Mills, Inc.**
Sept. 28, 1961 filed 135,000 class A common shares. **Price**—$5. **Business**—The purchase, conversion, decoration, gift packaging and distribution of terrycloth towels and cotton pillow cases. **Proceeds**—For inventory, repayment of loans and working capital. **Office**—1030 Pearl St., Long Branch, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., N. Y.

**Ascot Publishing Co., Inc.**
Jan. 29, 1962 ("Reg. A") 103,000 common. **Price**—$2. **Business**—Publishing of a bowling magazine. **Proceeds**—For general corporate purposes. **Office**—14 W. 55th St., N. Y. **Underwriter**—Dana Securities Co., Inc., 80 Wall St., N. Y. **Note**—This offering has been temporarily postponed.

● **Associates Investment Co. (10/18)**
Sept. 28, 1962 filed $50,000,000 of debentures due Oct. 1, 1983. **Price**—By amendment. **Business**—Company is engaged in time sales financing of consumer and industrial products, and the making of personal, industrial and commercial loans. **Proceeds**—For debt repayment and other corporate purposes. **Office**—320 Associates Bldg., South Bend, Ind. **Underwriters**—Lehman Brothers and Salomon Brothers & Hutzler, N. Y.

**Atmosphere Control, Inc.**
May 28, 1962 ("Reg. A") 200,000 common. **Price**—$1.50. **Business**—Manufacture and sale of Misti-Cone humidifiers. **Proceeds**—For equipment, inventories and working capital. **Office**—668 Jenks Ave., St. Paul, Minn. **Underwriter**—Pewters, Donnelly & Jansen, Inc., St. Paul, Minn.

**Australia (Commonwealth of) (10/17)**
Oct. 2, 1962 filed $25,000,000 of bonds due 1982. **Price**—By amendment. **Proceeds**—To help finance various public works projects. **Underwriter**—Morgan Stanley & Co., N. Y.

**Automatic Controls, Inc.**
Dec. 28, 1961 filed 50,000 common. **Price**—$4. **Business**—Design, manufacture and installation of electrical, pneumatic, hydraulic and mechanical systems, controls and devices to control and automatically operate industrial machinery and processes. **Proceeds**—For general corporate purposes. **Office**—3601 Merrick Rd., Seaford, N. Y. **Underwriter**—S. Schramm & Co., Inc., N. Y.

**Automatic Merchandising, Inc.**
May 24, 1962 filed 225,000 common, of which 125,000 are to be offered by company and 100,000 by stockholders. **Price**—By amendment (max. $6). **Business**—Company operates, owns, services and leases coin-operated automatic vending machines. **Proceeds**—For debt repayment, inventories, equipment and working capital. **Office**—217 N. Willow Ave., Tampa. **Underwriter**—A. C. Allyn & Co., Chicago.

● **Badger Northland, Inc.**
Sept. 7, 1962 filed $800,000 of subord. conv. debentures due Oct. 1, 1982. **Price**—At par. **Business**—Manufacture

*Continued on page 36*

# NEW ISSUE CALENDAR

**October 11 (Thursday)**

Hawaiian Electric Co., Ltd. ---------- Common
(Offering to stockholders, underwritten by Dillon, Read & Co., Inc., and Dean Witter & Co.) 315,730 shares

Smith-Corona Marchant, Inc. ---------- Preferred
(Offering to stockholders—underwritten by First Boston Corp.) 240,219 shares

**October 15 (Monday)**

Be-Mac Transport Co., Inc. ---------- Common
(Edward D. Jones & Co.) $385,000

Duro-Test Corp. ---------- Units
(Auchincloss, Parker & Redpath) 3,500 units

Gabriel Industries, Inc. ---------- Common
(Hemphill, Noyes & Co.) 100,000 shares

Packaging Corp. of America ---------- Debentures
(Blyth & Co., Inc.) $25,000,000

Security Aluminum Corp. ---------- Common
(Vickers, MacPherson & Warwick, Inc.) 200,000 shares

**October 16 (Tuesday)**

Met Food Corp. ---------- Debentures
(Brand, Grumet & Siegel, Inc.) $1,500,000

**October 17 (Wednesday)**

American Kosher Provisions, Inc. ---------- Common
(Willard Securities, Inc.) $650,000

Australia (Commonwealth of) ---------- Bonds
(Morgan Stanley & Co.) $25,000,000

Collins Radio Co. ---------- Common
(Offering to stockholders—underwritten by Kidder, Peabody & Co., Inc., and White, Weld & Co., Inc.) 557,515 shares

Dyna Mfg. Co. ---------- Common
(Thomas Jay, Winston & Co., Inc.) $300,000

Panhandle Eastern Pipe Line Co. ---------- Debentures
(Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc.) $60,000,000

Panhandle Eastern Pipe Line Co. ---------- Preferred
(Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc.) $20,000,000

Scientific Equipment Mfg. Corp. ---------- Common
(Coggeshall & Hicks and Ernest M. Fuller & Co.) $300,000

Texas Gas Producing Co. ---------- Units
(Equitable Securities Corp.) $1,000,000

**October 18 (Thursday)**

Associates Investment Co. ---------- Debentures
(Lehman Brothers and Salomon Brothers & Hutzler) $50,000,000

**October 22 (Monday)**

Alcolac Chemical Corp. ---------- Common
(Robert Garrett & Sons) 50,000 shares

Allied Graphic Arts, Inc. ---------- Common
(Bache & Co.) 180,000 shares

American Bolt & Screw Mfg. Corp. ---------- Units
(S. D. Fuller & Co.) $900,000

American Plan Corp. ---------- Units
(Bear, Stearns & Co.) 248,000 units

American Re-Insurance Co. ---------- Capital Stock
(Offering to stockholders—underwritten by Eastman Dillon, Union Securities & Co.) 175,862 shares

Cameo Lingeries, Inc. ---------- Common
(Schweickart & Co.) $1,000,000

Consolidated Leasing Corp. of America ---------- Common
(Blair & Co.) 99,000 shares

Consolidated Leasing Corp. of America ---------- Debentures
(Blair & Co.) $1,000,000

Cosnat Corp. ---------- Debentures
(Van Alstyne, Noel & Co.) $1,250,000

Hallandale Rock & Sand Co. ---------- Units
(Mutch, Khanbegian, Flynn & Green, Inc.) $450,000)

Intercontinental Management Corp. ---------- Common
(Walnut Securities Corp.) $1,011,500

Lewis (Tillie) Foods, Inc. ---------- Debentures
(Van Alstyne, Noel & Co.) $4,000,000

Maremount Corp. ---------- Common
(Kuhn, Loeb & Co., Inc. and Straus, Blosser & McDowell) 240,000 shares

Pak-Well Paper Industries, Inc. ---------- Class A
(Francis I. du Pont & Co.) 150,000 shares

Poulsen Insurance Co. of America ---------- Common
(A. C. Allyn & Co.) 100,000 shares

R. E. D. M. Corp. ---------- Common
(Meade & Co., Inc.) 125,000 shares

Stainless Steel Products Inc. ---------- Capital Stock
(First California Co., Inc., and Dempsey-Tegeler & Co., Inc.) $800,000

Worth Financial Corp. ---------- Units
(Leib, Skloot & Co., Inc.) $450,000

**October 23 (Tuesday)**

American Telephone & Telegraph Co. ---------- Debentures
(Bids 11:30 a.m. EST) $250,000,000

Cameron Iron Works, Inc. ---------- Common
(White, Weld & Co., Inc., and Lehman Brothers) 280,000 shares

**October 29 (Monday)**

American Finance Co., Inc. ---------- Units
(Myron A. Lomasney & Co.) $1,250,000

American Gas Co. ---------- Common
(Cruttenden, Podesta & Miller) 275,000 shares

American Gas Co. ---------- Debentures
(Cruttenden, Podesta & Miller) $1,685,000

Chestnut Hill Industries, Inc. ---------- Common
(Clayton Securities Corp.) $2,250,000

College Publishing Corp. ---------- Common
(James Co.) $155,000

Ernst, Inc. ---------- Common
(Burr, Wison & Co., Inc.) $300,000

First Connecticut Small Business Investment Co. ---------- Common
(P. W. Brooks & Co.) 200,000 shares

Gulf Atlantic Utilities, Inc. ---------- Common
(Pierce, Carrison, Wulbern, Inc.) 90,000 shares

Industrial Development Bank of Israel Ltd. ---------- Units
(Brager & Co.) 1,500 units

Jamoco Air Conditioning Corp. ---------- Common
(Martin-Warren Co., Ltd.) $120,000

Jetronic Industries, Inc. ---------- Debentures
(Weil & Co.) $375,000

National Union Life Insurance Co. of Pittsburgh ---------- Capital
(Offering to stockholders of National Union Fire Insurance Co.—No underwriting) $1,500,000

Nebraska Consolidated Mills Co. ---------- Debentures
(First Nebraska Securities Corp.) $3,000,000

Orbit Stores, Inc. ---------- Common
(Norton, Fox & Co., Inc.) 100,000 shares

Roadcraft Corp. ---------- Common
(Vickers, MacPherson & Warwick Inc.) 400,000 shares

Servotronics, Inc. ---------- Capital
(General Securities Co., Inc.) $375,000

Tabach Industries, Inc. ---------- Common
(Costello, Russotto & Co.) $250,000

**October 30 (Tuesday)**

Prosperity Cleaners & Laundries, Inc. ---------- Common
(Edwards & Hanly) 100,000 shares

Southern California Edison Co. ---------- Bonds
(Bids 8:30 a.m. PST) $50,000,000

Zero Mountain, Inc. ---------- Common
(Don D. Anderson & Co., Inc.) $300,000

**November 1 (Thursday)**

Columbia Gas System, Inc. ---------- Debentures
(Bids to be received) $20,000,000

Florida Power Corp. ---------- Preferred
(Kidder, Peabody & Co., Inc. and Merrill Lynch, Pierce, Fenner & Smith Inc.) 100,000 shares

Livestock Financial Corp. ---------- Common
(Shearson, Hammill & Co.) $1,300,000

Wisconsin Natural Gas Co. ---------- Bonds
(Bids to be received) $5,000,000

**November 7 (Wednesday)**

American Flag & Banner Co. of New Jersey ---------- Common
(K-Pac Securities Corp.) $325,000

Blue Magic Co. of Ohio, Inc. ---------- Common
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $400,000

Computer Concepts Inc. ---------- Common
(Doft & Co.) $500,000

Electronic Transmission Corp. ---------- Common
(V. S. Wickett & Co., Inc.; Thomas, Williams & Lee, Inc.; and Crosse & Co., Inc.) $375,000

Georgia Power Co. ---------- Bonds
(Bids 12:30 a.m. EST) $23,000,000

Georgia Power Co. ---------- Preferred
(Bids 11:30 a.m. EST) 70,000 shares

Jackson's/Byrons Enterprises, Inc. ---------- Class A
(Clayton Securities Corp.) 120,000 shares

Jackson's/Byrons Enterprises, Inc. ---------- Debentures
(Clayton Securities Corp.) $750,000

Kaiser-Nelson Corp. ---------- Common
(Robert L. Ferman & Co., Inc.) 140,000 shares

Norton Co. ---------- Common
(Paine, Webber, Jackson & Curtis and Goldman, Sachs & Co.) 425,000 shares

Putnam Management Co., Inc. ---------- Common
(Paine, Webber, Jackson & Curtis and Kidder, Peabody & Co., Inc.) 150,000 shares

Radar Relay, Inc. ---------- Common
(White, Weld & Co., Inc.) 100,000 shares

San Diego Imperial Corp. ---------- Common
(Blyth & Co., Inc.) 124,552 shares

Standard Security Life Insurance Co. of New York ---------- Common
(Ira Haupt & Co.) 230,000 shares

**November 8 (Thursday)**

West Penn Power Co. ---------- Bonds
(Bids 11 a.m. EST) $14,000,000

**November 13 (Tuesday)**

Gulf States Utilities Co. ---------- Bonds
(Bids to be received) $16,000,000

I. P. D. Financial Corp. ---------- Common
(J. J. LeCort Associates, Inc. and Harris, Clare & Co., Inc.) $1,200,000

Instromech Industries, Inc. ---------- Common
(Price Investing Co.) $300,000

Russell Mills, Inc. ---------- Common
(Hornblower & Weeks) 312,500 shares

**November 14 (Wednesday)**

Louisville & Nashville RR. ---------- Bonds
(Bids to be received) $25,000,000

**November 19 (Monday)**

First American Israel Mutual Fund ---------- Ben. Int.
(Paine, Webber, Jackson & Curtis) 2,750,000 shares

Jersey Central Power & Light Co. ---------- Bonds
(Bids 12 noon EST) $11,000,000

Optech, Inc. ---------- Common
(Stone, Ackerman & Co., Inc. and Heritage Equity Corp.) $300,000

**November 26 (Monday)**

Hunter Engineering Co. ---------- Units
(Eastman Dillon, Union Securities & Co.) 100,000 units

Interworld Film Distributors, Inc. ---------- Common
(General Securities Co., Inc. and S. Kasdan & Co., Inc.) $425,000

Pacific Power & Light Co. ---------- Bonds
(Bids 11 a.m. EST) $32,000,000

**November 27 (Tuesday)**

Pacific Gas & Electric Co. ---------- Bonds
(Bids to be received) $65,000,000

**November 28 (Wednesday)**

Southern Electric Generating Co. ---------- Bonds
(Bids to be received) $6,500,000

**December 3 (Monday)**

Metropolitan Edison Co. ---------- Bonds
(Bids to be received) $15,000,000

**December 4 (Tuesday)**

New England Power Co. ---------- Bonds
(Bids 11 a.m. EST) $12,000,000

New England Power Co. ---------- Preferred
(Bids 12 noon EST) $10,000,000

**December 5 (Wednesday)**

Montana-Dakota Utilities Co. ---------- Bonds
(Bids to be received) $12,000,000

**December 11 (Tuesday)**

Southern New England Telephone Co. ---------- Debens.
(Bids to be received) $45,000,000

*Continued from page 35*

of farm equipment. **Proceeds**—For new plant, an acquisition, debt repayment and working capital. **Address**—Kaukauna, Wis. **Underwriter**—Loewi & Co. Inc., Milwaukee. **Offering**—Imminent.

**Bank "Adanim" Mortgages & Loan Ltd.**
Dec. 29, 1961 filed $556,000 of 6% cumulative preference dividend participating dollar-linked shares. **Price**—By amendment. **Business**—A mortgage lending company. **Proceeds**—For general corporate purposes. **Address**—108 Achad Haam St., Tel-Aviv, Israel. **Underwriter**—Adanim American Israel Investment Co., Inc.

**Bank Leumi Le-Israel B. M.**
June 22, 1962 filed 1,050,000 ordinary shares and 3,190,000 "A" ordinary shares. **Price**—By amendment (max. 75c). **Business**—A general banking business. **Proceeds**—For general corporate purposes. **Office** — Tel-Aviv, Israel. **Underwriter**—None. **Note**—This company formerly was carried under the name National Bank of Israel Ltd.

**Barker Bros. Corp.**
March 15, 1962 filed 200,000 common. **Price**—By amendment (approx. $12). **Business**—Merchandising of home, commercial and institutional furnishings. **Proceeds**—For expansion and debt repayment. **Office**—818 W. Seventh St., Los Angeles. **Underwriter**—William R. Staats & Co., Los Angeles. **Offering**—Postponed.

**Basic Properties, Inc.**
June 29, 1962 filed 400,000 class A common. **Price**—By amendment (max. $12). **Business**—Real estate investment. **Proceeds**—For debt repayment, acquisition of a building and other corporate purposes. **Office**—521 Fifth Ave., N. Y. **Underwriter**—Hornblower & Weeks, N. Y.

**Bene Cosmetics, Inc.**
March 2, 1962 ("Reg. A") 100,000 common. **Price** — $3. **Business**—Importation, sale and distribution of Italian cosmetics. **Proceeds** — For advertising, inventory and working capital. **Office**—114 W. 13th St., N. Y. **Underwriter**—Granite Securities, Inc., N. Y.

**Birtcher Corp.**
Sept. 21, 1962 filed 288,476 capital shares to be offered for subscription by stockholders on the basis of one new share for each three held. **Price**—By amendment (max. $5). **Business**—Manufacture of electrotherapeutic, electronic surgical, diagnostic and monitoring equipment. **Proceeds**—For debt repayment, machinery and working capital. **Office**—4371 Valley Blvd., Los Angeles. **Underwriter**—None.

**Blue Magic Co. of Ohio, Inc. (11/7-9)**
July 16, 1962 filed 100,000 common. **Price**—$4. **Business**—Manufacture of liquid starch, a rinse, and spray starch for household use. **Proceeds**—For equipment, plant expansion and working capital. **Office**—901 Florence Ave., Lima, Ohio. **Underwriter**—Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia.

**Brinkmann Instruments, Inc.**
March 26, 1962 filed 100,000 common, of which 77,420 shares are to be offered by the company and 22,580 shares by stockholders. **Price** — By amendment (max. $7.75). **Business** — Importing and distribution of scientific instruments. **Proceeds**—For research and development, equipment, debt repayment and other corporate purposes. **Office**—115 Cutter Mill Rd., Great Neck, N. Y. **Underwriter**—D. B. Marron & Co., N. Y.

**Bruce (Michael) Distributors, Inc.**
March 29, 1962 filed $400,000 of convertible debentures and 28,000 common shares to be offered in units, each consisting of a $500 debenture and 35 shares. **Price**—$675 per unit. **Business**—Operation of self-service discount department stores. **Proceeds**—To retire outstanding debentures, and for working capital. **Office**—1101 Albany Ave., Hartford, Conn. **Underwriter**—Gianis & Co., Inc., New York. **Offering**—Imminent.

**Buddy L. Corp.**
April 2, 1962 filed 225,000 common. **Price** — By amendment (max. $10). **Business** — Design, manufacture and sale of various type toys. **Proceeds**—For a proposed acquisition of another toy company. **Office**—200 Fifth Ave., N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., N. Y. **Offering**—Temporarily postponed.

**Cable Carriers, Inc.**
June 22, 1962 filed 1,015,564 capital shares to be offered for subscription by stockholders on the basis of four new shares for each share held on Feb. 14, 1962. **Price**—25 cents. **Business**—Manufacture and sale of overhead trolley conveyers, vertical tray lift systems, floor and overhead tow systems, etc. **Proceeds**—For working capital. **Office** — Kirk Blvd., Greenville, S. C. **Underwriter**—None.

**Caldwell Publishing Corp.**
June 13, 1962 filed 100,000 common. **Price**—$3.50. **Business**—Company plans to publish classics. **Proceeds**—For general corporate purposes. **Office**—339 W. 51st St., N. Y. **Underwriter**—S. B. Cantor Co., N. Y.

**California Life Insurance Co.**
Aug. 16, 1962 filed 350,000 common. **Price**—By amendment (max. $6). **Business**—Writing of life, accident and health insurance. **Proceeds**—For general corporate purposes. **Office**—4400 MacArthur Blvd., Oakland. **Underwriter**—Stewart, Eubanks, Meyerson & Co., San Francisco.

**Cambridge Fund of California, Inc.**
Sept. 28, 1961 filed 280,000 common. **Price**—By amendment. **Business**—General real estate. **Proceeds**—Debt repayment and working capital. **Office**—324 E. Bixby Rd., Long Beach, Calif. **Underwriter**—To be named.

**Cambridge Mills Inc.**
July 27, 1962 filed 110,000 common. **Price**—$3.50. **Business**—Design and manufacture of infants' nylon "stretch" wear. **Proceeds**—For debt repayment, working capital and general corporate purposes. **Office**—725 Broadway, N. Y. **Underwriter**—Alskor Securities Co., N. Y.

● **Cameo Lingerie, Inc. (10/22-26)**
Feb. 12, 1962 filed 200,000 common, of which 120,000 are to be offered by the company and 80,000 by stockholders. **Price**—$5. **Business**—Manufactuer of women's and children's tailored panties. **Proceeds**—For debt repayment, inventory and working capital. **Office**—Fajardo, Puerto Rico. **Underwriter** — Schweickart & Co., N. Y.

**Cameron Iron Works, Inc. (10/23)**
Sept. 14, 1962 filed 280,000 common. **Price**—By amendment (max. $21.50). **Business**—Manufacture of equipment used in the petroleum and processing industries. Company also makes forged metal products used in the aviation, missile and atomic industries. **Proceeds**—For selling stockholders. **Address**—P. O. Box 1212, Houston, Texas. **Underwriters**—White, Weld & Co., Inc., and Lehman Brothers, N. Y.

**Canaveral Hills Enterprises, Inc.**
May 10, 1962 filed 100,000 common. **Price**—$5. **Business**—Company was formed to own and operate a country club and golf course, swimming pool and cabana club, near Cape Canaveral, Fla., and develop real estate, erect homes, apartment houses, motels, etc. **Proceeds**—For debt repayment and expansion. **Office**—309 Ainsley Bldg., Miami, Fla. **Underwriter**—Willis E. Burnside & Co., Inc., N. Y.

**Capital Investments, Inc.**
May 21, 1962 filed 86,370 common to be offered for subscription by stockholders on the basis of one new share for each two shares held. **Price**—By amendment (max. $10). **Business**—A small business investment company. **Proceeds**—For debt repayment and investment. **Office**—743 N. Fourth St., Milwaukee. **Underwriters**—Marshall Co., and Loewi & Co., Inc., Milwaukee. **Offering**—Temporarily postponed.

**Capital Management Corp.**
Dec. 27, 1961 ("Reg. A") 60,000 common. **Price**—$5. **Business** — An investment company which will hold mortgages, land contracts, etc. **Proceeds** — For investment. **Office**—44 E. Indian School Rd., Scottsdale, Ariz. **Underwriter** — Pacific Underwriters, Inc., Scottsdale, Ariz. **Note**—The SEC has issued an order temporarily suspending this issue.

**Career Academy, Inc.**
June 29, 1962 filed 100,000 common. **Price**—By amendment (max. $3.25). **Business** — Operation of technical schools. **Proceeds**—For debt repayment, expansion and general corporate purposes. **Office**—135 W. Wells St., Milwaukee. **Underwriter**—Divine & Fishman, Chicago.

**Cedar Lake Public Service Corp.**
March 20, 1962 filed 9,964 common. **Price**—$100. **Business** — Company plans to qualify as a public utility and furnish water and sewage disposal services in and around Cedar Lake, Ind. **Proceeds** — To construct a sewage disposal system. **Address** — R.R. N. 3, Box 28, Cedar Lake, Ind. **Underwriter**—None.

**Centco Industries Corp.**
April 30, 1962 filed 120,000 common. **Price**—$5. **Business**—Manufacture of plastic and rubber film laminates, a line of casting, laminating and embossing machinery. **Proceeds**—For new products, debt repayment, inventories and working capital. **Office**—11-17 Clintonville St., Whitestone, N. Y. **Underwriter**—Arnold Malkan & Co., Inc., New York.

**Center Star Gold Mines, Inc.**
April 10, 1962 ("Reg. A") 1,200,000 common. **Price**—25¢. **Business**—For exploration, development and production of mineral deposits. **Proceeds** — For mining expenses. **Address**—Box 469, Wallace, Idaho. **Underwriters**—Pennaluna & Co. and Standard Securities, Inc., Spokane, Wash.

**Central Mutual Fund, Inc.**
Aug. 20, 1962 filed 100,000 capital shares. **Price**—Net asset value (max. $14) plus a 2% sales commission. **Business**—A mutual fund specializing in life insurance stocks. **Proceeds**—For investment. **Office**—110 North East St., Jacksonville, Ill. **Underwriter**—CN Agency, Inc., same address.

**Certified Capital Corp.**
Aug. 2, 1962 filed $200,000 of 8% registered subord. debentures due 1965 and $400,000 of 8% debentures due 1967 (with attached warrants). **Price**—At par. **Business**—Commercial and industrial financing. **Proceeds**—For general corporate purposes. **Office**—165 Broadway, N. Y. **Underwriter**—None.

**Chemical Coating Corp.**
June 29, 1962 filed 70,000 common. **Price**—$5. **Business**—Company plans to operate a painting contracting business and manufacture paints. **Proceeds**—For general corporate purposes. **Office**—Santurce, P. R. **Underwriter**—Arnold Malkan Investment Growth of Puerto Rico, Inc., Santurce, P. R.

● **Chestnut Hill Industries, Inc. (10/29-11/2)**
Nov. 29, 1961 filed 300,000 class A common, of which 225,000 are to be offered by the company and 75,000 by stockholders. **Price**—$7.50. **Business**—Design and manufacture of women's, misses' and junior sportswear, coordinates, and dresses. **Proceeds**—For debt repayment, equipment and working capital. **Office**—2025 McKinley St., Hollywood, Fla. **Underwriter** — Clayton Securities Corp., Boston, Mass.

**Child Guidance Toys, Inc.**
May 23, 1962 filed 100,000 common, of which 70,000 are to be offered by company and 30,000 by stockholders. **Price**—By amendment (max. $12.50). **Business**—Design, manufacture and sale of plastic educational toys. **Proceeds**—For working capital. **Office**—1125 Close Ave., Bronx, N. Y. **Underwriter**—J. R. Williston & Beane, New York.

**Church Builders, Inc.**
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—$5.50 per share. **Business**—A closed-end diversified management investment company. **Proceeds**—For investment. **Office**—501 Bailey Ave., Fort Worth, Texas. **Distributor**—Associates Management, Inc., Fort Worth.

**Clark Semiconductor Corp.**
Aug. 22, 1962 filed $153,045 of 5% subord. debentures due 1967 and 166,500 common shares to be offered in units of $170.05 of debentures and 185 shares. **Price**—$220 per unit. **Business**—Production of very high frequency power transistors. **Proceeds**—For debt repayment and other corporate purposes. **Office** — Walnut Ave., Clark, N. J. **Underwriter**—None.

**Coastal Chemical Corp.**
Sept. 24, 1962 filed 40,000 class A, 39,239 outstanding class C, and 20,000 class D shares. **Price**—$35. **Business**—Manufacture of anhydrous ammonia and other fertilizer materials and components. **Proceeds**—For working capital. Mississippi Chemical Corp., parent, will receive the proceeds from the sale of the class C stock. **Address**—Yazoo City, Miss. **Underwriter**—Mississippi Chemical Corp., Yazoo City, Miss., will act as underwriter for the stock.

● **College Publishing Corp. (10/29-11/2)**
March 16, 1962 ("Reg. A") 155,000 common. **Price**—$1. **Business**—Composition, publication and distribution of study manuals for examination preparation. **Proceeds**—For equipment, expansion and other corporate purposes. **Office**—142 Livingston St., Brooklyn, N. Y. **Underwriter**—James & Co., New York.

● **Collins Radio Co. (10/17)**
Sept. 21, 1962 filed 557,515 common shares to be offered for subscription by common stockholders on the basis of one new share for each four held. **Price**—By amendment (max. $26). **Business**—Design, development and manufacture of specialized radio communication equipment and aircraft and flight control devices. **Proceeds**—To reduce bank loans. **Office**—5225 "C" Ave., N. E., Cedar Rapids, Iowa. **Underwriters**—Kidder, Peabody & Co., Inc., and White, Weld & Co., Inc., N. Y.

**Colonial Board Co.**
March 28, 1962 filed 164,000 common, of which 115,000 are to be offered by the company and 49,000 by stockholders. **Price**—By amendment (max. $15). **Business**—Manufacture of shoeboard and boxboard. **Proceeds**—For expansion, equipment and debt repayment. **Office**—615 Parker St., Manchester, Conn. **Underwriter**—Putnam & Co., Hartford, Conn.

**Colorado Imperial Mining Co.**
Sept. 20, 1962 filed 200,000 common. **Price**—$1. **Business**—General mining. **Proceeds**—For exploration and operating expenses. **Office**—Creede, Colo. **Underwriter**—None.

**Columbia Bancorporation**
Feb. 23, 1962 filed $30,000,000 of convertible subordinated debentures due 1987 and 1,500,000 common to be offered in units of one $20 debenture and one share. **Price**—By amendment. **Business**—A bank holding company recently formed to acquire stock of First Western Bank & Trust Co., Los Angeles. **Proceeds**—For acquisition of First Western stock, and working capital. **Office**—1000 Vermont Ave., N. W., Washington, D. C. **Underwriters**—Bear, Stearns & Co., and Allen & Co., N. Y. **Note**—This registration will be withdrawn.

**Columbia Gas System, Inc. (11/1)**
Sept. 24, 1962 filed $30,000,000 of debentures due 1987. **Proceeds**—For construction programs of susbidiaries. **Office**—120 E. 41st St., N. Y. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Morgan Stanley & Co.-First Boston Corp. (jointly); Halsey, Stuart & Co. Inc. **Bids**—Expected Nov. 1.

**Columbia Realty Trust**
June 18, 1962 filed 420,000 class A shares of beneficial interest. **Price**—$10. **Business**—A real estate investment company. **Proceeds**—For debt repayment and investment. **Office**—1415 K St., N. W., Washington, D. C. **Underwriter** — Norman Bernstein Securities, Inc., (same address).

**Commercial Trust Co.**
May 16, 1962 filed 150,000 common. **Price** — By amendment (max. $13). **Business**—Acquisition or administration of mortgage loans for institutional investors. Company also is engaged in the consumer loan business and acts as an insurance agent or broker in connection therewith. **Proceeds**—For debt repayment. **Office**—66 Pryor St., N. E., Atlanta. **Underwriters**—F. S. Moseley & Co., Boston and Courts & Co., Atlanta.

**Computer Concepts Inc. (11/7-9)**
Dec. 29, 1961 filed 100,000 class A common. **Price** — $5. **Business**—Development and sale of advanced programming systems, for solution of business problems by the use of digital computers. **Proceeds** — For general corporate purposes. **Office**—1012 14th St., N. W., Washington, D. C. **Underwriter**—Doft & Co., N. Y.

**Computer Control Co., Inc.**
Jan. 24, 1962 filed 157,500 common, of which 62,500 are to be offered by the company and 95,000 by stockholders. **Price**—By amendment. **Business**—Design and manufacture of digital equipment. **Proceeds**—For debt repayment. **Office**—983 Concord St., Framingham, Mass. **Underwriter**—Kidder, Peabody & Co., N. Y. **Offering**—Indefinitely postponed.

**Concord Products, Inc.**
Nov. 28, 1961 filed 120,000 common (with attached 3-year warrants to purchase an additional 60,000 shares at $2 per share) to be offered in units of one share and one-half warrant. **Price**—$2 per unit. **Business**—Manufacture of cosmetics, toiletries, cleaning chemicals, jewelery, etc. **Proceeds** — For general corporate purposes.

Office — 525-535 E. 137th St., New York City. **Underwriter**—M. G. Davis, 150 Broadway, N. Y.

**Concrete Structures, Inc.**
July 27, 1962 filed 100,000 common. **Price**—$4.50. **Business**—Production of precast and prestressed concrete items for the construction industry. **Proceeds**—For debt repayment. **Office**—12825 North East 14th Ave., North Miami, Fla. **Underwriter**—Bernard M. Kahn & Co., Inc., New York.

**Conso Products, Inc.**
Sept. 27, 1962 filed 125,000 common. **Price**—By amendment (max. $10). **Business**—Manufacture of home furnishing trimmings and accessories. **Proceeds**—For machinery and working capital. **Office**—27 W. 23d St., N. Y. **Underwriter**—H. Hentz & Co., N. Y.

**Consolidated Leasing Corp. of America (10/22-26)**
April 27, 1962 filed $1,000,000 of 6½% subord. debentures due 1977 (with warrants), and 99,000 common. **Price**—For debentures, at par; for stock, by amendment (max. $9). **Business**—Renting of cars, trucks and equipment. **Proceeds**—For debt repayment, an acquisition and other corporate purposes. **Office** — 1012 Baltimore Ave., Kansas City, Mo. **Underwriter**—Blair & Co., N. Y.

**Consolidated Vending Corp.**
April 2, 1962 filed 70,000 common. **Price**—$5.75. **Business**—Operation of vending machines. **Proceeds**—For debt repayment, working capital and other corporate purposes. **Office**—129 S. State St., Dover, Del. **Underwriter**—Dana Securities Co., Inc., N. Y.

**Consumers Mart of America, Inc.**
Jan. 8, 1962 filed 72,000 common. **Price**—By amendment. **Business**—Operation of discount department stores. **Proceeds**—For expansion and working capital. **Office**—4701 N. Harlem Ave., Chicago. **Underwriters** — Rittmaster Voisin & Co., N. Y. and Midland Securities Co., Inc., Kansas City, Mo.

**Contact Lens Guild, Inc.**
Sept. 19, 1962 ("Reg. A") 75,000 class "A" common. **Price**—$4. **Business**—Manufacture and sale of a patented contact lens. **Proceeds**—For moving expenses, research, inventory, advertising and working capital. **Office**—360 Main St. E., Rochester, N. Y. **Underwriter**—John J. DeGolger Co., Inc., Rochester, N. Y.

**ControlDyne, Inc.**
Oct. 24, 1961 filed 150,000 common. **Price**—$1.15. **Business**—Development and production of electronic testing and training devices. **Proceeds** — For expansion and working capital. **Office**—9340 James Ave., S., Minneapolis. **Underwriter**—To be named. **Note**—This firm formerly was named Control Dynamics, Inc. **Offering**—Indefinitely postponed.

**Corporate Funding Corp.**
April 26, 1962 ("Reg. A") 75,000 class A common. **Price** $4. **Business** — A financial investment and holding company. **Proceeds**—For expansion and working capital. **Office**—39 Broadway, N. Y. **Underwriter**—R. F. Dowd & Co., Inc., N. Y. **Offering**—Indefinitely postponed.

**Cosnat Corp. (10/22-26)**
May 26, 1962 filed $1,250,000 of 6% convertible subordinated debentures due 1977. **Price**—At par. **Business**—The manufacture and distribution of phonograph records. **Proceeds** — For the repayment of debt, and working capital. **Office**—315 W. 47th St., N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y. **Note**—This firm was known formerly as the Cosnat Record Distributing Corp.

**Country Set Inc.**
Mar. 2, 1962 filed 150,000 common. **Price**—By amendment (max. $8). **Business**—Design and manufacture of sports and casual wear for girls and women. **Proceeds**—For selling stockholders. **Office** — 1136 Washington Ave., St. Louis. **Underwriter**—Goodbody & Co., N. Y. **Offering**—Temporarily postponed.

**Creative Ventures Corp.**
May 28, 1962 filed 150,000 common and warrants to purchase 30,000 additional shares, to be offered in units of one share and one warrant. **Price**—$2.25 per unit. **Business**—A corporate guidance and interim financing concern. Company may also act as a broker-dealer and underwriter. **Proceeds**—For investment. **Office**—733 Third Ave., N. Y. **Underwriter**—Hampstead Investing Corp., New York.

**Credit Department, Inc.**
Jan. 26, 1962 filed $1,200,320 of 7% conv. subord. debentures due 1974 and 54,560 common shares to be offered in 2,728 units, each consisting of $440 of debentures and 20 common shares. **Price**—$550 per unit. **Business**—A consumer sales finance company. **Proceeds**—For debt repayment. **Office**—1775 Broadway, N. Y. **Underwriter** — Bernard M. Kahn & Co., Inc., N. Y.

**Crownco**
Mar. 26, 1962 filed 115,000 common. **Price**—$4 **Business**—Design, sale, fabrication and installation of acoustical ceilings. **Proceeds**—For debt repayment and expansion. **Office**—1925 Euclid Ave., San Diego. **Underwriter** — R. J. Henderson & Co., Los Angeles.

**D. C. Transit Systems, Inc.**
April 30, 1962 filed $6,250,000 of 6½% conv. subord. debentures due 1977 and five-year warrants to purchase an aggregate of 187,500 class A shares, to be offered for subscription by holders of class A and class B stock in units consisting of $100 of debentures and three warrants. **Price**—$100 per unit. **Business**—Operation of a public transit system in Washington, D. C.; a new subsidiary to construct housing projects in Washington, D. C. **Proceeds**—For construction and general corporate purposes. **Office**—3600 M St., N. W., Washington, D. C. **Underwriter**—None.

**Data Systems Devices of Boston, Inc.**
April 26, 1962 filed 200,000 common. **Price**—$5. **Business**—Company plans to design, develop and produce electronic and electro-mechanical devices, including printers for electronic computers. **Proceeds**—For product development, new plant and equipment and working capital. **Office**—342 Western Ave., Boston. **Underwriter**—Schmidt, Sharp, McCabe & Co., Inc., Denver.

**Data-Vend Corp.**
Sept. 28, 1962 filed 125,000 common. **Price**—$4. **Business**—Company plans to acquire and operate enterprises in the publishing, communications and related fields. **Proceeds**—For expansion and working capital. **Office**—369 E. 149th St., N. Y. **Underwriter**—Dynamic Planning Corp., N. Y.

**• Decorel Corp.**
**Dec. 29, 1961 filed 120,000 common, of which 90,000 are to be offered by the public and 30,000 by a stockholder. Price—By amendment. Business—Production and sale of wood and metal framed pictures, wood utility frames, etc. Proceeds—For debt repayment, inventory, and working capital. Office—444 Courtland St., Mundelein, Ill. Underwriter**—To be named. **Note**—This registration was withdrawn.

**Delta Bowling Corp.**
Sept. 28, 1962 filed 100,000 common, of which 50,000 shares are to be offered by company and 50,000 by stockholders. **Price**—$3. **Business**—Leasing and operating of bowling centers. **Proceeds**—For expansion, equipment and working capital. **Office**—230 Park Ave., N. Y. **Underwriter**—Provost Securities, Inc., N. Y.

**• Deuterium Corp.**
Sept. 28, 1962 filed 120,000 common with attached warrants to purchase an additional 120,000 shares to be offered for subscription by holders of its stock and debentures in units (of one share and one warrant) on the basis of 3 units for each 5% prior preferred share held, 2 units for each 5% preferred A stock held and 40 units for each $1,200 face amount of non-interest bearing subordinated debentures held. At the same time, the company will offer the securities to the public. **Price**—To subscribers, $20; to public, $22.25. **Business**—Company plans to erect a small size production and experimental plant for the limited manufacture of deuterium and deuterium oxide, and to establish and equip a general research laboratory. **Proceeds**—For working capital, construction, equipment and other corporate purposes. **Office**—360 Lexington Ave., N. Y. **Underwriter**—None.

**Diamond Dust Co., Inc.**
Feb. 27, 1962 filed 102,000 common. **Price**—$3. **Business**—Production of graded diamond powder and compound. **Proceeds**—For debt repayment, additional personnel, advertising and working caiptal. **Office**—77 Searing Ave., Mineola, N. Y. **Underwriter**—Magnus & Co., N. Y. **Offering**—Indefinitely postponed.

**Diamond Mills Corp.**
Jan. 23, 1962 filed 200,000 common, of which 120,000 are to be offered by the company and 80,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of women's nylon hosiery. **Proceeds**—For debt repayment and working capital. **Office**—417 Fifth Ave., N. Y. **Underwriter**—Drexel & Co., Philadelphia. **Offering**—Indefinitely postponed.

**Diversified Collateral Corp.**
June 13, 1962 filed 77,050 common. **Price**—By amendment (max. $11.75). **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—8397 N. E. Second Ave., Miami, Fla. **Underwriter**—Karen Securities Corp., N. Y.

**Diversified Real Estate Trust**
March 8, 1962 filed 1,000,000 shares of beneficial interest. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—500 Fifth Ave., N. Y. **Underwriter**—Bacon, Johnson Realty Management Co., Inc., (same address). **Offering**—Expected in Nov.

**Diversified Realty Investors**
June 28, 1962 filed 1,900,000 certificates of interest. **Price**—$1 per interest. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—19 E. First South, Salt Lake City. **Underwriter**—Realty Securities, Inc., Salt Lake City.

**Dixie Lime & Stone Co.**
Sept. 27, 1962 filed 100,000 common. **Price**—By amendment (max. $6.75). **Business**—Mining and processing of crushed granite, lime rock, and agricultural limestone. **Proceeds**—For loan repayment, and working capital. **Office**—11 N. Main St., Ocala, Fla. **Underwriter**—Courts & Co., Atlanta, Ga.

**Doman Helicopters, Inc.**
April 19, 1962 filed 418,680 common to be offered for subscription by stockholders on the basis of two new shares for each three held. **Price**—By amendment (max. $1.25). **Business**—Research, development and construction of experimental helicopters. **Proceeds**—To obtain certification of models, train service personnel, repay debt, etc. **Address**—Municipal Airport, Danbury, Conn. **Underwriter**—None.

**Donmoor-Isaacson, Inc.**
Feb. 26, 1962 filed 150,000 common, of which 50,000 are to be offered by the company and 100,000 by stockholders. **Price**—By amendment (max. $12). **Business**—Design and manufacture of boys knit shirts, sweaters, and pajamas. **Proceeds**—For working capital. **Office**—1115 Broadway, N. Y. **Underwriter**—Goodbody & Co., N. Y. **Note**—This offering has been temporarily postponed.

**• Duro-Test Corp. (10/15-19)**
Sept. 19, 1962 filed $3,500,000 of subord. debentures (series A), due 1982, and 15-year warrants to purchase 210,000 common shares, to be offered in units consisting of $1,000 of debentures and an attached warrant to purchase 60 shares. **Price**—By amendment. **Business**—Manufacture of incandescent, fluorescent and mercury vapor lamps. **Proceeds**—For working capital. **Office**—2321 Hudson Blvd., North Bergen, N. J. **Underwriter**—Auchincloss, Parker & Redpath, 2 Broadway, N. Y.

**Dyna Mfg. Co. (10/17)**
April 2, 1962 ("Reg. A") 60,000 common of which 40,000 will be sold by company and 20,000 by stockholders. **Price**—$5. **Business**—Manufacture, installation and sale of kitchen ventilating hoods and exhaust fans. **Proceeds**—Expansion, new products and working capital. **Office**—4865 Exposition Blvd., Los Angeles. **Underwriter**—Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif.

**Dynamic L. P. Industries, Inc.**
June 21, 1962 filed 75,000 common. **Price**—$4. **Business**—manufacturing, labeling and packaging of long playing stereophonic and monaural phonograph records for label record companies. **Proceeds**—For equipment and working capital. **Office** — 900 Passaic Ave., East Newark, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York.

**Dynapower Systems Corp.**
Sept. 28, 1962 filed 750,000 common. **Price**—$1. **Business**—Manufacture of electro-mechanical vehicles and electronic devices for medical and marine purposes. **Proceeds**—For working capital, equipment and debt repayment. **Office**—2222 S. Centinela Ave., Los Angeles. **Underwriter**—None.

**Electro-Nucleonics, Inc.**
Sept. 24, 1962 ("Reg. A") 29,525 common. **Price**—$5. **Business**—Research and development toward improvement of gas centrifuge technology for separation of isotope and gaseous materials. **Proceeds**—For equipment, expansion, research and working capital. **Office**—368 Passaic Ave., Caldwell, N. J. **Underwriter** — Richard Bruce & Co. Inc., N. Y.

**Eastern Camera & Photo Corp.**
March 28 1962 filed $500,000 of 6% conv. subord. debentures due 1972 and 50,000 common shares (of which 25,000 will be sold by the company and 25,000 by stockholders). The securities are to be offered in units of one $100 debenture and 10 shares. **Price**—By amendment. **Business**—Operation of retail camera stores and department store concessions. Company also processes black and white film and repairs photographic equipment. **Proceeds**—For debt repayment and working capital. **Office**—68 W. Columbia St., Hempstead, N. Y. **Underwriters**—Edwards & Hanley, Hempstead, L. I., and Street & Co., Inc., N. Y. **Offering**—Indefinitely postponed.

**• Eastern Pennsylvania Investment Co.**
March 16, 1962 filed 450,000 common. **Price**—By amendment (max. $16). **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office** — 3 Penn Center Plaza, Philadelhia. **Underwriters**—Drexel & Co., Philadelphia and Kidder, Peabody & Co., N. Y.

**Econo-Car International, Inc.**
July 27, 1962 filed 100,000 class A common. **Price**—$4. **Business**—Rental of automobiles, station wagons, and trucks. **Proceeds**—For equipment, new franchises, and working capital. **Office**—520 Westfield Ave., Elizabeth, N. J. **Underwriter**—Crosse & Co. Inc., N. Y.

**Econ-O-Pay, Inc.**
Oct. 26, 1961 filed 1,000,000 common. **Price**—$3. **Business**—A dealer recourse finance business. **Proceeds** General corporate purposes. **Office**—164 E. Main St., Valley City, N. D. **Underwriter**—Reserve Funds, Inc., Valley City, N. D.

**Electronic Transmission Corp. (11/7-9)**
March 22, 1962 filed 125,000 common. **Price**—$3. **Business**—Manufacture and distribution of components for background music; design, construction and installation of specialized closed circuit TV system. **Proceeds**—For debt repayment, expansion, sales promotion and working capital. **Office** — 103 E. Hawthorne Ave., Valley Stream, N. Y. **Underwriters**—V. S. Wickett & Co., Inc., Thomas, Williams & Lee, Inc., and Crosse & Co., Inc., New York.

**Equity Annuity Life Insurance Co.**
Aug. 21, 1962 filed 150,000 common to be offered for subscription by stockholders on a pro rata basis. **Price**—$7. **Business**—Sale of individual life insurance, pension trust and group variable annuity contracts. **Proceeds**—For expansion and capital funds. **Office** — 2480 16th St., N. W., Washington, D. C. **Underwriter**—None.

**Equity Funding Corp. of America**
March 29, 1962 filed 240,000 common. **Price**—By amendment (max. $6.50). **Business**—A holding company for firms selling life insurance and mutual funds. **Proceeds**—For new sales offices, advances to subsidiaries and working capital. **Office**—5150 Wilshire Blvd., Los Angeles. **Underwriter**—Wisconsin-Continental, Inc., Milwaukee.

**• Ernst, Inc. (10/29-11/2)**
Aug. 21, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Manufacturing of men's ties. **Proceeds**—For debt repayment, new products, equipment and working capital. **Office**—712 Sansome St., San Francisco. **Underwriter**—Burr, Wilson & Co., Inc., San Francisco.

**Everbest Engineering Corp.**
April 2, 1962 filed 100,000 class A shares. **Price**—$2.40. **Business**—Manufacture and sale of long-lived electric lamps. **Proceeds**—New product development, inventories and working capital. **Office**—41 E. Twelfth St., N. Y. **Underwriter**—Planned Investing Corp., N. Y.

**Fabco Enterprises, Inc.**
Sept. 17, 1962 filed 83,500 common. **Price**—$4.50. **Business**—Operation of self-service retail shoe department in

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discount department stores and one retail store. **Proceeds**—For inventory, expansion, debt repayment, and working capital. **Office**—4906-08 Ave. D, Brooklyn, N. Y. **Underwriter**—Dynamic Planning Corp., 51 Broadway, New York.

**Fabco, Inc.**
July 20, 1962 ("Reg. A") 200,000 common. **Price**—$1.50. **Business**—Manufacture of insulated water closet tanks, fiberglass gravel stop and laundry tubs. **Proceeds**—For debt repayment, equipment, and working capital. **Address**—Stillwater, Minn. **Underwriter**—Pewters, Donnelly & Jansen, Inc., St. Paul.

**Falcon National Life Insurance Co.**
June 25, 1962 filed 300,000 common to be offered for subscription by stockholders on the basis of one new share for each three shares held. **Price**—$1.20. **Business**—Life insurance. **Proceeds** — For investments. **Office**—1330 Leyden St., Denver. **Underwriter**—None.

**Fastpak, Inc.**
Nov. 30, 1961 filed 125,000 common. **Price**—$5. **Business**—The distribution of nuts, bolts and other fastening devices manufactured by others. **Proceeds**—For debt repayment and general corporate purposes. **Office**—8 Benson Place, Freeport, N. Y. **Underwriter** — Arnold Malkan & Co., Inc., N. Y.

**Fidelity Mining Investments Ltd.**
Nov. 30, 1961 filed 800,000 common. **Price**—By amendment. **Business**—Exploration and testing of mining properties. **Proceeds**—For general corporate purposes. **Office**—62 Richmond St., Toronto. **Underwriter**—G. V. Kirby & Associates, Ltd., Toronto.

● **First American Israel Mutual Fund (11/19-21)**
Aug. 15, 1962 filed 2,750,000 shares of beneficial interest. **Price**—By amendment (max. $10). **Business**—A mutual fund which plans to invest primarily in equity type securities of Israeli companies. **Proceeds**—For investment. **Office**—141 Milk St., Boston. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston.

**First Connecticut Small Business Investment Co. (10/29-31)**
March 9, 1962 filed 200,000 common. **Price**—By amendment (max. $15). **Business**—A small business investment company. **Proceeds**—For investment. **Office**—955 Main St., Bridgeport, Conn. **Underwriter**—P. W. Brooks & Co., N. Y.

**First Income Realty Trust**
Nov. 9, 1961 filed 500,000 shares of beneficial interest. **Price**—(For the first 10,000 shares) $10.80 per share. (For the balance) Net asset value plus 8% commission. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—1613 Eye St., N. W., Washington, D. C. **Underwriter**—Sidney Z. Mensh Securities Co., Washington, D. C. **Note** — This company formerly was known as Perpetual Investment Trust.

**First New York Capital Fund, Inc.**
Oct. 27, 1961 filed 2,770,000 capital shares. **Price**—$1. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—1295 Northern Blvd., Manhasset, N. Y. **Underwriter**—None.

**Florida Bancgrowth, Inc.**
March 16, 1962 filed 200,000 common. **Price**—By amendment (max. $15). **Business**—An investment company specializing in bank stocks. **Proceeds**—For investment. **Office**—3356 Atlantic Blvd., Pompano Beach, Fla. **Underwriter**—Dempsey-Tegeler & Co., Inc., St. Louis. **Note** This offering was postponed.

**Florida Jai Alai, Inc.**
June 28, 1962 filed 400,000 common. **Price**—$5. **Business** — Operation of Jai Alai games and pari-mutuel betting. **Proceeds**—For rent, purchase of leased quarters, building improvements, working capital. **Office**—Fern Park, Fla. **Underwriter**—To be named.

**Floseal Corp.**
May 10, 1962 filed 169,420 common to be offered for subscription by stockholders. **Price**—By amendment (max. $2). **Business**—Company owns and licenses carton pouring spout patents and die patents. **Proceeds**—For debt repayment and other corporate purposes. **Office**—100 W. 10th St., Wilmington, Del. **Underwriter**—None.

**Food & Drug Research Laboratories, Inc.**
May 24, 1962 filed 107,500 common, of which 100,000 are to be offered by company and 7,500 by stockholders. **Price**—By amendment (max. $5). **Business**—Chemical and biological research and testing for the food, drug, cosmetics, chemical and related industries. **Proceeds**—For expansion, equipment and debt repayment. **Address**—Maurice Ave. at 58th St., Maspeth, N. Y. **Underwriters**—Maltz, Greenwald & Co. and Rittmaster, Voisin & Co., N. Y.

**Forst (Alex) & Sons, Inc.**
March 23, 1962 filed 100,000 common. **Price**—By amendment (max. $15). **Business**—Wholesale distribution of toys and games. **Proceeds**—For selling stockholders. **Office**—2885 Jerome Ave., Bronx, N. Y. **Underwriter**—McDonnell & Co., N. Y. **Offering**—Temporarily postponed.

**Four Star Sportswear, Inc.**
March 27, 1962 filed 103,000 common. **Price**—$3. **Business**—Design, manufacture and distribution of men's outerwear, sportswear and rainwear. **Proceeds**—For plant expansion, equipment and working capital. **Office**—665 Broadway, N. Y. **Underwriter**—Magnus & Co., Inc., New York.

● **Frederick's of Hollywood, Inc.**
March 26, 1962 filed 150,000 capital shares, of which 70,000 are to be offered by company and 80,000 by a stockholder. **Price**—$5. **Business**—Operation of a mail order business and a chain of women's apparel stores. **Proceeds**—For expansion and other corporate purposes. **Office**—6608 Hollywood Blvd., Los Angeles. **Underwriter**—To be named. **Note**—This registration was withdrawn.

**Fund Investments, Inc.**
June 28, 1962 filed 80,000 class B common. **Price**—$5. **Business**—Retailing of mutual fund shares. **Proceeds**—For working capital and debt repayment. **Office**—1301 E. Morehead St., Charlotte, N. C. **Underwriter**—None.

● **Gabriel Industries, Inc. (10/15-19)**
March 30, 1962 filed 100,000 class A common shares. **Price**—By amendment (max. $11). **Business**—Design, manufacture and distribution of toys and sporting goods. **Proceeds**—For debt repayment **Office**—184 Fifth Ave., N. Y. **Underwriter**—Hemphill, Noyes & Co., N. Y.

**Gamma Leather Goods Corp.**
June 29, 1962 filed 75,000 common and 75,000 five-year warrants to be offered in units consisting of one share and one warrant. **Price**—$4.75 per unit. **Business**—Design, manufacture and sale of ladies' handbags and related items. **Proceeds**—For a new plant, sales promotion and working capital. **Office**—288 Plymouth Ave., Fall River, Mass. **Underwriter**—Hampstead Investing Corp., New York.

**Garden State Small Business Investment Co.**
Oct. 27, 1961 filed 330,000 common. **Price**—$3. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—1180 Raymond Blvd., Newark, N. J. **Underwriter**—Godfrey, Hamilton, Taylor & Co., N. Y. **Offering**—Temporarily postponed.

**Garsite Products, Inc.**
July 13, 1962 ("Reg. A") 15,000 common. **Price**—$3.33. **Business**—Manufacture of machinery and equipment for the gasoline and oil marketing industries. **Proceeds**—For a selling stockholder. **Office**—4045 Merrick Rd., Seaford, L. I., N. Y. **Underwriter**—Theodore Arrin & Co., Inc., N. Y.

**Geigher Pipe Supply Inc.**
Sept. 28, 1962 filed 60,000 class A common, of which 50,000 are to be offered by company and 10,000 by stockholders. **Price**—$9.50. **Business**—Sale of steel pipes, valves and fittings. **Proceeds**—For inventory. **Office**—4124 N. Broadway, St. Louis. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

**General Design Corp.**
April 25, 1962 ("Reg. A") 65,000 common. **Price**—$3. **Business**—Design and development of new products for various industries. **Proceeds**—For debt repayment, equipment and working capital. **Office**—1252 W. Peachtree St., N. W., Atlanta, Ga. **Underwriter** — Robert M. Harris & Co., Inc., Philadelphia. **Note**—The SEC has issued an order temporarily suspending this issue.

**General Vitamin & Drug Corp.**
April 3, 1962 ("Reg. A") 78,000 common. **Price** — $2.75. **Business**—Sale of vitamins through department stores and mail order. **Proceeds** — For debt repayment, new products, sales promotion and working capital. **Office**—88 Cutter Mill Rd., Great Neck, L. I., N. Y. **Underwriter**—To be named.

**Gilfillan Corp.**
April 4, 1962 filed 254,000 common. **Price** — By amendment (max. $18). **Business**—Development and production of radar and other specialized electronic systems. **Proceeds**—For selling stockholders. **Office**—1815 Venice Blvd., Los Angeles. **Underwriter**—Blyth & Co., Inc., Los Angeles.

**Glasco Pacific, Inc.**
July 12, 1962 filed 250,000 class A and 250,000 common shares to be offered in units of one class A and one common share. **Price**—$5.05 per unit. **Business**—Company plans to manufacture flat glass mirrors and sliding wardrobe mirror doors and related products. **Proceeds**—For equipment, inventory and working capital. **Office**—1299 N. First Street, San Jose, Calif. **Underwriter**—Burr, Wilson & Co., Inc., San Francisco.

**Glen Ellen Corp.**
Sept. 6, 1962 filed $600,000 of 6% subord. income debentures due Jan. 1, 1983 and 24,000 common shares to be offered in units of one $1,000 debenture and 40 common shares. **Price**—$1,500 per unit. **Business**—Company plans to develop and operate a ski and recreational resort at Fayston, Vt. **Proceeds**—For construction. **Address**—Box 111, Waitsfield, Vt. **Underwriter**—None.

**Glensder Corp.**
March 23, 1962 filed 150,000 common, of which 60,000 are to be offered by the company and 90,000 by the company's parent, Glen Modes, Inc. **Price**—By amendment (max. $7). **Business**—Design, production and sale of women's fashion accessories, and sportswear. **Proceeds**—For general corporate purposes. **Office** — 417 Fifth Ave., N. Y. **Underwriter**—Sprayregen, Haft & Co., N. Y. **Offering**—Indefinitely postponed.

**Global Construction Devices, Inc.**
June 29, 1962 filed 100,000 common. **Price**—$10. **Business**—Manufacture, sale and lease of steel supports and beams used in construction. **Proceeds**—For debt repayment, expansion, research, and inventory. **Office**—545 Cedar Lane, Teaneck, N. J. **Underwriters**—Winslow, Cohu & Stetson and Laird, Bissell & Meeds, N. Y.

**Gold Leaf Pharmacal Co., Inc.**
March 13, 1962 filed 80,000 common. **Price**—$4. **Business**—Manufacture, development and sale of pharmaceutical and veterinarian products. **Proceeds**—For advertising, research, debt repayment and working capital. **Office**—36 Lawton St., New Rochelle, N. Y. **Underwriter**—Droulia & Co., N. Y.

**Good-Era Realty & Construction Corp.**
April 2, 1962 filed 550,000 class A shares. **Price**—$10. **Business**—Company plans to develop, operate, construct and manage real estate. **Proceeds**—For general corporate purposes. **Office**—151 N. Dean St., Englewood, N. J. **Underwriters**—Leiberbaum & Co. and Morris Cohon & Co., New York.

**Gotham Investment Corp.**
Nov. 21, 1961 filed 100,000 common. **Price**—$6. **Business**—Real estate investment. **Proceeds**—For working capital and other corporate purposes. **Office** — 1707 H St., N. W., Washington, D. C. **Underwriter**—Rouse, Brewer, Becker & Bryant, Inc., Washington, D. C.

**Gourmet Food Products, Inc.**
May 25, 1962 filed 28,113 common. **Price**—$3.50. **Business** — Growing, purchasing, distributing and selling whole potatoes and processing and selling of prepared potato products. **Proceeds**—For the selling stockholders. **Office**—915 Southeast 10th Ave., Portland, Ore. **Underwriter**—To be named.

● **Grand Bahama Development Co., Ltd.**
Jan. 23, 1962 filed 250,000 common. **Price** — By amendment. **Business**—Sale and development of land on Grand Bahama Island for residential and resort purposes. **Proceeds**—For general corporate purposes. **Office**—250 Park Ave., N. Y. **Underwriter**—Allen & Co., N. Y. **Note**—This registration was withdrawn.

**Great Continental Real Estate Investment Trust**
Aug. 3, 1961 filed 300,000 shares of beneficial interest. **Price**—$10. **Business**—Real estate. **Proceeds**—For investment. **Office**—530 St. Paul Place, Baltimore. **Underwriter**—To be named. **Note**—This firm formerly was known as Continental Real Estate Investment Trust.

**Great Eastern Insurance Co.**
April 13, 1962 filed 381,600 common. **Price**—By amendment (max. $5). **Business**—Company plans to write certain types of fire and casualty insurance. **Proceeds**—For general corporate purposes. **Office**—116 John St., N. Y. **Underwriters**—Emanuel, Deetjen & Co., and Zuckerman, Smith & Co., N. Y.

**Greater McCoy's Markets, Inc.**
June 28 1962 filed 219,150 class A common. **Price**—By amendment (max. $14). **Business**—Operation of 16 supermarkets in the Los Angeles area. **Proceeds**—For selling stockholders. **Office**—17602 Bellflower Blvd., Bellflower, Calif. **Underwriter**—Morris Cohon & Co., New York.

**Greenman Bros., Inc.**
April 25, 1962 filed 150,000 common, of which 75,000 are to be offered by company and 75,000 by stockholders. **Price**—$10. **Business**—Wholesale and retail distribution of toys, hobby lines and sporting equipment. **Proceeds**—For debt repayment, inventory and working capital. **Office**—35 Engel St., Hicksville, N. Y. **Underwriter**—J. R. Williston & Beane, N. Y.

**Gulf Atlantic Utilities, Inc. (10/29-11/2)**
July 30, 1962 filed 90,000 common. **Price**—By amendment (max. $10). **Business** — A management and operating company for subsidiaries which own water treatment and sewerage disposal plants, and water distribution and sewage collections systems. **Proceeds**—For debt repayment, expansion and working capital. **Office**—2738 Malinda Blvd., Jacksonville, Fla. **Underwriter**—Pierce, Carrison, Wulbern, Inc., Jacksonville.

**Hallandale Rock & Sand Co. (10/22-26)**
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, 8 common shares and one warrant. **Price**—$18 per unit. **Business**—Extraction, processing and sale of rock and sand. **Proceeds**—For a new plant and other corporate purposes. **Address**—Hallandale, Fla. **Underwriter**—Mutch, Khanbegian, Flynn & Green, Inc., 115 Broadway, N. Y.

● **Halo Lighting, Inc.**
Mar. 27, 1962 filed 300,000 common, of which 100,000 will be sold by the company and 200,000 by a stockholder. **Price**—By amendment. **Business**—Manufacture of recessed incandescent lighting fixtures. **Proceeds**—For general corporate purposes. **Office**—Chicago, Ill. **Underwriter**—R. W. Pressprich & Co., N. Y. **Note**—This registration was withdrawn.

**Harley Products, Inc.**
March 28, 1962 filed 75,000 common. **Price**—$4. **Business**—Design, production and distribution of belts and related products. **Proceeds**—For sales promotion, expansion, inventory, and debt repayment. **Office**—476 Broadway, N. Y. **Underwriter**—To be named.

**Harwyn Publishing Corp.**
Jan. 29, 1962 filed 300,000 class A common. **Price** — By amendment. **Business** — Publishes illustrated encyclopedic works for children and operates an advertising agency for sale of TV and radio spot time. **Proceeds**—For working capital. **Office**—170 Varick St., N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y. **Offering**—Indefinite.

**Hawaii Real Estate Investment Trust**
May 18, 1962 filed 1,000,000 shares of beneficial interest and eight-year stock purchase warrants to be offered in units consisting of one share and one warrant. **Price**—$10 per unit. **Business**—A real estate investment trust. **Proceeds**—For working capital. **Address**—Honolulu, Hawaii. **Underwriter**—White, Weld & Co., Inc., N. Y.

● **Hawaiian Electric Co., Ltd. (10/11)**
Aug. 23, 1962 filed 315,730 common to be offered for subscription by stockholders on the basis of one new share for each 10 shares held of record Oct. 11, 1962, with rights to expire Oct. 25. **Price** — By amendment. **Proceeds**—For expansion. **Office**—900 Richards St., Honolulu. **Underwriters**—Dillon, Read & Co., Inc., N. Y., and Dean Witter & Co., San Francisco.

**Heartland Development Corp.**
March 28, 1962 filed 23,300 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**—40 Beaver St., Albany, N. Y. **Underwriter**—None.

**Heck's Discount Centers, Inc.**
June 7, 1962 filed 125,000 common. **Price**—By amendment (max. $5). **Business**—Operation of discount stores. **Proceeds**—For inventory, expansion, debt repayment and working capital. **Office**—6400 MacCorkle Ave., S. W., St. Albans, W. Va. **Underwriter**—Willard Securities, Inc., New York. **Offering**—Expected in November.

**Hek Manufacturing Co., Inc.**
Aug. 7, 1962 ("Reg. A") 75,000 common, of which 69,000 shares are to be offered for the account of the company and 6,000 shares for the underwriter. **Price**—$2. **Business**—Manufacture of dental equipment. **Proceeds**—For debt repayment, advetrising, research and development and working capital. **Office**—2176 Palou, San Francisco. **Underwriter**—L. H. Wright Co., Inc., N. Y.

**Helix Land Co., Inc.**
April 27, 1962 filed 586,000 capital shares. **Price**—By amendment (max. $5). **Business**—General real estate. **Proceeds**—For general corporate purposes. **Office**—4265 Summit Dr., La Mesa, Calif. **Underwriter**—None.

**Hickory Industries, Inc.**
Aug. 31, 1961 ("Reg. A") 40,000 common. **Price**—$5. **Business**—The manufacture of barbecue machines and allied equipment. **Proceeds**—For equipment, inventory, sales promotion, expansion and working capital. **Office**—10-20 47th Rd., Long Island City, N. Y. **Underwriter**—T. B. Coburn Associates, Inc., N. Y. **Offering**—Indefinite.

**Hill Street Co.**
Oct. 16, 1961 filed 2,265,138 common to be offered for subscription by stockholders of Union Bank of California on a share-for-share basis. **Price**—$3. **Business**—A management investment company. **Proceeds**—For investment. **Office**—760 S. Hill St., Los Angeles. **Underwriter**—None.

**Hoffman House Sauce Co., Inc.**
Feb. 28, 1962 filed $250,000 of 6½% subordinated sinking fund convertible debentures due 1977 and 25,650 common shares to be offered in units consisting of one $500 debenture and 50 common shares. **Price**—$1,000 per unit. **Business** — Manufacture of liquid and semi-solid salad dressings and specialty sauces. **Proceeds**—For debt repayment and expansion. **Office**—109 S. Webster St., Madison, Wis. **Underwriter**—Milwaukee Co., Milwaukee, Wis. **Offering**—Indefinitely postponed.

**Hollingsworth Solderless Terminal Co.**
Feb. 27, 1962 ("Reg. A") 75,000 common. **Price** — $4. **Business**—Manufacture, sale and development of solderless terminals and other wire terminating products. **Proceeds**—For debt repayment, equipment, advertising and working capital. **Address**—P. O. Box 430, Phoenixville, Pa. **Underwriter**—Harrison & Co., Philadelphia. **Offering**—Temporarily postponed.

**Honora, Ltd.**
Nov. 29, 1961 ("Reg. A") 76,500 common. **Price**—$3.75. **Business**—Purchase of cultured pearls in Japan and their distribution in the U. S. **Proceeds**—For general corporate purposes. **Office**—42 W. 48th St., N. Y. **Underwriter**—Sunshine Securities, Inc., Rego Park, N. Y.

**Household Gas Service, Inc.**
Sept. 13, 1962 ("Reg. A") $299,000 of 6% s. f. debentures, series A due Oct. 1, 1977. **Price**—At par. **Business**—Sale and distribution of propane gas. **Proceeds**—For purchase of a plant site, moving expenses, and additional equipment. **Office**—238 Genessee St., Utica, N. Y. **Underwriter**—Mohawk Valley Investing Co., Inc., Utica New York.

**House of Koshu, Inc.**
March 29, 1962 filed 75,000 class A common. **Price**—$5. **Business**—Importing of Japanese liquors. **Proceeds**—For debt repayment, advertising, inventory and working capital. **Office**—129 S. State St., Dover, Del. **Underwriter**—To be named.

**Hunsaker Corp.**
March 30, 1962 filed $1,600,000 of convertible subordinated debentures due 1977 and 250,000 common shares. **Price** — By amendment (max. $6 per common share). **Business**—Construction of homes and apartments on land which company has acquired in Southern Calif. **Proceeds**—For debt repayment and other corporate purposes. **Office**—15855 Edna Pl., Irwindale, Calif. **Underwriter**—Bateman, Eichler & Co., Los Angeles.

**Hunter Engineering Co. (11/26-29)**
Sept. 26, 1962 filed 100,000 shares of convertible preferred (par $25) and 100,000 of common to be offered in units of one preferred and one common share. **Price**—By amendment (max. $32). **Business**—Production of aluminum mill products and the building of rolling mill machinery and continuous casting equipment for the non-ferrous metals industry. **Proceeds**—For debt repayment, and construction of a new mill. **Address** — 1495 Columbia Ave., Riverside, Calif. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

**Hydro-Swarf, Inc.**
March 30, 1962 filed 97,000 common, of which 80,000 will be sold by company and 17,000 by certain stockholders. **Price**—$5. **Business**—Manufacture, assembly and sale of aircraft and missile components on a sub-contract basis. **Proceeds**—For debt repayment and working capital. **Office**—7050 Valley View St., Buena Park, Calif. **Underwriter**—Raymond Moore & Co., Los Angeles.

● **I. P. D. Financial Corp. (11/13-16)**
Aug. 23, 1962 filed 300,000 common. **Price**—$4. **Business**—Company plans to furnish equity capital to business concerns, make loans and assist in arranging mergers and corporate financing. **Proceeds**—For working capital and other corporate purposes. **Office**—200 W. 57th St., N. Y. **Underwriters**—J. J. LeCort Associates, Inc. and Harris, Clare & Co., Inc., N. Y.

**Ideal Toy Corp.**
May 1, 1962 filed 490,000 common, of which 250,000 will be offered by company and 240,000 by stockholders. **Price**—By amendment (max. $20). **Business**—Manufacture of toys and related products. **Proceeds** — For debt repayment and general corporate purposes. **Office** — 184-10 Jamaica Ave., Hollis, Long Island, N. Y. **Underwriter**—White, Weld & Co., Inc., N. Y. **Offering** — Indefinitely postponed.

**Indian Trail Ranch, Inc.**
Aug. 31, 1962 filed 54,238 common to be offered for subscription by stockholders on the basis of one new share for each four shares held. **Price**—$15. **Business**—Ownership of real estate, leases principally for farming and grazing. **Proceeds**—For debt repayment, working capital and other corporate purposes. **Office**—Southern Blvd., West Palm Beach, Fla. **Underwriter**—None.

**Industry Capital Corp.**
Dec. 26, 1961 filed 500,000 common. **Price**—$15. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—208 S. La Salle St., Chicago. **Underwriter**—A. C. Allyn & Co., Chicago. **Note**—This registration will be withdrawn.

● **Industrial Development Bank of Israel Ltd. (10/29-11/2)**
Sept. 21, 1962 filed 1,000,000 of 6% preference CC shares and 1,500 ordinary AA shares. The AA shares may be purchased only as a part of a unit consisting of one AA share and 345 CC shares. The CC shares may be purchased as part of a unit or separately. **Price**—For units, by amendment; for CC shares, $10.50 per share. **Business**—The bank was organized in 1957 to encourage the establishment of industrial undertakings in Israel. **Proceeds**—For general corporate purposes. **Address**—Tel-Aviv, Israel. **Underwriter**—Brager & Co., N. Y.

**Instr-O-Matics, Inc.**
Sept. 28, 1962 filed 32,000 class A common. **Price**—By amendment (max. $10). **Business** — Company develops, manufactures and sells electronic equipment for use in the marine field, principally in pleasure boating. **Proceeds**—For debt repayment, advertising, inventories, new products and working capital. **Office**—3181 N. Elston Ave., Chicago. **Underwriter** — R. A. Holman & Co., Inc., N. Y.

● **Instromech Industries, Inc. (11/13-16)**
March 30, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—A contract manufacturer of precision products. **Proceeds**—For acquisition of land and building, equipment, inventory and other corporate purposes. **Office**—4 Broadway Plaza, Huntington Station, N. Y. **Underwriter**—Price Investing Co., N. Y.

**Instron Engineering Corp.**
March 26, 1962 filed 120,000 common. **Price**—By amendment (max. $14). **Business**—Development and production of equipment for use in testing the physical characteristics of various materials. **Proceeds**—For selling stockholders. **Office**—2500 Washington St., Canton, Mass. **Underwriter**—None.

**Instrument Components, Inc.**
June 11, 1962 ("Reg. A") 135,000 common. **Price** — $1. **Business** — Manufacture and distribution of electro-mechanical rotating devices. **Proceeds**—For debt repayment, sales promotion and other corporate purposes. **Office**—312 Mt. Pleasant Ave., Newark, N. J. **Underwriter**—Gold-Slovin Co., Inc., N. Y.

● **Intercontinental Management Corp. (10/22-26)**
July 31, 1962 filed 144,500 common. **Price**—$7. **Business** Operation of bowling centers. **Proceeds**—For expansion, working capital and debt repayment. **Office**—19 Country Club Shopping Center, Levittown, Pa. **Underwriter**—Walnut Securities Corp., Philadelphia.

**International Data Systems, Inc.**
Sept. 28, 1962 filed 150,000 common. **Price**—By amendment (max. $3.50). **Business**—Research, design and manufacture of analog and digital electronic devices. **Proceeds**—For loan repayment and working capital. **Office**—2925 Merrell Rd., Dallas, Tex. **Underwriter**—E. H. Austin & Co., San Antonio.

● **International Drug & Surgical Corp.**
March 23, 1962 filed 150,000 class A shares. **Price**—$4. **Business**—Importing, licensing, and manufacturing of pharmaceutical and medical instruments. **Proceeds**—For working capital and other corporate purposes. **Office**—375 Park Ave., N. Y. **Underwriters**—Seymour Blauner Co., and Wm. Stix Wasserman & Co., Inc., N. Y. **Note**—This registration was withdrawn.

**International Realty Corp.**
April 27, 1962 filed $18,000,000 of s. f. debentures due 1977, 360,000 common shares and five year warrants to purchase 540,000 common shares to be offered in 180,000 units, each unit consisting of $100 of debentures, two common shares and warrants to purchase three additional shares. **Price**—By amendment (max. $110 per unit). **Business**—Real estate investment. **Proceeds**—For debt repayment, construction, and other corporate purposes. **Office**—919 N. Michigan Ave., Chicago. **Underwriter**—Kidder, Peabody & Co., N. Y. **Offering**—Indefinitely postponed.

**International Systems Research Corp.**
March 30, 1962 filed 110,000 class A common and 9-month warrants to purchase 110,000 class A shares at $4 per share, to be offered in units, each consisting of one share and one warrant. **Price**—$4 per unit. **Business**—Design, development and manufacture of mechanical, electro-mechanical and electronic equipment for government agencies and the military. **Proceeds**—For equipment, debt repayment and working capital. **Office**—Engineer's Hill, Plainview, L. I., N. Y. **Underwriter**—International Services Corp., Clifton, N. J.

**Interstate Equity**
March 30, 1962 filed 1,605,100 shares of beneficial interest. **Price**—(max. $10). **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—450 Seventh Ave., N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y.

**Interworld Film Distributors, Inc. (11/26-30)**
Sept. 29, 1961 filed 106,250 common. **Price**—$4. **Business**—Theatrical distribution and co-production of foreign and domestic feature films. **Proceeds**—For acquisition, co-production, dubbing, adaptation and distribution of films, and working capital. **Office**—1776 B'way, N. Y. **Underwriters**—General Securities Co., Inc., and S. Kasdan & Co., Inc., N. Y.

**Investment Management Corp.**
May 10, 1962 filed 100,000 common to be offered for subscription by stockholders on a 2-for-1 share basis. Unsubscribed shares will be offered to the public. **Price**—To stockholders, $2.50; to the public, $3.50. **Business**—Manager and distributor for Western Industrial Shares, Inc., a mutual fund. **Proceeds**—For debt repayment and general corporate purposes. **Office**—818 17th St., Denver. **Underwriter**—None.

**Investors Realty Trust**
May 31, 1962 filed 200,000 shares. **Price** — $10. **Business**—A real estate investment trust. **Proceeds** — For construction and investment. **Office** — 3315 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—None.

**Iona Manufacturing Co.**
Jan. 26, 1962 filed 140,000 common, of which 125,000 are to be offered by the company and 15,000 shares by a stockholder. **Price**—By amendment. **Business**—Manufacture of household electric appliances and electric motors. **Proceeds**—For new products and working capital. **Office**—Regent St., Manchester, Conn. **Underwriter** — S. D. Fuller & Co., New York.

**Jaap Penraat Associates, Inc.**
Jan. 30, 1962 filed 100,000 common. **Price**—$3. **Business**—Industrial designing, the design of teaching machines and the production of teaching programs. **Proceeds**—For expansion, new facilities and working capital. **Office**—315 Central Park W., N. Y. **Underwriter**—R. F. Dowd & Co., Inc., N. Y.

● **Jackson's/Byrons Enterprises Inc. (11/7-9)**
March 13, 1962 filed $750,000 convertible subordinated debentures due 1977; also 120,000 class A common, of which 66,666 shares are to be offered by the company and 53,334 by stockholders. **Price**—By amendment (max. $12.50 for common). **Business**—Operation of a chain of retail department stores. **Proceeds**—For debt repayment and working capital. **Office**—29 N. W. 10th St., Miami, Fla. **Underwriter**—Clayton Securities Corp., Boston.

**Jamaica Public Service Ltd.**
March 30, 1962 filed 215,000 common, of which 100,000 shares are to be offered by company and 115,000 shares by stockholders. **Price** — By amendment (max. $25). **Business**—A holding company for a Jamaican Electric utility. **Proceeds**—For acquisition of additional stock in subsidiary. **Office**—507 Place D'Armes, Montreal, Canada. **Underwriters** — Stone & Webster Securities Corp. and Greenshields & Co., Inc., N. Y. **Offering**—Indefinitely Postponed.

**Jamoco Air Conditioning Corp. (10/29-11/2)**
Feb. 28, 1962 ("Reg. A") 40,000 common. **Price** — $3. **Business**—Design, installation and maintenance of heating, plumbing and air conditioning systems. **Proceeds**—For inventory, equipment and other corporate purposes. **Office** — 954 Jamaica Ave., Brooklyn, N. Y. **Underwriter**—Martin-Warren Co., Ltd., N. Y.

● **Jersey Central Power & Light Co. (11/19)**
Sept. 20, 1962 filed $11,000,000 of first mortgage bonds, due Nov. 1, 1992. **Proceeds**—For construction. **Office**—Madison Ave. at Punch Bowl Rd., Morristown, N. J. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Kidder, Peabody & Co.; White, Weld & Co. **Bids**—Nov. 19, 1962 (12 noon, EST) at 80 Pine St., N. Y. **Information Meeting**—Nov. 9 (10 a.m.EST) at same address.

● **Jetronic Industries, Inc. (10/29-11/2)**
Sept. 7, 1962 filed $375,000 of 6½% subord. conv. debentures due 1972. **Price**—At par. **Business**—Design, development and manufacture of electronic equipment. **Proceeds**—For debt repayment and working capital. **Office**—Main & Cotton Sts., Philadelphia. **Underwriter**—Weil & Co., Washington, D. C.

**(J. D.) Jewell, Inc.**
Sept. 21, 1962 filed 60,000 common. **Price**—$9. **Business**—Raising, preparation and distribution of poultry and processed frozen specialty foods. **Proceeds**—For debt repayment, additional equipment, and working capital. **Office**—322 Maple St., S. W., Gainsville, Ga. **Underwriters**—Crow, Brourman & Chatkin, Inc., and Pistell, Inc., N. Y.

**Kaiser-Nelson Corp. (11/7)**
March 29, 1962 filed 140,000 common, of which 70,000 are to be offered by company and 70,000 by stockholders. **Price**—By amendment (max. $10). **Business**—Reclamation of metallics from steel slag; mining of sand and gravel; and dismantling and salvage of industrial buildings. **Proceeds**—For new plants, debt repayment and working capital. **Office**—6272 Canal Rd., Cleveland. **Underwriter**—Robert L. Ferman & Co., Inc., Miami, Fla.

**Kaltman (D.) & Co., Inc.**
June 28, 1962 filed $1,650,000 6% conv. subord. debens. due 1977 being offered for subscription by stockholders on the basis of $100 of debentures for each 100 shares held of record Sept. 18, with rights to expire Oct. 15, 1962. **Price** — At par. **Business**—Operation of a wholesale drug business. **Proceeds**—For debt repayment and working capital. **Office**—425 Park Ave., N. Y. **Underwriter**—None.

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**Kaufman Carpet Co., Inc.**
March 29, 1962 filed 250,000 common. **Price**—$5. **Business**—Operation of a chain of retail stores selling carpets and rugs. **Proceeds**—For expansion, inventory, debt repayment and working capital. **Office**—1800 Boston Rd., Bronx, N. Y. **Underwriter**—Michael G. Kletz & Co., N. Y.

**Kavanau Corp.**
March 29, 1962 filed 50,000 shares 6% cum. preferred and four-year common stock purchase warrants to be offered in units consisting of one preferred and one warrant. **Price**—By amendment (max. $101 per unit). **Business**—Real estate investment. **Proceeds**—For debt repayment and working capital. **Office**—30 E. 42nd St., N. Y. **Underwriter**—Hayden, Stone & Co., N. Y.

**Kay Foods Corp.**
Dec. 29, 1961 filed 88,000 class A common shares, of which 44,000 are to be offered by the company and 44,000 by stockholders. **Price**—$7. **Business**—Packing and sale of fruit juice products. **Proceeds**—For general corporate purposes. **Office**—241 N. Franklintown Rd., Baltimore. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C. **Offering**—Indefinitely postponed.

● **Keene Packaging Associates**
April 2, 1962 filed 165,000 common, of which 100,000 are to be offered by company and 65,000 by stockholders. **Price**—$4. **Business**—Design and manufacture of semi-rigid vinyl plastic cases and containers for packaging. **Proceeds** — For debt repayment, working capital and other corporate purposes. **Office** — 947 Newark Ave., Elizabeth, N. J. **Underwriter**—Hardy & Co., N. Y. **Offering**—In late October.

**Kenner Products Co.**
March 30, 1962 filed 542,000 common, of which 205,000 are to be offered by company and 317,000 by stockholders. **Price**—By amendment (max. $24). **Business**—Manufacture, design, and distribution of plastic toys. **Proceeds**—For general corporate purposes. **Office**—912 Sycamore St., Cincinnati, Ohio. **Underwriter**—Kuhn, Loeb & Co., New York.

**Keystone Discount Stores, Inc.**
May 24, 1962 filed 110,000 common. **Price**—By amendment ($5.25). **Business**—Operation of three retail discount stores. **Proceeds**—For expansion. **Address**—R. D. No. 2, North Lebanon Township, Lebanon, Pa. **Underwriters**—Suplee, Yeatman, Mosley Co., Inc. and Woodcock, Moyer, Fricke & French, Inc., Philadelphia.

**Keystone-Universal Industries Inc.**
July 24, 1962 filed 100,000 common. **Price**—$3.50. **Business**—Retail sale of carpets. **Proceeds** — For expansion and working capital. **Office**—4042-54 Sawmill Run Blvd., Pittsburgh. **Underwriter** — Strathmore Securities, Inc., Pittsburgh.

**Kine Camera Co., Inc.**
Nov. 21, 1961 filed 75,000 common. **Price**—$5. **Business**—Importing and distribution of cameras, binoculars and photographic equipment. **Proceeds**—For debt repayment and working capital. **Office**—889 Broadway, N. Y. **Underwriter**—Underhill Securities Corp., N. Y.

**Kingsberry Homes Corp.**
April 9, 1962 filed 140,000 shares of capital stock of which 100,000 will be offered by company and 40,000 by stockholders. **Price**—By amendment (max. $17.50). **Business**—Manufacture of prefabricated homes. **Proceeds**—For a new plant. **Office**—1725 S. Gault Ave., Ft. Payne, Ala. **Underwriters**—The Robinson - Humphrey Co., Inc., Atlanta, and J. C. Bradford & Co., Nashville. **Offering**—Indefinitely postponed.

**Kraft (John) Sesame Corp.**
May 24, 1962 filed $225,000 of 6% conv. subord. debentures, due 1972, and 150,000 common to be offered in units consisting of a $300 debenture and 200 shares. **Price**—$900 per unit. **Business**—Processing and distribution of sesame seed. **Proceeds**—For accounts receivable, inventories, plant expansion and working capital. **Office**—2301 N. Main St., Paris, Texas. **Underwriters**—John A. Dawson & Co., and Leason & Co., Inc., Chicago.

**Kreedman Realty & Construction Corp.**
April 19, 1962 filed $5,000,000 of conv. subord. debentures due 1982 and 200,000 common shares to be offered in units consisting of $25 of debentures and one common share. **Price**—By amendment (max. $27). **Business**—Construction and operation of office buildings. **Proceeds**—For debt repayment. **Office**—9350 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Lee Higginson Corp., New York. **Offering**—Indefinitely postponed.

**Kwik-Kold, Inc.**
March 29, 1962 ("Reg. A") 100,000 common of which 65,000 will be sold for company and 35,000 for stockholders. **Price** — $3. **Business** — Manufacture of certain patented cooling packages. **Proceeds**—For debt repayment and working capital. **Office**—Jennings Bldg., P. O. Box 638, Moberly, Mo. **Underwriter**—John W. Flynn & Co., Santa Barbara, Calif. **Note**—This letter will be withdrawn.

● **Laminetics Inc.**
March 22, 1962 filed 80,000 common. **Price**—$3.50. **Business**—Production and sale of gift sets, linens, place mats, etc. **Proceeds**—For equipment, moving expenses, sales promotion and other corporate purposes. **Office** — 20 W. 27th St., N. Y. **Underwriter**—Fabrikant Securities Corp., N. Y. **Offering**—Imminent.

**Lee-Norse Co.**
May 25, 1962 filed 272,000 common. **Price**—By amendment (max. $20). **Business**—Production of a coal mining machine. **Proceeds**—For selling stockholders. **Office**—751 Lincoln Ave., Charleroi, Pa. **Underwriter**—Moore, Leonard & Lynch, Pittsburgh. **Offering** — Temporarily postponed.

**Lembo Corp.**
Dec. 21, 1961 filed 100,000 common. **Price**—$3.50. **Business**—Manufactures steel re-inforced concrete utilities sanitary structures, fallout shelters and play sculptures. **Proceeds**—For debt repayment, sales promotion and working capital. **Office**—145 W. 11th St., Huntington Station, L. I., N. Y. **Underwriter**—Blank, Lieberman & Co., Inc., N. Y.

**Levine's, Inc.**
March 19, 1962 filed 80,000 common. **Price**—By amendment (max. $17.50). **Business** — Operation of a chain of clothing and dry goods stores. **Proceeds** — For selling stockholders. **Office** — 8908 Ambassador Row, Dallas. **Underwriter**—Kidder, Peabody & Co., N. Y. **Offering**—Indefinitely postponed.

**Lewis (Tillie) Foods, Inc. (10/22-26)**
April 9, 1962 filed $4,000,000 of 5½% convertible subordinated debentures due 1977. **Price**—At par. **Business**—Processing, canning, bottling and selling of fruits and vegetables. **Proceeds**—For debt repayment and working capital. **Office**—Fresno Ave. & Charter Way, Stockton, Calif. **Underwriter**—Van Alstyne, Noel & Co., N. Y.

● **Livestock Financial Corp. (11/1-2)**
Feb. 23, 1962 filed 130,000 common. **Price**—$10. **Business**—An insurance holding company whose subsidiaries insure the lives of all types of animals. **Proceeds**—To form new subsidiaries. **Office**—26 Platt St., N. Y. **Underwriter**—Shearson, Hammill & Co., N. Y.

● **Lockfast Mfg. Co.**
Jan. 11, 1962 ("Reg. A") 85,000 common. **Price** — $3.50. **Business** — Manufacture of furniture hardware for sale to furniture manufacturers. **Proceeds**—For debt repayment, steel inventories and plant expansion. **Office**—3006 Boarman Ave., Baltimore. **Underwriter**—B. & D. Investors Corp., Port Washington, N. Y. **Offering**—Indefinitely postponed.

**Logos Options, Ltd.**
April 11, 1962 filed 250,000 capital shares. **Price** — By amendment (max. $10). **Business**—A diversified closed-end investment company. **Proceeds**—For investment. **Office**—26 Broadway, N. Y. **Underwriter**—Filor, Bullard & Smyth, N. Y. **Note**—This company formerly was named Logos Financial, Ltd.

**Lunar Films, Inc.**
Aug. 31, 1961 filed 125,000 common. **Price**—$5.75. **Business**—The production of television films. **Proceeds**—For filming and production and working capital. **Office**—543 Madison Ave., N. Y. **Underwriter**—To be named. **Note**—This firm formerly was named Lunar Enterprises, Inc. **Offering**—Postponed.

**Mac-Allan Co., Inc.**
Feb. 23, 1962 filed 130,260 of class A common, of which 65,130 are to be offered by the company and 65,130 by stockholders. **Price**—$5. **Business**—Sale and distribution of costume jewelry, ladies' handbags, and accessories. **Proceeds** — For working capital. **Office** — 1650 Broadway, Kansas City, Mo. **Underwriter**—George K. Baum & Co., Kansas City. **Offering**—Indefinitely postponed.

**Magellan Sounds Corp.**
Feb. 28, 1962 filed 60,000 common (with attached one-year class A warrants to purchase 60,000 common shares at $4 per share and two-year class B warrants to purchase 60,000 shares at $4.50 per share) to be offered in units (each consisting of one share, one class A warrant and one class B warrant). **Price**—$4 per unit. **Business**—Production of educational and recreational devices and games. **Proceeds**—For general corporate purposes. **Office**—130 E. 40th St., N. Y. **Underwriter**—To be named.

**Mail Assembly Service, Inc.**
April 27, 1962 filed 100,000 common. **Price**—$2.25. **Business**—Assembling of packages for shipment to post offices. **Proceeds**—For general corporate purposes. **Office**—145 Ave. of the Americas, N. Y. **Underwriter**—Globus, Inc., N. Y.

**Majestic Utilities Corp.**
July 31, 1962 filed 29,000 common. **Price**—By amendment (max. $4). **Business**—Door to door sale of merchandise and collection of the accounts receivable. **Proceeds**—For a selling stockholder. **Office**—1514 Arapahoe St., Denver. **Underwriter**—None.

● **Mammoth Mart Inc.**
April 5, 1962 filed 200,000 common, of which 100,000 are to be sold by company and 100,000 by stockholders. **Price**—By amendment (max. $15). **Business**—Operation of self-service discount department stores. **Proceeds** — For debt repayment and working capital. **Office**—106 Main St., Brockton, Mass. **Underwriter**—McDonnell & Co., New York. **Note**—This registration was withdrawn.

**Management Investment Corp.**
Aug. 29, 1962 filed 2,000 common (with attached warrants). **Price**—$500. **Business**—Company plans to furnish equity capital to firms in the atomic, space and missile fields, and provide advisory and management counseling services on a fee basis. **Proceeds**—For repayment of loans, and general corporate purposes. **Office**—130 Fulton Federal Bldg., Atlanta. **Underwriter**—None.

**Manhattan Drug Co., Inc.**
March 29, 1962 filed 72,000 common, of which 58,000 are to be offered by company and 14,000 by stockholders. **Price**—$3.50. **Business**—Manufacture, packaging and sale of various proprietary drug products. **Proceeds**—For equipment, new products, debt repayment and working capital. **Office**—156 Tillary St., Brooklyn, N. Y. **Underwriter**—Dana Securities Co., Inc., N. Y.

**Manna Real Estate Investment Trust**
Aug. 30, 1962 filed 460,000 shares of beneficial interest. **Price**—$11. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—1500 Massachusetts Ave., N. W., Washington, D. C. **Underwriter**—Manna Financial Planning Corp. (same address).

● **Maremont Corp. (10/22-26)**
Sept. 10, 1962 filed 240,000 common. **Price**—By amendment (Max. $50). **Business**—Manufacture of automotive replacement parts. **Proceeds**—To repay bank loans. **Office**—168 N. Michigan Ave., Chicago. **Underwriters**—Kuhn, Loeb & Co., Inc., N. Y., and Straus, Blosser & McDowell, Chicago.

**Marin County Financial Corp.**
May 2, 1962 filed 102,050 capital shares, of which 27,790 are to be offered by company and 74,260 by stockholders. **Price**—By amendment (max. $18). **Business**—A holding company for a savings and loan association. **Proceeds**—For investment. **Office**—990 Fifth Ave. at Court, San Rafael, Calif. **Underwriter**—Dean Witter & Co., San Francisco. **Offering**—Indefinitely postponed.

**Marshall Press, Inc.**
May 29, 1962 filed 60,000 common. **Price**—$3.75. **Business**—Graphic design and printing. **Proceeds**—For publishing a sales catalogue, developing a national sales staff and working capital. **Office**—812 Greenwich St., N. Y. **Underwriter**—To be named. **Offering**—Indefinitely postponed.

**Masters, Inc.**
March 22, 1962 filed $1,500,000 of 6% conv. subord. debentures due 1972; also 150,000 common shares, of which 80,000 will be offered by the company and 70,000 by a stockholder. The securities will be offered in units of one $100 debenture and 10 common shares, except that up to $700,000 of debentures and 70,000 shares may be offered separately. **Price**—For debentures, at par; for common, $10. **Business**—Operation of discount department stores selling a wide variety of merchandise. **Proceeds**—For expansion. **Office**—135-21 38th Ave., Flushing, N. Y. **Underwriters**—Sterling, Grace & Co., and Norton, Fox & Co., Inc., N. Y. **Offering**—Indefinitely postponed.

**McGrath (John W.) Corp.**
June 28, 1962 filed 253,875 common. **Price**—By amendment (max. $15). **Business**—Contract stevedoring and related operations. **Proceeds**—For selling stockholders. **Office**—39 Broadway, N. Y. **Underwriter**—Bear, Stearns & Co., New York.

**Mechmetal-Tronics Inc.**
May 28, 1962 filed 150,000 shares of 8% convertible cumulative preferred stock. **Price**—$3. **Business**—Design and manufacture of miniature metal bellows and other miniature products. **Proceeds**—For debt repayment, research and development and working capital. **Office**—12 Rochelle Ave., Rochelle Park, N. J. **Underwriter**—Charles Plohn & Co., New York.

**Medical Industries Fund, Inc.**
Oct. 23, 1961 filed 25,000 common. **Price**—$10. **Business**—A closed - end investment company which plans to become open - end. **Proceeds** — For investment in the medical industry and capital growth situations. **Office**—677 Lafayette St., Denver. **Underwriter** — Medical Associates, Inc., Denver.

**Medical Video Corp.**
Nov. 13, 1961 filed 250,000 common. **Price** — $1. **Business** — Manufacture of medical electronic equipment. **Proceeds** — For general corporate purposes. **Office**—Studio City, Calif. **Underwriter** — Financial Equity Corp., Los Angeles.

**Memorial Services, Inc.**
April 30, 1962 filed 1,200,000 common. **Price**—$1. **Business**—Company plans to acquire and operate funeral homes. **Proceeds**—For acquisitions, debt repayment and working capital. **Office**—315 E. Sixth Ave., Helena, Mont. **Underwriter**—Memorial Securities, Inc., Helena.

● **Mercantile Stores Co., Inc.**
May 24, 1962 filed 169,302 common. **Price**—By amendment (max. $26). **Business**—Operation of a chain of department stores. **Proceeds**—For selling stockholders. **Office**—100 W. 10th St., Wilmington, Del. **Underwriter**—Clark, Dodge & Co., Inc., N. Y. **Note**—This registration was withdrawn.

**Mercury Books, Inc.**
Feb. 14, 1962 filed 55,000 common. **Price**—$4.50. **Business**—Publishing of newly written popular biographies. **Proceeds**—For working capital. **Office**—1512 Walnut St., Philadelphia. **Underwriter**—To be named. **Offering**—Temporarily postponed.

● **Met Food Corp. (10/16)**
March 30, 1962 filed $1,500,000 of convertible subordinated debentures due Sept. 1, 1977. **Price**—By amendment. **Business**—Distribution of food and related products to supermarkets and other retail stores in the New York Metropolitan area. **Proceeds**—For general corporate purposes. **Office**—345 Underhill Blvd., Syosset, N. Y. **Underwriter**—Brand, Grumet & Siegel, Inc., N. Y.

**Metropolitan Acceptance Corp.**
Oct. 2, 1961 filed $300,000 of 6% subordinated convertibles due 1967 and 60,000 common shares to be offered in units consisting of $100 of debentures and 20 common shares. **Price**—$150 per unit. **Business**—Financing of retail sales. **Proceeds**—For working capital. **Office**—5422 Western Ave., Chevy Chase, Md. **Underwriter**—To be named.

● **Metropolitan Realty Trust**
Dec. 20, 1961 filed 1,000,000 shares of beneficial interest. **Price**—$6.50. **Business**—A real estate investment trust. **Proceeds**—For general corporate purposes. **Office**—1700 K St., N. W., Washington, D. C. **Underwriter**—Eisele & King, Labaire, Stout & Co., N. Y. **Note**—This registration was withdrawn.

**Midwest Technical Development Corp.**
Feb. 26, 1962 filed 561,500 common to be offered for subscription by stockholders on the basis of one share

for each two shares held. **Price**—By amendment (max. $7). **Business** — A closed-end management investment company. **Proceeds** — For general corporate purposes. **Office** — 2615 First National Bank Bldg., Minneapolis. **Underwriter**—None.

**Midwestern Corp.**
Aug. 23, 1962 filed 180,000 common and 15-year warrants to purchase 36,000 common to be offered in units consisting of one share and one-fifth warrant. **Price**—$12 per unit. **Business**—A holding company for a legal reserve life insurance concern. **Proceeds**—To purchase shares of the subsidiary and for working capital. **Office**—75 Public Sq., Cleveland. **Underwriters**—Westheimer & Co., Cincinnati, and Hartzmark & Co., Inc., Cleveland.

**Monarch Plastics Corp.**
May 28, 1962 ("Reg. A") 140,000 common. **Price**—$2. **Business**—Manufacture and sale of plastic letters, embossed sign faces, quantity signs and boat windshields. **Proceeds**—For purchase of land and building, moving expenses, equipment and working capital. **Office**—5606 Stuebner Airline Rd., Houston. **Underwriter**—W. R. Sauve Co., N. Y.

**Montebello Liquors, Inc.**
April 5, 1962 filed 160,000 common. **Price**—By amendment (max. $5). **Business**—Blending, bottling and marketing of alcoholic beverages. **Proceeds**—For equipment, inventories, advertising and working capital. **Office**—Bank St. & Central Ave., Baltimore. **Underwriters**—Street & Co., and Morris Cohon & Co., N. Y. **Offering**—Temporarily postponed.

**Multronics, Inc.**
Jan. 5, 1962 ("Reg. A") 100,000 capital shares. **Price**—$3. **Business**—Production of electronic parts and components and the furnishing of consulting services in the radio-engineering field. **Proceeds**—For debt repayment, equipment, and working capital. **Office**—2000 P St., N. W. Washington, D. C. **Underwriter** — Switzer & Co., Inc., Silver Spring, Md **Offering**—Temporarily postponed.

**Municipal Investment Trust Fund, Series B**
April 28, 1961 filed $12,750,000 (12,500 units) of interests. **Price** — To be supplied by amendment. **Business** — The fund will invest in tax-exempt bonds of states, counties, municipalities and territories of the U. S. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York.

**Music Royalty Corp.**
July 27, 1962 filed 150,000 common. **Price**—$1. **Business**—Company acts as representative of artists, musicians, etc. and plans to engage in the music publishing business. **Proceeds**—For debt repayment, public relations, acquisition of musical properties, and working capital. **Office**—545 Fifth Ave., N. Y. **Underwriter**—Associated Securities Co., 545 Fifth Ave., N. Y.

**National Bank of Israel, Ltd.**
See Bank Leumi Le-Israel B. M.

• **National Blank Book Co.**
Aug. 29, 1962 filed 160,000 common. **Price**—By amendment. **Business**—Production of blank books, loose leaf devices, forms etc. **Proceeds**—For selling stockholders. **Office**—Water St., Holyoke, Mass. **Underwriter**—Blyth & Co., Inc., N. Y. **Note**—This registration will be withdrawn.

**National Directories, Inc.**
March 29, 1962 ("Reg. A") 100,000 common. **Price**—$2.75. **Business**—Compilation and publication of regional classified telephone directories. **Proceeds**—For general corporate purposes. **Office**—3306 Lancaster Ave., Philadelphia. **Underwriter**—Crichton, Cherashore, Cundy, Inc., New York. **Note**—This letter will be withdrawn.

**National Equipment & Plastics Corp.**
Sept. 28, 1961 filed 105,000 common. **Price**—$5. **Business**—Operation of a cleaning and pressing plant and affiliated stores. **Proceeds**—For debt repayment, store expansion and working capital. **Address** — Portage, Pa **Underwriter**—Cortlandt Investing Corp., N. Y. **Offering**—Indefinitely postponed.

**National Security Life Insurance Co.**
March 23, 1962 filed 100,000 common, of which 80,000 are to be offered by company and 20,000 by stockholders. **Price**—$17.50. **Business**—A life, accident and health insurance company. **Proceeds**—For investment. **Office** — 130 Alvarado, N. E. Albuquerque, N. M. **Underwriter**—To be named. **Note**—The SEC has questioned the accuracy and adequacy of this registration statement.

**National Semiconductor Corp.**
May 11, 1961 filed 75,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The design, development, manufacture and sale of quality transistors for military and industrial use. **Proceeds** — For new equipment, plant expansion, working capital, and other corporate purposes. **Office**—Mallory Plaza Bldg., Danbury, Conn. **Underwriters**—Lee Higginson Corp., New York., and Piper, Jaffray & Hopwood, Minneapolis.

**National Telepix, Inc.**
July 30, 1962 filed $150,000 of 6½% conv. subord. debentures due 1972. **Price**—At par. **Business**—Production of motion pictures. **Proceeds**—For production and distribution expenses and working capital. **Office**—1270 Ave. of the Americas, N. Y. **Underwriter**—None.

**National Uni-Pac, Inc.**
July 31, 1962 filed 85,000 common. **Price**—By amendment (max. $4). **Business**—Company plans to sell or lease coin operated vending machines. **Proceeds**—For debt repayment, equipment and working capital. **Office**—15 Peachtree St., Atlanta. **Underwriter**—Drourr, Lampert & Co., Inc., N. Y.

• **National Union Life Insurance Co. of Pittsburgh (10/29)**
Sept. 10, 1962 filed 100,000 capital shares, to be offered for subscription by stockholders of the company's parent, National Union Fire Insurance Co. of Pittsburgh, on the basis of one share for each 8 held of record Oct. 8, 1962. **Price**—$15. **Business** — Company writes life and allied classes of insurance. **Proceeds**—For general corporate purposes. **Office** — 139 University Place, Pittsburgh. **Underwriter**—None.

**Natural Gas & Oil Producing Co.**
Sept. 7, 1962 filed 180,000 class A common. **Price**—$5. **Business**—Production of natural gas and oil. **Proceeds**—For drilling expenses, working capital and other corporate purposes. **Office**—Tekoil Bldg., Oklahoma City. **Underwriter**—Peter Morgan & Co., N. Y.

• **Nebraska Consolidated Mills Co. (10/29-11/2)**
Sept. 17, 1962 filed $3,000,000 of 6¾% subord. s. f. debentures, series A, due 1977. **Price**—$1,000. **Business**—Manufacture of flour, animal feed, and other consumer and agricultural products. **Proceeds**—For debt repayment and the financing of increased inventories and accounts receivable. **Office**—500 Kiewit Plaza, Omaha. **Underwriter**—First Nebraska Securities Corp., Lincoln.

**New Campbell Island Mines Ltd.**
Oct. 13, 1961 filed 475,000 common, of which 400,000 are to be offered by the company and 75,000 by a stockholder. **Price**—50c. **Business**—Exploration, development and mining. **Proceeds**—General corporate purposes. **Office**—90 Industry St., Toronto, Canada. **Underwriter**—A. C. MacPherson & Co., Toronto.

**New York Testing Laboratories, Inc.**
Jan. 29, 1962 filed 50,000 common. **Price**—$5. **Business**—Analyzing and testing of electronic, chemical and other materials. **Proceeds**—For plant relocation, equipment, and working capital. **Office**—47 West St., N. Y. **Underwriter**—Robbins, Clark & Co., Inc., N. Y.

**Norda Essential Oil & Chemical Co., Inc.**
March 20, 1962 filed 200,000 class A shares. **Price**—By amendment (max. $15). **Business**—Manufacture, processing and distribution of natural and synthetic essential oils, flavor, essences, etc., to food and drug industries. **Proceeds** — For debt repayment, working capital and other corporate purposes. **Office**—601 W. 26th St., N. Y. **Underwriter**—S. D. Fuller & Co., N. Y.

**Nordon Corp., Ltd.**
March 29, 1962 filed 375,000 capital shares, of which 100,000 are to be offered by company and 275,000 by stockholders. **Price**—By amendment (max. $6). **Business**—Acquisition and development of oil and natural gas properties. **Proceeds**—For drilling expenses and working capital. **Office** — 5455 Wilshire Blvd., Los Angeles. **Underwriter**—Gregory-Massari, Inc., Beverly Hills, Calif.

**Nortex Oil & Gas Corp.**
April 27, 1962 filed $5,000,000 of 6% conv. subord debentures due 1977. **Price**—By amendment. **Business**—Production of crude oil and natural gas. **Proceeds**—For debt repayment, working capital and other corporate purposes. **Office**—1900 Life Bldg., Dallas. **Underwriter**—Carreau & Co., N. Y.

**North Atlantic Life Insurance Co. of America**
Aug. 31, 1962 filed 600,000 common to be offered for subscription by stockholders on the basis of two new shares for each common share held of record Aug. 27, 1962. **Price**—$3.50. **Business**—Writing of life, accident and health insurance. **Proceeds**—For capital funds. **Office**—163 Mineola Blvd., Mineola, L. I., N. Y. **Underwriter**—None.

**Northwest Securities Investors, Inc.**
June 25, 1962 ("Reg. A") 80,000 common. **Price**—$3.75. **Business**—Acquisition of second-trust notes secured by real estate property. **Proceeds**—For general corporate purposes. **Office**—922 You St., N. W., Washington, D. C. **Underwriter**—Clarence E. Shaw & Co., Washington, D.C.

**Norton Co. (11/7-9)**
Sept. 28, 1962 filed 425,000 common. **Price**—By amendment (max. $36). **Business**—Manufacture of various types of abrasive products. **Proceeds**—For selling stockholders. **Office**—One New Bond St., Worcester, Mass. **Underwriters**—Paine, Webber, Jackson & Curtis, Boston, and Goldman, Sachs & Co., N. Y.

**Nuclear Science & Engineering Corp.**
March 29, 1962 filed 100,000 common. **Price**—By amendment (max. $15). **Business**—Research and development on contracts using radioactive tracers; precision radioactivity measurement; production of radioactive isotopes and the furnishing of consulting and radiation measurement services. **Proceeds**—For equipment, debt repayment, expansion and working capital. **Address**—P. O. Box 10901, Pittsburgh. **Underwriter**—Johnston, Lemon & Co., Washington, D. C.

**Nuveen Tax-Exempt Bond Fund, Series 3**
Oct. 17, 1961 filed $15,300,000 of units representing fractional interests in the Fund. **Price** — By amendment. **Business**—The Fund will invest in interest bearing obligations of states, counties and municipalities of the U. S., and political subdivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds**—For investment. **Office**—Chicago, Ill. **Sponsor**—John Nuveen & Co., 135 So. La Salle St., Chicago.

**Nuveen Tax-Exempt Bond Fund, Series 4**
Oct. 17, 1961 filed $15,000,000 of units representing fractional interests in the Fund. **Price**—By amendment. **Business**—The Fund will invest in interest-bearing obligations of states, counties, and municipalities of the U. S., and political subdivisions thereof which are believed to be exempted from Federal Income taxes. **Proceeds**—For investment. **Office**—Chicago, Ill. **Sponsor**—John Nuveen & Co., 135 So. La Salle St., Chicago.

**Optec, Inc. (11/19-23)**
Dec. 26, 1961 filed 100,000 common. **Price**—$3. **Business**—Research, development and fabrication of materials used in optical electronics. **Proceeds**—For equipment and working capital. **Office**—246 Main St., Chatham, N. J. **Underwriters**—Stone, Ackerman & Co., Inc., and Heritage Equity Corp., N. Y.

• **Orbit Stores, Inc. (10/29-11/2)**
May 28, 1962 filed 100,000 common. **Price**—By amendment (max. $6). **Business**—Operation of two discount type department stores. **Proceeds**—For equipment, inventory, expansion and working capital. **Office**—725 William T. Morrissey Blvd., Boston. **Underwriter**—Norton, Fox & Co., Inc., N. Y.

**Orr (J. Herbert) Enterprises, Inc.**
May 1, 1962 filed 285,000 common. **Price**—$10.50. **Business**—Company's subsidiaries manufacture cartridge tape recorders and programs therefor and men's and boys' dress trousers. **Proceeds**—For debt repayment, advertising and working capital. **Address**—Opelika, Ala. **Underwriter**—None.

**Outlet Mining Co., Inc.**
Feb. 28, 1962 filed 900,000 common. **Price**—$1. **Business**—Mining. **Proceeds**—For equipment and working capital. **Address**—Creede, Colo. **Underwriter**—None.

**Packaging Corp. of America (10/15-19)**
Sept. 26, 1962 filed $25,000,000 of sinking fund debentures due 1987. **Price**—By amendment. **Business**—Manufacture of corrugated and solid fibre containers, folding cartons, paperboard mill products and molded pulp and plastic products. **Proceeds** — For debt repayment, redemption of preferred and other corporate purposes. **Office**—1632 Chicago Ave., Evanston, Ill. **Underwriter**—Blyth & Co., Inc., New York.

**Pak-Well Paper Industries, Inc. (10/22-26)**
March 30, 1962 filed 150,000 class A common. **Price**—By amendment (max. $13). **Business**—Manufacture of envelopes, packaging materials of various kinds, wrapping paper, stationery, and school supplies. **Proceeds**—For selling stockholders. **Office**—198 W. Alameda, Denver. **Underwriter**—Francis I. du Pont & Co., N. Y.

**Pan American Beryllium Corp.**
Feb. 28, 1962 filed 100,000 common. **Price**—$5. **Business**—Company plans to mine for beryl ore in Argentina. **Proceeds** — For debt repayment, equipment, and other corporate purposes. **Office**—39 Broadway, N. Y. **Underwriter**—To be named.

**PanAm Realty & Development Corp.**
March 12, 1962 filed 400,000 class A stock. **Price**—$10. **Business**—A real estate holding and development company. **Proceeds**—For general corporate purposes. **Office**—70 N. Main St., Freeport, L. I., N. Y. **Underwriter**—To be named.

**Panhandle Eastern Pipe Line Co. (10/17)**
Sept. 21, 1962 filed 200,000 shares of cum. preferred (par $100). **Price**—By amendment. **Business**—Production, transmission and sale of natural gas. **Proceeds**—For repayment of bank loans. **Office**—One Chase Manhattan Bank, N. Y. **Underwriters**—Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y.

**Panhandle Eastern Pipe Line Co. (10/17)**
Sept. 21, 1962 filed $60,000,000 of debentures due 1982. **Price**—By amendment. **Business**—Production, transmission and sale of natural gas. **Proceeds**—For repayment of bank loans. **Office**—One Chase Manhattan Plaza, N. Y. **Underwriters**—Kidder, Peabody & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., and Halsey, Stuart & Co. Inc.

**Parkway Laboratories, Inc.**
Dec. 6, 1961 filed 160,000 common. **Price**—$5. **Business**—Manufacture of drugs and pharmaceuticals. **Proceeds**—For an acquisition, research and other corporate purposes. **Office** — 2301 Pennsylvania Ave., Philadelphia. **Underwriter**—Arnold Malkan & Co., Inc., N. Y.

**Peerless Radio Corp.**
March 22, 1962 filed 120,000 common, of which 100,000 are to be offered by the company and 20,000 by stockholders. **Price** — $4. **Business** — Distribution of electric parts and components to industrial customers. **Proceeds**—For debt repayment, inventory and working capital. **Office**—19 Wilbur St., Lynbrook, N. Y. **Underwriter**—Kordan & Co., Inc., N. Y.

**Pellegrino Aggregate Technico, Inc.**
Aug. 10, 1961 filed 130,000 class A common shares. **Price**—$5. **Business**—The manufacture of building materials. **Proceeds**—For payment of income taxes and loans and for working capital. **Office**—Woodbridge-Carteret Road, Port Reading, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., N. Y. **Offering**—Temporarily postponed.

• **Perma-Bilt Enterprises, Inc.**
May 28, 1962 filed 230,000 common. **Price**—By amendment (max. $8). **Business**—Merchandising, sale and construction of homes. **Proceeds**—For acquisition and development of land, and other corporate purposes. **Office**—319 MacArthur Blvd., San Leandro, Calif. **Underwriter**—Robert A. Martin Associates, Inc., N. Y.

**Permeator Corp.**
May 18, 1962 filed 300,000 common to be offered for subscription by stockholders of National Petroleum Corp. Ltd., parent, on the basis of one share for each 15 National shares held. **Price**—$5. **Business**—Manufacture, use and sale of a patented tool, "Permeator," used in completion of oil and gas wells. **Proceeds**—For general corporate purposes. **Office**—445 Park Ave., N. Y. **Underwriters**—Irving Weis & Co., and Godfrey, Hamilton, Taylor & Co., Inc., N. Y.

**Petro-Capital Corp.**
March 28, 1962 filed 556,700 common. **Price**—$11. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—6130 Sherry Lane, Dallas. **Underwriter**—McDonnell & Co., New York.

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**Pioneer Restaurants, Inc.**
Dec. 21, 1961 filed 125,000 common, of which 75,000 are to be offered by the company and 50,000 by a selling stockholder. **Price**—By amendment. **Business**—Operation of six restaurants in Sacramento. **Proceeds**—For expansion, debt repayment and working capital. **Office**—1626 J St., Sacramento. **Underwriter**—Stewart, Eubanks, Myerson & Co., San Francisco. **Offering**—Temporarily postponed.

**Plantation Chocolate Co.**
July 20, 1962 ("Reg. A") 75,000 common. **Price**—$4. **Business**—Manufacture of confections. **Proceeds**—For debt repayment. **Office**—3150 Janney St., Philadelphia. **Underwriter**—S. Schramm & Co., Inc., N. Y. **Offering**—Imminent.

**Playboy Clubs International, Inc.**
May 28, 1962 filed 270,000 common. **Price**—By amendment. (max. $7). **Business**—Company is engaged in the ownership and franchising of Playboy Clubs. **Proceeds**—For debt repayment and general corporate purposes. **Office**—232 E. Ohio St., Chicago. **Underwriter**—Divine & Fishman, Inc., Chicago.

**Polequity Corp.**
Aug. 29, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Company through its subsidiaries engages in the sale of life, accident and health, and group and disability benefits insurance; trading in over-the-counter market; underwriting of new security issues and sale of mutual funds. **Proceeds**—For expansion, advertising, and working capital. **Office**—150 Broadway, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., N. Y.

**Potomac Real Estate Investment Trust**
July 6, 1962 filed 1,000,000 shares of beneficial interest. **Price**—By amendment (max. $5). **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—880 Bonifant St., Silver Spring, Md. **Underwriter**—None.

**• Poulsen Insurance Co. of America (10/22-26)**
Aug. 27, 1962 filed 100,000 common. **Price**—By amendment (max. $10). **Business**—Writing of group and franchise forms of accident, sickness and life insurance in the Midwest. **Proceeds**—For debt repayment and expansion. **Office**—Executive Plaza, Park Ridge, Ill. **Underwriter**—A. C. Allyn & Co., Chicago. **Note**—This stock will not be offered for sale in New York State.

**Powell Petroleum, Inc.**
Sept. 28, 1962 filed 100,000 common. **Price**—$5. **Proceeds**—To drill for and operate oil wells. **Office**—418 Market St., Shreveport, La. **Underwriter**—None.

**Prescott-Lancaster Corp.**
March 30, 1962 filed 150,000 common. **Price**—$5. **Business**—Real estate. **Proceeds**—For purchase of mortgages, and working capital. **Office**—18 Lancaster Rd., Union, N. J **Underwriter**—Jacey Securities Co., N. Y.

**Prosperity Cleaners & Laundries, Inc. (10/30)**
May 15, 1962 filed 100,000 common. **Price** — By amendment (max. $5.50). **Business**—Operation of a chain of dry-cleaning and laundry stores. **Proceeds**—For selling stockholders. **Office** — 48-12 25th St., Astoria, N. Y. **Underwriter**—Edwards & Hanly, Hempstead, L. I., N. Y.

**Publishers Co., Inc.**
Aug. 29, 1962 filed $3,500,000 of 6% subord conv. debentures due 1977 to be offered by the company and 25,000 outstanding common shares to be sold by stockholders. **Price**—For debentures, par; for stock—by amendment (max. $10). **Business**—Book publishing. **Proceeds**—Company will use its proceeds for the purchase of two printing firms: to redeem outstanding 6% notes; for working capital, and other corporate purposes. **Office**—1106 Connecticut Ave., Washington, D. C. **Underwriter**—Roth & Co., Inc., Philadelphia.

**• Putnam Management Co., Inc. (11/7-9)**
Aug. 22, 1962 filed 150,000 common (non-voting). **Price**—By amendment (max. $14). **Business**—An investment adviser and distributor of mutual funds. **Proceeds**—For selling stockholders. **Office**—60 Congress St., Boston. **Underwriters**—Paine, Webber, Jackson & Curtis, Boston, and Kidder, Peabody & Co., Inc., N. Y.

**R. E. D. M. Corp. (10/22-26)**
June 29, 1962 filed 125,000 common, of which 50,000 will be offered for the company and 75,000 for certain stockholders. **Price**—By amendment (max. $6). **Business**—Engaged in manufacturing, engineering and research under Defense Department contracts; also manufactures ball point pens, points, mechanical pencils and desk sets. **Proceeds**—For equipment and working capital. **Office**—Little Falls, Passaic County, N. J. **Underwriter**—Meade & Co., Inc., N. Y.

**RF Interonics, Inc.**
Oct. 30, 1961 filed 40,000 common. **Price**—$5. **Business**—Manufacture of radio frequency interference filters and capacitors. **Proceeds**—For equipment, working capital and other corporate purposes. **Office**—15 Neil Court, Oceanside, N. Y. **Underwriter**—Arnold Malkan & Co., New York.

**• Radar Relay, Inc. (11/7-9)**
Oct. 1, 1962 filed 100,000 common, of which 75,000 will be sold by company and 25,000 by a stockholder. **Price**—By amendment (max. $10). **Business**—Design and manufacture of electronic monitoring and warning systems, and integrally lighted switches. **Proceeds** — For product improvement and development, working capital, and other corporate purposes. **Office**—1631 10th St., Santa Monica, Calif. **Underwriter**—White, Weld & Co. Inc., N. Y.

**Real Properties Corp. of America**
April 27, 1962 filed 300,000 class A shares. **Price**—By amendment (max. $16). **Business**—Company owns certain real estate, general insurance agency and a mortgage servicing company. **Proceeds**—For debt repayment. **Office** — 745 Fifth Ave., N. Y. **Underwriter** — Stanley Heller & Co., N. Y. **Note**—This registration will be withdrawn and then refiled.

**Red-O-Lier Corp.**
Aug. 27, 1962 filed 100,000 class A common. **Price**—$3.25. **Business**—Distribution of electrical supplies and equipment to commercial and industrial users. **Proceeds**—To finance additional inventories and accounts receivables. **Office**—577 Courtland Ave., N. Y. **Underwriter**—Crosse & Co., Inc., N. Y.

**Regulators, Inc.**
Jan. 29, 1962 filed 75,000 common, of which 50,000 are to be offered by the company and 25,000 by Electronic Specialty Co., parent. **Price**—$5. **Business**—Design and manufacture of regulating and control devices used in the electric and electronic fields. **Proceeds**—For debt repayment and working capital. **Office**—455 W. Main St., Wyckoff, N. J. **Underwriter**—Myron A Lomasney & Co., N. Y. **Note**—This registration will be withdrawn and then refiled.

**Resin Research Laboratories, Inc.**
Feb. 27, 1962 filed 105,000 common. **Price**—$3.50. **Business** — Operation of a laboratory for contractual research, development and engineering in the chemical field. **Proceeds**—For expansion of facilities, debt repayment and working capital. **Office**—396-406 Adams St., Newark, N. J. **Underwriter**—Keene & Co., Inc., N. Y.

**Richard Gray & Co., Inc.**
June 21, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business** — A securities broker-dealer. **Proceeds** — For working capital and other corporate purposes. **Office**—237 W. 51st St., N. Y. **Underwriter**—Richard Gray Co., New York.

**Richmond Corp.**
Dec. 21, 1961 filed 142,858 common. **Price**—$7. **Business**—A real estate investment company. **Proceeds**—For debt repayment and general corporate purposes. **Office**—220 K St., N. W., Washington, D. C. **Underwriter**—Hirschel & Co., Silver Spring, Md. **Offering**—Indefinite. **Note**—The SEC has challenged the accuracy and adequacy of this registration statement.

**• Ridgway (L. L.) Enterprises, Inc.**
June 27, 1962 filed 170,000 common, of which 140,000 are to be offered by company and 30,000 by a stockholder. **Price**—$9. **Business**—Company furnishes commercial reproductions, manufactures sensitized papers, cloths and films for blueprinting and printing, and sells architectural, engineering and commercial reproduction equipment and supplies. **Proceeds**—For plant expansion, equipment and working capital. **Office**—5711 Hillcroft Ave., Houston. **Underwriters**—Underwood, Neuhaus & Co., Inc., and Rotan, Mosle & Co., Houston. **Offering**—Imminent.

**Roadcraft Corp. (10/29-11/2)**
Dec. 26, 1961 filed 400,000 common. **Price**—By amendment. **Business**—Design, manufacture and sale of mobile homes and office trailers. **Proceeds**—For general corporate purposes. **Office**—139 W. Walnut Ave., Gardena, Calif. **Underwriter** — Vickers, MacPherson & Warwick, Inc., New York.

**Rona Lee Corp.**
Sept. 26, 1962 filed 100,000 common. **Price**—$5. **Business**—Design, manufacture, and distribution of girls' blouses, sportswear, and coordinates. **Proceeds**—For debt repayment. **Office**—112 W. 34th St., N. Y. **Underwriter**—Winslow, Cohu & Stetson Inc., N. Y.

**Royaltone Photo Corp.**
Nov. 29, 1961 filed 300,000 common, of which 100,000 are to be offered by the company and 200,000 by stockholders. **Price** — By amendment. **Business** — Develops and prints color, and black and white photographic film. **Proceeds** — For equipment and working capital **Office**—245 7th Ave., N. Y. **Underwriter** — Federman Stonehill & Co., N. Y. **Offering**—Indefinitely postponed.

**Royalty Stores, Inc.**
May 29, 1962 filed 75,000 common. **Price**—$3.75. **Business**—Operation of discount stores and wholesale distribution of general merchandise. **Proceeds**—For expansion, advertising, and other corporate purposes. **Office**—10 Charles St., Floral Park, N. Y. **Underwriter**—To be named. **Offering**—Indefinitely postponed.

**Ruby Silver Mines, Inc.**
Jan. 2, 1962 ("Reg. A") 2,400,000 common. **Price**—12½ cents. **Business**—Exploration and development of mineral deposits. **Proceeds**—For debt repayment and general corporate purposes. **Address**—Box 1088, Wallace, Idaho **Underwriter**—Pennaluna & Co., Spokane, Wash.

**• Russell Mills, Inc. (11/13-16)**
Sept. 28, 1962 filed 312,500 common. **Price**—By amendment (max. $12). **Business**—Manufacture of athletic clothing, knitted underwear, children's sleepwear and cotton cloth. **Proceeds**—For bond retirement and plant expansion. **Address**—Alexander City, Ala. **Underwriter**—Hornblower & Weeks, N. Y. **Note** — This company formerly was called Russell Manufacturing Co.

**Sampson Enterprises, Inc.**
Feb. 28, 1962 filed 450,000 common. **Price** — By amendment (max. $8). **Business**—A holding company for a real estate concern, motor inn, shopping centers, bowling establishments, etc. **Proceeds**—For debt repayment and working capital. **Office**—222 E. Erie St., Milwaukee. **Underwriters** — Straus, Blosser & McDowell, Chicago and Dempsey-Tegeler & Co., Inc., St. Louis. **Offering**—Temporarily postponed.

**San Diego Gas & Electric Co.**
Aug. 29, 1962 filed 500,000 common being offered for subscription by stockholders on the basis of one new share for each nine held of record Sept. 20. Rights will expire Oct. 10. **Price**—$31. **Proceeds**—For repayment of bank loans, and construction. **Office**—861 Sixth Ave., San Diego. **Underwriter**—Blyth & Co., Inc., N. Y.

**• San Diego Imperial Corp. (11/7-9)**
Oct. 1, 1962 filed 124,552 common. **Price**—By amendment (max. $14). **Business**—A holding company for 15 savings and loan associations. **Proceeds** — For selling stockholders. **Office**—1400 Fifth Ave., San Diego. **Underwriters**—White, Weld & Co., N. Y., and J. A. Hogle & Co., Salt Lake City.

**San Francisco Capital Corp.**
April 23, 1962 filed 60,000 common. **Price**—$12.50. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—400 Montgomery St., San Francisco. **Underwriter**—Cantor, Fitzgerald & Co., Inc., Beverly Hills, Calif.

**Saw Mill River Industries, Inc.**
March 29, 1962 filed 100,000 common. **Price**—$5. **Business**—Design, development and manufacture of steel products for home use. **Proceeds**—For working capital. **Office**—1051 Saw Mill River Rd., Yonkers, N. Y. **Underwriter**—Arnold Malkan & Co., Inc., N. Y.

**Schaevitz Engineering**
March 13, 1962 filed 150,000 common, of which 100,000 are to be offered by company and 50,000 by a selling stockholder. **Price**—By amendment (max. $10). **Business**—Design and manufacture of measuring, indicating, recording, testing and controlling devices used in aircraft and missile systems. **Proceeds** — For expansion. **Address** — U. S. Route 130, Pennsauken, N. J. **Underwriter**—Bear, Stearns & Co., N. Y.

**• Scientific Equipment Manufacturing Corp. (10/17)**
April 30, 1962 filed 60,000 common. **Price**—$5. **Business**—Manufacture of sterilizers, multi-dose jet vaccine injectors, operating lights and other medical equipment. **Proceeds**—For inventories, new products and moving expenses. **Office**—20 North Ave., Larchmont, N. Y. **Underwriters**—Coggeshall & Hicks and Ernest M. Fuller & Co., N. Y.

**Scripps-Howard Broadcasting Co.**
March 20, 1962 filed 375,000 common. **Price**—By amendment (max. $20). **Business**—Company owns and operates TV, radio and FM broadcasting stations. **Proceeds**—For selling stockholders. **Office**—1121 Union Central Bldg., Cincinnati. **Underwriter**—First Boston Corp., N. Y. **Offering**—Indefinitely postponed.

**Seaboard Land Co.**
July 25, 1962 filed 200,000 class A common. **Price**—By amendment (max. $2.50). **Business**—Ownership and development of real estate. **Proceeds**—For working capital. **Office**—912 Thayer Ave., Silver Spring, Md. **Underwriter** — North American Seaboard Securities Corp., (same address).

**Seaboard Life Insurance Co. of America**
June 29, 1962 filed 256,097 common to be offered for subscription by stockholders on 1-for-5 basis. **Price**—By amendment. **Business**—Writing of life, accident and health insurance. **Proceeds**—For purchase of a building, debt repayment, reserves and other corporate purposes. **Office**—1451 N. Bayshore Dr., Miami. **Underwriter**—None.

**Security Aluminum Corp. (10/15-19)**
Jan. 26, 1962 filed 200,000 common. **Price**—By amendment. **Business**—Manufacture of aluminum sliding windows and doors. **Proceeds**—For equipment, moving expenses and working capital. **Office**—503 E. Pine Ave., Compton, Calif. **Underwriter**—Vickers, MacPherson & Warwick, Inc., N. Y.

**Security International Corp.**
July 27, 1962 filed 548,000 common. **Price**—$2.50. **Business**—Company plans to become a holding company for a life insurance concern. **Proceeds**—For capitalization of subsidiary. **Office**—127 W. Main Ave., West Fargo, N. D. **Underwriter**—Investment Brokerage Corp., Fargo, N. D.

**Selective Financial Corp.**
Feb. 28, 1962 filed 500,000 common, of which 405,000 are to be offered for subscription by holders of the A, B and C stock of Selective Life Insurance Co., an affiliate, on the basis of 4 company shares for each class A or B share and two-thirds share for each class C share of Selective Life held. Remaining 94,822 and any unsubscribed shares will be offered publicly. **Price**—To public, $6; to stockholders, $5. **Business**—Company plans to engage in the consumer finance, mortgage, general finance and related businesses. **Proceeds** — For general corporate purposes. **Office**—830 N. Central Ave., Phoenix. **Underwriter**—None.

**Sentinel Life Insurance Co.**
Sept. 10, 1962 filed 250,000 capital shares. **Price** — $5. **Business**—Company plans to sell life and disability insurance. **Proceeds**—For organizational expenses and other corporate purposes. **Office**—225 Bush St., San Francisco, Calif. **Underwriter**—None.

**Sentinel Properties Corp.**
May 1, 1962 filed 200,000 class A common. **Price**—$10. **Business**—Real estate investment. **Proceeds**—For construction of a building. **Office**—565 Fifth Ave., N. Y. **Underwriter**—None.

**Servotronics, Inc. (10/29-31)**
March 30, 1962 filed 125,000 capital shares. **Price** — $3. **Business**—Design, development and manufacture of precision control components and associated products. **Proceeds** — For debt repayment, equipment and working capital. **Office** — 190 Gruner Rd., Cheektowaga, N. Y. **Underwriter**—General Securities Co., Inc., N. Y.

**Signalite Inc.**
Jan. 29, 1962 filed 126,000 common. **Price**—$4.50. **Business**—Manufacture, sale and development of glow lamps for use as indicators and circuit components. **Proceeds**—For debt repayment, equipment and working capital. **Office**—1933 Heck Ave., Neptune, N. J. **Underwriter**—Milton D. Blauner & Co., N. Y. **Offering**—Postponed.

● **Site Fab, Inc.**
Feb. 27, 1962 filed 135,000 common. **Price** — By amendment (max. $4). **Business**—Construction of homes. **Proceeds** — For debt repayment, acquisition of land and working capital. **Office** — 1093 Frank Rd., Columbus, Ohio. **Underwriter**—H. P. Black & Co., Inc. Washington, D. C. **Note**—This registration was withdrawn.

● **Smith-Corona Marchant, Inc. (10/11)**
Aug. 31, 1962 filed 240,219 convertible preferred shares (par $50) to be offered for subscription by common stockholders on the basis of one preferred share for each 8 common shares held of record Oct. 11, with rights to expire Oct. 26. **Price**—By amendment. **Business**—Manufacture and distribution of office equipment. **Proceeds**—For debt repayment, a new plant and equipment, product development and other corporate purposes. **Office**—410 Park Ave., New York. **Underwriter**—First Boston Corp., New York.

**Southeastern Towing & Transportation Co., Inc.**
Nov. 29, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Construction and operation of towing boats. **Proceeds**—For debt repayment, conversion of a boat, and working capital. **Office**—3300 N. W. North River Drive, Miami, Fla. **Underwriter**—Irwin Karp & Co., Inc., 68 William St., N. Y.

● **Southern California Edison Co. (10/30)**
Oct. 1, 1962 filed $50,000,000 of first and partial refunding mortgage bonds, series P, due Nov. 1, 1987. **Proceeds**—For redemption of outstanding 3s of 1965, and construction. **Office**—601 W. 5th St., Los Angeles. **Underwriters**—(Competitive). Probable bidders: Blyth & Co.; First Boston Corp.-Dean Witter & Co. (jointly); Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.-Equitable Securities Corp. (jointly). **Bids**—Oct. 30 (8:30 a.m. PST) at company's office. **Information Meeting**—Oct. 26 at office of Sullivan & Cromwell, 48 Wall St., N. Y.

**Spencer Chemical Co.**
July 27, 1962 filed 37,777 common shares. **Price**—By amendment (max. $35). **Business**—Production of polyethylene, and the mining of bituminous coal. **Proceeds**—For selling stockholders. **Office**—610 Dwight Bldg., Kansas City, Mo. **Underwriter**—Morgan Stanley & Co., New York.

**Sperti Products, Inc.**
Nov. 29, 1961 filed 230,000 common of which 200,000 are to be offered by the company and 30,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of drug and food products, electrical and electronic devices and precision machinery. **Proceeds**—For the purchase of certain patents, repayment of debt, and working capital. **Office**—730 Grand St., Hoboken, N. J. **Underwriter**—Blair & Co., N. Y. **Offering**—Postponed.

● **Stainless Steel Products, Inc. (10/22-26)**
May 28, 1962 filed 100,000 capital shares. **Price** — $8. **Business**—Design, development and manufacture of high pressure, high temperature ducting systems for use in aircraft and missiles. **Proceeds** — For plant expansion, equipment and working capital. **Office** — 2980 N. San Fernando Blvd., Burbank, Calif. **Underwriters** — First California Co., Inc., San Francisco, and Dempsey-Tegeler & Co., Inc., St. Louis.

**Standard Security Life Insurance Co. of New York (11/7-9)**
June 29, 1962 filed 230,000 common. **Price**—By amendment (max. $12). **Business**—Writing of life, accident and health insurance. **Proceeds**—For investment and other corporate purposes. **Office**—111 Fifth Ave., N. Y. **Underwriter**—Ira Haupt & Co., N. Y.

**State Life Insurance Co. of Colorado**
March 27, 1962 filed 300,000 common. **Price**—By amendment (max. $5). **Business**—Writing of life, health and accident insurance. **Proceeds**—For investment and working capital. **Office**—1760 High St., Denver. **Underwriter**—None.

**Sterling Copper Corp.**
Aug. 2, 1962 filed 850,000 common. **Price**—$1. **Business**—Company plans to operate a non-ferrous rod and tube mill. **Proceeds**—For plant and equipment, working capital and other corporate purposes. **Office**—300 Horn Rd., Pinconning, Mich. **Underwriter**—None.

**Stratford Financial Corp.**
March 29, 1962 filed 315,000 class A shares of which 218,000 are to be offered by the company and 97,000 by the stockholders. **Price**—$6. **Business**—Commercial finance company. **Proceeds**—For debt repayment. **Office**—95 Madison Ave., N. Y. **Underwriter**—Mortimer B. Burnside & Co., Inc., N. Y.

**Stratton Realty & Construction Fund, Inc.**
March 20, 1962 filed 500,000 common. **Price**—$20. **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—50 E. 40th St., N. Y. **Underwriter**—To be named.

**T-A Development Co.**
Sept. 12, 1962 filed 2,000 common. **Price**—By amendment (max. $1,000). **Business**—Company plans to acquire, develop, and improve industrial real properties, primarily in Los Angeles County. **Proceeds**—For general corporate purposes. **Office**—9601 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—None.

**Tabach Industries, Inc. (10/29-31)**
March 29, 1962 ("Reg. A") 125,000 common. **Price**—$2. **Business**—Manufacture and sale of women's wear. **Proceeds**—For debt repayment, leasehold improvements and expansion. **Office**—217 E. Eight St., Los Angeles, Calif. **Underwriter** — Costello, Russotto & Co., 9301 Wilshire Blvd., Beverly Hills, Calif.

**Tactair Fluid Controls, Corp.**
March 29, 1962 filed 90,000 common. **Price**—By amendment (max. $7.50). **Business**—Manufacture of fluid control equipment used in missiles, helicopters and aircraft. **Proceeds**—For selling stockholders. **Address**—Bridgeport, Conn. **Underwriters**—Stroud & Co., Inc. and Penington, Colket & Co., Philadelphia.

**Teaching Systems, Inc.**
June 1, 1962 ("Reg. A") 50,000 common. **Price**—$2. **Business**—Production and sale of educational audio-visual teaching aids. **Proceeds**—For equipment, promotion and advertising and working capital. **Office**—1650 Broadway, N. Y. **Underwriter**—Creative Ventures Corp., 733 Third Ave., N. Y.

**Tenna Corp.**
Sept. 28, 1962 filed 122,000 common. **Price**—By amendment (max. $11). **Business**—Manufacture of automobile antennas and radios. **Proceeds**—For repayment of bank loans and working capital. **Office**—19201 Cranwood Parkway, Warrensville Heights, Ohio. **Underwriters**—Westheimer & Co., Cincinnati, and Hartzmark & Co., Inc., Cleveland.

● **Texas Gas Producing Co. (10/17)**
Aug. 28, 1962 filed $1,000,000 of 5¾% subord. conv. debentures due 1974 and warrants to purchase 30,000 common shares to be offered for sale in units consisting of one $100 debenture and three warrants. **Price**—$100 per unit. **Business**—Production of crude oil and natural gas. **Proceeds** — For debt repayment, expansion and working capital. **Office**—721 Meadows Bldg., Dallas. **Underwriter** — Equitable Securities Corp., Nashville, Tenn.

**Texas Plastics, Inc.**
July 27, 1962 filed 313,108 common. **Price**—$3.50. **Business**—Operation of a plant producing plastic film and packaging products. **Proceeds**—For working capital. **Address**—Elsa, Texas. **Underwriter**—Crow, Brourman & Chatkin, Inc., N. Y.

**Top Dollar Stores, Inc.**
May 1, 1962 filed 200,000 common, of which 100,000 are to be offered by company and 100,000 by stockholders. **Price**—$5. **Business**—Operation of a chain of self-service retail stores selling clothing, housewares, etc. **Proceeds**—For expansion, equipment and working capital. **Office**—2220 Florida Ave., Jasper, Ala. **Underwriter**—Philips, Appel & Walden, 115 Broadway, N. Y.

**Tourist Industry Development Corp. Ltd.**
Aug. 3, 1962 filed $5,000,000 of 7% senior debenture stock due 1962. **Price**—At par. **Business**—Company was organized by the State of Israel to furnish financing to tourist enterprises. **Proceeds**—For general corporae purposes. **Address**—Jerusalem, Israel. **Underwriter**—American-Israel Basic Economy Corp., N. Y.

**Towers Marts International, Inc.**
Feb. 1, 1962 filed 550,000 capital shares. **Price** — By amendment. **Business** — Company builds and operates retail discount department stores. **Proceeds**—For expansion. **Office**—41 E. 42nd St., N. Y. **Underwriter**—W. C. Langley & Co., N. Y.

**Traileurop, Inc.**
Aug. 30, 1962 filed 150,000 common. **Price**—$5. **Business**—A holding company for European firms engaged in leasing semi-trailers. **Proceeds**—For equipment, debt repayment and working capital. **Office**—99 Wall St., N. Y. **Underwriter**—Kordan & Co., Inc., N. Y.

**Transarizona Resources, Inc.**
May 28, 1962 filed 500,000 capital shares. **Price**—$1.50. **Business**—Exploration, development and production of the Lake Shore copper deposit near Casa Grande, Ariz. **Proceeds**—For equipment, exploration and working capital. **Office**—201 E. 4th St., Casa Grande, Ariz. **Underwriter**—None.

**Tujax Industries, Inc.**
Mar. 23, 1962 filed 150,000 class A shares, of which 100,000 are to be offered by company and 50,000 by stockholders. **Price**—$8. **Business**—Through its subsidiaries the company is engaged in the wholesale distribution of electrical supplies and equipment. **Proceeds** — For debt repayment and working capital. **Office**—514 E. 73rd St., N. Y. **Underwriters**—Richard Bruce & Co., Inc., and Reuben Rose & Co., Inc., N. Y.

**Turbodyne Corp.**
March 2, 1962 filed 127,500 common. **Price**—$5. **Business**—Research, development and production and overhauling of gas turbine engines. **Proceeds**—For debt repayment, research and development, a new plant and working capital. **Office** — 1346 Connecticut Avenue, N. W., Washington, D. C. **Underwriter**—Sandkuhl & Co., Inc., N. Y.

**U-Tote'm of West Florida, Inc.**
Aug. 13, 1962 ("Reg. A") 50,000 common. **Price**—$4. **Business**—Sale of groceries, drugs and general merchandise. **Proceeds**—For expansion, inventories and working capital. **Office**—4609 Bee Ridge Rd., Sarasota, Fla. **Underwriter**—Givens & Co., Inc., Miami. **Note**—This letter will be withdrawn.

**United Markets Inc.**
March 15, 1962 filed $400,000 of 8% conv. subord. debentures due 1972 and 20,000 common to be offered in units of one $200 debenture and 10 shares. **Price**—$250 per unit. **Business**—Operation of "Foodtown" supermarkets. **Proceeds**—For general corporate purposes. **Office**—531 Ferry St., Newark, N. J. **Underwriter** — Moran & Co., Newark, N. J. **Offering**—Expected in early November.

**United National Insurance Co.**
May 29, 1962 filed 77,000 common. **Price**—$15. **Business**—Sale of automobile insurance, and the writing of fire and extended coverage insurance. **Proceeds**—For expansion. **Office**—225 S. 15th St., Philadelphia. **Underwriter**—Suplee, Yeatman, Mosley Co., Inc., Philadelphia.

**United-Overton Corp.**
Mar. 26, 1962 filed 450,000 common, of which 90,897 are to be offered by the company and 359,103 by stockholders. **Price**—By amendment (max. $18). **Business**—Operates hard goods' departments in discount department stores. **Proceeds**—For debt repayment. **Office**—19 Needham St., Nugent Highlands, Mass. **Underwriters**—McDonnell & Co., Inc., and Oppenheimer & Co., N. Y.

**U. S. Cold Storage of Hawaii, Inc.**
Sept. 14, 1962 filed 30,000 capital shares, of which 20,000 are to be offered by company and 10,000 by present stockholders. **Price**—$10. **Business**—Company plans to construct and operate cold storage facilities in Hawaii. **Proceeds**—For construction, and working capital. **Office**—3140 Ualena St., Honolulu. **Underwriter**—None.

**United Variable Annuities Fund, Inc.**
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo. **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo.

**Universal Capital Corp.**
Aug. 28, 1962 filed 1,500,000 common. **Price**—$1. **Business**—Company plans to establish or acquire control of other companies, principally those in life insurance field. **Proceeds**—For general corporate purposes. **Office**—318 N. St. Paul St., Dallas. **Underwriter**—None.

**Urban America Real Estate Trust**
Aug. 2, 1962 filed 400,000 shares of beneficial interest. **Price**—$6. **Business**—A real estate investment trust. **Proceeds**—For debt repayment and investment. **Office**—510 Fleming Bldg., Des Moines. **Underwriter**—Conway Brothers, Inc., Des Moines.

**Urban Redevelopment Corp.**
March 29, 1962 filed 100,000 common. **Price**—By amendment. **Business**—Company operates the "Kellogg Plan" which provides 100% financing and construction through a single source for renewing older residential properties. **Proceeds**—For debt repayment, sales financing and working capital. **Office** — 1959 S. LaCienega Blvd., Los Angeles. **Underwriter**—R. J. Henderson & Co., Los Angeles.

**Urethane of Texas, Inc.**
Feb. 14, 1962 filed 250,000 class A and 250,000 common to be offered in units of one share of each class. **Price**—$5.05 per unit. **Business**—Manufacture of urethane foams. **Proceeds**—For equipment, working capital, leasehold expenses and other corporate purposes. **Office**—2300 Republic National Bank Bldg., Dallas. **Underwriter** — First Nebraska Securities Corp., Lincoln, Neb. **Offering**—Temporarily postponed.

**Valu-Rack, Inc.**
May 4, 1962 filed 200,000 common, of which 100,000 are to be offered by company and 100,000 by stockholders. **Price** — $5. **Business** — Wholesale distribution and retail merchandising of health and beauty aids, housewares, kitchenwares, wearing apparel and other goods. **Proceeds**—For debt repayment. **Office**—2925 S. San Pedro St, Los Angeles. **Underwriter**—To be named.

**Vendex, Inc.**
Jan. 12, 1962 ("Reg. A") 300,000 common. **Price** — $1. **Business**—Manufacture of coin operated vending machines. **Proceeds**—For an acquisition and general corporate purposes. **Office**—1290 Bayshore Blvd., Burlingame, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco.

**Vending Components, Inc.**
March 30, 1962 filed 100,000 common. **Price**—$4. **Business** — Manufacture, design and sale of metal valves, mixers, taps, etc., for vending machines. **Proceeds**—For expansion, new products and other corporate purposes. **Office**—204 Railroad Ave., Hackensack, N. J. **Underwriter**—Keene & Co., Inc., N. Y.

**Wallace Investments, Inc.**
Feb. 12, 1962 filed 400,000 common. **Price**—By amendment (max. $22). **Business**—Company makes short-term real estate loans, acquires, develops and sells land, and engages in the mortgage loan correspondent business. **Proceeds**—For selling stockholders. **Office**—1111 Hartford Bldg., Dallas. **Underwriter**—Harriman Ripley & Co., N. Y. **Note**—This registration is being withdrawn.

**Waterman Steamship Corp.**
Aug. 29, 1961 filed 1,743,000 common. **Price**—By amendment. **Business**—The carrying of liner-type cargoes. **Proceeds**—For the purchase of vessels, and working capital. **Office**—71 Saint Joseph St., Mobile, Ala. **Underwriter**—Shields & Co., Inc., N. Y. (mgr.). **Offering**—Temporarily postponed.

**Welcome Baby, Inc.**
Dec. 28, 1961 filed 75,000 common. **Price**—$2. **Business**—Company renders direct mail public relations, sales promotion and advertising services to mothers on behalf of retail stores. **Proceeds**—For debt repayment and general corporate purposes. **Office**—210-07 48th Ave., Bayside, N. Y. **Underwriter**—First Philadelphia Corp., N. Y.

**Western Empire Real Estate Investments**
Sept. 26, 1962 filed 600,000 shares of beneficial interest. **Price**—$4. **Business**—Company plans to qualify as a real estate investment trust. **Proceeds**—For investment. **Office**—1755 Gilpin St., Denver, Colo. **Underwriter**—None.

**Western Pioneer Co.**
Feb. 19, 1962 filed 371,750 capital shares of which 175,000 are to be offered by the company and 196,750 by stockholders. **Price**—By amendment (max. $42). **Business**—The making of loans secured by first liens on real estate. **Proceeds**—For debt repayment. **Office** — 3243 Wilshire Blvd., Los Angeles. **Underwriter** — Kidder, Peabody & Co., N. Y.

**Western States Real Investment Trust**
Nov. 13, 1961 filed 32,000 shares of beneficial interest. **Price** — $6.25. **Business** — A small business investment company. **Proceeds** — For investment. **Office** — 403 Ursula St., Auroca, Colo. **Underwriter**—Westco Corp., Aurora, Colo.

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**Wheeler & Ryan, Inc.**
July 30, 1962 filed 80,000 common. **Price**—$12.50. **Business**—Acquisition of leases and production of oil and gas. **Proceeds** — For repayment of debt and other corporate purposes. **Office**—Thompson Bldg., Tulsa. **Underwriter**—R. J. Edwards, Inc., Oklahoma City.

**White Photo Offset, Inc.**
July 13, 1962 filed 100,000 common. **Price**—$3.50. **Business**—Photo-offset printing. **Proceeds** — For debt repayment, equipment and working capital. **Office**—142 W. 26th St., N. Y. **Underwriter** — K-Pac Securities Corp., New York. **Offering**—Expected sometime in December.

**Widman (L. F.), Inc.**
Oct. 27, 1961 filed 162,000 common, of which 102,000 are to be offered by the company and 60,000 by stockholders. **Price**—$3. **Business**—Operates a chain of retail drug stores. **Proceeds**—Expansion, equipment and working capital. **Office**—738 Bellefonte Ave., Lock Haven, Pa. **Underwriter**—Godfrey, Hamilton, Taylor & Co., N. Y.

**Wiegand (Edwin L.) Co.**
March 30, 1962 filed 606,450 common. **Price**—By amendment. **Business**—Manufacture of electrical heating elements for industrial, commercial and household applications. **Proceeds**—For selling stockholders. **Office**—7500 Thomas Blvd., Pittsburgh. **Underwriters**—Eastman Dillon, Union Securities & Co., N. Y., Moore, Leonard & Lynch, Pittsburgh and Reinholdt & Gardner, St. Louis. **Offering**—Temporarily postponed.

**Wiener Shoes Inc.**
April 2, 1962 filed 80,000 common. **Price** — By amendment (max. $11). **Business**—Operation of a chain of shoe stores. **Proceeds**—For debt repayment, expansion and working capital. **Office** — 808 Dakin St., New Orleans. **Underwriter** — Howard, Weil, Labouisse, Friedrichs & Co., New Orleans.

**Winslow Electronics, Inc.**
Dec. 28, 1961 filed 125,000 common. **Price**—$4. **Business**—Design and manufacture of precision electrical and electronic measuring devices and test equipment. **Proceeds**—For debt repayment and other corporate purposes. **Office**—1005 First Ave., Asbury Park, N. J. **Underwriter**—Amos Treat & Co., Inc., N. Y.

**Wolf Corp.**
Jan. 26, 1962 filed $4,500,000 of 6.5% convertible subordinated debentures due 1977 (with attached warrants) to be offered for subscription by stockholders of class A stock on the basis of $500 debentures for each 100 class A shares held. **Price**—$500 per unit. **Business**—Real estate. **Proceeds**—For debt repayment and realty acquisitions. **Office**—10 East 40th St., N. Y. **Underwriter**—S. E. Securities, Inc., 10 East 40th Street, New York. **Note**—This registration will be withdrawn.

**Work Wear Corp.**
Mar. 26, 1962 filed 130,000 common. **Price**—By amendment (max. $27). **Business** — Manufacture and sale of work clothing. Company is also engaged in industrial laundering and garment rental. **Proceeds**—For debt repayment, acquisitions and working capital. **Office** — 1768 E. 25th St., Cleveland. **Underwriter**—Hornblower & Weeks, N. Y. **Note**—This registration is being withdrawn.

**Worth Financial Corp. (10/22-26)**
March 22, 1962 filed $360,000 of 6% convertible debentures (with warrants) and 36,000 common, to be offered in units of one $80 debenture and 8 shares. **Price**—$100 per unit. **Business** — Financing of commercial accounts receivable. **Proceeds**—For general corporate purposes. **Office**—114 E. 40th St., New York. **Underwriter**—Leib, Skloot & Co., Inc., Clifton, N. J.

**Zero Mountain, Inc. (10/30)**
March 30, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Operation of underground cold storage facilities. **Proceeds**—Expansion, debt repayment and working capital. **Address**—Box 594, Fayetteville, Ark. **Underwriter**—Don D. Anderson & Co., Inc., Oklahoma City.

**Zipco Inc.**
Sept. 26, 1962 filed 150,000 common. **Price**—$5. **Business**—Manufacture of a new type nylon zipper. **Proceeds**—For equipment, debt repayment, advertising, and working capital. **Office**—Box 117 Uncasville, Conn. **Underwriter**—None.

# Issues Filed With SEC This Week

**★ Ampal-American Israel Corp.**
Oct. 8, 1962 filed $5,000,000 of its 6% s. f. debentures (series J) due 1972. **Price**—At par. **Business**—Company was formed in 1942 to develop trade between U. S. and Israel, and to aid in economic development of Israel. **Proceeds**—For repayment of loans. **Office**—17 E. 71st St., N. Y. **Underwriter**—Israel Securities Corp. (same address).

**★ California Financial Corp.**
Oct. 2, 1962 filed $5,000,000 of conv. subord. debentures due 1977. **Price**—At par. **Business**—A holding company for savings and loan associations. Certain subsidiaries are engaged in trust deed, title, escrow, mortgage brokerage and insurance businesses. **Proceeds**—For debt repayment and cash reserves. **Office**—11 Tillman Pl., San Francisco. **Underwriters**—William R. Staats & Co., Los Angeles, and J. Barth & Co., San Francisco.

**★ Electronic Distributing Co.**
Sept. 28, 1962 ("Reg. A") 4,000 common. **Price**—$25. **Business**—Company is engaged in the purchase and sale of personal property. **Proceeds**—For selling stockholders. **Office**—891 Vandalia St., St. Paul. **Underwriter**—None.

**★ Florida Power Corp. (11/1)**
Oct. 10, 1962 filed 100,000 cumulative preferred. **Price**—By amendment (max. $102). **Proceeds**—For debt repayment and construction. **Office**—101 First St., S., St. Petersburg, Fla. **Underwriters**—Kidder, Peabody & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y.

**★ Flying L Skytel**
Oct. 4, 1962 ("Reg. A") 260,000 capital shares to be offered for subscription by stockholders on the basis of 1.27 shares for each share held on Oct. 1. Rights will expire Oct. 14. **Price**—$1. **Business**—Construction of a motor hotel. **Proceeds**—Construction of motel units and air-strip, salaries, and working capital. **Address**—North Fork Route, Cody, Wyo. **Underwriter**—None.

**★ Georgia Power Co. (11/7)**
Oct. 5, 1962 filed 70,000 shares of no par cum. preferred. **Price**—By amendment. **Proceeds**—For repayment of bank loans, and construction. **Office**—270 Peachtree Bldg., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders: Blyth & Co., Inc.; First Boston Corp.; Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Lehman Brothers. **Bids**—Nov. 7 (11:30 a.m. EST) in Room 1600, 250 Park Ave., N. Y. **Information Meeting**—Nov. 1 (2:30 p.m. EST) in Room 1420, 20 Pine St., N. Y.

**★ Georgia Power Co. (11/7)**
Oct. 5, 1962 filed $23,000,000 of first mortgage bonds due 1992. **Proceeds**—For repayment of bank loans, and construction. **Office**—270 Peachtree Bldg., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Harriman Ripley & Co., Inc.; Blyth & Co., Inc.; Kidder, Peabody & Co.-Shields & Co. (jointly); Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); First Boston Corp.; Lehman Brothers; Morgan Stanley & Co. **Bids**—Nov. 7 (12:30 a.m. EST) in Room 1600, 250 Park Ave., N. Y. **Information Meeting**—Nov. 1 (2:30 p.m. EST) in Room 1420, 20 Pine St., N. Y.

**★ Hialeah Metal Spinning & Stamping Co., Inc.**
Sept. 28, 1962 ("Reg. A") 80,000 common. **Price**—$3.75. **Business**—Design, engineering, fabrication and sale of metal spinnings, stampings and related products. **Proceeds**—For advertising, equipment, research, and working capital. **Office**—4602 E. 10th Court, Hialeah, Fla. **Underwriter**—None.

**★ High Temperature Materials, Inc.**
Sept. 28, 1962 ("Reg. A") $300,000 of 6% subord. debentures due Oct. 31, 1967 (with attached warrants). **Price**—$1,000 **Business**—Engaged in research and development work with intense heats encountered in space navigation. Company also manufactures vapor-deposited materials to withstand intense heat. **Proceeds**—For working capital, research and new products. **Office**—130 Lincoln St., Brighton, Mass. **Underwriter**—None.

**★ Investors Equity Corp.**
Oct. 3, 1962 ("Reg. A") 300,000 shares of 5% convertible preferred. **Price**—$1. **Business**—General agent for life insurance sales. **Proceeds**—For expansion and working capital. **Office**—Norview Bank Bldg., P. O. Box 10007, Norfolk, Va. **Underwriter**—None.

**★ Metropolitan Edison Co. (12/3)**
Oct. 10, 1962 filed $15,000,000 of first mortgage bonds due 1992. **Proceeds** — For construction. **Office** — 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co.-Drexel & Co. (jointly); Blyth & Co., Inc. **Bids**—Dec. 3, 1962 (12 noon EST) at 80 Pine St., N. Y. **Information Meeting**—Nov. 30 (10 a.m. EST), same address.

**★ Pacific Power & Light Co. (11/28)**
Oct. 3, 1962 filed $32,000,000 of first mortgage bonds, due 1992. **Proceeds**—To refund $12,000,000 outstanding 5⅜% bonds due Jan. 1, 1987 and $20,000 of outstanding 5¾% bonds due Sept. 1, 1987. **Office**—920 S. W. Sixth Ave., Portland, Ore. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.-Kidder Peabody & Co. (jointly); Lehman Brothers-Bear Stearns & Co.-Salomon Brothers & Hutzler (jointly); Blyth & Co.-White, Weld & Co. (jointly). **Bids**—Expected Nov. 26 (11 a.m. EST). **Information Meeting**—Nov. 21 (2:30 p.m. EST) at 2 Rector St., N. Y.

**★ Perk-Pak, Inc.**
Oct. 3, 1962 ("Reg. A") 60,000 common. **Price**—$3.50. **Business**—Company has developed a new device for the cleaning of the percolator basket and disposal of coffee grounds. **Proceeds**—For fabricating machine, equipment and working capital. **Office**—162 Burnham, Kensington, Conn. **Underwriter**—None.

**★ Quick-N-Clean Corp. of Minnesota, Inc.**
Oct. 1, 1962 ("Reg. A") 205,000 common. **Price**—$1.15. **Business**—Company plans to open a chain of coin operated dry cleaning stores. **Proceeds**—Advertising, expansion and working capital. **Office**—712 Fir St., Brainerd, Minn. **Underwriter**—Northwest Securities, Inc., Detroit Lakes, Minn.

**★ Regal Factors, Inc.**
Oct. 2, 1962 ("Reg. A") 90,000 common. **Price**—$2. **Business**—Company plans to engage in factoring and accounts receivable financing. **Proceeds**—For working capital. **Office**—32 Broadway, N. Y. **Underwriter**—Edward H. Stern & Co., Inc., N. Y.

**★ Russ Togs, Inc.**
Oct. 4, 1962 filed 159,254 class A. **Price**—By amendment (max. $15). **Business**—Production of misses, junior and children's popular priced sportswear. **Proceeds**—For selling stockholders. **Office**—1372 Broadway, N. Y. **Underwriter**—Shearson, Hammill & Co., N. Y.

**★ Russell Stover Candies, Inc.**
Oct. 3, 1962 filed 120,000 common. **Price**—By amendment (max. $25). **Business**—Manufacture of chocolates and other candies. **Proceeds**—For selling stockholders. **Office**—1206 Main St., Kansas City, Mo. **Underwriters**—Harriman Ripley & Co., Inc., N. Y. and Stern Brothers & Co., Kansas City.

**★ Simpson (J.) & Co., Inc.**
Oct. 1, 1962 ("Reg. A") 50,000 class A. **Price**—$6. **Business**—Company is a licensed pawn broker. **Proceeds**—For general corporate purposes. **Office**—1176 Ave. of Americas, N. Y. **Underwriter**—Richard Bruce & Co., Inc., N. Y.

**★ Wisconsin Natural Gas Co. (10/31)**
Oct. 3, 1962 filed $5,000,000 of first mortgage bonds due Nov. 1, 1987. **Proceeds**—For loan repayment, retirement of 5½% bonds due 1982, and construction. **Office**—100 Third St., Racine, Wis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler- Merrill Lynch, Pierce Fenner and Smith Inc. (jointly); White, Weld & Co.-Kidder, Peabody & Co. (jointly). **Bids**—Expected Oct. 31.

**★ Wolf (Howard B.), Inc.**
Oct. 8, 1962 filed 105,000 common, of which 50,000 shares are to be offered by company and 50,000 shares by a stockholder. **Price**—By amendment (max. $10). **Business**—Design, manufacture and sale of retail stores of junior dresses and suits. **Proceeds**—For debt repayment, advertising, and working capital. **Office**—3809 Perry Ave., Dallas. **Underwriter**—Eppler, Guerin & Turner, Inc., Dallas.

# Effective Registrations

***The following registration statements were declared effective this week by the SEC. Offering details, where available, will be carried in the Monday issue of the "Chronicle."***

**Emcee Electronics, Inc.**
$200,000 of 6¾% convertible debentures due 1974 and 50,000 common shares, offered in units of $200 of debentures and 50 shares, at $400 per unit, by Weil & Co., Inc., Washington, D. C.

**Fieldcrest Mills, Inc.**
300,000 capital shares offered at $14 by Blyth & Co., Inc., New York.

**Goldsmith Bros.**
100,000 common shares offered at $5 per share by Federman, Stonehill & Co., N. Y.

**Lyntex Corp.**
$600,000 of 6½% sinking fund debentures due 1977 and 168,000 common shares offered in units, at $144 each, of one $100 debenture and 28 shares by P. W. Brooks & Co., Inc., New York.

**Surburban Water Service, Inc.**
30,000 shares at $16 by Putnam & Co., Hartford, Conn. The shares may be 90c dividend preferred or no par common or a combination of both, as designated by the underwriting manager at least 72 hours prior to delivery of stock.

**Textron, Inc.**
40,000 common shares offered at $25 per share by Blair & Co., Inc., New York.

**Video Color Corp.**
1,000,000 common shares offered at $1.15 per share by Naftalen & Co., Inc., Minneapolis.



# Prospective Offerings

**● Be-Mac Transport Co., Inc. (10/15)**
Sept. 17, 1962 it was reported that the ICC had authorized the sale of 35,000 outstanding $1 par common shares. **Price**—$11. **Business** — A motor carrier of general commodities providing direct service to over 600 municipalities in six mid-western states. **Proceeds** — For selling stockholders. **Office**—7400 North Broadway, St. Louis. **Underwriter**—Edward D. Jones & Co., St. Louis.

**Belock Instrument Corp.**
Sept. 4, 1962 it was reported that the company plans to raise an additional $1,000,000 by sale of securities. **Business**—Company produces various defense items, such as bomb-sights, gun directors, missile system components, etc. **Proceeds**—For working capital and other corporate

purposes. **Office**—112-03 Fourteenth Ave., College Point, N. Y. **Underwriter**—Carl M. Loeb, Rhoades & Co., N. Y.

**Biologics International Inc.**
Aug. 15, 1962 it was reported that this company plans to file a registration statement covering 125,000 common shares. **Price**—$3. **Business**—Company plans to breed and supply animals for biological research purposes. **Proceeds**—For general corporate purposes. **Office**—7520 Bergenline Ave., North Bergen, N. J. **Underwriter**—To be named.

**Central Illinois Public Service Co.**
July 10, 1962 it was reported that this company plans to issue about $10,000,000 of first mortgage bonds in 1963. **Proceeds**—For construction. **Office**—607 E. Adams St., Springfield, Ill. **Underwriters**—(Competitive). Probable bidders: Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Blyth & Co.-Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; First Boston Corp.; Lehman Brothers-Bear, Stearns & Co. (jointly).

**Consumers Power Co.**
Sept. 4, 1962, Robert P. Briggs, Executive Vice-President, announced that the company had postponed until mid-1963 its plan to sell additional securities because of "larger than anticipated internal generation of cash, substantial refunds from natural gas suppliers and the increased use of bank credit." Earlier, the company reported that it expected to sell about $40,000,000 of securities, probably bonds, in the fourth quarter. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Shields & Co. (jointly); Harriman Ripley & Co. Inc.-First Boston Corp. (jointly); Morgan Stanley & Co.

**Delaware Power & Light Co.**
March 9, 1962 it was reported that the company has postponed until early Spring of 1963 its plan to issue additional common stock. The offering would be made to common stockholders first on the basis of one share for each 10 shares held. Based on the number of shares outstanding on Dec. 31, 1961, the sale would involve about 418,536 shares. **Proceeds**—For construction. **Office**—600 Market St., Wilmington, Del. **Underwriters**—(Competitive). Probable bidders: Carl M. Loeb, Rhoades & Co.; W. C. Langley & Co.-Union Securities Co. (jointly); Lehman Brothers; First Boston Corp.; White, Weld & Co.-Shields & Co. (jointly); Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

**Food Fair Properties, Inc.**
May 11, 1962 stockholders authorized the company to issue 756,000 shares of a new convertible preferred stock which will be offered to stockholders through subscription rights on a 1-for-10 basis. **Price**—By amendment. **Business**—Development and operation of shopping centers. **Proceeds**—To retire outstanding 6% preferred stock and purchase up to $6,000,000 convertible debentures of Major Realty Corp., an affiliate. **Office**—223 East Allegheny Ave., Philadelphia. **Underwriter**—To be named. The last rights offering in December 1957 was underwritten by Eastman Dillon, Union Securities & Co., New York.

★ **Gulf States Utilities Co. (11/13)**
Oct. 5, 1962 it was reported that this company plans to sell $16,000,000 of first mortgage bonds due 1992. **Proceeds**—To retire a like amount of 5¼% bonds due 1989. **Office**—285 Liberty Ave., Beaumont, Tex. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler-Eastman Dillon, Union Securities & Co. (jointly); Stone & Webster Securities Corp.; Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Lehman Brothers. **Bids**—Expected Nov. 13.

**Highway Trailer Industries, Inc.**
Sept. 10, 1962 it was reported that this company plans to raise some $2,500,000 by a rights offering to stockholders. Authorized stock now consists of 2,000,000 $1.25 par common shares of which 714,086 shares are outstanding. **Business**—Manufacture of truck trailers, cargo containers, telephone and power line construction equipment, etc. **Proceeds**—To help form a new finance company subsidiary. **Office**—250 Park Ave., N. Y. **Underwriters**—To be named. The last financing by the company was underwritten by Allen & Co., and Van Alstyne, Noel & Co. New York City.

**Illinois Power Co.**
Feb. 28, 1962 it was reported that this utility expects to sell $25,000,000 of debt securities in late 1962 or early 1963. **Office**—500 South 27th St., Decatur, Ill. **Underwriters**—To be named. The last sale of bonds on May 21, 1958 was made through First Boston Corp. Other bidders were: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Eastman Dillon, Union Securities & Co.; Harriman Ripley & Co., Inc.-Glore, Forgan & Co. (jointly).

● **Interstate Power Co.**
Oct. 10, 1962 it was reported that the company plans to sell $8,000,000 of first mortgage bonds and $4,000,000 of common stock in late May, 1963. **Office**—1000 Main St., Dubuque, Iowa. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; White, Weld & Co.

**Jamaica Water Supply Co.**
March 20, 1962 it was reported that this utility plans to sell $3,000,000 of mortgage bonds and $2,000,000 of preferred and common stocks. **Proceeds**—For debt repayment, and construction. **Office** — 161-20 89th Ave., Jamaica, N. Y. **Underwriters**—To be named. The last sale of bonds on May 3, 1956 was made by Blyth & Co. Other bidders were: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co. The last several issues of preferred were sold privately. The last sale of common on May 9, 1956 was made through Blyth & Co., Inc.

**Japan Development Bank**
July 3, 1962 it was reported that the Japanese Finance Ministry has authorized the bank to issue an additional $22,500,000 of bonds in the U. S. It is expected that a major portion of this financing will be completed by March 31, 1963. **Business**—The bank was incorporated to 1951 as a Japanese Government financial institution to supply long-term funds to Japanese industry for the promotion of economic reconstruction and industrial development. **Office**—Tokyo, Japan. **Underwriters** — First Boston Corp.; Dillon, Read & Co. Inc.; Smith, Barney & Co., Inc., N. Y.

**Kentucky Utilities Co.**
Aug. 1, 1962 it was reported that this utility plans to sell approximately $15,000,000 of 30-year first mortgage bonds, in the first quarter of 1963. **Office**—120 So. Limestone St., Lexington, Ky. **Underwriters**—(Competitive). Probable bidders: Blyth & Co., Inc.; Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.-White, Weld & Co. (jointly); Eastman Dillon, Union Securities & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

**Louisville & Nashville RR. (11/14)**
Aug. 28, 1962 it was reported that this road is considering the issuance of $25,000,000 of collateral trust bonds due 1987, subject to ICC approval. **Office** — 220 E. 42nd St., New York. **Underwriters**—(Competitive). Probable bidders: White, Weld & Co.-Salomon Brothers & Hutzler (jointly); Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected Nov. 14.

**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. **Proceeds** — For construction. **Office** — 831 Second Ave., S., Minneapolis. **Underwriters**—To be named. The last bond issue was won at competitive bidding on Dec. 3, 1958 by Eastman Dillon, Union Securities & Co. Other bidders were: Blyth & Co., Inc.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co. Inc.; Equitable Securities Corp. **Bids**—Expected Dec. 5, 1962.

**National Airlines, Inc.**
May 8, 1961, it was reported that the CAB had approved the company's plan to sell publicly 400,000 shares of Pan American World Airway's Inc., subject to final approval of the Board and the SEC. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each others jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Price** — About $20 per share. **Proceeds**—To repay a $4,500,000 demand loan, and other corporate purposes. **Office**—Miami International Airport. Miami 59, Fla. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

**Natural Gas Pipeline Co. of America**
June 12, 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 expansion. **Office** — 122 So. Michigan Ave., Chicago. **Underwriter**—Dillon, Read & Co. Inc., New York City.

**Nevada Northern Gas Co.**
Feb. 28, 1962 it was reported that this subsidiary of Southwest Gas Corp., plans to sell $2,000,000 of common stock. **Office**—2011 Las Vegas Blvd., South, Las Vegas, Nev. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

**New England Power Co. (12/4)**
Oct. 2, 1962 it was reported that this subsidiary of New England Electric System plans to sell 100,000 shares of cum. dividend series preferred (par $100) in December. **Proceeds**—To redeem $10,000,000 of outstanding 5.52% series preferred. **Office**—441 Stuart St., Boston. **Underwriters** — (Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers; Equitable Securities Corp.; Kidder, Peabody & Co.; Lee Higginson Corp.-White, Weld & Co. (jointly). **Bids**—Expected Dec. 4, 1962 (12 noon EST).

**New England Power Co. (12/4)**
Oct. 2, 1962 it was reported that this utility plans to sell $12,000,000 of 30-year first mortgage bonds in December, 1962. **Proceeds**—For debt repayment and construction. **Office**—441 Stuart St., Boston. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Kidder, Peabody & Co.-White, Weld & Co. (jointly); Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Lehman Brothers-Equitable Securities Corp. (jointly); First Boston Corp.; Kuhn, Loeb & Co. **Bids**—Expected Dec. 4 (11 a.m. EST).

**Northern Illinois Gas Co.**
Feb. 28, 1962 it was reported that the company expects to raise $125,000,000 to finance its 1962-66 construction program. About $25,000,000 of this, in the form of a debt issue, will be sold in the second half of 1962. **Office**—615 Eastern Ave., Bellwood, Ill. **Underwriters**—To be named. The last sale of bonds on July 14, 1960, was handled by First Boston Corp. Other bidders were: Halsey, Stuart & Co., Inc.; Blyth & Co., Inc-Equitable Securities Corp. (jointly); Glore, Forgan & Co.

**Northern Natural Gas Co.**
Feb. 28, 1962 it was reported that the company's 1962 expansion program will require about $40,000,000 of external financing to be obtained entirely from long or short term borrowing. **Office**—2223 Dodge St., Omaha, Neb. **Underwriter**—To be named. The last sale of debentures on Nov. 16, 1960 was handled on a negotiated basis by Blyth & Co., Inc., N. Y.

**Oklahoma Gas & Electric Co.**
Aug. 1, 1962 it was reported that this company plans to sell $12,000,000 of 30-year first mortgage bonds, in the second quarter of 1963. **Office**—321 No. Harvey St., Oklahoma City. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Halsey, Stuart & Co. Inc.; Lehman Brothers-Blyth & Co. Inc. (jointly); First Boston Corp.; Harriman Ripley & Co., Inc.-Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp.

**Pacific Gas & Electric Co. (11/27)**
Sept. 21, 1962 it was reported that this utility plans to sell $65,000,000 of first and refunding mortgage bonds due 1987. **Proceeds**—For construction. **Office**—245 Market St., San Francisco. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. Inc.; First Boston Corp. **Bids**—Expected Nov. 27.

**Pan American World Airways, Inc.**
Oct. 30, 1961 it was reported that the CAB had approved the company's plan to sell its 400,000 share holdings of National Airlines, Inc. However, it said Pan Am must start selling the stock within one year and complete the sale by July 15, 1964. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and lease of each other's jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Office**—135 East 42nd St., N. Y. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc.

**Pennsylvania Power & Light Co.**
Feb. 20, 1962. Jack K. Busby, President and C. E. Oakes, Chairman, stated that the company will require about $93,000,000 in debt financing in the period 1962 to 1970. **Proceeds**—For construction and the retirement of $17,000,000 of maturing bonds. **Office**—9th and Hamilton Sts., Allentown, Pa. **Underwriters**—To be named. The last sale of bonds on Nov. 29, 1961 was won at competitive bidding by White, Weld & Co., and Kidder, Peabody &Co. Other bidders were Halsey, Stuart & Co. Inc.; First Boston Corp.-Drexel & Co. (jointly).

**South Carolina Electric & Gas Co.**
Aug. 1, 1962 it was reported that the company plans a rights offering to stockholders of approximately $8,500,000 of common stock. **Office**—328 Main St., Columbia, S. C. **Underwriter**—To be named. The last rights offering in February, 1958, was underwritten by Kidder, Peabody & Co., N. Y. **Offering**—Expected in the first quarter of 1963.

**Southern Electric Generating Co. (11/28)**
Aug. 21, 1962 it was reported that this subsidiary of the Southern Co. plans to sell $7,500,000 first mortgage bonds due June 1, 1992. **Office** — 600 N. 18th Street, Birmingham, Ala. **Underwriters** — (Competitive) Probable bidders: First Boston Corp.; Halsey Stuart & Co., Inc.; White, Weld & Co.-Kidder, Peabody & Co. (jointly) Merrill Lynch, Pierce, Fenner & Smith Inc.-Blyth & Co., Inc. (jointly); Eastman Dillon, Union Securities & Co.-Equitable Securities Corp.-Drexel & Co. (jointly); Morgan Stanley & Co. **Bids**—Expected Nov. 28. **Registration**—Scheduled for Nov. 1.

★ **Southern New England Telephone Co. (12/11)**
Oct. 5, 1962 it was reported that this A. T. & T. affiliate plans to sell $45,000,000 of debentures. **Proceeds**—To repay advances from A.T. & T., and for other corporate purposes. **Office**—227 Church St., New Haven, Conn. **Underwriters**—(Competitive). Probable bidders: White, Weld & Co.-Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Lehman Brothers-Salomon Brothers & Hutzler (jointly); First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—Expected Dec. 11 at 195 Broadway, New York.

**Southern Union Gas Co.**
Aug. 15, 1962 it was reported that this utility plans a rights offering of $10,000,000 of convertible preferred stock in the first quarter of 1963. **Office**—1507 Pacific Ave., Dallas. **Underwriters** — To be named. The last rights offering of preferred stock in April 1959 was handled by Snow, Sweeny & Co., Inc., N. Y., and A. C. Allyn & Co., Chicago.

★ **Tennessee Valley Authority**
Oct. 3, 1962, A. J. Wagner, Chairman, stated that the Authority plans to issue $50,000,000 of short- or long-term securities in the spring of 1963. **Proceeds**—For construction. **Office**—Knoxville, Tenn. **Underwriters**—To be named. On Jan. 24, 1962 the Authority sold at competitive bidding $45,000,000 of 4½% bonds due Feb. 1, 1987. The issue was won by a group jointly managed by Chase Manhattan Bank; Morgan Guaranty Trust Co. of New York; Chemical Bank New York Trust Co.; C. J. Devine & Co.; and the First National Bank of Chicago.

**Western Light & Telephone Co., Inc.**
Aug. 1, 1962 it was reported that the company plans to sell approximately $5,000,000 of common stock through a rights offering to stockholders, in the second quarter of 1963. **Office**—2015 Forest Ave., Great Bend, Kan. **Underwriter**—To be named. The last rights offering in January, 1957, was underwritten by Dean Witter & Co., San Francisco.

★ **West Penn Power Co. (11/8)**
Oct. 5, 1962 it was reported that this utility plans to sell $14,000,000 of first and refunding mortgage bonds due 1992. **Proceeds**—To redeem a like amount of 5⅛% bonds due June 1, 1989. **Address** — Cabin Hill, Greensburg, Pa. **Underwriters** — (Competitive). Probable bidders: Kidder, Peabody & Co.-White, Weld & Co. (jointly); Halsey, Stuart & Co. Inc.; W. C. Langley & Co.-Stone & Webster Securities Corp. (jointly); First Boston Corp.-Harriman Ripley & Co. (jointly); Lehman Brothers-Eastman Dillon, Union Securities Corp. (jointly). **Bids**—Expected Nov. 8 (11 a.m. EST).

# The State of TRADE and INDUSTRY

*Continued from page 16*

Districts for week ended Oct. 6, 1962, as follows:

| | *Index of Ingot Production for Week Ended Oct. 6, 1962 |
|---|---|
| North East Coast | 92 |
| Buffalo | 88 |
| Pittsburgh | 82 |
| Youngstown | 81 |
| Cleveland | 96 |
| Detroit | 128 |
| Chicago | 103 |
| Cincinnati | 98 |
| St. Louis | 112 |
| Southern | 91 |
| Western | 88 |
| Total | 93.7 |

*Index of production based on average weekly production for 1957-1959.

**Stepped 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, *Steel* magazine said.

Selective increases can't be ruled out, but producers would have a hard time making selections. Most products face stiff competition at current levels.

Ironically government opposition to a price move seems to be softening. At a Washington meeting, Dr. Walter Heller, a Presidential economic adviser, said that administration policy "does not suggest that average prices should not rise." He added: I would not say that selective price increases are inconsistent with price stability as a whole."

Caught in a profit squeeze, steelmakers are facing competition among themselves, with competitive materials, and with imported products.

Kaiser Steel Corp. trimmed its West Coast quotations by an average of $12 a ton last week, substantially eliminating long standing price differentials with the rest of the country. Industry sources said that Eastern mills might find it impossible to absorb freight or cut prices to sell on the West Coast, but one leading steel company declares it will remain competitive.

Import competition was undoubtedly one of the factors that triggered the Kaiser move. Imports threaten to undermine domestic prices in several areas—including buttweld pipe, wire rods, stainless steel, plates, piling, and wide flange beams.

Aluminum sheet prices were adjusted downward last week by one company. Reductions range from fractions of a cent to six cents a pound on a dozen aluminum alloy sheet categories. The new price lists are said to recognize levels at which aluminum sheets have been moving and to reflect increased competition from imports this year.

Price movements in other metals are noted by *Steel*. Prices for high purity rare earth metals were sharply reduced by a producer. In contrast, prices on beryllium alloy products were raised 2% by a company.

**Auto Buying Spurs Steel Upturn**

The upturn in steel buying stems largely from accelerated automotive demand. If tentative production schedules hold, October's auto production will be the highest ever for the month: 704,000. Last month's output (470,353) was the largest for September since 1953.

Thanks to Detroit's ambitious plans, demand for sheets has picked up more than enough to offset seasonal downtrends in such products as tin plate, line pipe, and the wide plates that are used to make pipe.

Steel production this week will be slightly higher than the 1,780,000 tons that the magazine estimates were poured last week. Operations are at the highest level since May.

Rising steel production is not being reflected in the scrap market. Sluggish demand is keeping pressure on scrap prices. *Steel's* price composite on the key grade, No. 1 heavy melting, held at $25.67 a gross ton last week. A year ago, it was at $38.10.

**Auto Steel Demand Said To Be Lagging**

Steel orders and production are gradually edging upward, the *Iron Age* reported.

In an apparent uphill struggle, the flurry of new orders noted two to three weeks ago has been sustained. As a result, fears of a false start are abating somewhat as business continues to improve.

The *Iron Age* noted that the increases are coming without any particular evidence of strong automotive support. Although the automotive steel order picture is not entirely clear, orders for steel from the auto industry continue to lag behind what would be expected as normal for this time of the year.

This is not due to any lag in auto production as new 1963 models are rushed to dealers. In the first week in October, auto production reached its highest weekly total in more than four months as 154,000 cars came off assembly lines.

Ford and Chevrolet, among others, are working overtime and Chrysler has added a shift. This kind of auto production would normally mean fat orders and a big surge of steel production.

The magazine cautioned that the order and production improvement is still far below satisfactory and steel executives are less than enthusiastic about the rate of business.

**October Auto Output Headed For a Record High**

Auto production during October will reach its highest level for the month on record and will also yield the most cars for any month since November of 1955, *Ward's Automotive Reports* said in its latest report.

The statistical agency estimated output for the week ending Oct. 6 would come to 153,656 units, a 5.2% rise from 146,110 cars made two weeks ago and comparable with production for any session this year. In the corresponding week of a year ago, 102,098 cars were made. The year-ago figure, however, reflected effects of new labor contract strikes at Ford Motor Co. and General Motors Corp.

*Ward's* said that entire October is currently programmed at 725,000 passenger cars. Previous high for the month came in 1960, when 617,972 cars were made in October. Only in four previous months, all in 1955, has car production topped 700,000 units.

Production of passenger cars since Jan. 1 passed the five-million mark early today, according to *Ward's*. Included in the year's total are some 668,500 units made since the industry changeover to 1963 models.

Saturday overtime work tomorrow had been assigned to General Motor's Buick division at Flint and to Chevrolet plants at Willow Run, Baltimore, Arlington, (Tex.) and St. Louis. Ford Motor Co., continuing daily overtime at many of its 16 plants, had standard Ford plants at Chicago, Dallas, Louisville, Norfolk and St. Paul working last Saturday. American Motors, at Kenosha, (Wis.), put in a fourth consecutive Saturday program last week.

Studebaker Corp., reverting to eight-hour from ten-hour shifts, and Chrysler Corp., at six plants, programmed normal five-day assembly sessions.

Of last week's output, General Motors was expected to account for 52.7%; Ford Motor Co. 28.7%; Chrysler Corp. 11.4%; American Motors 5.5%; and Studebaker Corp. 1.7%.

**Rail Freight Loadings Drop 6.3% Below Year Ago**

Loading of revenue freight in the week ended Sept. 29 totaled 596,862 cars, the Association of American Railroads announced. This was an increase of 4,708 cars or eight-tenths of 1% above the preceding week. Loadings in both weeks were affected by a complete work stoppage on the Chicago and North Western system.

The loadings represented a decrease of 40,432 cars or 6.3% below the corresponding week in 1961, and a decrease of 35,365 cars or 5.6% below the corresponding week in 1960.

There were 15,493 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Sept. 22, 1962, (which were included in that week's over-all total). This was an increase of 2,778 cars or 21.8% above the corresponding week of 1961 and 3,602 cars or 30.3% above the 1960 week.

Cumulative piggyback loadings for the first 38 weeks of 1962 totaled 507,028 cars for an increase of 87,470 cars or 20.8% above the corresponding period of 1961, and 104,390 cars or 25.9% above the corresponding period in 1960. There were 61 class I U. S. railroad systems originating this type traffic in this year's week compared with 58 one year ago and 55 in the corresponding week in 1960.

**Truck Tonnage Is Up 1.9% Over Last Year's Week**

Intercity truck tonnage in the week ended Sept. 29 was 1.8% ahead of the corresponding week of 1961, the American Trucking Associations announced. Truck tonnage was 1.9% ahead of the volume for the previous week of this year.

While the labor dispute in the New York area had the effect of depressing volume in this and surrounding areas, the current report showed a year-to-year gain for the fourth consecutive week, after a dip slightly below 1961 in earlier weeks. Coupled with this is the fact that the usual late summer upturn was especially strong at this time a year ago. With this report, intercity truck tonnage for the first 39 weeks of 1962, has shown an average increase of 5.9%, on a year-to-year basis.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

**Lumber Output Rose 3.3% Above 1961 Level**

Lumber production in the United States in the week ended Sept. 29, totaled 235,373,000 board feet compared with 238,518,000 in the prior week, according to reports from regional associations. A year ago the figure was 227,920,000 board feet.

Compared with 1961 levels, output advanced 3.3%, shipments 8.6% and new orders 8.5%.

Following are the figures in thousands of board feet for the weeks indicated:

| | Sept. 29 1962 | Sept. 22 1962 | Sept. 30 1961 |
|---|---|---|---|
| Output | 235,373 | 238,518 | 227,920 |
| Shipments | 247,362 | 236,230 | 227,848 |
| Orders | 238,789 | 231,866 | 220,051 |

**Electric Output Up 6.3% Over Last Year**

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Oct. 6, was estimated at 15,987,000,000 kwh., according to the Edison Electric Institute. Output was 36,000,000 kwh. below that of the previous week's total of 16,023,000,000 kwh., and 952,000,000 kwh. or 6.3% above the total output of the comparable 1961 week.

**Business Failures Up Slightly**

Commercial and industrial failures edged up to 318 in the week ended Oct. 4 from 305 in the preceding week, reported Dun & Bradstreet, Inc. Although this was a slight increase, it lifted casualties to the highest level since the middle of June. However, they fell short of the 330 and 343 occurring in the comparable weeks of 1961 and 1960. Measured against a corresponding pre-war period, business mortality was 14% heavier than the total of 279 in 1939.

Failures with liabilities in excess of $100,000 climbed to 48 from 39 a week ago and 36 last year. On the other hand, there was little change during the week in casualties involving losses under $100,000, which inched to 270 from 266 and remained below the 294 of this size in the similar week of 1961.

The toll among retailers rose to 152 from 144, among construction contractors to 50 from 41, and among service concerns to 27 from 22. Little change appeared in manufacturing where casualties stood at 58 as against 60, and a contrasting dip prevailed in wholesale trade, off to 31 from 38. Failing businesses equalled or exceeded year-ago levels in manufacturing, retailing and construction. But, fewer wholesalers and service enterprises succumbed than last year.

**Wholesale Food Price Index Off Slightly in Latest Week**

Continuing to edge down for the second consecutive week, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., slipped 0.5% to $5.88 on Oct. 9 from $5.91 a week earlier. At the lowest level since the middle of July, the index remained 1.8% below the $5.99 registered on the corresponding day of 1961.

Prices declined in wholesale markets for flour, oats, barley, beef, bellies, butter, cocoa, steers and hogs. Partially offsetting these lower quotations were price increases in seven foodstuffs: wheat, rye, hams, lard, sugar, milk and cottonseed oil.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost of living index. Its chief function is to show the general trend of food prices at the wholesale level.

**Wholesale Commodity Price Index Continues Below Prior Month And Year Ago**

Although the general wholesale commodity price level edged up slightly this Monday after a three-week dip, it remained considerably lower than either a month ago or on the comparable day last year, reported Dun & Bradstreet, Inc. Substantial increases from a week earlier were registered for wheat and flour, and fractional upturns in a few other commodities. While prices were quoted lower for a considerable number of items, including pig iron, steel scrap and rubber, the declines were too small to offset the gains.

The Daily Wholesale Commodity Price Index inched up to 270.41 (1930-32=100) on Monday, Oct. 8, from 270.08 in the preceding week but was down appreciably from 273.73 on the similar day last month and the 274.42 a year ago.

**Some Slowing in Retail Purchases**

As a result of rainy weather in many parts of the country, the religious holiday, and slackened promotions, consumer buying eased in the week ended this Wednesday. Men's apparel sales moved slightly ahead but interest in women's and children's wear turned down. Buying of home furnishings held even or increased throughout the nation despite slower activity on the big ticket items. Introductory sales of the '63 model cars hit a record-breaking pace for Chevrolet, Ford, and Lincoln.

The total dollar volume of retail trade in the week ended this Wednesday ranged from 1% below to 3% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1961 levels by the following percentages: West North Central —8 to —4; New England and East South Central —4 to 0; Pacific —2 to +2; Middle Atlantic and Mountain —1 to +3; West South Central +1 to +5; South Atlantic and East North Central +3 to +7.

**Nationwide Department Store Sales Rose 3% Above 1961 Week**

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported a 3% advance for the week ended Sept. 29, 1962, compared with the like period in 1961. For the week ended Sept. 22, sales rose 5% from the corresponding 1961 week. In the four week period ended Sept. 29, 1962, sales advanced 6% over the corresponding period in 1961.

According to the Federal Reserve System department store sales in New York City for the week ended Sept. 29, were 2% above the same period in 1961.

# TAX-EXEMPT BOND MARKET

*Continued from page 6*

seven additional bids for this issue.

Other major members of the winning syndicate include Chase Manhattan Bank, Blyth & Co., First Boston Corp., C. J. Devine & Co., Northern Trust Co., Merrill Lynch, Pierce, Fenner & Smith Inc., Dean Witter & Co., Mellon National Bank & Trust Co., Stone & Youngberg and Wertheim & Co. Scaled to yield from 1.50% in 1964 to 3.10% in 1986, about half of the issue has been sold. The 1987 maturity carried a one-tenth of 1% coupon and was sold pre-sale.

Tuesday's final sale of note involved $3,170,000 Middlesex County, New Jersey, general improvement (1963-1987) bonds which were bought by the account headed by Harriman Ripley & Co., Inc. on a bid of 100.087 specifying a 2⅞% coupon. The runner-up bid of 100.296 for a 2.90% coupon was made by the Bankers Trust Co. account.

Associated with Harriman Ripley & Co., Inc. as major members are Blyth & Co., John Nuveen & Co., Lee Higginson Corp., William E. Pollock & Co., Mullaney, Wells & Co. and Robert K. Wallace & Co. Scaled to yield from 1.50% to 3.10%, the present balance is about $1,695,000.

**Louisianas Unique**

On Wednesday there was only one sale of importance. $20,000,000 State of Louisiana Fiscal Authority revenue (1965-1887) bonds were purchased by the C. J. Devine & Co.-Ira Haupt & Co. group at an average net interest cost of 3.445%. This offering is unique in that the sole security of the bonds is the stated lien upon 7% of the state sales tax receipts.

Louisiana closed its fiscal year on June 30 with a $73 million deficit and used the balance in the State Teachers' Salary Fund to meet the deficit. It is now proposed to repay the fund from the proceeds of this and successor Fiscal Authority bond issues. Debt service coverage on the entire $60,000,000 authorization is estimated at 1.58 times. The remaining $13,000,000 deficit has been met by interfund transfers. Scaled to yield from 2.10% to 3.65%, there is no report on sales at the present time.

**Dollar Bonds Spurt Upward**

That interesting phase of the tax-exempt bond business, the category of long-term revenue issues, fared well marketwise again this week. The *Commercial and Financial Chronicle's* revenue bond average reached a 3.599% yield as against a 3.628% yield a week ago. This translates to an average improvement of about a half point.

Spectacular gainers included: Calumet Skyway 3⅜s up 2½ to 70 bid; Grant County, Washington PUD 3⅞s up 1½ to 105¾ bid; Illinois Toll 3¾s up ¾ to 97 bid; Indiana Toll 3½s up 1⅛ to 87 bid; Kansas Turnpike 3⅜s up 3 to 86⅛ bid; Maine Turnpike 4s up 1¼ to 101¼ bid; and West Virginia Turnpike 4⅛s up 1½ to 66½ bid. Other issues were up lesser amounts.

**A Salutary Operation**

Tuesday's most sizable flotation, the $25,000,000 Port of New York Authority 3.40s due 1993 is worthy of added note. In a market as strong as the current one it would have been very easy to overprice the offering. As it developed, the bidding was realistic and the success of the reoffering attested to it. The resultant was a fine transaction for the Authority, the dealers and the investors. It has been one of the most responsible underwritings of the year. It should be added that the Authority has a grasp of the market commensurate with the general excellence of its total operation. Since 1946 when the Port sold 40-year 1¼s, to the present time, its timing in the flotation of large issues has been close to perfect.

# Dealer-Broker Literature

*Continued from page 8*

St., New York 5, N. Y. Also available are surveys of **Martin Marietta Corp., New York, Chicago & St. Louis Railroad, Baltimore & Ohio** and the **Toy Industry.**

**International Paper** — Memorandum — Steiner, Rouse & Co., 19 Rector St., New York 6, N. Y.

**International Railroads Weighing Corp.**—Analysis—Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N. Y.

**Interstate Bakeries** — Memorandum — Boenning & Co., Alison Building, Philadelphia 3, Pa.

**Knape & Vogt Manufacturing Co.** Memorandum — Doyle, O'Connor & Co., 135 South La Salle Street, Chicago 3, Ill.

**Koa Soap Co.** — Memorandum—Daiwa Securities Co., 149 Broadway, New York 4, N. Y.

**Lowe's Companies** — Comment—Shields & Co., 44 Wall St., New York 5, N. Y. Also available are comments on **Henry I. Siegel** and a memorandum on **Small Business Investment Companies.**

**Massachusetts Turnpike Authority Boston Extension** — Report—Tripp & Co., Inc., 40 Wall St., New York 5, N. Y.

**Massey Ferguson Limited** — Analysis—C. M. Oliver & Co., Ltd., 821 West Hastings St., Vancouver 1, B. C., Canada.

**Miracle Mart Inc.**—Comment—De Mott Associates, Inc., 600 Old Country Road, Garden City, N. Y. Also available are comments on **Napco Industries.**

**Mosler Safe Company**—Analysis—Hooker & Fay, Inc., 221 Montgomery St., San Francisco 4, Calif.

**National Western Life Insurance**—Memorandum—Ralph B. Leonard & Sons, Inc., 25 Broad Street, New York 4, N. Y.

**North American Life and Casualty Co.**—Analysis—Insurance Stocks, Inc., Majestic Bldg., Denver 2, Colo.

**Nuclear Data Inc.**—Analysis—Bacon, Whipple & Co., 135 South La Salle St., Chicago 3, Ill.

**Nuclear Engineering Co.**—Memorandum—Streloff Associates, 381 Bush St., San Francisco 4, Calif.

**Pamour Porcupine Mines Ltd.**—Study—Isard, Robertson, Easson Co., Ltd., 217 Bay St., Toronto 1, Ont., Canada.

**Pennsylvania Gas & Water Co.**—Analysis—Suplee, Yeatman, Mosley Co., Inc., 1500 Walnut Street, Philadelphia 2, Pa.

**Charles Pfizer & Co.**—Report—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are reports on **Phillips Petroleum Co.** and **Union Bag Camp Paper Corp.**

**Phillips Petroleum Co.**—Report—Butler, Herrick & Marshall, 75-11 Thirty-seventh Avenue, Jackson Heights, N. Y.

**Piper Aircraft Corp.**—Analysis—Boenning & Co., Alison Bldg., Philadelphia 3, Pa. Also available is a memorandum on **Elco.**

**Pittston Co.** — Analysis — Dreyfus & Co., 2 Broadway, New York 4, N. Y.

**Potomac Electric Power**—Memorandum—Ferris & Co., 611 15th St., N. W., Washington 5, D. C.

**Ralston Purina Co.** — Report—Dempsey-Tegeler & Co., 1000 Locust St., St. Louis 1, Mo.

**Safeway Stores** — Memorandum—Paine, Webber, Jackson & Curtis, 209 South La Salle St., Chicago 4, Ill.

**Screen Gems**—Memorandum—Divine & Fishman, Inc., 2 Broadway, New York 4, N. Y. Also available are memoranda on **Columbia Pictures** and **Standard Brands Paint.**

**Sears, Roebuck**—Review in October issue of "Investornews"—Francis I. du Pont & Co., 1 Wall St., New York 5, N. Y. Also in the same issue are reports on the **Machinery Industry, Great Western Financial, Food Fair Stores, Trane** and **Air Products & Chemicals.**

**Seeburg**—Memorandum—Sincere and Co., 208 South La Salle St., Chicago 4, Ill.

**John A. Sexton & Co.**—Memorandum—John A. Kemper & Co., 206 West High St., Lima, Ohio.

**Socony Mobil Oil Co.**—Analysis—Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 5, N. Y.

**Southern California Edison**—Memorandum — Bache & Co., 36 Wall St., New York 5, N. Y. Also available is a memorandum on **Gimbel.**

**Straus-Duparquet**—Memorandum—John R. Boland & Co., Inc., 30 Broad St., New York 4, N. Y.

**Thiokol**—Memorandum—Cohen, Simonson & Co., 25 Broad Street, New York 4, N. Y. Also available are memoranda on **Transamerica, Monsanto, Tastee Freez, U. S. Freight and Union Oil.**

**Toledo Edison Co.**—Analysis—H. M. Frumkes & Co., 120 Broadway, New York 5, N. Y.

**Trans Canada Pipe Lines Ltd.**—Analysis — Wills, Bickle & Co., Ltd., 4 King St., West, Toronto 1, Canada.

**Trenton Foods, Inc.** — Analytical brochure — Scherck, Richter Co., 320 North Fourth St., St. Louis 2, Mo.

**U. S. Plywood Corp.**—Analysis—Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y. Also available are comments on **General Motors, Timken Roller Bearing, American Enka, Dow Chemical, Gulf Oil, Universal Oil Products** and **International Minerals & Chemicals.**

**Virginia Carolina Chemical Corp.**—Analysis—J. C. Wheat & Co., 1001 East Main St., Richmond 19, Va.

**Wards Co., Inc.** — Report—Stein Bros. & Boyce, 6 South Calvert St., Baltimore 2, Md.

**Westinghouse**—Analysis—Jacques Coe & Co., 39 Broadway, New York 6, N. Y.

**Westinghouse Electric Corp.**—Analysis—Purcell & Co., 50 Broadway, New York 4, N. Y. Also available is a list of good quality stocks for income.

# Current News in the Field

**These items are supplemental to similar notices appearing elsewhere in this issue**

*NEW FIRMS*

BATON ROUGE, La. — **R. H. Schulze Company,** 4330 Woodside Drive. Richard H. Schulze is sole proprietor.

CHICAGO, Ill. — **Funded Investments,** 19 La Salle Street. Harold Pastron is principal.

GREENSBORO, N. C. — **North-state Securities, McLean & Lybrook Corp.,** Southeastern Bldg. Officers are William M. Lybrook, President; William D. Hoover, Sr., Vice-President and Treasurer; and Richard M. Warren, Secretary. Mr. Lybrook was previously with Reynolds & Co.

HAMPTON, N. H. — **Joel R. Schechter,** 1 Thayer Road.

HIGHLAND, PARK, Ill. — **Fell, Rudman & Company,** 444 Central Avenue. Officers are Gerald J. Rudman, President, and Herbert S. Wander, Secretary and Treasurer. Mr. Rudman was formerly with S. D. Fuller & Co. and Philips, Rosen, Appel & Walden.

NEW YORK CITY — **Jerome, Richard & Co., Inc.,** 50 Broadway, is continuing the investment business of Jerome-Richard Co.

NEW YORK CITY — The firm name of Palestine Economic Corporation, 18 East 41st Street, has been changed to **Pec Israel Economic Corporation.**

PEEKSKILL, N. Y. — **A. L. Gilman, Incorporated,** 217 North Division Street. Alfred L. Gilman is President, Mollie Morrell, Vice-President; and M. W. Gilman, Secretary and Treasurer. Mr. Gilman was formerly with Hayden, Stone & Co. Newburger, Loeb & Co. and Bruns, Nordeman & Co.

TUSCALOOSA, Ala. — **Paul B. Caldwell,** 2130 Seventeenth St., East.

VALLEY STREAM, N. Y. — **Brown Securities Corp.,** 107 South Central Avenue. Officers are Thomas M. Brown, President; Hyman D. Rosenbaum, Vice-President; and Jack M. Rosenbaum, Secretary and Treasurer.

WAHIAWA, Hawaii — **Select Securities,** 1672 Wilikina Drive. Howard G. Perkins is sole proprietor.

*NEW BRANCHES*

ANN ARBOR, Mich. — **Baker, Simonds & Co., Inc.,** 113 East Liberty Street. Robert K. Oddy is manager. Mr. Oddy was formerly with Smith, Hague & Co.

BEEVILLE, Texas — **Russ & Company, Inc.** has opened an office at 410 North Washington Street under the direction of Jack E. Megason, registered representative. Mr. Megason was formerly Beeville manager for Porter, Noyes Inc.

BIRMINGHAM, Ala. — **Anderson & Co.** has opened a branch office in the Bank for Savings Building under the management of Lyndon L. Pearson, partner in the firm.

CORPUS CHRISTIE, Texas — **Dempsey-Tegeler & Co., Inc.,** has opened a branch office at 717 Leopard Street under the management of Walter W. Watkins and Frank H. Wilson. Mr. Watkins was formerly local manager for Rauscher, Pierce & Co., Inc.

DANVILLE, Va. — **Mason & Co.,** 2321 Riverside Avenue. Alvin Newman is resident manager. Mr. Newman was formerly local manager for Mason & Lee, Inc.

GREENSBURG, Pa. — **Hecker & Co.,** 104 South Pennsylvania Avenue. Haroldyn J. Morris is manager.

MIDDLETON, Conn. — **Estabrook & Co.** has opened a branch office at 363 Main Street, under the management of Wayne F. Orsie. Mr. Orsie was formerly resident manager for Shearson, Hammill & Co.

PARIS, France — **J. Henry Schroder Banking Corporation,** New York City, has announced that it is opening a Paris Representative Office. This office will also represent J. Henry Schroder Wagg & Co. Limited, London merchant and investment banking firm which dates back to 1804.

V. Lada-Mocarski, Senior Vice-President of J. Henry Schroder Banking Corporation, is in charge of the office and henceforth will make his headquarters in Paris. Andrew Stewart-Roberts of J. Henry Schroder Wagg & Co. Limited will assist him. The office is at 18 Place Vendome, traditionally one of the centers of English and American banking houses in Paris.

PAWTUCKET, R. I. — **Davis & Davis,** 12 East Avenue. John J. McMahon is resident manager.

SHERMAN OAKS, Calif. — **Gardner, Stanley & Harris, Inc.,** 4419 Van Nuys Boulevard. Sidney E. Pelston is resident manager.

YOUNGSTOWN, Ohio — **Murch & Co., Inc.** has opened a branch office in the Stambaugh Building under the management of William O. Cruciger, Jr.

# ABA Membership Represents 95.6% Of Nation's Banks

The American Bankers Association recorded a net gain of 46 members during the fiscal year of the Association ended Aug. 31, bringing its total membership to 17,582.

In reporting on activities of the Organization Committee at the A. B. A. Annual Convention, Chairman John F. Geis, Senior Vice-President of the First Security National Bank, Beaumont, Texas, said that the record renewal of over 99% in the Association's bank membership is an indication of membership support for the program of expanded activities during the past year.

Mr. Geis noted that A. B. A. membership represents 98.2% of the nation's commercial banks and 95.6% of all banks, both commercial and mutual savings banks. There are 4,116 domestic branch offices included in the total, as well as 108 associate memberships of banks and branch offices in foreign countries.

The present membership of 17,582 compares with a membership of 17,536 as of Aug. 31, 1961. An over-all gain of 340 new memberships was offset by mergers, liquidations, and withdrawals, for a net increase of 46.

# WASHINGTON AND YOU

*BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL*

WASHINGTON, D. C.—Down on the fabulous "gold coast" of rapid-growing Florida a few days ago some intriguing, behind-the-scene things, plus those presented out in the open for all to see and hear, took place.

The occasion was the 28th annual Southern 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 the conference) gathered at Hollywood, Fla., (pop. 40,000) half-way between Fort Lauderdale and Miami.

There in the plush Diplomat hotel there was an air of uneasiness 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, other than deplore 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 R. Barnett of Mississippi and Governor James H. Davis, the wealthy singer and ballad songwriter from Louisiana were absent—thought it was a little too early to assess the damage in Dixie to the national Democratic party.

**However, all agreed privately that regardless of the merits or demerits in the use of the armed soldiers, the Kennedy Administration would be hurt in the South. On the other hand, they expressed belief that the party would be strengthened in other parts of the country.**

Governor Orvil Faubus of Arkansas, the dean of Southern governors, and the newly elected chairman of the 17-state conference, said flatly:

"There may be one good thing that could result from this dark chapter of invasion," said Governor Faubus. "It may mean that we will be able to get rid of the Kennedys."

Only the Arkansas governor, and out-going Governor John Patterson of Alabama, the first Southern governor to come out for John F. Kennedy for the presidency of the United States, lashed out bitterly at the Kennedy brothers in Washington.

Said Governor Patterson: "The president and attorney general are motivated by what is best for 'me' politically than what is best for the country."

**The governors from the border states like Maryland, Kentucky, West Virginia and Missouri, were in a little different category than fellow governors of the Old South. For instance, Governor William Wallace Barron of West Virginia favored censoring fellow Governor Barnett for not complying with the order of the Fifth Circuit Federal Court of Appeals.**

"The truth is none of those judges could be elected justice of the peace in his 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 very well be highly interesting to watch. The "Ole Miss Tragedy" may have an effect upon the governorship race of Texas. There was unofficial speculation at the conference in Florida whether Republican Candidate Jack Cox would now have a chance to become the first Republican chief executive in the Lone Star State since "way back when."

**Some Texans at the conference said that while Candidate Cox would probably be assisted a great deal by what took place in Mississippi, Democratic Candidate John Connally, President Kennedy's first Secretary of the Navy, apparently had the edge.**

The Mississippi tragedy and the attendant bloodshed is not expected to have any great effect next month on the Southern congressional races. Most of the incumbent Congressmen have no Republican opposition. While Republicanism is getting more and more respectful all over Dixie, it still has a long way to go to attract local, state and congressional candidates.

### Sees Net Gains for Democrats

What about the effects of the Mississippi story on congressional democratic candidates in areas outside the South? There were divergent views of the chief executives 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—already favor the Natoinal Democratic leadership, one governor, who declined to permit 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 border state, defending the action of the President, speculated that the bloodshed spilled at Oxford would have been "worse had Richard Nixon been the president."

### South's Role in Space Age

But there were some other significant things that occurred at the Governors' Conference. The chief executives rose before dawn on Wednesday and took a chartered plane to Cape Canaveral, an hour's flight away. There they watched the dramatic blast off of Navy Commander Walter Schirra in another historic mission into space.

**The governors heard at Cape Canaveral that the space age industries in the South are growing by leaps and bounds. The chief executives saw at Canaveral, a wasteland just a few years ago but now a booming region, a forest of launching pads. Here the National Aeronautics and Space Administration plans by the end of this decade to blast off a team of astronauts to the moon.**

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

"It was dramatic, indeed," said Governor Elbert N. Carvel of Delaware. "I said a little prayer for Walter Schirra, bless him."

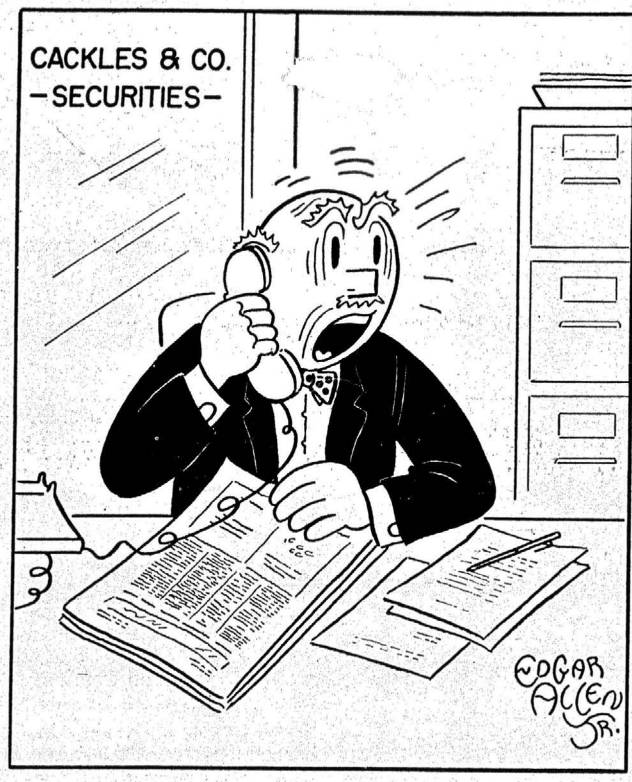
### Less Dependence on Federal Government

Before the governors packed their bags to return to their respective 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 Hemisphere. The "Monroe Doctrine" resolution was particularly urged by Governor Farris Bryant of Florida. Florida's soil is less than 100 miles away from the Soviet build-up.

**The governors also adopted (segregation-integration had nothing to do with it) a pro-states rights resolution hoping to stop the gradual erosion of the rights of the states by the central government in Washington. At the same time the governors acknowledged that they had the responsibility of trying to help provide more services for the people by the respective states, rather than let Washington provide those services.**

The governors also called on the Kennedy Administration to curb the importation of oil and textiles which is assertedly damaging the domestic economy of those states where these products play an important part in the economy.

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




**"Daily Bugle?—Did you have to run our automobile stock ad alongside of one for lemons?"**

# COMING EVENTS

*IN INVESTMENT FIELD*

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

**Oct. 13, 1962 (New York City)**
Security Traders Association of New York 8th Annual Dinner Dance at the Americana Hotel.

**Oct. 19-20, 1962 (Philadelphia, Pa.)**
National Association of Investment Clubs Twelfth Annual Convention at the Sheraton Hotel.

**Oct. 24, 1962 (Cincinnati, Ohio)**
Ohio Valley Group Investment Bankers Association Meeting.

**Oct. 26-28, 1962 (Hot Springs, Va.)**
Southeastern Group Investment Bankers Association Meeting.

**Nov. 4-9, 1962 (Boca Raton, Fla.)**
National Security Traders Association Convention at the Boca Raton Hotel & Club.

**The CHRONICLE will publish on Nov. 22 a special pictorial Supplement giving complete coverage to the proceedings at the Convention.**

**Nov. 14, 1962 (New York City)**
Association of Stock Exchange Firms Annual Meeting of members and organizational meeting of the Board of Governors. Dinner at the University Club.

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

**The CHRONICLE will publish on Dec. 20 a special pictorial Supplement giving complete coverage to the proceedings at the Convention.**

**Nov. 29, 1962 (Chicago, Ill.)**
Investment Analysts Society of Chicago luncheon meeting Speaker: Herbert R. Silverman, President, James Talcott & Co.

**Dec. 7, 1962 (New York City)**
Security Traders Association of New York annual meeting at the Harvor View Club.

**April 3-4-5, 1963 (Dallas, Tex.)**
Texas Group Investment Bankers Association Convention at the Statler Hilton Hotel.

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

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