EDITORIAL

As We See It

It would be difficult to say which takes the leading place in the thought of many would-be leaders of popular thought, a “tax cut” or large additions to an already whopping Federal deficit as a means of reducing unemployment and stimulating growth in industrial and trade. All too many advocate a tax cut and would rejoice if it were to increase our already disquieting deficit. There are also a good many self-appointed Presidential advisers (and quite possibly some not self-appointed) who are at least as much interested in mammoth deficits as in tax relief. These elements would not only not worry about present expenditures, but would definitely plan greater outlays, and many, if not most of them, would do nothing at all about the rate of progressiveness in our income tax system. Indeed, at least some of them apparently would increase rather than reduce the rate at which income tax rates rise as income increases—increases, that is, in one way or another.

Word has recently come from Paris where European economists have been exchanging ideas about the world and its financial problems that these leaders of thought (if that is what they are) in Western Europe strongly approve tax cuts here, and at the very least are not concerned with the possible increases in our massive deficits. The election returns are being interpreted in Washington as supporting the New Frontier ideas of the President, particularly his belief in the legendarian tax reduction and larger deficits as a means of stimulating more rapid economic growth. All in all, it would appear that the stage is being set—whether with design or not—for a good deal of fiscal madness during the year ahead. It gives us

(Continued on page 41)

Funds' Buying Dried Up During Stock Market's Intermediate Rally

By A. Wilfred May

Analysis of 100 investment companies' portfolio operations during September quarter's short-lived rally reveals sharply curtailed buying (keyed to declines in sales of fund shares to the public). . . . Importantly liquidated industry groups included aircraft, automotive, rubber, tobacco and steel. Most widely sold issue was Republic Steel with Allied Chemical, Ford, I. B. M. and Telephone also substantially sold on balance. Oils dominated buying. Most popular issue was Royal Dutch followed by Standard Oil, New Jersey, and Schlemmerger. Interest in foreign issues waned. Redemptions related to fund assets declined.

This analysis of 98 Investment Companies during the September quarter covers a period of stock-market's rise and fall. The Dow-Jones Industrial Average which stood at 361 on June 30, advanced sharply to 616 on August 25, and thereafter declined to close the quarter at 571 (leaving a meager 0.6% net gain from the round trip).

During the quarter the Investment Companies as a whole reduced their gross purchases as compared with the preceding quarter, by 43.5%, and also increased their sales slightly—by 6.9%. This resulted in an unprecedented excess, of sales over purchases of $561 million in contrast to net purchases of $289,000,000 during the previous quarter. The closed-end companies, unaffected by inflowing investable funds derived from the sales of their own shares, almost doubled their net liquidation from the preceding quarter.

The quarter-to-quarter’s far greater decline in purchases than in liquidation was no doubt importantly contributed to by the large drop in the funds’ sales of their own shares. In other words, both the public and the fund management
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.

DONALD M. LIDDELL, JR.
Chairman of the Board, Templeton, Dobrow & Vance, Inc., New York City

Northwest Airlines — Donald M. Liddell, Jr., Chairman of the Board, Templeton, Dobrow & Vance, Inc., New York City. (Page 2)

Kern County Land Co.—George W. Weedon, Partner, Crowell, Weedon & Co., Los Angeles, Calif. (Page 2)

New Mexico — John W. L. Price, President, First National Bank of New Mexico. (Page 2)

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Why Blue Chip Issues Should Be Favored at This Time

By Edmund W. Tabell

The emotional background of the stock market is subject to sudden and dramatic changes. Two weeks ago, pessimism and bearishness were in the ascendency. Now the pattern is reversed and the market has advanced 29 points in the Dow-Jones Industrial average for a gain of 12% in 10 trading days.

The market is probably now moving to extremes—both on the up side and the downside. Regardless of the nature of the market, it is evident that the top market now is near or at the Technical Downside Decline brought on by strong Blue Chips. Thus, the Wall Street analyst advises sensible buying with preference given to Blue Chip issues at this time. He lists P/E ratios of previous highs and current lows for each blue chip, and states that this is against buying a stock that is already overpriced or rippling or relatively recent errors of attributing growth to undervalued issues.

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A Securities Portfolio Selected for Income

By Dr. Ira U. Cobleigh, Economist

Selection from the current market of ten diversified and durable dividend payers, providing an average return of over 9%.

In the surging markets of the past decade, the quest and zeal for capital gains has caused a broad group of investors to view, with only casual interest, if not disdain, the income their shares deliver in cash dividends. For them, the question to ask is “How much (and how fast) will it go up?” and seldom, “What does it pay?”

Historically, however, after market selloffs, as we witnessed last May, accompanied by dwindling paper profits and even losses, there has usually occurred a renewed interest in “pinning down an income.” Under such conditions, issues, less volatile in market activity, likely to produce exciting capital gains, are given more consideration. They are acquired with the hope not necessarily based on the capacity of each issue to pay dependable cash dividends, on an attractive yield basis.

The Quest For Income

Not only do the more speculatively minded minds “find the payers” when markets become less buoyant, but there is an increasing group of senior citizens (17 million Americans, 65 or over) to whom a steady and comfortable income in retirement years is far more conducive to serenity than a program of speculation. Speculation always involves risk of loss, and older folks may not have the patience to wait for “growth stocks” to flourish. Pension plans, in principal for them would be disturbing, and might never be re-ceived.

Accordingly, we now see a solid market demand for investment-quality type stocks, and renewed respect for constancy of dividend payments.

POSSIBLE STOCK SELECTIONS FOR THE INVESTMENT OF $10,000 TO YIELD ABOVE 9%.

<table>
<thead>
<tr>
<th>Issue</th>
<th>No. of Shares</th>
<th>Amount</th>
<th>Dividend Yield</th>
<th>Annual Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phelps Dodge Corp.</td>
<td>20</td>
<td>$1,050</td>
<td>$30</td>
<td>$60</td>
</tr>
<tr>
<td>Continental Insurance</td>
<td>20</td>
<td>1,120</td>
<td>2.49</td>
<td>49</td>
</tr>
<tr>
<td>Champion Spark Plug</td>
<td>30</td>
<td>1,150</td>
<td>1.98</td>
<td>49</td>
</tr>
<tr>
<td>Kansas City Southern</td>
<td>30</td>
<td>1,050</td>
<td>1.60</td>
<td>48</td>
</tr>
<tr>
<td>Celanese Corp</td>
<td>30</td>
<td>1,050</td>
<td>1.50</td>
<td>48</td>
</tr>
<tr>
<td>Cities Service</td>
<td>20</td>
<td>980</td>
<td>2.48</td>
<td>49</td>
</tr>
<tr>
<td>El Paso Natural Gas</td>
<td>60</td>
<td>900</td>
<td>1.30</td>
<td>65</td>
</tr>
<tr>
<td>National Tea</td>
<td>50</td>
<td>900</td>
<td>.30</td>
<td>48</td>
</tr>
<tr>
<td>New England Tel. &amp; Tel.</td>
<td>50</td>
<td>900</td>
<td>1.98</td>
<td>98</td>
</tr>
<tr>
<td>Lone Star Cement</td>
<td>50</td>
<td>900</td>
<td>1.00</td>
<td>98</td>
</tr>
</tbody>
</table>

$9,800

Composite Yield: 5.14%

The Sealed State of TRADE and INDUSTRY

Increased activity in the mortgage market by banks and other lenders, plus the gradual liberalization of mortgage terms in recent months. Noninstitutional mortgages are reported to have declined by as much as a half point since the first of the year.

For years, we have been waiting for the recovery of the mortgage market. The demand, the supply of mortgageable real estate, has been excessive. As a result, prices in the lower income brackets have declined. But recently, the situation has changed. There is now an increased activity in the mortgage market by banks and other lenders. The demand is strong and there is a decrease in the supply of mortgageable real estate. As a result, prices in the lower income brackets are expected to be slightly higher than before.
How “People’s Capitalism” Was Achieved in Japan

Teresa Mano Haeboe, Managing Director, Nikko Securities Co., Ltd., New York, N.Y.

Federal Reserve Bank of St. Louis

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Amazing to American broker-dealers is the phenomenal number of shareholders in Japan—where there was none 13 years ago—out-ranking Europe and ranking second to U.S.A. as per capta of population. Many reasons—price, dividend and trading-techniques employed—has enabled us to successfully bring about “people’s capital.”

In briefly highlighting Japan’s astounding rapid growth rate and lead for capital, the world’s $100 billion direct purchases of Japanese stocks by Americans are expected to $300 million or more within the next five years. Among the measures employed by the author’s company, we must bring up the small stock ownership are: free correspondence courses, TV classes, and the establishment of branch offices, department stores and shopping centers—where customers are made fully aware of the successful investor-education is the fact that about 40% of Japanese stocks are already owned directly by women investors.

Japan has become a nation of investors. And the adoption of what New York Stock Exchange President Geoffrey Furstoon has termed "people’s capitalism" has come about, in no small measure, because millions of Japan have been sold the idea of investment in securities.

In the U.S. the sale of stocks as well as bonds and mutual funds still maintains a aura of “high finance.” Most of the larger firms have not even opened offices rather than individual investor-oriented branches.

But in Japan, for the past 10 years, we have concentrated on bringing stocks to the people in a way that has often amazed even the Merrill Lynch, Bachs, du Ponts, and the giants of the American “wire” houses.

Many factors have had a bearing on the development of this Japanese distribution operation. Certainly the convenience to a Japanese investor of American securities almost in the same easy fashion as he—or she—buys groceries or soft goods in a department store. The average Japanese can, and does, purchase securities in his favorite department store, amusement and recreation parks, and in subway and suburban railway stations, and in scores of other locations which Americans might find unusual.

In many such locations, and in countless others, securities houses maintain what we call “nucleus relations centers.” These are really more like the Investment information center which Merrill Lynch maintained for a time, in Manhattan’s Grand Central Station.

All these things, plus others I discuss later in this paper, have been responsible for the ownership figure which is 4% to 5% of our population.

For comparison, the latest study issued by the New York Stock Exchange states that one ownership figure shows approximately 8% of all Americans owning shares.

Thus, within the short space of 13 years, Japan’s investors have climbed to ownership figures which far exceed the free nations in number of shareholders.

Looking back on this growth—even as an active participant—I find it little short of phenomenal.

way, our competitors have been forced out of the market due to our techniques.

Admittedly, our drive to attract the small shareholder has a sound economic reason—the shortage of capital prevalent in Japan since the war.

The average Japanese has a notion that only the rich can afford to own stock. To finance the rebuilding and then the expansion of Japanese industry, we found it necessary to tapping this potential source of capital.

Today, one out of every two Japanese families is a shareholder, we are moving forward to the day when all efforts both home and abroad.

Our first problem was to make the small investors aware of the potential of the investing in Japanese industry. We were taken to task by the industry for being too hard-working, and accustomed to saving for the future. How were we to divert those thousands and millions of yen into channels where they would contribute to the rebuilding of the nation’s industries?

We have approached this problem from several different directions.

First and foremost, we have appeared on the TV screen, just-as here in the U.S. We have sought to persuade the average housewife to buy shares in a Japanese company rather than to keep her yen at home or in a low interest savings account.

Free Correspondence Courses

Our educational approach has been employed in various ways, and we stress the place among the public, radio, and now, in recent years, television. We offer free correspondence courses to assign to Japan’s securities houses, in the listing of the shares of the Zaibatsu, the famous prewar family holding firms.

It is decision to broaden the ownership basis of Japanese industry was taken in 1947. This was nearly two years before the Tokyo, Osaka, and Nagoya stock exchanges were permitted to re-open their doors and commence transactions.

When the stock exchanges were reopened, trading was conducted under the Securities & Exchange Act. It was patterned after the acts of 1934 and 1934. Protection of stockholders became a major measure, and in the ensuing exchanges were placed on a membersh

Successful Education of Investors

We believe that our involvement in the economy is the result of the evolution of status of women in Japan since the war. The women now take jobs and have been employed for a few years before they marry.

Investment Month is for the more sophisticated investor. It carries comments on both the do’s and don’ts of economic trends. Our look, research reports on business and the stock market, individual stocks and analyses of economic statistics related to securities movements.

Mail Order and Counselling

This past March we decided that there was sufficient interest among our clients to open a market to commence a mail-order departmen. This step, we should add, supplements the buying and selling activities of our 112 branch offices.

Previously we had handled mail-orders as a convenience for our customers, but with the establishment of a mail-order department, we offer a complete service to the investor unable to visit one of our branches.

The mail-order service offers you counseling on securities investment. It provides for the custody of stock certificates and other proxies, services, and purchase of securities as requested from clients. It also provides a weekly service which is a form of interest.

We are now working on a plan to provide more positive counseling to mail-order clients, enabling them to keep up their investments. At present, the most popular items transacted by mail-order are discounted bonds and the bonds of such public corpora...
Since reporting a week ago the market for state and municipal bonds has been very quiet with the Treasury market comparatively lively, the Federal Reserve Bank of St. Louis has indicated that the market for these issues should continue to be quiet for the week or two following the Labor Day holiday.

Just as three weeks ago the government bond market was quiet it now looks as though the Treasury market will probably be as quiet for a week or two following Labor Day.

Since reporting a week ago the market for state and municipal bonds has been very quiet with the Treasury market comparatively lively, the Federal Reserve Bank of St. Louis has indicated that the market for these issues should continue to be quiet for the week or two following the Labor Day holiday.

1. **Yield Index Unchanged**
   - The Commercial and Financial Chronicle's high grade 20-year bond yield index averaged 2.80% for the week ending Nov. 12. At the market's present level, an abnormally high volume seems likely to further swell inventories. A current offering since might well bring in substantial buying. From performance, however, it appears inevitable that both calendar and inventories must increase before new issue bidding becomes properly realistic.

2. **Decline May Be Moderate**
   - We believe that any market reaction will be limited to correcting the extravagant recent advance triggered by the lowered reserve requirements and the recent scarcity in new municipal issues. This may amount to very little in practical terms.

3. **Rule in Inventories**
   - Inventories appear to be expanding again as new issues and early issuance are given the go-ahead. It is hoped that the new issues scheduled for bidding will be stable.

4. **In the Tax Exempt Market**
   - The market for state and municipal bonds should continue to be relatively quiet for the week or two following Labor Day.

5. **Tax Cut Doubtful**
   - Those expressing concern for a tax cut as a factor for further market decline might well peer beyond the headlines and consider the real problems. The tax plan is the advent of declaratory and its consequent diminished business tempo.

6. **MARKET ON REPRESENTATIVE SERIAL ISSUES**
   - The market for state and municipal bonds is expected to remain quiet for the week or two following Labor Day.

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**Tax-Exempt Bond Market**

**By Donald D. Mackey**

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1. **Yield Index Unchanged**
   - The Commercial and Financial Chronicle's high grade 20-year bond yield index averaged 2.80% for the week ending Nov. 12. At the market's present level, an abnormally high volume seems likely to further swell inventories. A current offering since might well bring in substantial buying. From performance, however, it appears inevitable that both calendar and inventories must increase before new issue bidding becomes properly realistic.

2. **Decline May Be Moderate**
   - We believe that any market reaction will be limited to correcting the extravagant recent advance triggered by the lowered reserve requirements and the recent scarcity in new municipal issues. This may amount to very little in practical terms.

3. **Rule in Inventories**
   - Inventories appear to be expanding again as new issues and early issuance are given the go-ahead. It is hoped that the new issues scheduled for bidding will be stable.

4. **In the Tax Exempt Market**
   - The market for state and municipal bonds should continue to be relatively quiet for the week or two following Labor Day.
Advance-Decline Line and The Stock Market Outlook

By Lester Wyettman, Stock Market Analyst, Birchs & Co., New York City

Wall Street analyst doubts most stocks have yet reached an important base area. He advises tempering any long positions with stop-loss orders. September 19.

Federal Reserve Bank of St. Louis
Digitized for FRASER

move up again and in early January, 1960, it established what was perhaps the all-time low. And what did the market do during that time? Absolutely nothing. A weekly chart of the Dow-Jones Industrial Average reveals that the market moved practically sideways while the average was going back to a new high. In the opinion of many technicians the period of divergence from March to mid-October, 1959, was an important part of the preparation for the decline which took place between January and October, 1968. During this latter period, both indices fell together, indicating that stronger downward move was in progress. Both hit low points in late October, 1968, and then turned up again. The rise in air seemed to be a result of the previous downturn. We now face the problem of determining what the majority of stocks will do approaching the problem, we find that two numbers reported each day by the New York Stock Exchange provide an invaluable guide to the future of advances and declines, the number of stocks that have gone up on any particular day and the number that have gone down. When you realize that the total number of stock prices that are exchanged during the day usually amounts to 1,000 or more, you can easily see that a chart on these numbers provides a far broader picture than any of the popular averages.

Advance-Decline Line

Of course, there are many things that can be done with just two numbers, and one of the most important technical indicators in use today is formulated by taking the difference between advances and declines each day and cumulating the difference. The mathematical process is simple. Starting on any day in market history, we compute the difference between advances and declines. On the following day the process is repeated and the new difference is added to the old, and so it is each succeeding day. The resulting cumulative difference is then plotted on an appropriate chart. This tool has been repaid each succeeding day, of itself. There is no time period involved. The chart can be said to represent the direction of the majority of stocks. We call it the Daily Cumulative Advance-Decline Line. Others refer to it as the breadth of the market but we feel that the name is more descriptive of its actual function. The main use of this index is as a comparative device against the previous May. Again we see an extended period of time during which these two major indicators diverged. The Dow-Jones Industrial Average rose above the intermediate high it set in February, 1969, yet the Dow-Jones Industrial Average did not follow its leader. This divergence was reported as a warning signal in March of this year. At that time the Dow-Jones Industrial Average rose above the intermediate high it set in February, 1969, yet a few weeks later the Dow-Jones Industrial Average remained above its previous bottom line. The next point to be made is that whereas the current market action is that of a Bull market. One of the most outstanding characteristics of the past four months has been the tendency of most, if not every instance, trading activity during rallies has been decidedly below the level reached during the immediately preceding declines. Still another factor to be considered is the ascension of individual stocks. The technical patterns of the majority of stocks still do not reflect important changes in the downward patterns which they have been building for many months. What has been happening during rallies is that most issues have been pulling back to their down-trend lines or to areas of major overhead resistance, or to extreme resistance.

Market Drop Not Yet Concluded

Using these two indicators plus other technical factors we can now make some observations about the current scene. The Dow-Jones Industrial Average and the Advance-Decline Line are very strong indications as of this writing. The Dow-Jones Industrial Average was established when it was new to its all-time low of 848,400. At that time, the Advance-Decline Line was nowhere near its peak of the previous May. Again we see an extended period of time during which these two major indicators diverged. The Dow-Jones Industrial Average rose above the intermediate high it set in February, 1969, yet the Dow-Jones Industrial Average did not follow its leader. This divergence was reported as a warning signal in March of this year. At that time the Dow-Jones Industrial Average rose above the intermediate high it set in February, 1969, yet a few weeks later the Dow-Jones Industrial Average remained above its previous bottom line. The next point to be made is that whereas the current market action is that of a Bull market. One of the most outstanding characteristics of the past four months has been the tendency of most, if not every instance, trading activity during rallies has been decidedly below the level reached during the immediately preceding declines. Still another factor to be considered is the ascension of individual stocks. The technical patterns of the majority of stocks still do not reflect important changes in the downward patterns which they have been building for many months. What has been happening during rallies is that most issues have been pulling back to their down-trend lines or to areas of major overhead resistance, or to extreme resistance.

Within the minority, of course, there are stocks which show possibilities of near-term improvement. Allied Chemical, for example, will have completed an

Continued on page 40

This advertisement is neither an offer to sell nor solicitation of offers to buy any of these bonds. The offering is made only by the Prospectus.

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INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRM'S MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:


Claret Manufacturers—Detailed Survey—The Ohio Company, 19 North High Street, Columbus 10, Ohio.


Japanese Listed Stocks—Bulletin—Daiei Securities Co., Ltd., 144 Broadway, New York 6, N. Y. Also available is a memorandum on Sanka Co., Ltd.

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


Life Stocks—Memorandum—A. M. Kiddler & Co., Inc., 1 Wall Street, New York 5, N. Y.

New York Utilities for Gain and Yield—Brochure—A. C. Allyn & Co., 122 South Lalle Salle Street, Chicago 3, Ill. Also available are analyses of Avo, Henry I. Siegel Co. and Sunbeam International Perpetual Corp.

Municipal Bond Financing in Texas—Review—Federal Reserve Bank of Dallas, Dallas, Texas.

New York Stock Bank—Third quarter comparison and analysis of 10 New York Bank stocks—Laird, Binnsel & Meeds, 126 Broadway, New York 5, N. Y.


Over-the-Counter Index — Folder—Incorporating a daily comparison between the listed industrial stocks used in the Dow-Jones Average and over-the-counter industrial stocks used in the National Quotation Bureau, both as to yield and price performance over a period year—National Quotation Bureau, Inc., 45 Front Street, New York 5, N. Y.

Over the Counter Stocks—40 charts in the current "OTC Chart Manual"—OTC Publications, Inc., Department CM, 1 8, Beaver Street, New York 3, N. Y. Also available is a book of charts for six months; $75 per year.

Railroads—1962 estimates and nine months summary—Vilas & Hickey, 26 Broadway, New York 4, N. Y.

Space Age—Discussions—In November issue of The Exchange Magazine—20 per cent per copy; $1.50 per year. Also available are all 1961 issues of The Exchange Magazine, 11 Wall St., New York 5, N. Y. Also available in the November issue are the Stock Exchange and Future's and Future's data on the future and data on their companies recently listed.

Suggested Stocks—Bulletin—Butlin-Sutter Bros., 80 Pine Street, New York 5, N. Y.

Switch Suggestions—Bulletin—Butlin-Sutter Bros., 74 Wall Street, New York 5, N. Y. Also available is a bulletin on "Double Up" in the New York stock market, and a memorandum on Fred Meyer.


Utility Outlook—Bulletin—Horn blower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y. Also available is a memorandum on utility outlooks.

Consolidated Credit Corp.—Data—Ferris & Company, 611 5th Avenue, New York 6, N. Y. Also available is a memorandum on Consolidated Credit Corp.

Consolidated Department Stores, and Department Store, and the Standard Oil Company of California (SNOC), North American Aviation, Lockheed Aircraft, Bendix, Chrysler, General Motors, Columbus System and Kroger.


Amerada Petroleum—Memorandum—Review—212 Broadway, New York 5, N. Y.

American Securities Corporation—Analysis—McDonald & Company, 170 Broadway, New York, N. Y. Also available are a memorandum on American Securities Corporation, Business World, Cleveland 14, Ohio.

American Metal Climax—Analysis—Bantam Press, Inc., 391 Broadway, New York, N. Y. Also available are a memorandum on American Metal Climax, Inc., and an analysis of Metal Climax, Inc.

Gimbels Brothers Inc.—Analysis—F. S. Mosely & Halle & Sleet, 52 Wall Street, New York 5, N. Y.

Gimbels Brothers Inc.—Analysis—H. E. Grace—Memorandum—Sin- cere and Company, 238 South La Salle Street, Chicago 4, III. Also available is a memorandum on E. H. Grace.

Haver Industries—Report—Pur chase and Disposal Corporation, 50 Broadway, New York 4, N. Y.

Hicks Pender Co.—Analysis—Eppler, Goering & Torner, Inc., Fidelity Union Tower, Dallas 1, Texas.


Ladbrore Steel—Memorandum—Singer, Deane & Scribner, Union Trust Building, Pittsburgh 19, Pa.

Ladle Steel—Analysis—J. B. Maffei & Company, 280 South Spring Street, Los Angeles 19, Calif. Also available is an analysis of Van Camp Sea Food Company.

Lease Events—Memorandum—Moynan & Co., Inc., 111 Broadway, New York 6, N. Y.


Newent Miners—Review—Carl M. Lohnes & Company, 42 Wall Street, New York, N. Y. Also available are a memorandum on Royer & I.M.B.

Ponded Aviation—Memorandum—Carolina Securities Corporation, Insurance Building, Raleigh, N. C. Also available is a memorandum on Ponded Aviation.

Providence Washington Insurance—Memorandum—McDermott & Company, 115 Broadway, New York 6, N. Y. Also available is a memorandum on Providence Washington Insurance.

R. C. Co.—Memorandum—G. H. Walker & Co., Broadway and Locust, St. Louis 1, Mo.

Robb & Robb—Analysis—J. R. Williams & Beane, 2 Broadway, New York 4, N. Y.


Seaboard Airline Railroad, 120 Broadway, New York 5, N. Y.

Seacoast Corporation—Analysis—Bache & Co., 33 Wall Street, New York 5, N. Y.

Stone Container Corporation—Analysis—Orris Brothers & Co., 30 Broadway, New York 4, N. Y. Also available are a memorandum on Tip Top Products, White Motor, and Varian Associates.

Transcontinental Gas Pipe Line Company—Analysis—Supple, Yeatman, 20 Broadway, New York 4, N. Y. Also available is a survey of Virginia, Carolina Electric, and Ohio Chemical.

United Airlines—Report—Uhl mann & Co., Inc., Board of Trade Building, Kansas City 5, Mo. Also available is a bulletin on Westinghouse Electric.

United States Finance—Memorandum—D. A. Campbell Co., 45 East 42nd Street, New York 17, N. Y. Also available is a memorandum on United States Finance.

Universal Oil Products—Analysis—Stell & Bros. & Boyce, 6 South Calvert Street, Baltimore 2, Md.

Westinghouse Electric Corporation—Beebe-Herifeld & Stern, 23 Broad Street, New York 4, N. Y.

McCall Heads Charter Drive

Howard W. McCall, Jr., Vice president and General Manager of New York Trust Company, will serve as Chairman of The Salvage Army New York Annual Appeal for 1964. It has been the policy of the New York and New Jersey Board of Directors of the Salvation Army and its 125 services and institutions in Metropolitan New York to hold the Annual Appeal in January, a goal which is 15% larger than the goal of last year's appeal. The Salvation Army's operating budget for 1964 is $8,001,257.35. Mr. McCall aims to raise $1,800,000 to cover the complete operating deficit so that The Salvation Army will no longer have to mortgage its property in order to operate its on-going program of service to the community.

N. Y. Inv. Clubs To Meet

The Greater New York Council of the National Association of Investment Clubs will hold an all-day seminar on Saturday, Nov. 17, at the Statler Hilton Hotel.

Speakers will be:

- A. Wilfred Maye, Editor of the "Institutional Investor" Newsletter, on "The Pros and Cons of the Mutual Funds and Investment Clubs, "
- James A. Agee, National Director of the N.A.I.C., Detroit, on "The Problems of Investment Clubs."
- Mrs. Vicki McCable, Director of the Greater New York Council, on "You and Your Investment Club."
- Lee H. Idelson, Merrill Lynch, on "The Investment Advisor," and "Airspace in the Limelight."
- Dr. Donald K. Margolis, J. B. Beane, on "Selected Realty Stocks for Investment Capital Appreciation."

Reservations should be made with the Council, 70 Hudson Street, New York 13, N. Y.
UK: British Risks Inflation by Ending Wage Restraint

By Paul Einsig

Dr. E. C. Elgin states that Britain's recent move to scrap wage-restraint and to turn on the inflationary tap is designed to aggravate business. In reviewing recent and proposed policy changes, the British commentator suggested that the floodgates were opened to inflationary wage increases, that the efficiently-expanding industries will be penalized, and that the improved balance of payments will be jeopardized. In short, this about-face in wage policy is depicted as occurring at a most inopportune time for British Ford Co., and asked men how "Fools' of leave."

London, Eng.—With the decision to offer to 400,000 railroad employees a $2 an hour increase, the British Government has now discarded the last pretense at upholding its wage restraint. The official limit of 2½% has never been strictly observed and recent pay increases—not only in the private sector but also in the public sector—exceeded it considerably. But the offer made by a publicly owned industry of an increase more than twice the official limit has reduced that policy to absurdity. The floodgates have now been opened for inflationary wage increases.

To realize the full absurdity of the situation it must be borne in mind that the British Transport Commission is already an effort to reduce the number of railroad employees by some 10%, through the closure of hopeless and unprofitable branch lines and of engine repair shops which have become largely automated, and the gradual replacement of steam engines by Diesel engines. This was a violent protest against the idea of reducing the staff and the aftereffects of a token strike followed by threats of further protest strikes. The best and last pressure was brought to bear on the government and on the Transport Commission to retain the unprofitable lines and to continue to employ men for the purpose of repairing steam engines even if there are no steam engines to repair.

Now the normal solution for such a situation is to reduce the deficit of the railroads by cutting down wages and re-laying for other industries, but men who are not prepared to work for the lower pay. Even a rigid resistance to wage demands would divert manpower to expanding industries which can afford to pay higher wages.

"Fools' Paradise Economies" It is an outstanding example of how "Fools' Paradise Economies" operates in Britain today that, even though the railroads have more men than they have use for, they offer them higher pay. This is done in an effort to placate them for the dismissal of redundant employees. Yet it should be obvious that as a result the higher pay the redundant men will be even more reluctant to leave.

The whole thing reads like Alice in Wonderland. But there is worse to come. Instead of being grateful for the original uneconomic wage costs of $2 an hour, the trade unions representing the employees rejected the increase and asked for much a higher rise. And of course they get it, adding many more million to the cost of bringing along the extra 400,000 employees. The adverse cut in expected deficit and causing in due course another turn in the inflationary spiral through yet another increase in fares and freight rates. Those increases have been so frequent in recent years that when one observes them it is often certain whether the report refers to the last increase or the next.

Overcome Stagnation

But possibly the inflationary tap has been turned on deliberately in order to overcome the state of stagnation which doubtlessly exists in industry and commerce. If the tax policy is prove to be impossible to restrain wages by resisting inflation, conceivably it will be necessary for the government to get the worst of both worlds. Unemployment having risen about to be the employable population, the government is determined to bring about more employment, and this at its disposal. To that end public expenditure is increased, and the purchase tax on automobiles has been drastically reduced, even though the revenue is also, in Southern England are so cramped with motor traffic that any further increase in the number of vehicles might well bring the traffic to a standstill.

In order to encourage capital expenditure by industry the government has also definitely promised substantial tax concession on new capital expenditure in next year's budget. Even so, it is by no means certain that there will be an adequate response. Business firms hesitate to engage in new capital expenditure, owing to the uncertainty of the outlook caused by the Cuba and Berlin situation, by the impending decisions about joining the Common Market and by the pessimistic views taken about business prospects in United States. Above all, profit margins are declining and are expected to continue to decline. Evidently, tax reductions are not enough to overcome hesitation due to the uncertainty of the outlook.

It is therefore, conceivable that the government is resorting to another method of bringing along the extra 400,000 employees by a revival of demand by deliberately giving up its policy to restrain wage increases. If, as is more than probable, the increase in railroad employees will be followed by increases of comparable size in other industries, there is bound to be an additional consumer demand to enable the consumer goods industries to work to capacity. This in turn would lead to increased demand for additional equipment causing an increase in the activities of capital goods industries.

Possibly the government's advice to the public to send for home purchase will prove to be insufficient to bring about a revival of wage increases in view of the steep wage increase that has already occurred in France and Germany and other countries. Having regard to the fact that until recently wages in those countries relative to output were well below British wages, Britain can ill afford, however, to keep pace with the high-wage countries. About it is only by restraining increases at home that the improved balance of payments could be maintained.

Unfortunate Timing Affects British Ford Co.

Incidentally the concession made by the automobile industry could not have been made at a more unfortunate moment. The British Ford Co. at Dagenham, has long been suffering for many years as a result of lack of discipline among its employees, has at last long decided to make a firm stand to reassert its authority by dismissing the worst troublemakers. For many days the trade unions concerned were uncertain whether to take a tough line, having regard to the possibility of large-scale dismissals through redundancy. Within a couple of hours of the announcement of the purchase tax concession the trade unions announced their decision to organize an official strike at the plant with the labor courts re-opened, should Ford yield, all hope of being able to carry on without engineering conditions at their Dagenham works might as well be abandoned.

Krier, Leaching With Becker Co.

(Wired in The Commercial Chronicle)

MILWAUKEE, Wis.,—Wallace Krier and Harry P. Becker of the Milwaukee County, have become associated with A.G. Becker & Co., Inc., First Wisconsin Bank Building. Both were formerly Vice-Presidents of the Milwaukee Company.

DuPont & Co. to Conduct Open House Meeting

A unique "Open House" meeting to discuss the stock market and investment opportunities for building a second income will be held today at 8:00 p.m. at the Francis J. Durkin Co., office 144 East 86th St., Manhattan.

Chester J. Murphy, Manager of the Investment office, said that the meeting is intended for both experienced and inexperienced investors of this area. There will be an analysis of events influencing market trends, a discussion of securities which tend themselves to investments designed for second incomes, and personalized attention will be given to individuals requiring assistance in developing their own investment plans.

Program for the meeting will include a presentation by Mr. Murphy entitled "Building a Second Income From Common Stocks." A number of recommended common stocks will be analyzed for current income, increasing income over the years and growth potential. In addition, there will be given a tentative new motion picture color, "Down Payment on Tomorrow," which will be shown, and the meeting will be opened for discussion and question and answer period.

After the meeting the guests will be invited to stay and discuss their personal situations and investment plans with one of this firm's registered representatives.

There will be no charge for admission, but Mr. Murphy said that due to the limited seating capacity and because of the numbers who have already expressed interest in such a meeting, requests for reservations must be made in advance by mail or telephone.

McDonnell Chmn. of Frisco Ry.

ST. LOUIS, Mo.—At a meeting of the Board of Directors of the St. Louis-San Francisco (Frisco) Railway Co., William A. McDonnell was elected Chairman of the Board to fill the vacancy created by the death of the late Clark Hungford.

Mr. McDonnell, who has been a Director of the railroad since March 6, 1950, will resign from his present position as Chairman of the Executive Committee of the First National Bank of St. Louis in order to devote his full time to the railroad, commencing Nov. 19.

Long prominent in banking and civic affairs, Mr. McDonnell was head of the First National Bank of St. Louis from 1949 to 1962, first as President and more recently as Chairman of the Board. He will continue to serve in an advisory capacity as a Director and a member of its Executive Committee.

This is not an Offering Circular. The offer of these Bonds is made only by means of the Offering Circular, which should be read prior to any purchase of these Bonds.

$25,000,000

Louisville and Nashville Railroad Company

Collateral Trust of 1962 4%% Bonds

Dated December 1, 1960

Due December 1, 1987

Interest payable June 1 and December 1 in New York City

The issuance and sale of these Bonds are subject to authorization by the Interstate Commerce Commission.

Price 100% and Accrued Interest

Copies of the Offering Circular may be obtained in any State from only such of the undersigned as may legally offer these Bonds in compliance with the securities laws of such State.

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BLYTH & CO., INC.

THE FIRST BOSTON CORPORATION

EASTMAN DILLON, UNION SECURITIES & CO.

HARRIMAN RIPLEY & CO.

KIDDER, PEABODY & CO.

R. W. PRESSPRICH & CO.

SBICs, Commercial Finance Companies Need Each Other

By Herbert R. Silverman, President and Chairman of the Board, James Talcott, Inc., New York City

Nearing the rise of SBICs and potential growth in store for both commercial and industrial companies, Frank T. Rehmann outlines six ways to further each other’s growth. They include making commercial financing intermediaries and intimate financial services available. The problems that have been mentioned are some of the problems facing both types of financing institutions, and the need for making full use of the nation’s total financial resources to strengthen economic growth and the nation’s future prospects.

I believe that commercial finance companies and Small Business Investment Companies, or SBICs, complement one another. There is no need to compete for customers and our efforts should be concentrated on the benefits of cooperation rather than on the benefits of competition.

Our unique function is to provide intermediation financing to bridge the gap between equity financing, and financing normally available through commercial banks. The SBIC’s role in this regard has been prominent, but not exclusively, in this function. We advance funds against receivables and other types of collateral. The distinctive feature of our operations is the flexibility with which we can customize flexibility to plan to meet the specific needs of any number of clients in many industries anywhere in the country. Because a company like ours can offer financing for even the smallest industrial times sales plans, leasing plans and residuals facilities finance and receivable financing — we are able to meet just about every intermediary financial service need that is likely to arise in well-managed enterprises.

The growing acceptance of our company’s financing and intermediation services alone is suggested by the fact that the industrial volume has risen from little more than $1 billion in 1941 to nearly $15 billion in 1961. The rapid and solid growth of commercial financing and factoring during the past 20 years may well indicate what is in store for the SBIC program. It is almost impossible to conceive of a situation in which the dimensions of the American economy are likely to be more prosperous than those that we have enjoyed in the past 20 years, and there is great and complex challenges to those who are responsible for efficient management of the total credit apparatus of the country.

Against this perspective, I would like to discuss three specific subjects.

First, I would like to focus on the SBICs and the SBICs. The SBICs are the key to the growth of the SBICs. The SBICs are the key to the growth of the SBICs. The SBICs are the key to the growth of the SBICs.

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Outlook for Capital Formation in 1963

By Douglas Greenwood,* Manager, Economic Services, McGraw-Hill Department of Economics, New York City

In projecting a $24.5 billion decline in 1963's capital spending compared to this year's $77.3 billion capital formation, Mr. Greenwood notes a 25% decline in nonfinancial corporate investment in plant and equipment (NFCIP) in the last 12 months. The bulk of the decline is attributed to a fall-off in inventory spending. Factors exerting upward pressure on capital spending have been a substantial reduction in net worth, a substantial increase in the cost of new plant and equipment, a slight increase in the cost of land, a reduction in the number of new projects, and a drop in the number of large projects in the pipeline.

The most significant decline in capital spending is in the manufacturing sector. This year's NFCIP is expected to be $47.3 billion, which represents a decline of $23 billion from last year's $70.3 billion. This is the largest single component of the total decline. The nonfinancial business sector is expected to spend $16.4 billion less than in 1962. A number of factors have combined to bring about this reduction. The steel and nonferrous metals industry is laying off workers and is anticipating no increase in sales next year. Steel companies, after the frantic buildup in capital spending in 1962, announced that their profits were insufficient for them to go ahead with their capital spending plans. They cut them during 1962. And now they are increasing them again, probably because of the liberalized depreciation rules, the tax incentive program, and also, perhaps, because of the industry's determination to become more competitive.

Planned increases in other manufacturing industries range from a high of 10% in fabricated metals plants to a decrease of 2% in food and beverage companies. But not all manufacturing industries are increasing investment next year. Many, which plan to cut investment in 1963, are industries where sales have not grown as much as was anticipated earlier—electric-machinery; construction materials; textiles and miscellaneous consumer goods such as apparel and furniture.

Textile firms indicate their investment will be of 1%. This indicates the first time to receive the benefits of liberalized depreciation rules early in 1962. As a result, investment by textile manufacturers rose 26% this year. However, this was as far as they could go.

Commercial and Office Building Expansion

In the nonmanufacturing area, the largest increase is planned by commercial businesses. If next year's NFCIP remains at the same rate as the end of 1961, the commercial expenditures will top $10 billion for the first time. This high investment program reflects a continuation in the growth of suburban shopping centers, office buildings, and warehouses. Despite the extraordinary office building activity in recent years, prime office space still is finding a ready market generally. Occupancy rates in office structures in major cities remain high. With the nation's over-all economic prospects for the mid-1960's and labor remaining fairly tight, it is clear that demand for additional office space will continue to rise. However, I must add one cautionary note: all new commercial structures in all places will not necessarily be profitable investments.

Both electric and gas utilities plan to increase investment next year. Together they plan to spend $4.5 billion, which represents a 40% increase in capital spending. Electric utilities are expected to spend their capital expenditures at a slightly higher percentage than the gas utilities. Furthermore, the electric utilities already have plans to step-up their investments in 1964. Among the transportation industries, railroads plan to cut their capital spending by 12% in 1963, and another 12% in 1964. They cite lower earnings, high costs and declining freight traffic as the reasons. But companies and airlines are also raising their investment. Many airlines are replacing some of the jet aircraft they purchased in 1958-1960 with newer planes.

Manufacturing at 83% Capacity

While factory output has inched forward since last December, companies have added to their capital stock at a slower rate than production. The net result is that the operating rate for manufacturing as a whole, remains at 83%, the same rate as at the end of 1961. This, obviously, is one reason why investment plans for 1963 are so optimistic. With industry preferring to operate at about 80% of capacity, there is still quite a lot of spare capacity around. And if production doesn't move up in the next few months, the excess capacity gap will widen.

Another reason why planned investment in new producing facilities is not higher is because of disappointing profits and profit margins. Profits are high but not high enough to give industry the incentive to substantially increase its capital expenditures next year. In the first nine months of 1962 corporate profits after taxes were at the annual rate of $23.8 billion. This was the best profits showing for a nine-month period in our history. 1962 may yet work out to be the best profits year on our corporate record books even with the further changes in bookkeeping that are occurring because of the new depreciation rules.

Despite this record performance, profits have not lived up to expectations. Many companies were not so bold as the Council of Economic

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*This is not an offer of these, Securities for sale. The offer is made only by the Prospectus.

New Issue

$60,000,000

Household Finance Corporation

4½% Debentures due 1987

Date Filed November 15, 1962
Due July 1, 1987

Price 99.622% 

Plus accrued interest from November 15, 1962

Lee Higginson Corporation

White, Weld & Co.,
William Blair & Company

The First Boston Corporation

Kuhn, Loeb & Co. 
Blyth & Co., Inc.

Goldman, Sachs & Co.

Harriman Ripleys & Co.

Kidder, Peabody & Co.

Lazard Frères & Co.

Lehman Brothers

Merrill Lynch, Pierce, Fenner & Smith

Paine, Webber, Jackson & Curtis

Smith, Barney & Co.

Stone & Webster Securities Corporation

Dean Witter & Co.

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Copies of the Prospectus may be obtained from the underwriters only in those states and by those persons to whom the underwriters may lawfully distribute the Prospectus.
EXCHANGE FIRMS ASSN. ELECTS OFFICERS

Bayard Dominick James C. Kellogg III McKee-Nunnally Robert H. B. Baldwin
Bayard Dominick, partner in the accounting firm of Dominick, New York, was elected President of the Association of Stock Exchange Firms, at the annual meeting of the Board of Governors. He succeeds Britton C. Ewalt of Spencer Trask & Co., New York.


Mr. Dominick, a member of the Board since 1953, was Treasurer in 1960. He joined Dominick & Dominick following graduation from Yale University in 1967, becoming a partner a year later. From 1964 to 1958, Mr. Dominick was a member of the Board of Governors of the New York Stock Exchange.

Twelve new Firms were elected by the membership and three additional Governors were appointed by the Board, increasing the number of Board members from 35 to 38.


The Commercial and Financial Chronicle . . . Thursday, November 15, 1962
SECURITY SALESMAN’S CORNER  
BY JOHN DUTTON

We Can All Learn From This Experience

The other day I received a letter from a reader of this column. He is a security salesman and wrote to me to say that he had been an incident that is proof of the value of conscientious application of your stock. His column wrote to me to say:

"Several weeks ago I read in your column entitled 'What Did You Do Last Week?' some of the things we security salesmen should do, and often what many of us don't do; especially during periods when there is discouragement around us. Possibly some of your friends might be interested in this experience I had last week that illustrates the value of staying on your job, keeping busy, and possibly might also be described as just plain, old fashioned 'work.'

"I went out for a cup of coffee about ten-thirty the other morning with another salesman. The market was dragging along, and we told our telephone operator we would be back in about ten minutes. When I returned there was a typewritten note from an alert secretary on my desk. It stated that Mr. Johnson had called the office and asked to be placed on a mailing list to receive a copy of Bank Guide which is published semi-annually by my firm. The secretary then dutifully checked the customer files and discovered that a year and a half ago I had bought a block of bonds from this man. She then, according to the rules in our office, referred the inquiry to the salesman who had once done business with this customer (which was me).

Always Friendly

"My first reaction (I'll admit) was that I remembered that I had called Mr. Johnson several times after he sold us that block of bonds. He had always been friendly, but he stated firmly that he was not an investor in securities; that he was out of the market, and that he had put all of his capital into real-estate and first mortgages. Reconsidering this, my first thought was, 'O.K., put him on the mailing list. I guess the old fellow is just curious to see how the banks are doing around this town. Why call him?' Then I remembered your column where you said, 'Did you continue your financial reading? Did you follow your daily routine of keeping in touch with customers and prospects by mail and phone, or did you say, what's the use, there is no sense talking investment to anyone in times like these? Yes, or No.'

"So I picked up the telephone and I called Mr. Johnson and I thanked him for his inquiry, and I also promised to see that he would get a copy of the Bank Guide. He said, 'Oh, I am very cordial. I remembered me. I asked him if he had time to talk with me for a little while over the phone. He replied that all he had was time, I asked him if he owned any local bank stocks. Yes,' he replied, 'Indeed I do. I have a thousand shares of a certain bank stock that I want to sell but I don't want to sell it until next year because of the large tax I'll have to pay on the profit.' Mr. Dutton, you could have knocked me down with a feather when I heard this. For the past three weeks I had been looking for a block of stock for a man who had a good prospect, who wanted to buy it, and had indicated he would pay a price for it that was a point and a half above the current active quotation.

"Fortunate Occasion"

"Mr. Johnson," I said, 'I think this is a most fortunate occasion that I called you. Right now I know of one man who would buy that stock at a price that would look mighty good to you and possibly we can work this out some way where all of us can be happy.' 'What do you mean?' he asked. Then I questioned him if he had some other stocks, and sure enough he had a block of stock in a listed company that had declined sharply this year. I suggested he could sell that stock and buy it back 31 days later and offset his profit on the bank stock; or handle it vice-versa, buy it now and sell the higher priced stock 31 days later. Without going into a lot of details, I arranged with him to let me have a large slice of that 1,000 shares of that bank stock 'firm' for a call to my prospect who wanted to buy it. Luckily, he was available. He said, 'Sure, I'd like to buy it. You know I want it, and if you can deliver it I'll pay you what I said I would pay for it.' I called Mr. Johnson once again. I bought his stock from him. I confirmed it to my prospect (now another client). I also obtained a 'buy order' from Mr. Johnson for 1,000 shares of the listed stock. After I buy it for him, 31 days later I'll have a thousand more to sell for him. I got him a price above the market for part of his bank stock holdings. He will have more to sell in January. If it goes up he will still be happy. If it goes down he has sold part of his holdings at a price that is most satisfactory to him. I also have a new customer.

"And none of this would have happened if I did not have an alert, conscientious lady on our clerical staff, who put that note on my desk, or if I had thrown it in the waste basket and said, 'What the use? I've tried that old fellow Johnson before, why waste the phone call?'

DISPOSITION OF PUERTO RICO'S BUDGET DOLLAR

1962-1963

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td>5.2%</td>
</tr>
<tr>
<td>Health &amp; Welfare</td>
<td>21.6%</td>
</tr>
<tr>
<td>Agricultural Development</td>
<td>5.0%</td>
</tr>
<tr>
<td>Transportation &amp; Communication</td>
<td>8.8%</td>
</tr>
<tr>
<td>Education</td>
<td>27.0%</td>
</tr>
<tr>
<td>Protection of Persons and Property</td>
<td>8.2%</td>
</tr>
<tr>
<td>Industrial Development</td>
<td>2.1%</td>
</tr>
<tr>
<td>All Others</td>
<td>21.8%</td>
</tr>
</tbody>
</table>

Because Puerto Rico has steadfastly pursued sound fiscal policies, the cost of its debt service has been kept exceedingly low. Total annual debt service, including both principal and interest, requires only about 5% of the Commonwealth budget.

Education, health and welfare account for almost 49% of Puerto Rico's outlay for public expenditures. Public revenues are being wisely spent on a dynamic, diversified program to meet the needs of the economy. The results are evident throughout the Commonwealth.

This low debt is a basic factor in the soundness of Puerto Rico's general obligation bonds. Free from both federal and state income taxes, they provide attractive returns at current prices, as do the revenue bonds of the various Puerto Rican Authorities.

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO

Fiscal Agent for the Commonwealth of Puerto Rico
1311 Ponce de Leon Avenue
San Juan, Puerto Rico
How the Careful Investor Can Keep Up With Crises

By Roger W. Babson

After reviewing quickly the history of the world as a series of crises, big and small, Mr. Babson explains why he is not pessimistic about undertaking investments. Conditions, he says, are better than in the past and a multitude of investment opportunities await the careful investor. What must be done, he adds, is to adjust one's stocks and bonds to keep up with the changing times.

The Cuban situation is featured in the news as a great "crisis." I think, however, that all news today must be discounted somewhat because of the competition between the various news media. The newspapers have to be priced below competition, and so they publish stories that seem to be news but really are not.

I think that this is what has happened with the Cuban situation. The newspapers have reported it as a "crisis," but I do not think that it is really a crisis. The situation is more likely to be a "crisis" in the future, but for now it is more of an "incident." I believe that the Cuban situation will eventually be resolved through diplomatic means, just as other "crises" have been in the past.

The problem is that the media have exaggerated the situation and have created a false sense of urgency. This is a common problem with news media, and it is important to remember that not all news is as serious as it seems.

The Struggle Between Those Who Have and Those Who Have Not

It seems as if this struggle will continue for a long time. Those who have will not give up their wealth easily, and those who do not have will continue to struggle. The gap between the rich and the poor will continue to widen, and this will lead to more unrest and conflict.

Furthermore, each nation has its cycle. Those who are at the bottom of a cycle will not be able to move up easily. They will need time and hard work to improve their situation. This is a natural cycle, and it will continue for a while.

The I.B.A.'s 50th Anniversary Convention

Since the inception of the Investment Bankers Association's annual convention 50 years ago, the CHRONICLE has continuously enjoyed the reputation of affording the most complete editorial and pictorial coverage of these significant meetings.

This year's 50th Anniversary Convention will be held on November 25-30, at Hollywood Beach Hotel, Hollywood, Florida. The CHRONICLE will publish its round-up special supplement on this historic event on December 20, 1962.

Advertisers interested in being associated with the most complete coverage of the forthcoming I.B.A. Convention should reserve their space requirements by December 1, 1962. Just call or write—

The COMMERCIAL and FINANCIAL CHRONICLE

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FROM WASHINGTON

... Ahead of the News

BY CARLISLE BARGERON

Richard Nixon is one of the greatest tragedies of our time. He was a man who could have been a great leader, but instead he was a man of mediocrity. He was a man who was never a leader at all.

The Littitz campaign against Nixon was a battle designed to create the wide open field for the Democrats to take him down. Nixon didn’t like it. As well as I know Nixon, and as much as I admire him, I think that being even getting to see me was so makes you feel better. Getting him to fight you is a great way to feel better. Getting him to fight you is a great way to feel better.

The Central States I.B.A. Elects

CHICAGO, Ill. — Francis R. Schaefer Jr., partner of The Bank in Chicago, and Whipple & Co., was elected chairman of the Central States Group.

The Investment Bankers Association of America at the Group's Annual Meeting. Named Vice-Chairman is James E. Snyder, partner of A. C. Allin and Company Incorporated, Robert R. Keeler, Vice-President of Harris Riphay & Co., Incorporated, became Secretary-Treasurer. The meeting was held at the Fairmont Hotel in Hollywood, 1962. The meeting was held at the Fairmont Hotel in Hollywood, 1962.

St. Louis Fed. Reserve Elects

ST. LOUIS, Mo.—According to announcements of Mayor's election, the Board of Directors, the Federal Reserve Bank of St. Louis, 1962, was elected by member banks in Group 1 as a Class A Director of the Federal Reserve Bank of St. Louis for a three-year term beginning Jan. 1, 1963. Mr. Harrington is a Director of the Federal Reserve Bank of St. Louis, 1962, and his election was announced by the Board.

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Our nation and our industry have been obliged in recent years to accept many economic facts of life. Some of these have been harsh and unpleasant. Many have forced us to revise our ideas and our hopes concerning Canada’s place in the world.

One of these facts is that world capacity to produce newsprint has outstripped world demand. Newsprint is a versatile product, and a margin that is already substantial, and that is growing larger. The companies and the unions that control its production have been brought to the brink of balance in an economy that is far from static. The excess capacity will not be corrected. Instead, it will assert itself, and the balance of forces in our country will be forever altered. We, the industry, should always have had the foresight to be able to meet any temporary production in demand. Nevertheless, remembering the past, I do consider it a warning, to which we shall all pay heed.

This current situation in newsprint has arisen from a variety of circumstances. To me it is difficult to review briefly the way in which it developed and then to consider one or two of the more significant trends which will help us determine our course for the future.

Newsprint Characteristics

First, let us consider this product upon which so many Canadians depend for their livelihood. On the one hand, newsprint is essential, too. It is one of the foundations of mass production and thus of our economic well-being. On the other hand, it is a task which it performs — the production of newspapers — has no substitute. Thus we are not concerned with competition from material such as aluminum and steel, or paperboard and plastics, which can enter the significant market in the economic spectrum. Many ways, we newsprint manufacturers are fortunate. Our product plays a vital role in modern society. We have always been respected and remarkably stable demand. Nevertheless, the makers of a good many other basic commodities do have one important advantage over us, an advantage which is particularly relevant to their own efforts. By their own efforts, they can strike out into new fields where their products are utilized in a variety of different ways. Thus they can and do expand the total market which they serve.

This, by large, we newsprint manufacturers are unable to do. No other paper is so basic to use, and the quantities in which it is required depend not at all on the whims of which we encourage its consumption. I would merely indicate that, for all practical purposes, the demand side of our capacity equation is fixed. Capacity is largely determined by forces beyond our control. We merely respond, and the extent to which we respond determines the degree of balance in the relationship.

The end of World War II, this relationship has undergone many changes. For the greater part of both here in Canada and elsewhere, production was still at an approximate level attained not until the mid-1890s. Since that time world demand has continued to advance. But its rise has been far outstripped by the increase in capacity, to which all of the major producing areas have contributed.

Let me illustrate what has happened with particular reference to the United States.

From Capacity to Over-Capacity

From the end of the war until 1956, the Canadian newsprint mills were in production during this period: their output increased by 80%; their annual capacity rose by some 120 million tons, and they accounted for more than half of all the newsprint produced in the world. Since 1956, their growth has followed a rather different course. Production has risen by 4%, but capacity has continued to advance, and an accelerating pace. In 1962, for example, it is 1.7 million tons or 28% higher than it was in 1956. Moreover, the Canadian industry has been producing only slightly over 40% of the world’s newsprint, a proportion considerably below that of the late 1930s and early 1930s, but still, in the 1930s.

Once this excess capacity, rapid though it has been, is few, proportionately, in some other countries and in the United States since 1956, annual capacity, has been increased by some 750,000 tons, or 50%; in Japan, by nearly 1.5 million, or 50%; and in the Scandinavian producing nations, Finland, Sweden, and Norway, in excess of one million tons of capacity since 1956 has more than doubled their production.

The combined effect of these vast increases has been to create the underlying and world’s capacity, to which I referred earlier. Since 1956, capacity is spread between two and two-and-one-half million tons annually. And in 1964, with the expected appear that the marginal will be smaller, as we had hoped. Indeed, we had feared that gap will probably remain at about its current level until 1983. However, the practice of both the major producing countries, which is general throughout the rest of the world, is being increasingly necessary for economic operation in Eastern Canada. As this practice becomes more widespread in this area, the gap will become correspondingly greater. And in any event, a best-case, expected increase of one-third to one million tons by 1965, I think we can safely assume that during this period, world demand will average a healthy and reasonable rate. The demand-capacity equation, which the world will last for one-third to one-half a century, it could well be that by 1964 the gap between capacity and over-production will have risen from about 2 million tons to somewhere in the range of 2.7 million tons.

A gap of such magnitude would be, in my view, less than one-sixth of the world’s capacity which, we anticipate, will be available in the future, in the years immediately after World War II. But that gap is still some considerable distance to travel before reaching that uncomfortable level of 30 years ago, which we now seem to remember so vividly. Obviously, however, the rather sobering fact to be considered is that for many more years at its current rate, we shall approach the giant gap.

Need to Slow Down Expansion

In short, it seems clear that if we are to avoid a situation much like that faced by the industry in the United States a half century ago, and if it is to have any meaning at all, we must find a way to limit expansion. It is not good for the world, nor can it be expected that it will be achieved without a slowdown. But the demand for newsprint is growing more rapidly than ever before, indeed at a rate sufficient to support some 700,000 to 800,000 new tons of newsprint in the world, is about to the “phasing out” of its plant. Certainly, we are unable to produce more. Nevertheless, some uncertainties do confront us, and these have a bearing on the extent to which our Canadian industry will be expected to grow in the future.

For example, much has been made of the very rapid price increase in newsprint consumption which will occur in the under-developed nations of the world as their economies develop. Yet only a very small portion of this increase in demand is likely to be for newsprint. For us in Canada, throughout the Southern Hemisphere, in Latin American Asia, and Africa, far-reaching projects of the new economic development are going forward. Standards of living are inching gradually, but each year, many millions more people are learning to read and write. Thus in these areas the need for newsprint is certain to rise very rapidly. Indeed, the projected rate of increase over the next decade is far higher than in the mature industrial nations of the world, or, of course in these smaller consuming areas the actual volume involved is relatively low.

Moreover, because of foreign exchange shortages which will probably last for many years, most of this demand can never be reflected in a higher level of consumption in our Canadian mills. Up to, and by large, the underdeveloped nations will attempt to meet a good portion of their needs by building their own mills.
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Funds’ Buying Dried Up During Market’s Rally

Continued from page 1

Trust of Boston, Stein Roe & Farnham. The buying of these funds included Affiliated, Dreyfus, and Energy Fund.

As a proportion of total portfolio assets, holdings of net cash and governments rose to 7.3% as of September 30 from 6.1% on June 30, continuing the trend since the turn of the year. The proportion of other defensive securities (non-government bonds and high-grade preferred stocks) remained unchanged. The common stock proportion of total balance sheet assets declined to 81.9% from 83% at the end of the June quarter. The September quarter redemption performance highlights the correctness, which we have continually endorsed, of relating redemptions to the average net assets rather than to the current sales of fund shares and one of over emphasis fluctuations in the dollar total of redemptions (since the continuing growth in the outstanding net assets, that is the “pool of redem¬mables,” automatically gives the upward push to the dollar re¬demption total).

As shown in Table A, the re¬demptions as logically calculated as a percentage of the assets, dis¬closed a marked improvement from the June to the September quarter, while the customary, uncontrolled relation of the redemptions to the fund’s concurrent sales of their own shares exhibited a sub¬stantial deterioration during the third quarter. In fact, the 1.2% of redemptions of assets marked its lowest level in the Table going back to the first quarter of 1961. and, on the other hand, which illogically figured as a percentage of the concurrent sales, the re¬demptions during the September quarter were the highest over the same interval.

Management Attitudes

In this period of major stock market “adjustment,” the first of its kind, the relationship of fund managers and shareholders, their policy expressions have unusual interest.

In the forefront of “back to normalcy,” observations is the fol¬lowing common sense from the trustees of General Investors, domiciled in Boston: “This is the time for patience. Perhaps most—of the present generation of investors had never experienced a bad break in stock market prices or an even more trying experience, a sustained period of time without a continu¬ing upward surge in the value of investment capital stocks.”

It is in this latter situation, where the action of the stock market swings like a weather vane without any sustained di¬rection, that the patience of in¬vestors is often sorely tried. It is also during such a period that bizarre ex¬cuses for lack of performance become prevalent, and reports are circulated in which very lack of definiteness brings anxiety to the inexperienced.

As shown the present day fra¬ternity of brokers and investment dealers has not altogether escaped the quicks’ approach to predict¬ing or evaluating the future worth of specific investments.

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and know for a certainty that growth is an inherent force in this country, and that there are, and presumably will be, cycles which at any one point may seem disquieting.

Nevertheless it is during a pe¬riod of this kind, which some¬times appears uncomfortably pro¬longed, and when adjustment to more rational values taking place, that patience is not only required but, in the end, is re¬warded.

Patience To Be Rewarded

Patience and the long-term view are likewise stressed by the Lazard Fund’s management, per the following from Albert J. Hel¬tinger, Jr., Chairman, and Rich¬ard H. Mansfield, President:

“The objective of the Lazard Fund is long-term capital gains rather than trading profits. Mar¬kets have been volatile during the quarter just ended, with senti¬ment confused. The intensity of the confidence crisis lies behind, not skepticism as to the duration and extent of the recovery is gen¬eral. Declines in foreign equity markets have resulted from this to vailing caution. It has been our effort to create and maintain a portfolio possessing sound underly¬ing values. We do not feel that inflationary forces no longer exist, but that balance of payment prob¬lems can be forgotten. Our heavy position consistently maintained in natural resource equities, rep¬resent the closest attainable ap¬proach to tangible underlying values. We seek growth equities at prices we deem attractive rela¬tive values, but we are unwilling to assume uninterrupted growth projected into the remote future. We believe the defensive strength of the economy renders any serious decline in industrial production unlikely, but also find an economic climate conducive to the vigorous growth we feel possible. Portfolio changes, if any, must be of the most minor variety, have been minor. There has been a modest increase in the liquid position of the Fund.”

ISSUE POPULARITY CONTEST

The Winners

Top rank as the most widely bought stock during the quarter to Royal Petroleum, purchased by 11 managements and sold by nine (to the June quar¬ter this issue encountered 11 buyers and one seller).

Second most popular issue was another international petroleum company, Standard Oil of New Jersey, with nine buyers and one elimination. Third most popular was Schlumberger Ltd., anoth¬er international enterprise with oil interests, with eight buyers and three sellers.

Among the issues bought by four or more fund manage¬ments, met no selling:

Financial Group; Interna¬tional Telephone & Telegraph; New England Electric System; Royal Dutch Petroleum; Woolworth Co.

Other issues which were heav¬ily bought and not prominently, pur¬chased included Aluminum Ltd., Cat¬alina Tractor; Continental Motors, Grace & Company; Institutional P a p e r, Lockhead, J. C. Pensky, R. C. A., and Stimson L. and California.

Of the Beaten Path

Issues reflecting the desire by manage¬ments to “get into virgin territory” included:

Bemis Brothers Bag Co.; Column Credit Co.; Great Southern Life Insurance; Galeries Precieuses; Kay Windsor Co.; Liberty Loan Corp.; Merchants Fast Motor Lines; Miss Pat; E. F. MacDonald; Nashua Corporation; Inc.; Pac¬manncor, Inc.; U. S. Sugar Corp.; UARCO INC.

The Losers

Among the issues meeting a large number of sellers were:

Ford with 10 sellers (and also nine buyers); American Tele¬
Waning Interest in Foreign Issues

Previous periods’ “hot” interest in foreign equities has developed into a “stabilization” interval despite the widening public familiarity with the Common Market (heavy fund buying of Schlumberger, Royal Dutch and other international oils being exceptions). Significant is the policy followed by the Nelson fund, since, although it is heavily committed abroad, it is a non-specialty company with full discretion in the geographical apportionment of its holdings.

After boosting its proportion of foreign investments from 22% to 55% in the first quarter of this year, Nelson has since maintained this level almost unchanged. In fact, as indicated by Nelson during the September quarter, follow with nationalities. All are British excepting the first-mentioned Monarch which is Canadian.


Nelson’s new commitments during the latest period with their respective nationalities, were: Canad—Shawinigan Water & Power; Great Britain—Harvey’s of Bristol and Japan—Yazuka Fire and Marine Insurance Co., Ltd.

Retreat by a Specialty Fund Eurofund, the closed-end investment company limited by its charter to European securities or cash, strikingly showed lessening of its trans-Atlantic enthusiasm during the most recent quarter. Its total purchases aggregating $2,305,000 were overbalanced by $1,881,000, or a net sales balance of $125,000; which was transferred into short-term Treasury obligations. In the preceding (June) quarter, contrastingly the Fund’s purchases of

$3,012,000 were offset by sales of $237,910, leaving a net buying balance of $2,773,001.

Among the issues sold by Eurofund during the September quarter, with their respective countries indicated, were: Belgium—Bekaert and Gossellet S. A. Societe Generale Metalurgique de Hoboken S. A.; France—Ateliers Generaliste des Machines Bull, Galeries Lafayette, S. A. Kleber-Colombe, S. A. des Automobiles Saint-Freres, Source Perrier; Germany—Badische Anlshe and Sofabarker A. G. (BASF); Switzerland—Singer; Belgium—A. G. Deutsche Bank A. G. Dresdner Bank A. G.; Italy—Eni Etruscan, Generali Societa Finanziaria Siderurgica Per Azioni (Flusser); Netherlands—Stiggens Corp. N. V.; United Kingdom—Distillers Co., Ltd.

Among the issues bought by Eurofund during the quarter were: de Bruxelles, S. A. Grande Magazine “A l’Innovation,” France—Societe de Ciment de Marseille; Germany—Metallge- schaft A.G.; Italy—Pirelli S.p.A.; Netherlands—Rotterdam Bank N. V.; Spain—Banco Hispano Americano; Switzerland—Interlibera; United Kingdom—Imperial Chemical Industries.

Perhaps the funed’s caution for the shares of banks in Europe will spill over to the less developed countries, presently restricted to European institutions. Although holdings in African banks by private industrial investors are now barred, future relaxation of this rule may well entail American investors’ following the example of the Bank of the Public Company, the Bank of America, et al, in their current acquisitions of shares in

Policy Toward Industry Groups

During the September quarter, fund managers showed a complete change in overall market attitude by selling 13 industry groups and particularly six. This compares with 15 industry groups being bought and only two sold during the June quarter. In the September quarter, in the following groups selling predominant control of aircraft equipment, automotive, automotive equipment, cosmetics, metals (mixed), natural gas, office equipment, radio - television - movies, railroads, rubber, steel and tobacco.

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A mutual fund investing in a list of securities selected for current income.

Incorporated Investors

A mutual fund investing in a list of securities selected for possible long-term growth of capital and income.

A prospectus on each fund is available from your investment dealer.

THE PARKER CORPORATION

200 Berkeley Street, Boston, Mass.

At the same time, fund management bought containers, food products, metals (aluminum), oils, papers and publishing. Also favorable, but to a lesser extent, were airlines, banks, drug products, insurance, machinery and industrial equipment. A mixed, neutral, or highly speculative attitude prevailed toward building construction and equipment, chemicals, electronics and electricals, finance companies, public utilities and real estate.

Transactions in the Liquidated Groups

Aircraft and Aircraft Equipment Fall From Orbit

Boeing, a past favorite, met heavy selling from seven managing companies and had only one buyer. Completely eliminating this issue from their portfolios were Loomis-Sayles (25,000), and Mutual Investment. Dreyfus also sold 22,100 shares. Martin encountered heavy selling despite a huge government contract for the Titan III missile, which is said to involve some $500,000,000. It was completely eliminated by Fundamental Investors (184,000) and Fidelity (28,600).

Automotives Turn to Liquidation

Despite the industry’s booming output, the automobile companies were still predominant selling from its mixed showing in the previous quarter. Ford, which had been heavily bought (with 11 buyers) in the June quarter, was sold on balance (with 10 sellers against nine buyers) during the September quarter. The biggest seller in this issue was Madison (21,200). Other issues in this group sold on balance included American Motors, Fruehauf Trailer, and White Motors.

Cosmetics Also Sold

Gillette, dubbed a growth situation in recent periods, was sold to the tune of 221,400 shares by three funds (including a 154,400-share block by Wellington).

Miscellaneous Metals Liquidated

In this group both American Smelting and Chromalloy were sold (the former by four managers and the latter by three) without any buyers. International Nickel was dropped by six funds, and bought by three.

Natural Gas Issues Encounter Selling

This group met bearishness, Continued on page 18

NELSON FUND

is a mutual fund investing in both foreign, (primary domiciled in Europe and Latin American) and U.S. Securities.

Emphasis is placed on capital appreciation possibilities. Shares may be purchased directly from the Fund at net asset value without sales charge or commission. Net asset value per share as of November 1, 1962: $1,946.35

Prospectus and last quarterly report are available at:

NELSON FUND, Inc., 37 Wall St., New York 5, N. Y.
Funds’ Buying Dried Up During Market’s Rally

Continued from page 17 possibly abetted by threatened mortgage foreclosures in Louisiana. Gas and Louisiana Gas was sold by four funds with volume aggregating 194,000 shares, with three funds buying 48,000 shares. American Natural Gas was bought by two funds, without any buyers.

Office Equipment in Disfavor

Turning from their strong popu-

larity in the preceding quarter was the office equipment group. That intriguing “blue chip’ IBM, which had been the most popular issue in the June quarter, was sold on balance in the September period. Among the largest sellers were Dreyfus, Wellington and Affiliated Funds. The issue was newly bought by Texas Fund.

Radio-TV on the Disposal Side

Radio-TV and motion pictures compose another group charging to the sell category from high popularity during the preceding June quarter. C.B. and T.V. was involved in anti-trust contention with the government, was sold by three funds, with volume aggregating $1.3 million on 104,000 shares, with two funds buying 48,000 shares. American Natural Gas was sold by two funds, without any buyers.

Changes in Common Stock Holdings of 72 Investment Management Groups

(July - September, 1962)

In issues in which transactions by more than one management group occurred, issues which more management sold than bought are in italics. Numbers in parentheses indicate number of management groups buying or selling for which data were gathered. Holdings data are for the period ended September 30, 1962. The issues are listed alphabetically by business group.

Agricultural Equipment

<p>| No. of | No. of |</p>
<table>
<thead>
<tr>
<th>Shares</th>
<th>Mgmts.</th>
</tr>
</thead>
<tbody>
<tr>
<td>45,100</td>
<td>2(2)</td>
</tr>
<tr>
<td>2,500</td>
<td>2(3)</td>
</tr>
<tr>
<td>1,300</td>
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</tr>
<tr>
<td>89,100</td>
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<tr>
<td>500</td>
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<tr>
<td>1,200</td>
<td>1(2)</td>
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<tr>
<td>41,400</td>
<td>3(2)</td>
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<tr>
<td>87,000</td>
<td>2(1)</td>
</tr>
<tr>
<td>47,000</td>
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Automotive

<p>| No. of | No. of |</p>
<table>
<thead>
<tr>
<th>Shares</th>
<th>Mgmts.</th>
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<tbody>
<tr>
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<tr>
<td>74,809</td>
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<td>10,000</td>
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<td>1,000</td>
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<tr>
<td>7,500</td>
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<tr>
<td>101,259</td>
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<tr>
<td>6,000</td>
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Automotive Equipment

<p>| No. of | No. of |</p>
<table>
<thead>
<tr>
<th>Shares</th>
<th>Mgmts.</th>
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<td>1,000</td>
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</table>

Building, Construction and Equipment

<p>| No. of | No. of |</p>
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<tr>
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<td>None</td>
<td>None</td>
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<tr>
<td>None</td>
<td>None</td>
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</tbody>
</table>

Chemicals

<p>| No. of | No. of |</p>
<table>
<thead>
<tr>
<th>Shares</th>
<th>Mgmts.</th>
</tr>
</thead>
<tbody>
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<tr>
<td>3,000</td>
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<tr>
<td>109,600</td>
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<td>13,100</td>
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<tr>
<td>6,000</td>
<td>1(2)</td>
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<tr>
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<td>1(2)</td>
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<td>1(2)</td>
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<tr>
<td>9,700</td>
<td>1(2)</td>
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<td>7,000</td>
<td>1(2)</td>
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<td>2,000</td>
<td>1(2)</td>
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<tr>
<td>1,200</td>
<td>1(2)</td>
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<td>8,000</td>
<td>1(2)</td>
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<td>2,000</td>
<td>1(2)</td>
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<td>None</td>
<td>None</td>
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<tr>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

Dreyfus Fund

The Dreyfus Fund is a mutual fund in which the management hopes to make your money grow and takes what it considers reasonable risks in that direction.

Translating the Dreyfus Fund’s Companies Order or write Department C

Dreyfus Corp. 2 Broad St., N.Y. 4, N.Y.
The Commercial and Financial Chronicle . . . Thursday, November 15, 1982

Funds’ Buying Dried Up During Market’s Rally

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### Funds’ Buying Dried Up During Market’s Rally

#### Mixed Groups

- **Building, Construction and Equipment**
- **Building, Construction and Equipment**

**Building, construction and equipment, the first in our mixed groups experienced both selective buying and selling. Issues meeting good support were Caterpillar Tractor, Oliver Elevator and Sherrill Williams; whereas those showing little support included Johns-Manville, Owens-Corning Fiberglas and Worthington Corp. New purchases in Caterpillar Tractor were for four funds, with a block of 13,160 by Diversified Shares by far the largest. Funds which remained under selling pressure and were eliminated by three funds.

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### Chemicals Meet Selective Policy

A greater selectivity for issues within this group was shown during the quarter. Good buying was indicated in Dow, Eastman Kodak, Grace & Company and Monsanto. Heavy selling was witnessed in Allied, du Pont, FMC Corp., and Union Carbide. The buyers of Dow included American Business Shares and Affiliated Funds (100,000-600,000). Allied Chemical came under heavy selling pressure with eight sellers and only three buyers. Funds liquidating heavily included Chemical Fund (43,200), Massachusetts Investors Trust (44,800) and One William Street (10,000).

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### Electronics Turn Mixed

Although a greater interest within this group was indicated during the quarter, an overall mixed reaction prevailed. Buying in such issues as General Electric, RCA and Schlumberger were met by offsetting sales in such issues.

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### Machinery and Equipment

Continuing Pick-up

Selective purchases of Babcock & Wilcox and Constabulation Engineering displayed the greatest interest. The former newly by National Securities Stock (12,800).
<table>
<thead>
<tr>
<th>Security by the 89 Investment Companies During July-September, 1962</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Security</strong></td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>Treasury Bills</td>
</tr>
<tr>
<td>Bonds</td>
</tr>
<tr>
<td>Savings Bonds</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
</tr>
<tr>
<td>Time Deposits</td>
</tr>
<tr>
<td>Federal Reserve Certificates</td>
</tr>
<tr>
<td>General Obligations of States</td>
</tr>
<tr>
<td>Local Government Bonds</td>
</tr>
<tr>
<td>Corporate Bonds</td>
</tr>
<tr>
<td>Preferred Stock</td>
</tr>
<tr>
<td>Industrial Stocks</td>
</tr>
<tr>
<td>Real Estate Stocks</td>
</tr>
<tr>
<td>Preferred Stock &amp; Cum. Div.</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td><strong>INVESTMENT BALANCE Vs. CASH AND EQUIVALENTS</strong></td>
</tr>
<tr>
<td><strong>Security</strong></td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>Currency &amp; Demand Deposits</td>
</tr>
<tr>
<td>Total Cash &amp; Equiv.</td>
</tr>
</tbody>
</table>
Funds' Buying Ended During Market Rally

Continued from page 29

as Sperry-Rand, Xerox and Zenith. Schumacher, a hybrid oil industry equipment and electronics business, was quite popular among the buyers. Key acquisitions in this issue were made by Bullock, Wall Street Investing and Guardian Mutual.

Finance Companies Neutral

Issues in this group after being bought heavily in the preceding two quarters balanced out. Strength was shown in Financial, a "unanimous favorite," in which new acquisitions were made by National Investors (11,800), Incorporated Investors (30,000) and Wellington (25,000). This issue met with no selling. On the other hand, CIT Financial met with considerable selling including elimination by Guardian Mutual and Commonwealth Investors.

Public Utilities Meet Mixed Reaction

In the Telephone and Telegraph sector of this group two issues were bought and two were sold. International Tel. & Tel., a unanimous favorite met no selling and was bought by Dresser, Fidelity, and Knickerbocker. However, A. T. & T., which had been bought on balance during the June quarter, reversed its position, being sold on balance during the September quarter. By far the largest seller was Wellington (65,000).

Within the electric and gas sector of this group a greater interest in the overall number of companies was shown. Although strong buying was indicated in New England Electric System, Oklahoma Gas and Electric and Public Service of Colorado, heavy selling existed in American Public Service, Central and Southwest Corp. and Southern Company.

Retailers Meet Mixed Reaction

This particular group turned in almost a repeat performance over the June survey, once again showing unusual demand was J. C. Penney. Newly bought by Fundamental Investors (34,000) and Shareholders Trust of Boston (15,000).

Miscellaneous Issues

Among the companies which are inappropriate to categorize industry-wise, selective purchases took place. Overall some 10 companies found buyers and only two were sold. Buying in International Flavors & Fragrances, Minnesota Mining and Mfg. and U.S. Lines dominated while American Photocopy and Procter & Gamble were the only sold issues. Unilever N.V., a foreign issue, was newly bought by Affiliated (100,000).

Longwell To Be Walton V.-P.

Effective Dec. 1 Harold W. Longwell will become a Vice-President of Walston & Co., Inc., 74 Wall Street, New York City, members of the New York Stock Exchange and other leading exchanges. Mr. Longwell is now an Assistant Vice-President of the firm.

Bache & Co. Offers Talks for Women

Recognizing the increasing interest of women in investments, the New York Stock Exchange firm of Bache & Co. has arranged to give a free 2-hour informative talk on this subject at 1:45 o'clock Saturday afternoon, Nov. 11, at the firm's offices, 770 Lexington Avenue (60th Street).

The talks will be by women and for women only. They will be repeated at the same time and place on three successive Saturdays, Nov. 24, Dec. 1, and Dec. 8. Advance reservations for the course are necessary. An informal question-answer period over a cup of tea will follow each session.

Fowler, Rosenau Admit

Fowler & Rosenau, 40 Wall Street, New York City, members of the New York Stock Exchange, will admit James N. Rosenau to limited partnership Dec. 1.

Elected Director

Bethuel M. Webster, partner of Webster Sheffield Fleischmann Hitchcock & Chrystie, has been elected a Director of General American Investors Co., Inc., it has been announced by Arthur G. Alsop, Chairman of the Board. General American Investors is a closed-end investment company listed on the New York Stock Exchange.

Mr. Webster, a Trustee of the Ford Foundation, is a former President of the Association of the Bar of the City of New York.

Named to Board

John B. Huhn, a partner in Bache & Co. has been elected to the Board of Directors of American Business Systems, Inc.

American Business Systems designs and manufactures a wide variety of business forms and data processing tabulating cards.

Arizona Announces 1962 Pensions to Be Raised

Phelps Dodge Corp. has announced that the pension plan for employees of the company will be increased by 50 cents per year on all pension credits.

National President of the United Auto Workers, James Hoffa, was present at the announcement.

During a recent visit to the state.
Arizona Bankers Annual Meeting

PHOENIX, Ariz.—The Arizona Bankers Association concluded its 59th annual convention on September 30.

Patrick reported record attendance by financial leaders from throughout Arizona, the U.S. and Mexico. Mr. Patrick is president of Valley National Bank of Arizona.

Major speakers were Weldon P. Gibson, Executive Vice-President, Stanford Research Institute, Menlo Park, Calif.; Edward E. Edwards, President of Finance, graduate school of business, Indiana University, Bloomington, Ind., and Martin E. Gainstruth, Vice-President and Chief Economist, National Industrial Conference Board, New York City.

Other new association officers elected were:

1st Vice-President—James Byers, President, First National Bank of Arizona, Phoenix; 2nd Vice-President—James P. Simmons, President, Guaranty Bank, Phoenix; Executive Councilman—G. F. Bradley, Vice-President, Valley National Bank, Tucson, and Robert C. Haden, President, First Security Bank, Mesa.

Officers who will continue unexpired terms are:


Nat'l SBIC Assn. To Hold Meeting

Kenneth Kramer, Executive Editor of "Business Week," and Mr. Horne, Administrator of the Small Business Administration, will be among the speakers at the Fourth Annual Meeting of the National Association of Small Business Investment Companies (SBICs) at the Hotel Shoreham, Dec. 3-5.

Mr. Kramer, whose publication is widely known for its coverage of business and financial news, will speak on "The SBIC: Where Lies Ahead?" Mr. Horne will discuss the progress of SBICs during the past three years and his role in the future of the American economy.

The three-day meeting will be devoted primarily to a series of workshop sessions moderated by economists, financial analysts, accounting experts and corporate attorneys associated with the SBIC program.

More than 500 investment executives will be registered at the sessions which will be attended also by representatives of the Small Business Administration, the Securities and Exchange Commission and the Internal Revenue Service.

IDA Members to Register Salesmen

TORONTO, Canada—Commencing Nov. 15, 1962, all association members to be registered with the Association in order to become a registered salesman application must be made on an approved form which requires the applicant to provide detailed information on his background and experience. Registrants are also required either to be graduates of the Association's Wall Street 141 Course "Principles and Practices of Investment Finance in Canada," or to pass a Special Examination based on this course.

Working in cooperation with the Toronto, Montreal-Canadian and Vancouver Stock Exchanges, the Association anticipates that the new requirements will raise minimum standards throughout the securities business.

The Association has always required a high level of competence and ethical conduct and the careful selection of salesmen by members. The registration requirement will, however, provide for a more formal scrutiny of applicants for sales positions by District Executive Committees.

D. B. Marron
Names Rosen V. P.

D. B. Marron & Co., Inc., 63 Wall Street, New York City, members of the New York Stock Exchange, have elected Alvin S. Rosen a Vice-President of the firm.

Lamb V. P. of Lyons, Hannans

Thomas Lamb has become associated with Lyons, Hannans & Lee, Inc., 115 Broadway, New York City, a Vice-President.
The Board of Trustees of the Union Square Savings Bank, New York, has announced the appointment of W. Schaefer as Assistant Treasurer.

Mr. Schaefer has been with the bank 23 years.

The Board of Governors of the Federal Reserve Bank of St. Louis, New York, has announced its approval of the merger of The Gramercy National Bank of Youngstown, Ohio, with the Bank of Youngstown, Youngstown, Ohio.

The First National Bank of New York has appointed C. E. L. Schleifer, Vice-President; Charles C. Mancuso, Vice-President; and Walter H. Jones, Vice-President; Max Schleifer, Vice-President; Charles C. Mancuso, Assistant Cashier; and Henry Goldthorpe, Secretary.

The New Hampshire National Bank, Pittsfield, Pa., has been appointed a Trust Officer; Edward D. Lavine, in a Mortgage Officer in charge of mortgage underwriting; Robert F. Grosser, Assistant Manager of Bookkeeping and Proof Operations for WPNB, and Curry J. Tigner, Assistant Manager of the Dravosburg Community Office.

Mr. O'Gorman comes to NBWB from First National City Bank, New York.


The Board of Directors of the Bank of America, New York, has appointed Mr. E. L. Banes as Assistant Controller.

Mr. E. L. Banes has been with the bank 10 years.

The Comptroller of the Currency announced Nov. 9 that preliminary approval has been granted to organize a new National Bank in Indian River City, Fla., under the title "Brevard National Bank.

The bank will have an initial capital structure of $500,000, divided into 500 shares of $100 par value and 500 undivided profits.

Kenneth G. House has been named President of the Canadian Imperial Bank of Commerce (California), succeeding Robert B. Arnold who is retiring after 40 years of service with the bank and its Canadian Imperial Bank of Commerce parent company. Mr. Arnold has been the President of the California affiliate for the past six years.

The bank has been named President of the Canadian Imperial Bank of Commerce at St. Louis, Missouri.

Bank of America, San Francisco, Calif., has appointed H. T. Bartolo as Vice-President and appointed him to a new senior position in lending.

Directors of the Seattle-First National Bank, Seattle, Wash., have announced Nov. 9 that Lawrence M. Arnold will relinquish his duties as President and Chief Executive Officer of the bank, in accordance with the retirement age of 62 set by Mr. Jenkins, presently a director of the bank and Chief Executive Vice-President of the Everett Division, will succeed Mr. Arnold as Chairman of the Board of Seattle-First National Bank.

The directors also announced the establishment of a newly-created position of Honorary Chairman of the Board, effective upon his retirement. In his new capacity, Mr. Arnold's duties will be of a advisory nature.

The money and capital markets are indicated to be in a position that is favorable to the patterns that were in vogue prior to the Cuban crisis. The monetary authorities are now in a position to place in and around the island of Cuba and what might come out of it, in order to support prices in the reasonably temporary but thoroughly disorganized markets. When it is realized that Cuba will be an atomic war, the money and capital market will remain pretty much as they have been, there was a rather rapid recovery of equilibrium.

Accordingly, short-term rates continued to decline which was not to the liking of the monetary authorities while long-term rates also moved in much the same direction. In order not to have unfavorable effects on our balance of payments, the Government sold the short-term market with a surprise offering of Treasury bills in order to harden the yield of the most liquid obligations.

Business Trend

The economy is expected to return to pre-Cuban crisis conditions with the expectation that business will continue in the high plateau that it has been in for a long time. In the face of our problems concerning unemployment, the balance of payments deficit, the shortage of the dollar, as well as the gold holdings, will be watched as they continue to exist as they have in the past.

It is evident that business conditions, although not booming, are nonetheless good by whatever indices that may be used to make these measurements. There are soft spots such as steel and a few other industries, but the general trend is quite favorable on the favorable side. In addition, there appear to be no signs that are around that is to be found when inflationary developments are in ascendancy.

On the other hand, there is some notice being given, however, that the monetary authorities will be the force that must be watched very closely since the economy may move in that direction unless there is some kind of a stimulant found to move it out of the top plateau where it has been stuck for quite a while now.

Therefore, it appears as though the domestic situation is the point of concern among some economists, does not seem to be as loaded at this time as does the international political picture. According to Wall Street circles, there is a sizable extension of the cold war front that might eventually be merged with the entire world, and it is believed that money and capital conditions are going to be determined in the foreseeable future. Whatever goes on with the dollar, our gold holdings as well as our international credit will be determined.

Defending the Dollar

The combination of monetary policy and debt management has been used effectively to prevent further aggravation of our balance of payments problems, which also have an influence on our monetary unit and our gold holdings. The Federal Reserve Board in an extraordinary yearly monetary move, recently decreased reserves against savings deposits in commercial banks from 5% to 4%. In this fashion, credit was made available to the deposit banks with short-term open market operations which would have further decreased the gold-short-term obligations and put them more out of touch with other world money centers. This would have brought about an outflow of gold and caused a further depreciation of the dollar, as well as our balance of payments problem.

The Treasury in its debt management function and suddenly raised a strip of $1,000,000,000 of bills with the purpose of raising enough gold to make it so that the differential between here and England and other money centers would be brought more into line so that an outflow of gold would be averted and our balance of payments problem would become more acute. In both of these instances the desired results were achieved, by raising enough gold to the dollar, our gold position, as well as our balance of payments problem.

Small Attention on Refunding Offer

The late fall refunding operations attract little attention but to be a very successful one with an attrition of only about 5%, showed the claims for the maturing issues were intact and were taken up by the 15% bond maturing in 1972.

According to reports, these two years have produced the largest maturities in the package exchange, were in the amount of $5,557,000,000, for the 15-year $1,000,000,000 for the 3% certificate. The 7% rates, evidently a lesserization of important changes in the more distant interest markets, are probably responsible in some measure for these selections.

syracuse Regional Bank Ass'n

SYRACUSE, N. Y.—The Syracuse Regional Meeting of the American Bankers Association was opened Monday night by President Vincent P. Doherty of Syracuse, N. Y. April 17 to 21, 1965.

George T. Peseus, Potouo and Lynch, is Chairman of the public relations committee.
COMMENTARY

By M. R. LEFKOE

Capitalism in America is engaged in a desperate struggle for survival. Its two primary enemies are the Marxian socialists who are sabotaging the free market with arbitrary regulations and controls —and the businessmen who are trying to discredite the free enterprise system by distorting its true nature.

The attack on the political-economic system in which businessmen can live and prosper is increasing. As long as free men are being supported, however, by yet another group: the capitalists who recognize that they are in a fight for their very existence and by failing to consider the destruction of this sys tem economic destroyers. They are fighting it. They support of it. They give consideration to the support of the system. They are placed by Star, and they are doing it. It is certain that the New York City officials who are attempting to clean up relief abuses were made to look like cruel and heartless monsters.

And there is Howard K. Smith in Washington who supplies fake air time to the New Frontier. He does this with the sponsorship of American business enterprises, in order to be able to help defend the system that permits them to operate.

With careful emphasis on information programs, promoted by FCC Chairman Newton Minow, that the Washington officials will be given more time on the air to put their views better than those of the broadcasters. The broadcasters' fear of the FCC dictates this action. But if American businessmen choose to sponsor such programs dedicated to undermining themselves, they can have no complaint. If the broadcasters are acting out of concern, the businessmen will be acting merely out of bad judgment.

Time for Reappraisal

"Gentlemen, how about a reappraisal?" One doesn't believe that in all of the incidents I have cited here or in other instances where millions of dollars right into the Communist Party! I doubt that Americans are quite as stupid as to accept communism right off the bat, but they are certainly not being persuaded to accept Fascist socialism, and it is business money — not the public press — that is doing the job. Are you happy with the results? Is this what you wanted?

"First, let me tell you what I would not do if I were the head of a corporation. I would not try to influence the press; I would not buy papers, radio stations, and TV networks. They have a right to make their decisions and we must respect them. Businessmen would be guilty of flagrant abuse of power if they tried to buy changes of policy or advertising budgets. If we have any freedom left, it is because we have a free press, and we must continue to have our press.

"But there is nothing unethical—indeed I think the practice is moral— in making sure that your company's dollars don't go to undermine your company and the companies operating within the framework of the free enterprise system.

"If I were the top executive of a company, I would quietly lay down the policy that prohibited advertising in any publication or on any TV station that has a predominantly leftist tilt to it.

"The company need only be persuaded to do this by the news of the day, the living propaganda, whether in news, documentaries, or outright reports."

We are not yet halfway through the first four-year term of the Administration. If the next 84 months much power has been ceded to the Presidency. Mr. Kennedy can do a lot to strengthen the system before and is still seeking more power. Much of the power he is seeking will be directly or indirectly in your business.

Are you going to be among those businessmen who hand the ammunition for the enemy's side?"

Answering the Opposition

Shortly after the full text of this speech was inserted in the Congressional Record by Senator Barry Goldwater, Time Magazine published an article which attempted to discredit Mr. Rogers' proposal. The crux of Time's attack on Mr. Rogers was summed up in its report that "advertising comes to the paper with readership guaranteed and the publishers guarantee the paper that it does its job."

This blanket condemnation of Mr. Rogers' proposal is fallacious in many respects. For one, while there is certainly a vast difference in the size of various TV shows, there is a common circulation of competing magazines and newspapers. The difference between the advertising cost per thousand viewers or readers in the Chicago newspapers is relatively slim.

But even more important, what good will it do to a company to spend a fortune on advertising to interest the reader? If that same advertising is contributing to the destruction of the economic system, you must fight for the free political-economic environment it requires to produce its goods and distribute them; then—and only then—can it be able to worry about how to get the consumer to purchase them.

Businessmen had better begin to realize that their only hope for survival is to maintain their profit and their leisure of society. If they passively sit back and watch themselves, and if they actively continue to assist their own destroyers—even when the losses are being attributed to the failure of the Bank, and the businessmen will not be justified in saying "We couldn't help them."

They could have.

Heads Div. in Hosp. Fund Drive

George R. Macalister, Jr., Vice-President and Chief Financial Officer of Great Western Life Insurance Company, announced today that he will serve as Chairman of the United Negro College Fund campaign for the next two years. John L. Taylor, Chairman of the Division, announced the appointment of Mr. Macalister. Mr. Taylor is Senior Vice-President also of the Chase Manhattan Bank.

As Chairman of his committee, Mr. Macalister will lead volunteers in the coordination of solicita tions from executives and private individuals and the banking field in Manhattan and the Bronx. The goal of the 83rd annual campaign is $50,000,000 and the money raised will help re-
Securities Now in Registration

**INDICATIONS 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." This section will be published bi-weekly and the Chronicle will retain the privilege of including the company's name, and in the index, reflect the expectations of the underwriter but not the offering dates of the securities.

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

**ABC Business Forms, Inc.**

**A. L. Steel Corp.**

**Abbott Realty Fund, Inc.**

**Aerosystems Technologies, Inc.** (11-26-30)

**Agency Tile Industries, Inc.**

**Agency Sales Trust**

**Air Master Corp.**
May 28, 1962 filed 590,000 common, of which 90,000 will be sold for company and 90,000 for stockholders. Price—$2.50. Business—Manufacturers of aluminum storm windows and doors, and other aluminum products. Proceeds—For working capital, and other corporate purposes. Offices—Los Angeles, Chicago, Philadelphia, Pa., Underwriter—Clayton Securities Corp., Boston. Note — This offering has been postponed.

**Alcoac Chemical Corp.**

**Allegheny Aluminum Industries, Inc.**

**Allied Graphic Arts, Inc.**
May 27, 1962 filed 100,000 common, of which 80,000 will be sold for the benefit of the company and 20,000 for a stockholder. Price—By amendment. Business—Publication of mass communications in printed and mail order forms, a semi-annual magazine and stamp collectors' magazines. Proceeds—For debt repayment and equipment and other corporate purposes. Office—351 Fifth Ave, N. Y. Underwriter—A. P. Clain & Co., New York. Offering—Temporarily postponed.

**All-State Properties, Inc.**

**American Oil & Mining Co.**
July 31, 1961 filed 400,000 common shares. Price—$5.00. Business—The company is engaged in exploration, development, mining, and production of precious and base metals. Proceeds—For debt repayment, equipment and other corporate purposes.

**American Bolt & Screw Mfg. Corp.** (11-26-30)

**American Educational Life Insurance Co.**

**American Salon Equipment Mfg. Corp.**

**American Finance Co.** (11-20-21)

**American Flag & Banner Co. of New Jersey**

**American Gas Co.** (11-28)
March 29, 1962 filed 10,000 of 6.5% convertible subordinated debentures due Sept. 1, 1977; also 275,000 common. Price—For debt repayment, at par, for stock, by amendment. Business—Transmission, installation and distribution of natural gas. Proceeds—For debt repayment and equipment and distribution. Offices—120 Broadway, N. Y. Underwriter—Curtenden, Podesta & Miller, Chicago.

**American Options Corp.**

**American Tobacco Co.**

**American Plan Corp.** (11-26-30)
March 20, 1962 filed 24,000 convertible debentures due 1982 and 248,000 common shares (of which 24,000 will be sold for company and 194,000 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—Debt repayment and general corporate purposes. Offices—1523 Kalakaua Ave, Honolulu. Underwriter—Curtenden, Podesta & Miller, San Francisco.
expansion and debt repayment. Office—519 W. Seventh St., Los Angeles. Underwriter—William H. Stashe & Co. Los Angeles. Note:—This registration will be withdrawn.


Sept. 14, 1962, filed 280,000 common. Price—By amendment (max. $10). Business—To purchase a country club, golf course, swimming pool and cabana club and to hold same for rental and sale to members, to erect homes, apartment houses, motels, etc. Proceeds—For debt repayment and expansion. Office—310 W. 34th St., N. Y. Underwriter—J. W. E. Burns & Co., Inc., N. Y.

Capitol Investments, Inc. May 22, 1962, filed 91,000 common to be offered for subscription by stockholders on the basis of one new share for each two shares held. Price—By amendment (max. $25). Business—Manufacture of showroom and billboards. Proceeds—For expansion, equipment and debt repayment. Office—515 W. Seventh St., Los Angeles. Underwriter—Pattan & Co., Hartford, Conn. Underwriter—None.


Corporal Bank Corporation. June 1962, filed convertible subordinated debentures due 1967 and 1,500,000 common to be offered by Postal Life Insurance Co. Proceeds—By amendment. Business—A bank holding company recently formed to acquire stock of First Western Bank & Trust Co., N. Y., and for other acquisition of First Western stock and working capital. Office—1600 Van Ness Ave., San Francisco, Calif. Underwriters—Bear, Stearns & Co., and Allen, C. N. Y. Note:—This registration will be withdrawn.

Community Realty Trust June 18, 1962 filed 450,000 class A shares of beneficial interest in Community Realty Trust, a new investment company. Proceeds—For debt repayment and investment. Office—110 W. 57th St., N. Y. Underwriter—Norman Bernstein Securities, Inc. (same address).


Continued on page 28
**Corporate Funding Corp.**

April 30, 1962, filed to offer 2,000 class A common, Price $1.50. Business—A financial investment and holding company.


**Diversified Real Estate Trust**

March 8, 1962, filed 1,900,000 shares of beneficial interest—For investment. Proceeds—For investment. Office—500 Fifth Ave, N.Y. Underwriter—Bacon, Johnson Realty Management.

**Diversified Investors**


**Dixie Floats Corp.**


**Domecor Isacson, Inc.**

Feb. 6, 1962, filed 72,000 shares of stock, of which 50,000 are to be offered by the company and 100,000 by stockholders. Price—$3. Sale of common stock. Proceeds—For lease and design of boys knit shirts, sweaters, and casual clothing, and manufacture of office and small metal items. Office—1115 Broadway, N.Y. Underwriter—Goodbody & Co. N.Y. Note—This offering has been temporarily postponed.

**Dynamic L.P. Industries, Inc.**


**Dynapower Systems Corp.**


**Data Systems Devices of Boston, Inc.**


**Deutzler Corp.**

Sept. 26, 1962, filed 125,000 shares of stock, of which 50,000 shares are to be offered by the company and 75,000 by stockholders. Price—$3.50. Proceeds—For expansion of factory and building of bowling centers. Proceeds—For expansion, equipment and working capital. Office—4900 E. 149th St, N.Y. Underwriter—Dynamol Trading Corp., N.Y. Note—This registration was withdrawn.

**Delta Systems, Inc.**

Sept. 26, 1962, filed 100,000 common, of which 50,000 shares are to be offered by company and 50,000 by stockholders. Price—$2.50. Proceeds—For expansion of plant. Office—1502 Indiana Ave, N.Y. Underwriter—Provest Securities, Inc., N.Y.

**Deutermann Corp.**

Sept. 26, 1962, filed 120,000 common with attached warrants to purchase an additional 120,000 shares to be offered for subscription by holders of this stock and debentures in units (of one share and one warrant) on the basis of 2 units for each 5% preferred share held, 2 units for each 6% preferred share held and 40 units for each $1,200 face amount of non-interest bearing subordinated debenture held. At the same time, the company will offer the securities to the public. Price—$3.50. Proceeds—For expansion of 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—1400 N. 211th St, Kansas City, Mo. Underwriter—Morgan & Co., N.Y.

**Diamond Dust Mills Corp.**

June 17, 1962, filed 72,000 shares. Price—By amendment (max. $1.75). Business—A real estate investment

**Diamond Corp.**


**Diamond Mills Corp.**

July 1, 1962, filed 200,000 shares of which 125,000 are to be offered by the company and 50,000 by stockholders. Price—By amendment. Business—Manufacturing of women's, children's and men's wear and working capital. Office—417 Fifth Ave, N.Y. Underwriter—Morning News, Co., Philadelphia. Offering—Indefinitely postponed.

**Diversified Collateral Corp.**

NEW ISSUE CALENDAR

November 19 (Monday)

Capitol Corp.——Debentures
(Van Alstyne, North & Co.) $1,250,000

November 20 (Tuesday)

American National Bank of Chicago——Debentures
(General Motors Corp.) $300,000

November 21 (Wednesday)

Lever & Company——Debentures
(Blumberg, Hanham & Co.) $1,500,000

November 23 (Friday)

Norton Co.——Common
(Paine, Weber, Jackson & Curtis and Goldman, S. & Co.) $400,000

November 26 (Monday)

Aerostat Systems Corp.—Common
John J. Whelan & Co. $1,000,000

November 28 (Wednesday)

American Sugar Refining Co.—Common
(A. D. Edwards & Sons and A. C. Almy & Co.) $75,000

December 3 (Monday)

Canaveral Hills Enterprises, Inc.—Common
Heck’s Discount Centers, Inc.—Common
Jameco Air Conditioning Corp.—Common
Metropolitan Edison Co.—Common
Rona Lee Corp.—Common

December 4 (Tuesday)

Computer Concepts Inc.—Common
New England Power Co.—Preferred

Global Construction Devices, Inc.

November 29 (Thursday)

Global Automotive Refinaing Corp.—Common
Global Gold, Inc.—Common

December 5 (Wednesday)

Consolidated Ediion Co. of New York, Inc.—Bonds
Montana-Dakota Utilities Co.—Bonds

December 10 (Monday)

Career Academy, Inc.—Common
Conso Products, Inc.—Common
I. P. D. Financial Corp.—Common

December 12 (Wednesday)

Jeronite Industries, Inc.—Debentures
Lewis (Tillie) Food Distributors, Inc.—Debentures
Spartil Food Distributors—Debentures
Trailerco, Inc.—Common

December 14 (Friday)

Gulf Oceanic Utilities, Inc.—Common

December 16 (Sunday)

Arkansas Valley Industries, Inc.—Cap.

December 22 (Saturday)

Ampez Co., Inc.—Units
Hallardale Rock & Sand Co.—Units

December 27 (Thursday)

Optech, Inc.—Common

December 28 (Tuesday)

Red-O-Liner Corp.—Common
White Photo Offsets, Inc.—K-X-Precolored Security Corp.—Common

December 29 (Wednesday)

Northern Pacific Ry.—Equity Trust Co.

December 30 (Thursday)

First American Israel Mutual Fund.—Ben. Int.
Fort (Alex.) & Sons, Inc.—Common

February 6, 1963 (Wednesday)

Laclede Gas Co.—Bonds
Laclede Gas Co.—Common

Continued on page 39
Honora, Ltd.
Nov. 26, 1962

Hunsaker Corp.
Sept. 13, 1962
(Reg. A) $299,000 of 6% s. f. debenture. Price—For sale of debenture, purchase of maturities, and general corporate purposes. Office—10,000 W. 9th St., Hill, N.Y. Underwriter—Mokahy Valley Investing Co., Utica, N.Y.

Hydro Systems, Inc.
March 30, 1962

Hyundai Motors, Inc.
March 30, 1962
$97,000 common, of which $80,000 will be sold by company and 17,000 by certain stockholders. Price—$1. Proceeds—For general corporate purposes. Office—17602 S. Hill St., Little Village, Ind. Underwriter—J. H. W. Austin & Co., San Antonio.

International Data Systems, Inc.
Sept. 28, 1962

International Systems Research Corp.
March 19, 1962

Interstate Equity
March 30, 1962

Investment Management Corp.
May 10, 1962

Iowa Bicycle Co., Inc.
May 31, 1962

Iowa Beef Co., Inc.
Jan. 28, 1962
filed 140,000 common, of which 125,000 are to be offered by the company and 15,000 shares by a stockholder. Price—$1. Proceeds—For acquisition of household appliances and household motors. Underwriters—The First National Bank of Chicago; Regent St., Marshall, Conn. Underwriter—S. D. Fowle & Co., New York.

Japa Pouret Associates, Inc.
Jan. 30, 1962

Jersey Power & Lk. Co.
Nov. 19, 1961

Jersey Power & Lk. Co.
Feb. 19, 1962

Jersey Power & Lk. Co.
Dec. 11, 1961

Jersey Power & Lk. Co.
Dec. 13, 1961

Jubilee Air Conditioning Corp.
Feb. 13, 1962

Kaiser-Nelson Corp.
Nov. 26, 1962
filed 140,000 common, of which 70,000 to be offered by company and 70,000 by a stockholder. Price—$1. Proceeds—For acquisition of妒tain equipment and distribution of digital electronic devices. Proceeds—For loan repayment and working capital. Office—312 Mt. Pleasant Ave., Newark, N. J. Underwriter—None.

Kaiser-Nelson Corp.
Aug. 27, 1962
Price—$50c.

New Business—Compilation and telephone directories.

To be registered sometime in March.

Norton Corp., Ltd.

New Business—The acquisition of 375,000 capital shares, of which 100,000 are to be offered by company and 275,000 by other corporate purposes. Office—545 Fifth Ave., N. Y. Underwriter—Gregory-Massari, Inc., Beverly Hills, Calif., N. Y.—This registration will be withdrawn.

National Securities Corporation

May 11, 1961 filed 75,000 shares of capital stock. Price—To be offered by company.

National Semiconductor Corp.

Nov. 26, 1961 filed 50,000 shares of capital stock for underwriting purposes.

National Union Fire Insurance Co. of Pittsburgh

Sept. 10, 1961 filed 100,000 capital shares, being offered for subscription by stockholders of the company.

New England Power Co.

Oct. 22, 1961 filed 1,000,000 shares of capital stock, being offered by the company for subscription by its stockholders.

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Oct. 22, 1961 filed 1,000,000 shares of capital stock, being offered by the company for subscription by its stockholders.


Valu-Rack, Inc. May 4, 1961 filed 125,000 common, of which 100,000 are to be offered by the company and 100,000 by stockholders. Proceeds—For expansion, and current and working capital. Office—2400 Republic National Bank Bldg., Dallas. Underwriter—S. K. Wolf & Co., Dallas, Texas.


**Consolidated Bottling Co.**
Nov. 3, 1962. Filed $5,000,000 and $750,000 of 6% debentures, due 1977 (with attached war-rant). Proceeds—For working capital and other working capital. Underw.—Langan Co., Inc., New York, and Stern Brothers & Co., Kansas City, Mo.

**Stainless Steel Products Inc.**

**West Penn Power Co.**

**ATTENTION UNDERWRITERS!**
Do you have an issue you’re planning to register? Our Corporation News Department would like to help you prepare an item similar to those you'll find hereunder.

Would you telephone us at Rotor-5570 or write us at 55 Park Place, New York, 7, N. Y.

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**Prospective Offerings**

**Belocok Instrument Corp.**
1962. Declared plans to raise an additional $1,000,000 by sale of securities. Proceeds—For working capital. Underw.—First National Bank of New York, New York, and Stern Brothers & Co., Kansas City, Mo.

**Biologics International Inc.**
Nov. 11, 1962. Filed $200,000 common stock, par $1.50, for sale to the public. Proceeds—For research and development purposes. Underw.—First 250 Berlin Ave., North Bergen, N. J. Underw.—Gay & Co., Inc., N. Y.

**Fisher (Thomas J.) & Co., Inc.**

**International Terrazzo Inc.**
Nov. 8, 1962. Filed 75,000 common stock, par $1, for sale to the public. Proceeds—For expansion. Underw.—First 777 3rd Ave., New York, N. Y. Underw.—Jay Gould & Co., Inc., N. Y.

**Modern Rice & Power Co.**
Oct. 25, 1962. Filed $1,000,000 common stock, par $50, for sale to the public. Proceeds—For telephone and power lines. Underw.—First 170 5th Ave., New York, N. Y. Underw.—None.

**Telephone Employees Life Insurance Co.**
Nov. 9, 1962. Filed 10,000,000 shares offered for sale by stockholders of Telephone Employees Insurance Co., $100,000,000, par value. Proceeds—For expansion. Underw.—First 111 Broadway, New York, N. Y. Underw.—J. A. Davis Co., Pittsburgh.

**United Rice & Power Co.**
Nov. 11, 1962. Filed 100,000 shares offered for sale by stockholders of Telephone Employees Insurance Co., $100,000,000, par value. Proceeds—For expansion. Underw.—First 111 Broadway, New York, N. Y. Underw.—J. A. Davis Co., Pittsburgh.

**Central Illinois Public Service Co.**
July 10, 1962. Filed this company plans to issue about $10,000,000 of first mortgage bonds in 1963. Proceeds—To retire a like amount of $31/2% bonds maturing April 1, 1963. Underw.—First 301 S. Pearl, Pullmans, Ill. Underw.—To be announced.

**California Telephone Co.**
Oct. 29, 1962. Filed this company plans to raise new money in the third or fourth quarter of 1963. Proceeds—To help the utility is thinking of selling 350,000 common shares, along with 1,100,000 preferred shares, for $10. Underw.—First 1900 Florida Blvd., San Bernardino. Underw.—Merrill Lynch, Pierce, Fenner & Smith Inc.—Stock & Webster Securities Co. (jointly).

**Chicago & North Western R. Co.**
Nov. 3, 1962. Filed this company plans to sell about $64,000,000 of first mortgage bonds in the first quarter of 1963. Proceeds—to redeem a like amount of $31/2% bonds maturing April 1, 1963. Underw.—First 600 S. Pearl, Pullmans, Ill. Underw.—To be announced.

**Central Illinois Public Service Co.**

**Stainless Steel Products Inc.**
March 9, 1962. Filed that the company plans to post¬poned until early Spring of 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 re¬ported $10,000,000 in cash and $13,000,000 in short-term securities, probably bonds, in the fourth quarter. Underw.—First 102,000,000 of capital stock offered at $14 per share, without underwriting.

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**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."

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Albert Einstein College of Medicine and University Hospital of Yeshiva University $10,000,000 of 4% serial bonds, due July 1, 1965 to Oct. 1, 1962, offered at 100 to 101.17 and accrued interest to the extent of 3.96% by R. C. Ziegler & Co., West Bend, Wis. (issue was not registered with SEC).

Bircher Corp. 250,000 shares offered for sale by stockholders for $2.50 per share on the basis of one new share for each 5 common shares now owned, which gives stockholders the right to expire Dec. 3. No underwriting is involved.

Country Set, Inc. 10,000,000 shares offered at $6 per share by Good¬body & Co., New York.

**Gamma Leather Goods Corp.**
75,000 common and 75,000 five-year warrants offered in units of one share and one warrant at $4.75 per unit by H. A. Adams & Co., New York. Underw.—None.

**Household Finance Corp.**
$90,000,000 of 6% debentures, due 1957, offered at 99.5 to 99, with 4.05% interest to yield 4.40% by Lee Higgins Co., White, Wld., New York, and Stern Brothers & Co., New York.

**Levi-Salvage & Nashville R.**
$25,000,000 of 4% collateral trust bonds due Dec. 1, 1967 offered for sale by White, Wld., and Stern Brothers & Co. (jointly). (issue was not registered with SEC).

**Martin & Co.**
102,000 capital shares offered at $14 per share, without underwriting.

**Russell Stone Candies, Inc.**
120,000 common shares offered at $30 per share by Har¬
Businessman's BOOKSHELF

Agricultural Situation in 1962—In the Soviet Union and Other European Countries—U. S. Department of Agriculture, Regional Administration, Washington 25, D. C. (paper).


Central Africa Intelligence Report—A weekly newsletter containing information on economic and political trends in the Federation of Rhodesia and Nyasaland—C. A. F. R. P. O. Box 1254, Salisbury, Southern Rhodesia, $70 (U. S. $10).


Export and Import Procedures—Guide—Macon Quarterman Trust Co., 1017 Olive Street, St. Louis, Mo. (cloth), $1.50.


Florida—Bulletin on Financial Development of Florida—Helsinki, Finland (paper).


Funds—Gries, Forgan & Co.

Life Insurance Medical Research Foundation's Annual Report—Describing the how and why of our commitment to probe the unknown; space men in business; businessmen in space, and life and death in space—Prentice-Hall, Englewood Cliffs, N. J. (cloth), $1.


Who Should See a CPA?—Booklet—An experienced CPA who can now benefit by listing a C. P. A. firm, and one who can be tax, disregards of the reader's interests—Adventures in Public Relations, Department of Commerce, Dallas, P. O. Box 5901, Dallas, Texas (on request).

Who Disobeyed Educators?—The United States—Chamber of Commerce of the United States, Washington 6, D. C. (paper), 75c (quantity prices on request).
The following tabular data 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:

![Image of a document with text]

**American Iron & Steel Institute:**
- Steel and iron (000,000s)—Nov. 30, 1919

**American Petroleum Institute:**
- Crude oil output (000 bbls.)—Nov. 30, 1919

**Association of American Railroads:**
- Railroad freight revenue (000,000s)—Nov. 30, 1919

**Association of American Railroads, Sales and Purchases:**
- Annual sales and purchases (000,000s)—Nov. 30, 1919

**Civil Engineering Construction—Engineering News-Record:**
- Total construction costs (000,000s)—Nov. 30, 1919

**Credit and Debts:**
- Federal Reserve Bank of St. Louis

**Financial Data:**
- Transportation revenue (000,000s)—Nov. 30, 1919

**Manufacurers' Inventories and Sales:**
- Percent change from previous month—Nov. 30, 1919

**National Paperboard Association:**
- Total production (000,000s)—Nov. 30, 1919

**Oil and Paint and Drug Reporter Price Index:**
- Index numbers (000,000s)—Nov. 30, 1919

**Real Estate Sales and Leasing:**
- Total real estate sales (000,000s)—Nov. 30, 1919

**Stock Exchange Transactions:**
- Total shares traded on the New York Stock Exchange and the American Stock Exchange—Nov. 30, 1919

**Steel Producers' Sales:**
- Weekly steel producers' sales (000,000s)—Nov. 30, 1919
The State of TRADE and INDUSTRY

Continued from page 4

the 1.8 million tons that Steel estimated were made last week, is only 1.2% above the previous week's.

Steel's scrap price composite on Nov. 16 was 29.05 cwt, dropped last week to 24.20 ctn, down 4.2%. It is now at the lowest level since the price was first compiled in 1940.

The price would have been 4.5% above the previous week's level, if not for the drop in scrap prices.

Silver Market Price Rising

Silver was 15.8% above the previous week's price in the London market, which was 36.9% above the previous week's price.

The price of silver has been rising steadily since the beginning of the year, with the price of silver increasing by 44.7% since the beginning of the year.

The price of silver is expected to reach new highs in the coming weeks, as the demand for silver continues to grow.

Stocks of silver are expected to increase, as the price of silver continues to rise.

Auto Industry Ups Demand

The automakers came into the market quite strongly in the last few days of October. On the basis of high auto sales in October, the auto industry has upped its fourth-quarter scheduling.

Since most forecasts were based on a lower auto output for the quarter, it is likely that steel stocks will return to normal levels and any shortage will reflect production rates before the year is out.

The steel industry in the market is on a continued high rate of auto sales, however, and the price of steel is likely to remain strong, at least until the end of the year.

Record Weekly Auto Output Scheduled

Becoming ready to record new car output levels, the automakers have scheduled passenger-car production for the week, according to the Ward's Automotive Reports.

The statistical agency said that the number of new cars scheduled to be produced this week is 165,251, down 1.3% from the previous week's production. The total number of new cars scheduled to be produced in November is 1,473,000, about the same as the previous month.

The terminal survey for last week showed increased tonnage of 7,693 trucks with 15 points reflecting increases from the previous week. The survey reflects tonnage handled at more than 400 truck terminals of common carriers of freight throughout the country.

Lumber Output Up 6.5% Over Last Year

The lumber production in the United States in the week ended Nov. 13 increased 6.5% over the previous week, according to the American Forest-Products Institute. The increase was attributed to the upturn in housing, as well as the increase in the demand for lumber.

The increase in lumber output is expected to continue in the coming weeks, as the demand for lumber continues to grow.

The increase in lumber output is expected to result in a decrease in the prices of lumber, as the supply of lumber increases.

Business Failures Down During Election Week

Business failures have decreased in the week ended Nov. 9, 1963, according to the American Bankruptcy Institute, which noted that the decrease in business failures is expected to continue in the coming weeks.

The decrease in business failures is expected to result in an increase in the number of new businesses being started, as the demand for new businesses continues to grow.
respects the sum total of the price per person for meals and meats in general use. It is not a cost-of-living index. Its chief function is to show the trend of food prices at the wholesale level.

**Election Day and Weather Boost Volume 196 Number 6212 . . The Commercial and Financial Chronicle (2067) 30**

Consumer buying, warmed ahead in the reporting week ended Nov. 5, followed Election Day promotions and cooler temperatures. Purchases of men's clothing were also boosted in weeks, with seasonal weather stimulation. Women's and children's apparel also moved on a lively pace. After spotty activity a week ago, strong gains were registered in home furnishings, hardware, and home-improvement supplies. New car sales continued their spectacular climb above year-ago levels, though some signs that the used car market is on the verge of reviving.

The dollar volume of retail trade in the week ended a week ago this Wednesday ranged from 9% above to 20% below the year ago, according to spot estimates collected by Dun & Bradstreet, Inc. The index varied from comparable '81 levels by the following: New England +3 to +6; New York +1 to +5; East South Central +3 to +5; West North Central +3 to +7; East South Central +3 to +7; North Central +2 to -2; Mountain -2 to -1; Pacific -1 to +3.

**Nationwide Department Store Sales Rise Above 1961's Week**
Department store sales on a countervaried basis continued, according to the Federal Reserve Board's index reported an overall advance of 5.9% for the week ended Nov. 3 compared with the like period in 1961. In the four-week period ended Nov. 3, 1962, sales advanced 2% over the corresponding period a year ago. According to the Federal Reserve System, department store sales in the week ended Nov. 3, 1962, were 5% below the same period in 1961.

**Household Finance Corp. Debens, Offered**
Lee Higginson Corp., White, Welden & Co., New York, and William Black & Co., Chicago, are managing an underwriting group which has been asked to manage a $30,000,000 of Household Finance Corp. 4 1/4% debentures due 1967, at 99 1/4, and the sale is expected to yield approximately 4.46.

The debentures are not redeemable before Feb. 1, 1971, contingent upon certain special circumstances. Beginning in 1971 they are redeemable at prices ranging from 102.8% to the principal amount.

**Bonds Offered**
Morgan Stanley & Co., New York, has underwritten the sale of $15,700,000 of mortgage serial bonds for the Albert Einstein College of Medicine-Yeshiva University, shown at the recent closing session in N. Y. City: Seated, left to right: Dr. Samuel Belkin, President; B. C. Ziegler & Company, underwriters of the issue. Standing, left to right: Albert Parker, Chairman of the Board of Overseers, Albert Einstein College of Medicine; Richard L. Guterman, Assistant Secretary of the Chemical Bank, New York Trust Company, trustee of the issue.

**Bonds Offered**
B. C. Ziegler & Co., West Bend, Wis., in offering publicly $16,700,000 of Albert Einstein College of Medicine and Yeshiva University, first mortgage serial bonds dated Oct. 1, 1962 and due serially July 1, 1960 to July 1, 1982. These bonds bear interest at the rate of 5% to 6% and are priced at par and accrued interest for issues maturing on or before Oct. 1, 1974 and at from 100.58 to 101.17 for those due Jan. 1, 1975 to Oct. 1, 1982.

**Morgan Stanley & Co.**
**Morgan Stanley & Co., New York**

Morgan Stanley & Co., New York, is handling an underwriting group in the offering for public sale today (Nov. 15) a new issue of $25,000,000 of Louisville & Nashville Railroad Co., collateral trust 4% bonds due 1988. These bonds are priced at 101% and accrued interest to yield 4.875% to maturity.

One item Colins was awarded to the Morgan Stanley group at a competitive sale Nov. 14 on its bid of 98.27%, which named the 4% coupon.

**Bonds Offered**
The bonds will not be redeemable, except through operation of a sinking fund, prior to Dec. 1, 1967. Thereafter regular redemption prices will range from 97 to 102.8% of their principal amount.

The sinking fund, commencing in 1964, fixes redemption prices ranging from 100.58 to the principal amount.

**Bonds Offered**
The bonds will be initially secured by a pledge of $30,000,000 of principal amount of L. & N. first and refunding mortgage bonds, series K, dated Dec. 1, 1962 and due April 1, 2003. Following the sale of the new bonds L. & N. will offer to retire $15,270,000 of outstanding bonds of two subsidiary companies in advance of maturity. The remainder of the proceeds of the offer will be added to working capital for general corporate purposes.

L. & N. operates 5,656 miles of road, serving the mid-South between the Ohio River and the Gulf of Mexico, including all of the larger cities rated as important commercial and industrial centers, and five major Gulf ports.

**Chicago Analysts Meet**
**Chicago Analysts Meet**

**Chicago, Ill.—**Harry M. Nordberg, president, and John O. Nicklis, executive vice-president, of Pitney-Bowes, will be guest speakers at the luncheon meeting of the Investment Analysts Society of Chicago being held today at the Illinois Room of the La Salle Hotel.

Continued from page 5

how "People's Capitalism" was achieved in Japan

**How "People's Capitalism" was achieved in Japan**

New York has had the highest growth rate of any nation in the world since the world war II. In fact, about 15 months ago, the Japanese government was obliged to take steps to suppress ultra rapid economic growth. The government had considered a balanced economic development.

As our economy has matured, however, Japanese legislators increasingly started to take our place among the world's industrial leaders. Most recently we liberalized about 90% of our imports—an important consideration when you recall that Japan has few of the raw material resources on which modern industry is based.

Three months ago, eased our regulations on the repatriation of foreign capital. We do not expect that this will have an important bearing on American and other foreign interest in our market. Last year, foreign investment in Japanese industry—through direct investment—was approximately $160,000,000. When I speak of foreign investment in Japan, I mean primarily American investment, although there are increasing indications of interest from Britain, Belgium, and the European nations.

And New England's institutional money is following among those American financial leaders who are now discussing the potential of Japan's industry.

This year we expect American investment in Japan to have increased due to direct securities' purchases on the stock exchanges—to reach $150,000,000. Within the next five years, we hope to build this flow of long-term foreign investment to $200,000,000 annually.

We do not come to the American business community uninvited. We have been received in hand. Japan needs stable, long-term foreign capital. So did the United States 20 years ago. We are building on an already existing and flourishing industrialized economy. There are many genuine investment opportunities in Japan.

We look on foreign capital as a partnership arrangement, firmly believing we have something to offer the alert, sophisticated investor.

At the same time we are looking forward to that day, some years hence, when trading in Japanese securities here will no longer be considered "exotic" but as accepted as trading in British, Dutch or Swiss, etc.

"From a talk by Mr. Hasebo before the Boston Conference on Distributed Research, the "I will not tell you the typical American investment company," he said, "It is a New York or Boston or Chicago or San Francisco or Los Angeles concern. It is a member of the Boston or Chicago or Los Angeles Stock Exchange. It is a member of the Greater Boston Chamber of Commerce, at Boston, Mass., October 16, 1962.

With Alex Brown

TOWSON, Md.—Alex. Brown & Sons, members of the New York Stock Exchange, will attend the Tokyo Stock Exchange, announcing that Donald F. Nessitt, Jr. is now associated with their Tokyo, office of 19 West Pennsylvania Avenue, as a registered representative.

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Outlook for Capital Formation in 1963

Continued from page 11

nomics Advisers in projecting a $35 billion pretax profits year; but many of us did expect profits to fall, if only by a modest range. This is now out of the question.

Manufacturers' profits are still being squeezed between stable, if not declining, prices and rising unit labor costs. Thus margins have been particularly disappointing. Missing out on their profit expectations for 1963 resulted in only a very small increase in investment by manufacturers.

I should point out that corporations are still generating record cash flow made up of retained earnings and depreciation. As a matter of fact, corporate cash flow is considerably more than the $20 billion of accumulated surplus for new plants and equipment. The outlook for cash flow in 1963 is still bright, despite expectations of a lower volume of cargo. The reason for this bright outlook is that depreciation allowances will be increased and thus the potential source of funds for investment purposes will be high enough next year to finance the level of investment that is now planned.

Modernization and Replacement For years builders of new housing have been talking about the need to modernize our industrial facilities. Industry is only now starting to do anything about the updating of its facilities. But according to our spring survey, about 40% of the area's industrial capacity is over 11 years old. In my book this means that this portion of our facilities belongs in an antique shop. Overseas facilities of American corporations are considerably newer. Our annual survey of Overseas Facilities Companies revealed that only one fourth of their capacity abroad is of that age. The need for modernization is an international competition and rising costs at home will result in a continuing trend to modernize. The work can be done by U.S. businesses on modernization and replacement expenditures next year.

Furthermore, the combined effect of two relatively new developments, the liberalized depreciation rules and the 7% tax credit, which I understand figures out to be a 3 1/2% credit, may result in even higher capital expenditures than are now planned. This is especially true in the light of the recent advertisement of American Electric Power Company which indicated that the utility company was planning to add an additional $9 million to its investment for the year ahead. The reason, of course, is the tax credit. Obviously this will be a large windfall for the companies. But if a large percentage of companies make use of either of these developments then the investment expenditures could go up higher than plans now indicate.

Inventories continue to fluctuate markedly but they are not declining as widely as in earlier periods. But the lack of inflationary pressures, the expansion in the labor force and the general acceptance and use of cost-plus contracts by government control have not been able to prevent an inventory build-up in the early part of this year. But the build-up has abated. As a matter of record, it even reversed itself in August. From an annual rate of 7 billion in the first quarter of this year, inventory accumulation dropped to a rate of 1.3 billion in the third quarter. It is probably somewhat higher this quarter with some build-up in auto stocks.

But to my knowledge it appears clearly to be a negative factor next year. This year despite the lower level in inventories, the level in the first half, business increased inventories for the year about $3.8 billion. This is higher inventory investment in some areas. But with the economy as a whole in fairly good health, there is little danger of a spectacular slowdown for the residential building business — although, of course, they are not in it now.

Turning to apartment building, I feel that here too, storm warnings have passed. Perhaps not permanently. Vacancy rates have not skyrocketed despite the overbuilding of overpriced apartments in New York City. Our well-publicized postwar baby boom will begin to come to maturity next year, and as it sets up households of its own, apartment demand will get under way. The long-depressed apartment construction now under way will find takers upon completion. I should make a cautionary note that I applied to both the growth of new and the building of new apartment buildings in my预言 that a hundred- or two hundred-year rundown is on their investment.

Rising Land Costs I do not mean to indicate that residential building is without problems. Of course, it has many. One is the cost of land. This is, of course, a problem that affects other types of building as well.

Another Good Housing Year Although I am aware that good residential building years, like good weather, do not always come back to back, I nevertheless feel that 1963 will be the best one for the housing construction sector of capital formation. Residential building dollar volume, which I now expect will reach the $23.4 billion mark for 1963, will run above that received in 1961, the all-time high of $22.7 billion. I look particularly for increased emphasis on repair and modernization in the housing sector in 1963 to account for the increase in overall residential construction. The fact that segment of residential construction proved to be the most dynamic in 1962. The volume in new private nonfarm housing units started in both 1962 and 1963 were about 1.35 million units. Both the chances are that this year will be 1.39 million units and next year about 1.35 million units. Both this and next year's level of activity adds up to a rather impressive performance by the home-building industry.

It seems to me that we are faced with a problem of land prices being one of more manageable problems. The large number of house logs in construction we face at the end of World War II have been paving over prime building sites on existing available land thus they are being reduced, too, and prices for land have been expected to be less sharp as a result.

In addition, new building acreage can be expected to be more active pace by the vast, programs of highway construction underway in every state. With the new communities are springing up as a result of improved highway transportation in once remote areas.

New supplies of land will act to relieve upward pressures on land prices. Thus this aspect of the long-run construction outlook is taking a more favorable turn. But I don't think I need to caution economists about the need to watch land prices carefully. This is an important factor to keep in mind.

Another economic factor to watch closely is the price of lumber. How much will the cost of a new house, site costs have risen from 12% in 1950 to more than 17% currently. This, quite apart from rising material and labor costs, rising costs of building sites pose a considerable problem for builders.

The reason for this rise in land prices, of course, is the shortage of land. And the reason for the shortage is still growing of the number of experienced men in the nation's urban areas. The price of land in some areas is about 96 million, an increase of some $38. At the same time, the market price for single family block areas grew from 12.9 thousand to 25.3 thousand square miles, nearly a 100% increase. More than 2% times as great as the population increase during that interval. That relatively sharp rise in demand for new land, naturally, sells prices for acreage should rise.

But experts in matters of urban planning say that the problem of land prices is becoming one of more manageable problems now. The various building programs in construction we face at the end of World War II have been paving over prime building sites on existing available land thus they are being reduced, too, and prices for land have been expected to be less sharp as a result.

Outlays by professional men and women for the tools of their profession and outlays by business for special attention to oil companies — for certain durable items charged to current account will not have to be paid out of the banks they are up. But next year, with little growth expected for over-all business, and with an offset expected from increased investment by auto companies and investment by oil companies, there is a good chance that this segment of "other" capital formation will hold about even.

To sum up, the outlook is for a decline in capital formation as a whole, but with the decline centered in inventories. As I indicated earlier, total capital formation will drop to $79.4 billion next year compared with $77.3 billion this year.

Here is a detailed breakdown of my estimates:

<table>
<thead>
<tr>
<th>Item</th>
<th>Billions of Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Plant and Equipment</td>
<td>$57.1</td>
</tr>
<tr>
<td>Residential Construction</td>
<td>$33.8</td>
</tr>
<tr>
<td>Inventories</td>
<td>$3.5</td>
</tr>
<tr>
<td>Total Capital Formation</td>
<td>$94.4</td>
</tr>
</tbody>
</table>

Harold H. Helm, Chairman of Chemical Bank New York Trust Company, New York, and a native of Norway, received the Medallion of the King of Norway on November 10, 1962, for his work in helping to rebuild Norway's economy after World War II — particularly its shipping industry.

Helm Honored by King of Norway

*An address by Mr. Wyzetzer before the Association of Caterers' Roberts, New York City, Nov. 7, 1962.*

Advance-Decline Line And the Outlook for the Stock Market

Continued from page 7

Important short-term base if it can break through 40. Westinghouse Electric will be in a similar position if it can penetrate the resistance that exists at 36. However, considering the position of the overall market, we suggest that any long positions in trading accounts be protected with stop-loss orders, particularly the mental stop. For our conclusion, we see no overwhelming technical evidence to suggest that the majority of stocks have reached an important base area. Rally in this sort of market will not necessarily develop from time to time and are likely to be just as explosive as any other bull market that has been witnessed during the past two years. However, until the market of stocks goes through a long period of accumulation and building, short-term rallies cannot be considered as marking the end of the major decline.

*An address by Mr. Wyzetzer before the Association of Caterers' Roberts, New York City, Nov. 7, 1962.*
As We See It

Continued from page 1

satisfaction, however, to take note of the fact that not all the current discussion is so disposed to New Deal notions or the concepts of the terms being employed.

Hence, the First National City Bank in its latest "Letter" makes it clear enough that it is well aware that there are "tax cuts" and "tax cuts," and that some of them may be more positive than others. Says that widely read and highly respected publication:

"Walter W. Heller, Chairman of the President's Council of Economic Advisers, in recent speeches has attached to the failure of the economy to advance more strongly to the caution of businessmen in building inventories and on large-scale capital plans. He has suggested that the first part of 1963 will be a testing period and has expressed the hope that expansion may get its second wind. It most certainly can, if income tax rate reductions are enacted with the particular purpose of strengthening current trends toward new business ventures."

This influential bank then proceeds to explain in detail how the present tax structure is a drag on business and indicates in general the type of change that is desirable—desirable if the present increase in the deficit is temporarily one of the results.

Some of the recent headlines have given the impression—falsely, we are sure—that Per Jacobson, that influentials among Wall Street men in years in Europe and now in New York, has some financial executive with many international responsibilities, had fallen into line with the New Frontier men and would have this country forsake the paths that time has tested and found good. Mr. Jacobson has long been and is now a Wall Street economist, hence, interested in matters that have to do with fiscal and credit matters. He now shows clearly enough—in a recent "Letter" in The Wall Street Journal—that he is well aware of factors which do not fall within that area, or at least not directly so. Long given to looking into the future now he has begun to wonder about the danger of what is known as deflation. He recognizes the fact that monetary and credit policies play a role in such things, but is fully aware that other causes can, con-

Other members of the underwriting group are: First National City Bank, New York; the Chase Manhattan Bank; Bankers Trust Company; The First National Bank of Chicago; Blyth & Co., Inc.; The First Boston Corporation; Harrison & Co.; & Co.; its corporate; Harris Trust and Savings Bank; Smith; Barney & Co.; Kidder, Peabody & Co.; and the Drexel Burnham. 

The bonds are being offered at a yield to 1963-5 to 3.5%, according to maturity.

Bonds of American National Bank, Trust Company; Equitable Securities Corporation; Salomon Brothers & Hutsler; R. W. Pressprich & Co.; Reynolds & Co., Inc.; J. Barth & Co.; and Paribas Corporation, have been sold for $33,000,000,000 in the Municipal Bond Market. The bonds will be used for the construction of a major new building in the Center City area.

The bonds carry an interest rate of 3.5% and will be due in 1982. The proceeds of the sale will be used for the construction of a new headquarters building for American National Bank, Trust Company, at the corner of 15th and Peachtree Streets. The building, which will be completed in 1963, will house the bank's main offices and provide additional space for its employees.

The sale of the bonds was managed by Salomon Brothers & Hutsler, R. W. Pressprich & Co., Reynolds & Co., Inc., J. Barth & Co., and Paribas Corporation. The proceeds from the sale will be used to finance the construction of the new headquarters building.

The bonds are rated AA by Standard & Poor's and A by Moody's Investors Service. The yield to maturity is 3.5%.

Why Blue Chip Issues Should Be Favorited at This Time

One recent development to favor buying in blue chip stocks at this time is the simple one that most of the issues which have been favored in the past have been in the small.

The following table shows price-earnings ratios at their bull market highs, currently, and at recent lows for America's 35 largest publicly held industrial companies. Thirty-three issues of the 35 are now selling below their peak ratios, indicating an upward trend in the market in the near future.

Bank of America, N. T. & S. A., is the only issue in its underwriting group which on Nov. 14 purchased $33,000,000,000 in East Bay Municipal Utility District (Alameda and Contra Costa Counties, Calif.), Water Development Project Revenue Bonds, 7% due 1972. The group bid $100.005 for 4% of 3.6%, 7.2%, 2.1% and 2% net interest cost to the District.

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Federal Reserve Bank of St. Louis
Digitized for FRASER

Page dimensions: 752.8x1002.2

Interest rates increased by White, Weid & Co. and associates.

Other members of the winning syndicate include Ira M. Levy & Co., First Boston Corp. & Trust Co., Seattle Trust & Savings Bank, Fitzpatrick & Co., Inc., and Stuart & Co. led by Calvou Davis & Co., and McLean & Co., Inc. Scaled to yield 1.50% to 2.97% in 1966 or 2.85% to 2.40% for today's syndicate. The average net interest cost was 2.85% and today's balance amounts to $1,165,000.

Friday afternoon saw the offering of $6,750,000 Nashville, Tennessee various purpose (1964-1983) bonds, which were managed jointly by Halsey, Stuart & Co. Inc. and Phelps, Fenn & Co. The bond offering was tied with this syndicate Thursday evening on its bid of a 2.733% net interest cost. The average net interest cost from the Chase Manhattan Bank group.

Other members of the winning syndicate include R.S. Dickson & Co., Blair & Co., Inc., Dean Witter & Co. F.S. Brown & Co. of Michigan Corp., Roosevelt & Cross, Inc., George B. Gibbons & Co., Adair & Co., Inc., Tripp & Co., and Stern Brothers & Co. Scale to yield from 1.50% in 1965 to 3.05% in 1967, initial demand has been slow with the present balance being $3,285,000. The 1966 to 1969 maturity carried a one-tenth of 1% coupon and were pre-sold.

Present Week's Business

Monday, due to the Bank Holiday, was void of any new issues and Tuesday saw only one issue of low interest to go to public bidding. The Chase Manhattan Bank group had submitted the high bid for $3,798,000, and the Merrill Lynch, & Co., New York, cleared a $3,285,000 bid for a $6,750,000 bid for a 1.70% to 2.05% maturity.

Big Secondary

The Chase Manhattan Bank group of companies, bids of $3,285,000, were the highest bidder for the $3,285,000 bid for the $33,000,000 East Bay Municipal Utility District, 30-year maturity at 2.97% net interest cost. The bonds offering a 2.97% net interest cost came from the group led by First Boston Corp. in a 2.733% net interest cost.

The bonds are offered to yield 1.50% to 2.97% in 1966 or 2.85% to 2.40% for today's syndicate. The average net interest cost was 2.85% and today's balance amounts to $1,200,000.

Edison Township, New Jersey, sold $2,074,000 general improvement (1963-1983) bonds to Halsey, Stewart & Co. Inc. and Herbert, S. & S. Co., Park R. S., Inc. and Hutchinson. The company has been quoted in the range of 1.70% to 2.32%, initial investor demand has been in line with the current balance of $1,110,000.

The first sale of notes involved Moline, Ill. Port of the Mississippi, Oregon general obligation (1963-1983) bonds, which were offered to the syndicate by the Harris Trust & Savings Bank at a net interest cost of 2.655% to 2.97% in 1966. The average net interest cost was 2.85% and today's balance amounts to $1,165,000.

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Public Service Company of Indiana, Inc.

Public Service of Indiana serves electricity (only) to portions of Indiana with a population of over 990,000, including the cities of Terre Haute, Kokomo, Lafayette, and New Albany. The company has revenues of over $100 million per year, residential sales contributing 39% of total sales, commercial and 26% and wholesale and other 11%. Principal industries in the area include coal mining, automobile accessories and parts, aluminum and other metal products, chemicals, cement, stone quarrying, rubber products, petroleum, paper products, glass, furniture, ceramics and dairy products.

The company in 1961 marked its 30th year of corporate history and completion of a 10-year program of expansion and modernization. It is now in excellent financial condition, with long-term debt at 50% of total capital, preferred stock 12% and common stock equity of $120,000,000.

Generating capability at the end of 1961 was 1,040,000 kw as compared to 840,000 kw a decade earlier; peak load in 1961 was 1,101,000 kw, indicating a very substantial reserve. The company's distribution system has been largely converted to higher voltages. As a result, construction of new lines over the next few years will be reduced, requiring no additional governmental assistance. They are estimated as follows:

1962 $15,000,000
1963 $21,000,000
1964 $36,000,000
1965 $42,000,000
1966 $114,000,000

The interest rate this year is very small and next year may approximate 2.5% or 3.0%, in 1964 may be 8%. In 1965 the rate may be 3% to 4% and $1,101,000.00, indicating a 2.5% net interest cost. The average net interest cost was 2.85% and today's balance amounts to $1,200,000.

ABA to Hold Credit Conference

The controller of the Currency, James J. Saxon and American Bankers Association President M. Monroe Kincheloe will address the ABA's 15th National Credit Conference to be held at the Sheraton Park Hotel in Chicago next January 21-22.

Preliminary plans for the annual meeting of the credit committee of commercial banks were announced by Chairman J. Howard Laerii of the ABA's Credit Policy Committee. Mr. Laerii is Executive Vice President of the National City Bank, New York.


The complete Conference program will be announced early, the committee emphasized.

More than 800 bank officers throughout the country attended the 1962 Conference last January.

ABA To Hold Credit Conference

PUBLICATIONS OF THE AMERICAN BANKERS ASSOCIATION

PUBLIC UTILITY SECURITIES

BY EWEN ELY

Public Service Company of Indiana, Inc.

Public Service of Indiana serves electricity (only) to portions of Indiana with a population of over 990,000, including the cities of Terre Haute, Kokomo, Lafayette, and New Albany. The company has revenues of over $100 million per year, residential sales contributing 39% of total sales, commercial and 26% and wholesale and other 11%. Principal industries in the area include coal mining, automobile accessories and parts, aluminum and other metal products, chemicals, cement, stone quarrying, rubber products, petroleum, paper products, glass, furniture, ceramics and dairy products.

The company in 1961 marked its 30th year of corporate history and completion of a 10-year program of expansion and modernization. It is now in excellent financial condition, with long-term debt at 50% of total capital, preferred stock 12% and common stock equity of $120,000,000.

Generating capability at the end of 1961 was 1,040,000 kw as compared to 840,000 kw a decade earlier; peak load in 1961 was 1,101,000 kw, indicating a very substantial reserve. The company's distribution system has been largely converted to higher voltages. As a result, construction of new lines over the next few years will be reduced, requiring no additional governmental assistance. They are estimated as follows:

1962 $15,000,000
1963 $21,000,000
1964 $36,000,000
1965 $42,000,000
1966 $114,000,000

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Why the Newsprint Industry Should Grow and Prosper

Continued from page 15

Why the Newsprint Industry Should Grow and Prosper

It now appears that Britain will join this group, and several other nations of Western Europe are seeking either membership or some form of association short of membership.

Concerned About ECM's Tariff

The significance of the Market

The members of the views itself involves the elimination of all tariffs among themselves and to erect a common tariff against the rest of the world. The level of this common tariff has been set at $74 for newspapers, and it is this which causes us concern.

As you know, our newspaper markets have reached their size and importance because it has been accorded duty-free entry to the major markets of the world. This principle has been of overwhelming importance and thus, naturally, we are seeking to have it preserved.

That it be preserved is of immediate importance owing to the fact that Britain, our second largest customer for newspaper may enter the Common Market, and it will be of longer-term significance to British publishers to increase their newspaper trade with the continental countries. Whether, we shall be successful in preserving the principle, no one can yet foresee. If not, then we shall have to face the choice of liberal-duty-free quotas, while at the same time working for a change of trade policies in the future.

In spite of such problems and uncertainties as these, I think it is important to examine the following: that, with the growth of the German market, we also supply a portion of the rising needs of Europe. And this is why the policy of the European Common Market on imports of newspapers and the current negotiations looking towards Britain joining the Market, are of such consequence just now.

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WASHINGTON AND YOU

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

WASHINGTON, D. C.—There is always a series of important things taking place in the Nation's Capital that affect the welfare of all the people, either favorably or unfavorably. It is no different now.

Things that do not always make page one are of great importance. Every large department, agency, and bureau of the Federal Gov-
ernment are doing things that af-
flect the economy.

There are many things that take place in the Capital out-
side the official circles of the United States Government that do not directly affect all parts of the country.

The general election results in California promptly brought po-
liticians in the Capital speculating profusely about the 1964 Presi-
dential race. As of now, there is general agreement that one-half of the likely candidates for the next two parties will be John F. Kennedy and Lynd-
don B. Johnson for the Democrats, and moderate Republicans as of now be-
lieve that Gov. Nelson Rockefeller of New York will become the Re-
publican candidate for President.

Assuming it would be President Kennedy and Governor Rockefel-
er, the one question is: Which of the two men would be the more con-
servative?

The result is, the Republican party is regarded as more con-
servative than the Democratic leadership, particularly in the executive branch of the government.

Unsolid South

The election results proved that the Republican party is gaining strength in the South as far as na-
tional officials are concerned. In-
dicative of this is the fact that Texas, Florida, North Carolina, and Virginia, which has been sending two United States Representatives to the next Congress, and Tennessee, which has had one Representative for years, is sending one additional or a total of three.

In the South there were only a total of 589 votes separat-
ing two additional Republican seats in states in which unquestionably went Virginia conservative Demo-
crats, like Senator Lester Hill of Alabama, came within a thin mar-
gin of losing their seats in Con-
gress.

There has been a great deal of speculation across the nation that this Republican wave will go on in Congress by the Democrats will mean smoother sailing for Presi-
dent Kennedy and some of his New Frontier legislation.

Committee Chairmanships

Most of the Senate and House committee chairmanships are still controlled by Southern members of Congress. And in all probabili-
ty dozens of Southerners who have been going along with some proposals advanced by the New Frontier are likely to take another look in view of what has hap-
pened in Dixie recently.

Certainly Senator Hill, a lib-
eral in many of his views, got the scare of his political life of nearly 40 years. However, it should be borne in mind that unquestionably thousands of votes cast for

his Republican rival, James Mar-
lin, a businessman, was an anti-
Kennedy vote as the result of the use of Federal troops at the University of Mississippi.

Goldwater's Prospects

At this point, it should be noted flatly that there is every indica-
tion that nearly all Southern Re-
publican leaders and many South-
ern Democrats are hoping that some political miracle will hap-
nen in 1964 and Senator Barry Goldwater will get the Republi-
can Presidential nomination.

It would take a political mir-
acle to see it would seem for the Ari-
izona conservative to get the nom-
ination. Meanwhile, Senator Gold-
water, who is opposed to Gov-
ernor Rockefeller for the nomina-
tion, insists that he (Goldwater) is not a candidate for the nomina-
tion.

At the same time, Senator Gold-
water is filling numerous speaking engagements all over the South. He is scheduled, for instance, to speak soon at a $100-a-plate din-
er at Jackson, Miss. He will get a warm reception in Mississippi.

Pre-Merger Legislation

What looks ahead in Washing-
ton? A number of proposals af-
fecting business and industry will be introduced in the new Con-
gress, and these can only be the blessing of the Kennedy Administration.

These will include proposals that would restrict the merger notifi-
cation, more government con-
trols over business practices, standby power for the President to cut taxes, mass transportation assistance, patent protection, and stiffen unemployment and unem-
ployment laws.

The Department of Justice will
try to get a stronger mer-
ger notification in the new session. The Fed-

eral Trade Commission will re-

new its efforts toward the curb-
ning controls. It is also probable that a tax reform bill will be presented by the Administration early in the session.

The Administration-backed plan to create a Department of Urban Affairs would come under Federal agency roof, highway, housing and other related pro-
gress.

In the Federal Government there is always some move in every year's session that perhaps to re-
organize. This highway and hous-
ing proposals kicked up some controversy in last session. It appears unlikely it will gain any popu-
laritv in the next session.

Highway Speed-Up Urged

Federal Highway Administrator Rex M. Whitten has spent out and
other appeal to the various States to accelerate their construction programs. He has outlined to the Interstate High-
way System. Mr. Whitten con-
tends that at the present rate of construction it will take the 1981 in-
stead of 1972 when the 40,000-mile

numbered, multi-laned expressways are finished.

To meet the goal 10 years from now, the Administrator said we must average 7.8 miles of the stop-light free highways a day.

For the past two or three years completion has averaged 4.6 miles a day, but more than 12,000 miles of the great highway system are now open to traffic.

"Monkey Business"

During the 1962 session, Sena-
tor Harry F. Byrd of Virginia, Chairman of the Senate Finance Committee, and the "Watchdog" of Federal Government expendi-
tures, disclosed that the 1962 budget provides a substantial amount of funds for a study of the affectons of a mother monkey for her baby monkey.

A study of the budget of the United States Government cites several studies, which to the best of our knowledge, have not been disclosed before.

The student of the budget, who declared use of his name, insists that in addition to the approval by Congress of the six-year mon-
key study calling for an expenditure of $1,291,225, Congress ap-
proved these things:

For studies of silent thinking $33,565; for a tour of United States defense plants by Polish offi-
cials, $10,000; to study the social role of the aging house $8,385.

Thus it is apparent that the in-
crease in the Federal budget in recent years has not all been due to the increase in the programs of the Defense Department.

Stockpiling Continues

Earlier this year there was a lot of hullabaloo raised in Con-
gress and in the White House about the big spending during the Eisenhower Administration in connection with the national stockpile program. One of Mr. Eisenhower's cabinet officers was called before a Senate committee.

His firm was accused of making a big profit from the stockpiling program, which was vehemently denied.

Sen. Byrd says the facts are the stockpile has increased by more than $50,000,000 worth of com-
modities in the past few years.

The government is getting

started on its first national trans-

portation census. Congress ap-
proved $175,000 to begin the cen-
sus, which eventually will cost $2,000,000. Four projects are planned. The major project will be the survey of the commodity transportation, analyzing ship-
ping patterns of 150 items by 10,

000 manufacturers. Results will show what was shipped, from what place, by what mode, and in what volume.

[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.]

COMING EVENTS

IN INVESTMENT FIELD


The CHRONICLE will pub-
lish on Dec. 29 a special pic-
torial Supplement giving com-
plete coverage to the pro-
ceedings at the Convention.


Jan. 15, 1963 (Baltimore, Md.) Baltimore Security Traders Asso-
ciation 28th Annual Midwinter Dinner at the Southern Hotel.


April 3-5, 1963 (Dallas, Tex.) Texas Group Investment Bankers Association at the Statler Hilton Hotel.

April 17-21, 1963 (Syracuse, N.Y.) American Bar Association Re-

gional Meeting.

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

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

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