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EDITORIAL

As We See It

The point has now been reached where it is all but sacrilegious to look with skepticism upon the constantly repeated assertion of urgency in our need for much more rapid growth in industry and trade, or upon the related claim that a more rapid growth is necessary and sufficient to assure major improvement in a distressing unemployment situation. Yet we are constrained to wonder whether there are not some other matters that are at least as pressing as our need for more rapid growth and to question whether an increased rate of growth, as it is usually measured, would of itself serve in any substantial degree to relieve or reduce unemployment in this country. This appears to be a suitable time to raise some of these questions, particularly in view of the latest outgiving of the Governor of the State of New York who is influential in the Republican party and is widely believed to have strong Presidential ambitions.

The country is indebted to the Governor, we hasten to add, for some eminently sound and timely warnings. We certainly need to be reminded again and again about the hazards of depending upon extravagant and steadily mounting government expenditures and large deficits improperly financed as a means of attaining greater rates of growth. In point of fact, we need to be told in straight flung words and few that such tactics should be avoided like the plague, no matter for what purpose. He also does us all a service in calling attention to the falling profit ratio and indicating what its effect is and must be upon the rate of new investment, and he has some apparently sound though somewhat vague remarks to make about the nature of tax changes that are needed. For all this we are sure (Continued on page 22)

Opportunities for U. S. Industry In the European Common Market

By Dr. Walter Hallstein, *President, Commission of the European Economic Community*

Head of EEC's executive body assesses Common Market's accomplishments and favorable implications for U. S. business. Notwithstanding impressive ECM's growth and U. S. capital inflow which already has taken place, GNP is expected to advance 60% by 1970 and create even greater investment opportunities in that region. Mr. "Europe" stresses the greater importance of trade opportunities lying ahead but warns that ECM's adoption of liberal trading posture depends upon reciprocity and, thus, does not assure all will gain from a freer Atlantic Market.

It is a very great satisfaction and a sincere pleasure for me to be invited to open the discussion of this 67th Annual Congress of American Industry with an address on what is known as the economic integration of Europe. Your association is famed for the worldwide sweep of its interests—it would be astonishing if it were otherwise. What is happening in Europe does not only have great effects, even across the Atlantic, our modern Mediterranean, it is at the same time supremely fascinating. And you Americans have good reason to ask Europeans for explanations. What is more, as citizens of the United States, you have the right to do so. For without your material help — I am thinking of the Marshall Plan—and without the constant economic, political and moral support of the Administrations and the people of the United States (not to mention the military protection which has allowed us to carry on our peaceful activities), it would have been hardly possible for the Europeans to do what they have done.

Dr. W. Hallstein

What they have created—and it is on behalf of this creation and about it that I am speaking to you today—is in the true sense of the word a great enterprise. It is an action which, looked at against the background of European history with all its tragedy, is as daring as it is dynamic. A witty American ambassador described it by quoting Dr. Johnson's famous definition of a second marriage: "the triumph of hope over experience."

Two names are used to describe our undertaking. Sometimes we refer to the "Common Market," sometimes to the "European Community." These two expressions reflect two different aspects of the affair, the one economic, the other political.

What is the meaning of this venture for American industry? This is the question I am going to answer.

I

Let us begin with the economic side, with what is implicit in the term "Common Market"—namely that it is a market.

We must, I believe, begin by grasping that old points of reference are no longer valid when one is thinking of Europe. For America, Europe long represented a group of small, fragmented and tariff-constricted markets. Having conceived a new economic order, we are now replacing these old markets with a new, large "common" market, within which tariffs have already been reduced 50%. In all likelihood they will have disappeared in the next four years, and with them a host of other restrictions on trade.

(1) This market is a big one. Our new economy presently has a (Continued on page 36)

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 25.

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.

This Week's Forum Participants and Their Selections

Mandrel Industries, Inc.—Herbert L. Seeger, Analyst, Bacon, Stevenson & Co., New York City. (Page 2)

Colwell Company (The) — Louis J. Zitnik, Vice - President, Mitchum, Jones & Templeton, Inc., Los Angeles, California. (Page 2)

HERBERT L. SEEGER

Analyst, Bacon, Stevenson & Co., New York City

Mandrel Industries, Inc.

The word growth has been used frequently in describing many companies. Unfortunately, in some cases, it has come to an unexpected halt. Mandrel's products aim largely at savings in production costs, and for this reason alone they should continue to find ever increasing acceptance.

Mandrel had its genesis over 30 years ago in Michigan with the development of a photo-electric color sorting machine for the bean industry to automatically remove culls and foreign objects from whole navy beans. It now has five domestic divisions and four production and service divisions in the Bahamas, Canada, France & England.

Electric Sorting Machine Division (ESM) Houston, Texas—Today this division has installations throughout North and South America, Europe, and Africa.

Engineered to pick out the natural imperfections in an infinite variety of agricultural products, ESM machines sort pecans in Georgia, South Carolina and Texas; dehydrated potatoes and garlic flakes in Idaho and California; whole peanuts in Georgia, Oklahoma and Virginia, and blanched and salted peanuts in New Jersey, North Carolina, Virginia, Georgia and California. Overseas, they sort coffee in Germany and Africa, commercial peas in England, Hazelnuts in a candy factory in Switzerland.

The machine's uncanny ability to sort ranges from peanuts—250 per pound to tiny sesame seeds—30,000 grains to the pound. It is fast as well. In Michigan, 118 machines sort 200 tons of beans each 24 hours; seven machines in Oxnard, Calif. sort 1,000,000 lemons a day. They can select wet objects as well, such as diced potatoe cubes or cubed carrots; watch over freshly picked tomatoes diverting the market-ready into cartons while sending the others into cold storage. The sensitive electronic mechanism can pick out the slightest coloration—too subtle for the human eye to catch—that indicates coming ripeness. This unique ability cuts handling costs and dramatically reduces spoilage.

In addition, the machines can sort gold ore and select uniform marble chips for terrazzo. These sorters can be leased or purchased.

Electro-Technical Labs Division (ETL) Houston, Texas — Manufacture the "Geophone," a sensitive probing instrument which feels and hears beneath the surface guiding engineers in search for oil, minerals and water. They hear too, the submarine and nuclear explosion. Produces for Robert H. Ray (merged with Mandrel July 1, 1962) recording devices and instrumentation for a new seismic exploration system which uses a weight dropping device instead of an explosive charge. In addition produces magnetic tape recorders, central office playback systems, electric well-logging instruments and many other geophysical products.

MEG Product Division—All segments of this division were sold late 1960 except for cable fabrication and finishing which was relocated at Seattle, Wash. to better serve its principal customers in the Pacific Northwest. Manufactures neoprene-coated cables, etc.

Jet Gun Division—Fort Worth, Texas—This division, acquired in 1961 manufactures shaped explosive charges and auxiliary items for use in perforating or cutting oil well tubing and casing.

WIDCO Division, Fort Worth, Texas — Formed in 1962 responsible for the manufacture, distribution and sales of all well logging equipment formerly manufactured in Houston and marketed by ETL Division.

The sale of the company's Greenleaf Division in July 1961 resulted in decreasing military business to 15%. It is the company's aim to devote its future activities to the commercial field.

As indicated before, the Robert H. Ray Co., Inc., of Houston, Tex., was merged into Mandrel in July 1962. This merger will increase Mandrel's sales from $10.8 million (actual 1961) to over $25 million. Per share earnings after the merger, should be in excess of $1.30 per year. Price paid was an unspecified amount of cash and 412,192 shares of Mandrel stock. The Ray Company and its foreign affiliates (the latter being acquired by Mandrel as well) are engaged in geophysical exploration on a contract basis in the U. S. and throughout the world. This acquisition should expand Mandrel's opportunities in the relatively new and important field of earth sciences.

Mandrel filed a registration statement, Feb. 27, 1962, covering 220,000 common shares, maximum price $20 per share, which was withdrawn June 15, 1962. Purpose of financing was to pay off loans, finance conditional sales, contracts, leases and term sales of company's sorting machines, etc. The fact that the company was able to absorb a company larger than itself and pay for it partly with its own stock, has favorable implications as to the soundness of Mandrel stock. The stock is traded in the Over-the-Counter Market and the current quotation is approximately 12½. (1962 range: 10¼-17½.) There were 1,549,344 shares outstanding on Sept. 30, 1962.

STATISTICS

	Revenues	Net Income (‡)
1957	$5,957,000	$181,000
1958	8,482,000	(52,000)
1959	11,384,000	514,000
*1960	11,675,000	507,000
*1961	10,800,000	878,000
Nine Mos.		
1962	14,380,000	978,000
1961	7,538,000	565,000

* Lag of growth in revenues due to elimination of unprofitable military operations. (‡) Including special charges and credits.

LOUIS J. ZITNIK

Vice-President, Mitchum, Jones & Templeton, Inc., Los Angeles, Calif. Members: New York Stock Exchange

The Colwell Company

California's dynamic population growth (an estimated 3.6% for 1962 only) is highlighted by the recent announcement that the Golden State has just surpassed New York as the most populous State in the Union. My favorite security for semi-conservative participation in this growth is The Colwell Company common stock (traded in the Over-the-Counter Market).

The Colwell Company is the second largest mortgage banker in California and among the top five in size nationally. Its loan management (servicing) portfolio totaled $545 million on Sept. 30, 1962, compared with only $190 million at year-end 1957.

The institution is a specialist in originating California real estate loans which are sold to eastern savings banks, insurance companies, savings and loan associations, commercial banks and other institutional lenders. Colwell then manages (or services) such loans for these institutions. In 1961, 54% of operating income was obtained from loan management fees, 35% from loan fees (mainly from originations), 7% from net interest and 4% from other sources.

Originally a southern California company, the operating area became statewide through two moderate size acquisitions in the last 18 months, and there are also small operations in Arizona and Nevada. Over 90% of the loans originated by the company consists of FHA or VA loans on residential real estate although the company is expanding conventional residential and commercial loan activities. During the first nine months of 1962, Colwell reported 6,225 loan originations valued at $111 million, compared with $75 million in the like period a year earlier.

The most interesting aspect of Colwell's operations to the investor and the principal reason for selecting a mortgage banking equity over other institutions participating in California's growth, lies in the stable nature of the loan management activity. The management fee for most home loans is ½ of 1% per annum on the outstanding balance over the life of the loan. As noted, these fees accounted for 54% of 1961 operating income but contributed a larger percentage of net income.

The management operations consist of collecting and remitting payments to the 95 institutional investors, making insurance and tax payments, and in general, administering the loans. On Sept. 30, 1962, over 43,000 loans totaling $545 million were in the management portfolio. Servicing operations are highly mechanized and Colwell has been a leader in utilizing advanced electronic office equipment.

The institution also has collateral activities including interim financing, a general insurance agency and a small but rapidly expanding home improvement

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

Selecting Stocks Offering Investment Success

By Robert L. Gray, Jr.,* *Assistant Vice-President, Provident Trademen's Bank and Trust Co., Philadelphia, Pa.*

Comparison of five groups of stocks with each other and with S. & P.'s industrials and utilities for the 1953-1962 period emphasizes the fact that "uptrend earnings pay off." Mr. Gray notes: (1) the vulnerability of single or limited line companies to sharp market value changes; (2) good earnings-dividend performance of broadly based companies serving consumers and new growth sectors of the economy; and (3) the S. & P. utilities average outperforming S. & P. industrials on earnings-dividends and coming within one-fifth in price appreciation gain. The author believes broadly based companies with less than average present rate of return offer future investment success; and advises interim holdings of bonds while waiting for favored earnings growth companies to attain adequate yields.

Sales and earnings results of companies vary greatly over significant periods. For example, all on an adjusted basis, IBM in 1929 earned 27c per per share, paid 13c and sold up to about $7.00. Latest 12 months' figures are, earnings $8.32, dividends $3.00 and price about 340. Scott Paper in 1929 earned 12c per share, paid 4c and sold up to about $2.00. Latest 12 months' figures are, earnings $1.25, dividends 80c, and price now about 26. Kennecott Copper in 1929 earned $5.55 per share, paid $4.70, sold up to 105. Latest 12 months' figures are, earnings $5.63, dividends $5.00 and price now about 60. U. S. Steel earned $3.53 in 1929, paid $1.34 and sold up to 44. Latest 12 months' figures are, earnings $3.14, dividends $3.00 and price now about 39.

Robert L. Gray, Jr.

Continuous earnings progress pays off. Utilities have provided it for many years. The growth of many industrial companies will continue to exceed that of most utilities. Where might we hope to find them?

For 1954 and 1962, Personal Consumption Expenditures were about 64% of Gross National Product. Moreover, 87% of Personal Consumption Expenditures is in Nondurable Goods and Services and 13% in Durables. Nondurable goods and services comprise about 56% of GNP, durables about 8%. Consumer nondurables and services are a large market. Nondurable goods and services (including food, clothing, fuel, utilities, housing and maintenance, medical care and recreation) tend to be of average lower unit cost, prior in choice or essentiality, are less deferrable and less cyclical. Durable goods markets (primarily household furnishings and equipment and automobiles) are smaller in total, subject to wear and model changes, are deferrable and cyclical. King Consumer, individual or corporate, after purchasing nondeferrable items and such durable goods as he does not wish to defer, appears to be willing to buy new or improved products, processes or services that do a job better, save time or money or are simply enjoyable.

With these tentative areas of sales and earnings growth prospects in mind, let's look at the data of various factors for five groups of stocks of companies serving different general product areas and examine growth performance for the 10 years 1953-1962. All figures are based on what an investor could have bought with $100 invested equally in the shares of the four companies of each group at the mean prices of 1953, and values for subsequent years are also based on mean prices.

Durable Cyclical Group

Group 1 consists of International Harvester, Johns-Manville, Kennecott Copper and U. S. Steel. This group serves areas of durable, cyclical nature with limited new products and are not directly consumer oriented.

Group 1	1953-62 % Net Change
Sales	+4
Net Income	—18
Dividend	+24
Market Value	+82

The group's dividend and market price record is not impressive. The attractive return of about 8% has been rewarding, however.

Multiple Markets Group

The same factors are shown for Group 2, composed of du Pont, General Electric, General Motors and Standard Oil of New Jersey. These companies serve multiple markets, have penetrated with improved and new products and reach the consumer directly.

Group 2	1953-62 % Net Change
Sales	+34
Net Income	+63
Dividend	+74
Market Value	+129

A fair rate of sales growth of

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Drastic Institutional Moves To Help Business Outlook

By Dr. Victor R. Farhi,* Economist, The Bank of New York, New York City

New York City bank economist believes our economy has reached a level of activity requiring stimulation in order to achieve further growth or we face continuation of its present pace. After examining the volatile capital and consumer investment sectors of the economy, and assuming a $4-5 billion tax cut, Dr. Farhi predicts GNP will rise from estimated $554 billion in 1962 to $580-585 billion in 1963. Despite this increase, the economist concludes the present recovery will be aborted — failing to reach its full potential. Thorough tax reform is recommended and removal of international trade restrictions now planned is praised.

On the evening of Oct. 22, 1962, President Kennedy addressed the nation and announced a new international policy with specific reference to the Cuban situation. Most of us immediately thought of a nuclear war with the lives of our loved ones at stake. Emotions and nerves were at fever pitch. We must be thankful that this latest crisis has calmed down, and now it is beginning to look as if mankind will not blow itself off the face of the globe—at least not for awhile.

Victor R. Farhi

During a period of fever pitched emotions, a cool, clear analysis of the business situation is impossible. Events are too fluid, and thoughts of national and personal survival are uppermost. Assuming that this country does not become engaged in a nuclear war, all sorts of possibilities as to the business outlook are evident. We can assume various levels of defense spending and differing degrees of economic controls. Each set of assumptions will give us a different type of business outlook. However, these are just mental exercises. As practical economists, we must make realistic assumptions as to the course of future events and use these assumptions to analyze the current business outlook.

Assumptions and Business Outlook

Let me give you the main assumption on which I am operating. I believe that the past Cuban crisis has simmered down and will not fester for awhile. However in order to prevent such future crises, our defense expenditures must be increased slightly. This country has stiffened its spine a little bit more and as such our military preparedness must be expanded further.

As to the current business outlook, my conclusions seem to indicate that the American economy has reached a level of activity which must be stimulated in order to achieve further growth. Without such a stimulus, activity in 1963 will continue to retain its lacklustre quality. In other words without some outside stimulus, economic activity is 1963 will continue on its present plateau for the entire year. This fact is well known and a concerted drive to achieve such a stimulus is gathering momentum. Income tax cuts and tax reform have been promised for next year.

It is highly possible that we shall have some sort of tax relief next year. Most of the relief will be centered in the personal tax field and should result in greater expenditures by consumers. If Congress is in a benevolent mood and does not worry too much about budget balancing, then corporate tax rates also will be cut. These are steps in the right direction. The result will be a movement of the economy away from its present plateau and towards further growth. The size and the scope of the potential tax cut will determine the degree of growth in 1963.

Let us be a little more specific. This present recovery started in January 1961, at a Federal Reserve Board Index (1957-59=100) level of 103. The index climbed steadily to 116 by the end of last year —a normal recovery pattern. In the first quarter of 1962, because of labor problems in the steel industry, there was a large accumulation of business inventories. And yet this index of industrial production rose but 1 point. As the recovery proceeded, inventory accumulation slowed down. The index rose to a level of 120 where it seems to be now.

This is all in the past; what about the near-term future?

Near-Term Outlook

Let me emphasize that there is an underpinning of stability to the American economy—a floor under which the economy cannot go unless there is a drastic change in consumer or business phychology. Expenditures by consumers for services and nondurable goods and Federal, State and local government expenditures have been in a rising trend for years. These trends represent the continuous demands made by an ever-increasing population and by necessary defense expenditures. We can expect continous advances in these sectors; it is hardly likely that these expenditures will decrease. It is gratifying that they represent the major part of our national product.

The more volatile sectors of our economy, that is, business investment and consumer investment seem to show signs of stability. It would be best to analyze each of these volatile sectors in turn.

Business investment consists of fixed capital expenditures and investment in inventories. The recently published McGraw - Hill survey anticipates a continuation into 1963 of the present high level of capital expenditures. The survey indicates no decline but very little growth in these expenditures. The more liberalized depreciation allowances and the new investment tax credit should add slightly to the results obtained by McGraw-Hill.

However, it is difficult to see any real long term capital investment boom. By this we do not imply that capital investment in this economy will erode. Far from it—even without some exogenous force, capital investment will continue to grow over the longer term and continue to remain cyclical in character. Some commentators feel that the demands for social capital—that is for hospitals, roads, schools, transit systems, etc.—will spark the next investment boom. Other commentators have suggested that the automation of the service industries or the desire for pleasure will be the spark. I am sure some type of investment boom will occur; however it is difficult to determine its type or its timing. In retrospect, we must remember that the earlier Americans could not see the fantastic growth—with its accompanying large capital investment—in their future. So, we too may be nearsighted about our tomorrows.

Without a real continuing increase in capital investments, this economy cannot achieve its full potential. This idea is becoming crystal clear, and attempts are being made to revitalize this lagging sector.

The inventory picture no longer can add much force to the business cycle. However, it will not be a deterrent. Inventory investment is directly dependent upon the outlook for sales. As long as sales continue to maintain their present high level, the possibilities of inventory accumulation are still with us.

The other volatile sector in the

Continued on page 37

OBSERVATIONS...

BY A. WILFRED MAY

THE TYPOGRAPHICAL UNION'S AID TO THE INVESTOR

New York's newspaper strike, destructive as it may be in other respects, is actually rendering an unappreciated service to the investor. Despite the general dissatisfaction over the strike-induced interference with the news of the stock market's course of price changes, this is actually a blessing in de-emphasizing the investor's numbers-game participation.

Both theoretically and practically, the surcease from quotations will be demonstrated as being advantageous (including freedom from that most horrendous of tortures in seeing a stock go up after you have liquidated it).

* * *

VALUATION IN THE AESTHETIC WORLD

Striking occurrences in the art valuation world are continuing unabated in the nation's leading gallery, Parke-Bernet in New York City.

Last month surprising sales results spilled over in the book area, despite the fact that greater precision in value estimation has always been attributed there than to paintings or other *objects d'art*. The Lilly sale, comprising one hundred and forty-eight distinguished duplicates from the Lilly library of Indiana University, midst frenzied bidding fetched an actual 40% excess over the advance estimated total.

In the art area the continuing valuation uncertainty was highlighted in last week's (Dec. 5) major sale of Modern paintings, sculptures and drawings (with closed circuit TV to overflow gallery rooms).

Significantly, the advance expert valuations on two paintings by a single well-known artist, Georgio di Chirico, brought completely divergent results. One of his works valued at $4,000, fetched $6,000 — a 50% *underestimate;* while the artist's other work in the sale valued at $4,500 fetched only $2,500 — revealing an *overestimate* by 60%.

Also Noteworthy in this Moderns sale was the "deflation" executed on the advance valuation of an item by an artist distinctly *in* fashion, Georges Roualt, bringing only $4,500 against a valuation of $10,000-$12,000.

Counterbalancing, again, such over-valuation was the $19,000 brought by a work by Stuart Davis, the long-recognized abstractionist, in contrast to a valuation of but $12,000.

Un-Padded Estimates Also Awry

Over-valuation in advance estimates in catalogues, as subsequently revealed in the respective sale proceeds, should not be too surprising if held within moderate bounds. For they represent *educated optimism guesses*—with the "optimism" denoting some inflation inserted for the benefit of the seller.

But this makes all the more unjustifiable the many cases of advance *under-valuation* of individual items. And the going awry of an entire sale's total is all the more surprising. For there the above-cited "come-on" inflation is removed — it being customary to make an over-all estimate by shaving a flat percentage off the sum of the parts, that is of the individual items.

The divergencies in sales totals have persistently ranged both upward and downward. Following the above-mentioned gross Berwind 100% under-valuation was the disastrous result registered by the Bass sale of Primitives and Old Masters of Oct. 24 last. But just one week later, on Oct. 31, the Woolworth sale swung the balance to the opposite direction by netting an $833,000 total against a prior valuation of $775,000.

Hence we again see the uncertainties in the concept of art valuation; and the foolishness of buying for other than fun or some other emotional, or aesthetic reason.

* * *

"K" AS ART ARBITER

What will be the net effect on the international art market of Chairman Khrushchev's ban on the *Moderns?* Will it be bullish because of the curtailment on the producing end; or will it be bearish because of the outlawing's reduction of the world total of consumer demand?

Iselin, Legge, Stonehill Forming

On Jan. 1 Iselin, Legge, Stonehill & Co., members of the New York Stock Exchange, will be formed with offices at 51 Broad Street, New York City. General Partners will be Herbert M. Iselin, William R. Legge, Henry R. Nathan, and Robert J. Stonehill, member of the Exchange. Stephen W. Hofman, James Meade, Jack Sager and Harold S. Stonehill, also an Exchange member, will be limited partners. All are partners in Federman, Stonehill & Co.

Investment in Japan Merits Thoughtful Consideration

By S. W. Kung, *U. S. Representative, The Central Trust of China, New York City*

Mr. Kung depicts the growing, favorable investment opportunities and climate in Japan, and the encouraging response to the promotion of Japanese stocks in this country. Despite this, Japan is said to have attracted only about 1/12th of the investments drawn to Western Germany, and 1/14th of the capital inflow to Italy. Among the topics discussed are: (1) Japanese industries prefer borrowed to equity capital; (2) average yields of 225 issues on the Tokyo Stock Exchange are around 4%; (3) high yields and attractive issues are obtainable, for example, in most of the banking and insurance shares; and (4) the diverse investor appeal of Sony Corp. "versus" Tokyo Shibaura Electric. The author describes the inflow of capital to Japan, the country's growth and U. S. industry's participation in it, and the strides taken to liberalize imports, to invest abroad, and to lessen the barrier to repatriation of capital and earnings.

Foreign investment, according to Japanese law, encompasses a relatively wide scope of activity. Dividends from stocks, interest on loans and bonds (as well as repatriation of capital), royalties paid on technical assistance in excess of one year all come under the Foreign Investment Law. In cases where such investment is for a period for less than one year it is controlled by the Foreign Exchange and Foreign Trade Control Law.

Dr. S. W. Kung

The total of all foreign capital invested in Japan from 1950 to October 1962 approximates U. S. $1,930 million. More than $1,200 million of this sum is made up of loans, especially those extended by the World Bank on a long-term basis. Short term loans and credits derive from the Export-Import Bank, commercial banks, and from private firms, particularly in the United States. Direct and portfolio investment had by March 1962, reached a rather inadequate $582 million, to which the U. S. was the largest contributor. This figure represents however, a considerable increase over the $100 million inducted in the 10 year period 1950-59. The recent upsurge is a product of Japan's rapid economic growth and the subsequent upswing in stock values. In addition, 1836 technical assistance arrangements were concluded with foreign companies of which the U. S. supplied about 65%. These foreign licensors have claim to fees or royalties and occasionally acquire stocks through direct managerial participation.

Acquiring Non-USA Raw Material Sources

While Japan is sorely in need of increased foreign investment, she is at the same time herself an exporter of capital to underdeveloped countries. This seemingly contradictory attitude is in reality a far-sighted measure. Japanese investment and aid to underdeveloped countries will provide in the future new sources of raw materials and a market for Japanese manufactures. Such assistance, amounting to $1,421 million as of June 1962 consists mainly of direct private investment and exports on a deferred payment plan. Most of Japan's efforts are concentrated in Southeast Asia. In mining however, she has invested heavily in Chile, Peru, Australia, South Africa, Rhodesia, Malaya, and Canada. Japan is quietly developing an overseas economic structure which will lessen her dependence on U. S. and other suppliers for her industrial materials.

Japan's attitude toward foreign capital is ambivalent: the nation needs funds to facilitate improvement and expansion, yet sees the dangers inherent in any hasty removal of restrictions. Certain officials, particularly in the Finance Ministry, have argued that the strict control on the repatriation of the capital must be maintained so long as Japan's stock market and international balance of payments position remain vulnerable to any sudden or wholesale withdrawal of capital. They point to the effect on the Japanese stock market of cancellation of President Eisenhower's visit to Japan in 1960 and feel that the American stock market debacle of May and June 1962 would surely have precipitated a withdrawal of capital from Japan had there been no holding period in effect at the time.

Prime Minister Ikeda's program for doubling Japan's income in the next 10 years includes, as a major item, an intention to encourage the inflow of foreign capital by reducing the holding period to a minimum or, preferably, removing all restrictions. In May 1961 the holding period was reduced from four years to two and, immediately after Ikeda's re-election in July 1962, from two years to six months. Former Finance Minister Mikio Mizuta favored a minimum period of one year and that only on condition that the balance of payments position remain stable. The replacement of Mikio Mizuta by Kakuei Tanaka marked a victory for Premier Ikeda's program.

Fear of Economic Penetration

The removal of restrictions must be concerned with factors relating to Japan's over-all economy. A hundred per cent liberalization of imports might work to the detriment of Japanese industry which is essentially composed of medium and small-sized firms. There is also a fear that sizable foreign investments, lacking the present 50% restriction on foreign management, might be in a position to weaken the nation's participation in international competition. In the matter of shares, foreign purchasers in any one industry are limited to 15% except in the case of utilities where the limit is 10%. The presence of giant companies, such as Ford Motor or General Motors, which might undermine the market of Japan's motor industry, gives rise to a fear of domination of Japanese industry by foreign capital.

Fear of foreign capitalism especially that of the United States is not a specifically Japanese phenomenon; suspicion of and a measure of resentment against American economic penetration exists in Mexico, Chile and other Latin-American countries and while few will deny the positive advantages of American capital and technology, the fear that too high a price has been paid for it seems prevalent. Even in Canada, for all its similarities with the United States, resentment against American domination of Canadian industries can be found. More than 50% of the mining and smelting interests are owned and managed by Americans while, the automobile industry is virtually monopolized by American firms.

Since the increase of foreign investment in Japan dates back only to the last several years, it is too early to assess its full impact on the Japanese economy. As long as small and medium-sized industries form the core of the nation's industry, and as long as Japan is not very confident in her own ability to compete, the advantages to be derived from foreign investment will remain to be debatable.

To look at the obverse side on the coin, foreign capital goes where the climate is favorable. Japan has attracted only about one-twelfth of the foreign investment that West Germany has attracted and about one-quarter of what Italy has been able to induct. So far as American firms are concerned, they generally prefer complete control of production and sales rather than a 50-50 partnership, since rapid expansion is their goal rather than the payment of high dividends characteristic of their foreign counterparts. Generally speaking, however, the Japanese market seems to be one of the few world areas currently providing a relatively comfortable investment climate.

Interest in Japanese Stocks

The contributions on the subject of promotion of Japanese stocks in the United States made by a group of 80 financial analysts is worth noting. The group, headed by Donald B. Macurda, President of the New York Society of Security Analysts, visited Japan from April 13, to May 5, 1962. They advanced a number of reasons to explain the changed attitude of American investors toward Japanese securities. The consensus is that despite certain obstacles, investment opportunities in Japan are generally favorable. The high rate of economic growth in the past years is impressive. Growth averaged 10% during the past five years, while during the year of 1961, Japan's economy rate reached a formidable 13%. In 1961 the industrial production index using 1951 as 100 reached 469%. Management techniques are excellent and until very recently productivity has always outpaced rising wage rates.

The youthfulness and smaller scale of Japanese economy and the existence of abundant skilled labor are promising for future economic development. Currency stability, lack of inflation, a balanced budget, and reasonable political stability are always encouraging to the investors. Above all, the low defense expenditures have enabled the government to save considerably and her debt is thus quite low relative to national income.

This special situation enjoyed by Japan has made possible government investment in social and welfare activities, and at the same time allowed the diversion of manpower from defense work to industrial production. The availability of entrepreneurs and the existence of a conservative, business-oriented government are also favorable factors. While many people feel that the average growth rate for the five years through 1961 cannot be maintained in the future, and in fact have already been stopped because of shortages of capital and unfavorable trade balances this year, conservative thinking indicates a compound growth rate between now and 1970 of around 6% to 6½% per annum. This would still be extremely good as compared with possible growth rates for the economies of most of the industrial nations in the world.

Since the group of analysts have made their trip the economic situation now seems to be improving with a relaxation of bank rates and trade restrictions. One of the drawbacks they had considered was the two year holding period which has since been reduced to six months. The tight money policy, plus other measures have been geared to enable Japan's foreign exchange reserve to reach $1,720 million by September, 1962. No doubt Japan in time will heed such suggestions as made by the analysts in removing further obstacles. The convertible bonds recently adopted by the Shin Mitsubishi and Haitachi Ltd., have received the blessings of the analysts. In fact the analysts suggested the issuance of convertible securities with the basic thought of eventually reducing the debt equity ratios which, if current debt is included, appear abnormally high in American eyes.

The Japanese Securities Market

The resumption of operations of the Tokyo Stock Exchange and of her counterparts in Osaka and Nagoya in May 1949 was an important sign of the revitalization of the Japanese economy. At present there are nine stock exchanges in Japan. Since Japanese law does not permit more than one exchange in each city, the second section of the market which opened in October 1961 is really the successor of the curb market. Operational procedure follows closely the pattern of the American Stock Exchange. Margin trading is permissible for a number of securities listed in the Tokyo Stock Exchange, but the facilities are not opened to foreign investors.

There are three stock price averages used by the Tokyo Exchange. Japan's Dow Jones is the most widely followed, a second system is the TSE price average, plus a third listing which is a simple stock price average. Each uses the same 225 issues, covering all branches of Japan's industry.

Contrary to U. S. practice, practically the only Japanese securities issued are common stock. No par value common stock or preferred stock is seldom used. The par value of a typical Japanese stock is only 50 yen (U. S. $0.14 cents). The entire range of values is from 20, 25, 100, to 500 yen. Companies established after July

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Prospects of Lower Bank Rate in Great Britain

By Paul Einzig

Dr. Einzig expects: (1) Britain will lwoer its present 4½% Bank rate early next year; and (2) Western countries will relax domestic fight against inflation and concentrate on counteracting disturbing international capital-flows. He points out that England apparently has given up entirely its wage-restraint policy and finds Sterling's firmness remarkable in the face of prospective cost increases. The economist favors using the present internatinoal exchange-rate calm to put a brake on the out-flow of long term capital; comments on the present trend toward eliminating symptoms instead of basic causes; and refers to the growing difficulties in setting-up protective forward exchange commitments.

LONDON Eng. — It now seems certain that the new year will witness a stepping up of reflationary measures in Britain. The Government seems to have abandoned completely any idea of wage restraint. Indeed, it has been setting an example in the public sector of the economy for an all round rise of wages and salaries by 6%. That figure has now taken the place of the 2½% which the Government sought to enforce—not very effectively — until recently. There has been no corresponding increase of productivity compared with twelve months ago to justify an increase of such magnitude and the only possible explanation is that the Government has adopted the policy of deliberately increasing consumer demand in order to reduce unemployment. Needless to say the incidental effect of this policy is an aggravation of cost inflation which has never stopped.

Sterling is Remarkably Firm

Notwithstanding the prospects of rising cost of production and cost of living, sterling has been remarkably firm. Indeed, the international currency position as a whole has been throughout remarkably stable. There have been no currency scares in recent months. The British gold reserve has been gradually increasing. The American gold reserve continued to decline but this has been, of course, the inevitable consequence of military expenditure abroad and of foreign aid. Apart from that, the situation in respect to the dollar is better balanced than it has been for some time.

In the circumstances it seems reasonable to expect a reduction of the British Bank rate after the turn of the year. Since the Government has given up its efforts to stem wage inflation it may consider it utterly pointless to maintain the Bank rate at 4½%. The defense of sterling does not require such a high rate at present and in spite of the prospects of inflation sterling's prospects appear to be reasonably favorable because of the inflationary trends in Western Europe. Most people in Britain are thoroughly tired of the perennial high Bank rate. The average level of interest rates in Britain during the last six years or so would be more appropriate for an underdeveloped country than for a highly developed country. That at any rate is a favorable argument. What is not realized is with a 6% wage inflation low interest rates would become negative interest rates, allowing for the decline in the purchasing power of the monetary unit.

More International and Less Domestic Controls

It seems that there is a general trend in the monetary policy of the Western countries to concentrate on counteracting disturbing international movement of funds and relax such control as existed over domestic inflation. The aim is to eliminate the symtoms rather than tackle their basic cause. Beyond doubt there is everything to be said in favor of preventing purely speculative pressures on exchanges and of moderating the speculative exaggeration of fundamental movements.

A further step towards superficial consolidation has been taken by the United States through the issue of lira 15 month bonds in Italy to the amount of $50 million. Similar use has already been made elsewhere and their object is to consolidate the credit arrangements made earlier this year in support of the dollar. For the next fifteen months at any rate the support will be available—in so far as it has not already been exhausted—which is an improvement compared with the earlier three months' and six months' arrangements. But the fact that while in 1961 it was possible to liquidate the forward exchange commitments undertaken in support of the dollar by the end of that year, in 1962 the commitments have to be consolidated, is worth bearing in mind.

A measure decided upon by the Italian Government to impose an annual tax of 1% on the capital value of all Italian common stocks held abroad, is a step in the dight direction which could and should be followed by other Governments. During the last ten years or so finance has become too international, which may be an advantage from the point of view of levelling out discrepancies between monetary supplies in various countries, but it is certainly a disadvantage from the point of view of international monetary stability. The larger the amount of securities held abroad, the greater the danger of their sudden repatriation at an inconvenient moment. While it is essential not to block the channels of international finance, a stage has certainly been reached at which the international flow of capital needs discouraging rather than encouraging.

It remains to be seen how far a 1% tax could attain that end. Incidentally, there is no reason to believe that the Italian Government decided upon it with that object in view. It is a measure aiming at raising revenue. But in its results it will undoubtedly tend to keep the prices of Italian securities higher on the Italian Stock Exchanges than on foreign stock exchanges.

It would be utterly useless to increase the amount of facilities available for supporting sterling, the dollar or any other currency if the amount of securities held outside the respective countries increases to the same extent or even to a larger extent. Likewise, the increase of direct investment in industries abroad tends to nullify the effect of the precautionary measures adopted during the last year or two, because hedging against them during crises tends to increase selling pressure. It is true at the present moment we are experiencing a relatively calm period in the Foreign Exchange market. But this calm should not give rise to complacency. It is a useful breathing space which should be used for consolidating the position, among other means by putting a brake on the international flow of long-term capital.

Lieberbaum Co. To Admit Two

Lieberbaum & Co., 50 Broadway, New York City, members of the New York Stock Exchange, on Jan. 1 will admit to partnership Lionel A. Brickman, a member of the Exchange, and Henry Warner.

Irving Lundborg To Admit Morris

SAN FRANCISCO, Calif.—Irving Lundborg & Co., 310 Sansome Street, members of the New York and Pacific Coast Stock Exchanges, on Jan. 1 will admit Robert L. Morris to partnership.

Corn Products Company

By Dr. Ira U. Cobleigh, Economist

A salute to a renowned international food processing company, which has progressively increased its sales, net earnings and dividends in each year of the past decade.

If there is a single native American product, it is corn. The enterprise elected for review today, Corn Products Company, is this planet's largest refiner of corn, and a major distributor of food products among most of the modern nations of the Free World. While, in earlier years, the company's business was preponderantly devoted to the supply of corn starches, sugars, syrups, oils and dextrins, to industrial users, Corn Products has steadily expanded into consumer product lines; and today, industrial sales amount to less than half of the total busness volume.

Consumer Products

The consumer line of Corn Products includes a broad list of household favorites. Traditional are Argo, Niagara and Linit starches, Karo syrups, Bosco chocolate and Kasco food for contented dogs; Mazola corn oil and, the newest, Mazola margarine, featuring polyunsaturated corn oil as a major ingredient, and, thus, in the main stream of the new low chlosterol diet trend.

Merger with Best Foods in 1958, increased total company sales by around 25%, and added a whole series of popular items to the Corn Products Line: Hellmann's Mayonnaise and salad dressings. Presto cake flour and mixes, H-O cereals, Skippy Peanut Butter, and Best Foods' own brand products. The merger also brought the company into non-food products from head to toe: Rit tints and dyes, and Shinola shoe polish.

In 1959, Corn Products acquired C. H. Knorr, famous in Europe, for six generations as a producer of succulent soups. Knorr dehydrated soups are now marketed throughout the world. In the United States, nine flavors are being produced at a new streamlined and automated plant in Illinois, and marketed, both in America and Latin America, by the Best Foods Division. The demand for soups as basic menu item is increasing rapidly in the United States, and the widely advertised Knorr line, supplemented, in due course, by condiments and sauces, is expected to be a highly profitable one.

With the well publicized "population explosion" occuring throughout the world, it was logical to expect Corn Products to enter the baby food market. This was done in September of this year, when the company concluded an agreement with the Gerber Company, the name that Baby knows best, to manufacture and produce Gerber baby foods in Western Europe. This arrangement ties in well with the international marketing facilities of Corn Products, provides entry into a rapidly growing European market sector, and broadens the base and future potentials of corporate earning power.

International Stature

Management at Corn Products has consistantly stressed the development and expansion of overseas markets, and, today, the company has over 50 processing plants in more than 20 countries, and on four continents, outside the United States. Because of this geographic coverage, Corn Products is now America's largest food manufacturer abroad, with foreign sales totaling $268 million in 1961, and delivering $20 million, or 47% of total corporate net earnings. Growth in these foreign earnings, for the nine years ended December 31, 1961 was at the rate of 16.6%, compounded. The widening of Common Market membership poses no problem for a company already so strongly entrenched internationally as Corn Products.

Advertising and Plant Expansion

Hand in hand with the growth on many fronts, indicated above, there has been an agressive expansion of advertising, in all media, and in capital expenditures. In 1958, the advertising outlay was $20 million. For 1961, it was $47 million, and it is higher this year. Capital expenditures for 1962 are projected at an all time high of $30 million, up $2 million over 1961. Capital for plant expansion, for many years, has been supplied almost entirely from internal sources—retained earnings and depreciation.

Financial Data

The business growth at Corn Products has been an uninterrupted saga of success. Total sales in the past decade have risen impressively from $461 million in 1952 to $745.8 million in 1961; and there has been no break in this strong upward curve. The rise in net, during the same period, is even more noteworthy—from $22,374,000 in 1952 to $42,572,000 in 1961. For 1962, net foreign earnings, alone, should almost equal total net earnings in 1952. Total sales, this year, are expected to exceed $800 million, and a new peak in net earnings is assured.

Capitalization consists of 22 million common shares, listed on NYSE, and traded under the symbol CFG; preceeded by $45.7 million in long-term debt, and a minority interest of $5.4 million.

For income-minded investors, CFG common has proved an investment of unique attractiveness. Dividends have been paid without interruption since 1919, and, for the past ten years, the rate has been increased in each and every year. The current indicated rate is $1.30, but the sustained uptrend in earnings suggests another increase in the cash dividend in 1963. There was, moreover, a 3 for 1 stock split in 1955, and a 2 for 1 split in 1961.

Net earnings have doubled in the past decade, providing solid background for these rising dividend scales. Per share net was $1.92 in 1961, and is expected to reach $2.10 this year. Custom has been to distribute around two-thirds of net in cash dividends.

Marketwise, CFG sold as high as 63⅞ in 1961, and as low as 40 in the Summer unpleasantness this year. At around 50½, Corn Products common sells at 24 times 1962 earnings.

For those who seek dramatic market action in their equities, CFG common may make no particular appeal. For those, however, who stress excellence of corporate management, quality in their investment portfolios, dependability of dividend income, and reasonable expectation for increases therein, Corn Products has considerable to offer. It seems currently quite attractive to prudent investors, in a market placing important emphasis on the more mature and time tested issues.

Gerstley, Sunstein To Admit Partner

PHILADELPHIA, Pa. Gerstley, Sunstein & Co., 211 South Broad Street, members of the New York and Philadelphia - Baltimore - Washington Stock Exchanges, on Jna. 1 will admit Robert Miller to partnership in the firm.

Kidder, Peabody To Admit Partners

Kidder, Peabody & Co., 20 Exchange Place, New York City, members of the New York Stock Exchange, on Jan. 1 will admit Robert W. Anderson, John A. Hoff, and Arthur D. Styles to partnership in the firm. Mr. Styles will make his headquarters at the Boston office, 75 Federal Street.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Bank Stocks—Quarterly review—M. A. Schapiro & Co., Inc., 1 Chase Manhattan Plaza, New York 5, N. Y.

Canadian Common Stocks—Bulletin—Draper Dobie & Company Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada.

Canadian Stocks—Investment performance — Jackson, McFayden Securities Limited, 455 Craig St., West, Montreal, Que., Canada.

Cosmetic and Toilet Goods Industry — Analysis with particular reference to **Avon Products, Shulton, Max Factor, Helene Curtis, Beauty Counselors** and **Maradel Products** — Sartorius & Co., 39 Broadway, New York 6, N. Y.

Cosmetics Industry—Review with particular reference to **Helene Curtis, Lanvin-Parfums** and **Revlon**—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available are analyses of **Electric Storage Battery Co.,** comments on **Kansas Power & Light, United Gas Improvement, Iowa Electric Light & Power** and **Rochester Telephone.**

Fire Casualty Insurance Stocks—Survey of underwriting results—Kider, Peabody & Co., 20 Exchange Place, New York 5, N. Y.

Foreign Exchange Quotations—Folder listing 182 foreign exchange rates with two tables of decimal equivalents of shillings and pence and common fractions—International Division, Manufacturers Hanover Trust Company, 44 Wall Street, New York 15, N. Y.

Foreign Investment Conditions—Review — David L. Babson and Company Inc., 89 Broad Street, Boston 10, Mass.

Future Yield Spreads Between New Issues of Corporate Bonds and **Government Bonds**—Study—Salomon Brothers & Hutzler, 60 Wall St., New York 5, N. Y.

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

Japanese Market — Review—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available is a review of the **Japanese Synthetic Fiber Industry** and analysis of **Tokyo Electric Power Co., Ltd.**

Japanese Stocks—Statistical circular on issues listed on the Tokyo Stock Exchange—Daiwa Securities Co., Ltd., 149 Broadway, New York 6, N. Y.

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

Small Business Investment Companies — Review — Watling, Lerchen & Co., Ford Building, Detroit 26, Mich.

Stocks for Income — Bulletin—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif. Also available is a memorandum on **A. J. Armstrong.**

* * *

Air Products & Chemicals—Memorandum—Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y. Also available are memoranda on **Chrysler Corp., Diners' Club** and **Metro Goldwyn Mayer.**

Albemarle Paper Manufacturing—Memorandum—Edward N. Siegler & Co., East Ohio Building, Cleveland 14, Ohio.

Alberto Culver—Analysis—Bell & Farrell, Inc., 119 Monona Avenue, Madison 3, Wis.

American Cyanamid — Review—Newburger & Company, 1401 Walnut Street, Philadelphia 2, Pa. Also available are reviews of **Freeport Sulphur, Goodyear Tire & Rubber,** and, **Socony Mobil Oil.**

American Express Company—Analysis—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y. Also available is an analysis of **Kratter Corp.** and a bulletin on **American Telephone & Telegraph Co.**

American Home Products—Analysis—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y. Also available are comments on the **Airline Industry** and a memorandum on **St. Regis Paper.**

American Natural Gas Co.—Review—Sutro Bros. & Co., 80 Pine Street, New York 5, N. Y. Also available is a review of **Pillsbury Co.**

Baltimore & Ohio Railroad—Analysis — Vilas & Hickey, 26 Broadway, New York 4, N. Y.

Bank of America, N. T. & S. A.—Analysis—Straus, Blosser & McDowell, 39 South La Salle Street, Chicago 3, Ill.

Beatrice Foods Co. — Survey—Abraham & Co., 120 Broadway, New York 5, N. Y. Also available are surveys of **Columbia Broadcasting System Inc.** and **Whirlpool Corp.**

Bethlehem Steel—Memorandum—Amott, Baker & Co., Incorporated, 150 Broadway, New York 38, N. Y. Also available are memoranda on **Cities Service, Collins & Aikman, Inland Steel** and **Joy Manufacturing.**

Bobbie Brooks, Inc.—Analysis—Glore Forgan & Co., 45 Wall St., New York 5, N. Y.

Borden Co. — Memorandum—Pershing & Co., 120 Broadway, New York 5, N. Y.

Borg Warner—Review—Colby & Company Inc., 85 State Street, Boston 9, Mass. Also available are comments on **Rayette, Dynamics Corporation of America** and **Rayonier.** (Firm requests a stamped self addressed envelope in requesting copies).

Brown Fintube — Memorandum—Saunders, Stiver & Co., 1 Terminal Tower, Cleveland 13, Ohio.

Burlington Industries Inc.—Bulletin—Mitchum, Jones & Templeton, Inc., 650 South Spring Street, Los Angeles 14, Calif.

Capital Alliance Corporation—Analysis — Hill Richards & Co., Incorporated, 621 South Spring Street, Los Angeles 14, Calif.

Chase Manhattan Bank—Report—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Colorado Interstate Gas Company—Analysis—Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y. Also available is a report on **Royal Dutch Petroleum Co.**

Columbia Broadcasting System Inc. — Memorandum — Divine & Fishman, Inc., 70 Wall Street, New York 5, N. Y.

Columbia Broadcasting System Inc.—Analysis—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y. Also available is an analysis of **F. W. Woolworth Co.**

Consolidated Cigar Corporation—Analysis—Herzfeld & Stern, 30 Broad Street, New York 4, N. Y. Also available is a memorandum on the **Railroad** industry.

Corn Products — Memorandum—Sincere and Company, 208 South La Salle Street, Chicago 4, Ill.

Cotton States Life Insurance Company—Analysis—Qualls & Company, Frank Nelson Building, Birmingham 3, Ala.

Diebold Incorporated—Bulletin—De Witt Conklin Organization, 120 Broadway, New York 5, N. Y.

Federal National Mortgage Association — Progress report — New York Hanseatic Corporation, 60 Broad Street, New York 4, N. Y.

Federated Department Stores — Analysis—Bacon, Whipple & Co., 135 South La Salle Street, Chicago 3, Ill.

Financial Corporation of America —Memorandum — Wagenseller & Durst, Inc., 626 South Spring St., Los Angeles 14, Calif.

First Financial Corporation of the West—Report—William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif.

Ford Motor Company—Analysis—Paine, Webber Jackson & Curtis, 25 Broad Street, New York 4, N. Y.

Ford Motor Co.—Memorandum—McDonnell & Co., Incorporated, 120 Broadway, New York 5, N. Y. Also available is a memorandum on **Standard Oil Co. of New Jersey.**

Fruehauf Trailer—Study—Oppenheimer, Newborg & Neu, 120 Broadway, New York 5, N. Y. Also available are comments on **Libby McNeill & Libby, Youngstown Sheet & Tube Co.** and **White Motor Co.**

General Electric — Review — Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are reviews of **Illinois Central** and **Olin Mathieson Chemical Corp.,** and memoranda on **Electric Utility Companies** and **Royal Dutch.**

General Plywood — Bulletin — Winslow, Cohu & Stetson Inc., 26 Broadway, New York 4, N. Y.

Great America Corp.—Memorandum—Euler & Hart, 121 South Broad Street, Philadelphia 7, Pa.

Holiday Inns of America—Analysis—Rader, Wilder & Company, Union Planters Bank Building, Memphis, Tenn.

International Resistance—Memorandum—Blair & Co. Incorporated, 20 Broad Street, New York 5, N. Y. Also available is a memorandum on **Salem Brosius** and **Pyle National.**

Itek Corporation—Analysis—Coburn & Middlebrook Incorporated, 49 Pearl Street, Hartford 3, Conn.

Lafayette Radio Electronics—Bulletin—Purcell & Co., 50 Broadway, New York 4, N. Y.

Larsen Company — Report—Robert W. Baird & Co., 110 East Wisconsin Avenue, Milwaukee 1, Wis.

Liberty Real Estate Trust—Analysis—White & Company, 506 Olive Street, St. Louis 1, Mo.

Livingston Oil Company—Report—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a report on **Westinghouse Electric Corp.** and **General Public Utilities.**

Long Island Lighting Company—Comprehensive analysis — Blyth & Co., Inc., 14 Wall St., New York 5, N. Y.

National Realty Investors Corp.—Memorandum—J. N Russell & Co., Inc., Union Commerce Building, Cleveland 14, Ohio.

Opemiska Copper Mines (Quebec) Ltd. — Analysis — Doherty Roadhouse & McCuaig Bros., 335 Bay Street, Toronto 1, Ont., Canada.

Parkview Drugs, Inc.—Analysis—Scherck, Richter Company, 320 North Fourth Street, St. Louis 2, Missouri.

Ramer Industries, Inc.—Bulletin—Low Priced Investments, 11 Steuben Street, Albany 7, N. Y.

Science Research Associates, Inc.—Analysis—F. S. Moseley & Co., 50 Congress Street, Boston 2, Mass. Also available is an analysis of **Florida Gas.**

J. M. Smucker Company—Analysis—McDonald & Company, Union Commerce Building, Cleveland 14, Ohio. Also available is an analysis of **Towmotor Corporation.**

Terminal Transport Co.—Memorandum—Joseph, Mellen & Miller, Inc., East Ohio Building, Cleveland 14, Ohio.

Textron — Memorandum — E. F. Hutton & Company Incorporated, 1 Chase Manhattan Plaza, New York 5, N. Y.

Tom Huston Peanut Company—Analysis—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

United Investors Corporation—Analysis—Paul L. Forchheimer & Co., 52 Broadway, New York 4, New York.

Universal Oil Products Company—Review—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Washington Trotting Association—Report—Charles A. Taggart & Co., Inc., 1516 Locust Street

Continued on page 43

Outlook for Credit Markets And for Savings Banking

By Dr. Saul B. Klaman, Director of Research, National Association of Mutual Savings Banks, New York City*

Bullish outlook appraisal for savings banks' earnings estimates a plus 4.70% return on assets for 1963 permitting continuation of present, if not higher, deposits-return. The savings banks' economist foresees no near-term upward pressure on interest rates; analyzes the basic factors making for mutuals' prospective improved earnings; points to the more volatile position of commercial banks; and recommends mutual banks be provided with access to a strong secondary reserve facility, and with the opportunity to go into consumer credit. Dr. Klaman stresses the increasing competitiveness ahead as Government bond-mortgage yields narrow; reviews the underlying economic forces at work affecting the financial market; and doubts that the President's desegregation order will unduly affect residential building in predicting a continued active housing market in 1963 with housing starts around 1.5 million units—slightly higher than the 1962 total.

Our text for today is from the Book of Proverbs, Chapter 27, Verse 1:

"Boast not thyself of tomorrow; For thou knowest not what a day may bring forth."

So forewarned by the Good Book, let it be recorded at the outset that our views on what the year may bring forth are not boastfully, but prayerfully, offered. Prayer may, indeed, be the financial forecaster's strongest ally in the uncertain outlook for 1963. This is not to claim that financial uncertainties are a unique phenomenon. On the contrary, they are inherent in a dynamic private market economy. It is to say that each year has its own special brand of uncertainties and as it appears now, the tools of the forecasting trade will provide neither aid nor comfort in solving the special 1963 brand. For these uncertainties center on Federal legislative and executive actions. And I have not yet learned the secret of forecasting here.

Saul B. Klaman

The number one Federal issue bearing on financial markets is whether there will be a tax cut in 1963. Of great significance also is the direction of Federal debt management and monetary policies in the international economic climate. In a more specialized area, the President's recent Executive Order on desegregation in housing cannot be ignored. An appraisal of the savings bank outlook must consider the impact of Federal tax increases recently enacted. And finally, of obvious import to longer run savings bank prospects, will be the outcome of proposed Federal charter legislation.

Underlying Economic Forces

Federal issues apart for the moment, debate centers on whether the economy will break out on the upside or downside of its recent high plateau. For the financial outlook, which side of the question one chooses may be less important than the degree of change one expects. Apart from the effects of market psychology, demands for credit and capital, saving flows, and interest rates in 1963 may be little different whether the economy moves slightly down for a short period or continues gradually upward.

On balance, recent developments have been pointing towards a gradual upturn: (1) the McGraw-Hill survey of business capital spending plans indicates a 3% increase in 1963; (2) personal income gains have accelerated recently and surveys of consumer buying intentions are generally encouraging; (3) automobile sales in October and November were at record highs pointing to strong acceptance of 1963 models; (4) durable goods orders received by manufacturers turned up in September and October suggesting subsequent increases in production and sales; (5) construction expenditures, according to the Department of Commerce, are expected to rise some 3% to another record level in 1963; (6) significant increases in Federal spending are likely in view of current tensions in international affairs; (7) an increasing number of those selected statistical indicators which tend to lead business activity are now pointing upwards.

It has been the renewed strength in these factors that has convinced many recession-minded economists to cast their lot with the moderate expansionists. Those observers who anticipate a 1963 downturn emphasize that it will be mild and short—little more than a wiggle on the statistical charts. The upturn school, on the other hand, emphasizes such words as "gradual," "restrained" and "sluggish." The significant point to emphasize is that only modest changes in near-term business activity—either on the upside or downside—are anticipated by most analysts. A final conclusion that the business climate will be mild, however, and that capital market demands will be comfortably met by the supply of savings, must be deferred until the tax issue is considered.

The tax issue. The decisive politico-economic question of the year, then, is "whether, when and how large a Federal tax cut may be expected?" The answer would be a resounding "yes, soon, and quite large," if it turned solely on the weight of informed opinion. For seldom has there been such united support among diverse groups for a key Federal economic proposal as there is for tax reduction. Moreover, basic agreement among and between business leaders, labor groups, economists, and public officials extends to several specific points, including: (1) the separation of tax reduction from reform in order to speed legislative action; (2) the need for a large tax cut on the order of $6 to $10 billion; (3) the emphasis on personal income rather than corporate tax cuts; and (4) recognition that the basic purpose of immediate tax reduction is to increase the rate of economic growth rather than to head off a cyclical downturn.

Labor Unemployment Pressures Tax Cut

This last point is especially significant for, even in an improving economy, tax reduction will be strongly urged so long as idle men and excess capacity give testimony to the existence of business slack. In October, 5.3% of the labor force was unemployed compared to a minimum acceptable full employment rate of 4%, while an estimated 83% of manufacturing plant capacity was being utilized compared to the preferred rate of 90%. Until full utilization of resources is achieved, therefore, broad public support for immediate tax reduction is likely to continue.

On the other side of the tax question, a small but influential minority is determined to combine structural tax reform with reduction even at the expense of delayed legislative action. Moreover, the specter of a sharply enlarged Federal budget dificit in fiscal 1964, on top of the $8 billion deficit already in prospect for fiscal 1963, haunts some business observers and, more particularly, key Congressional tax leaders. These legislators are not unmindful that the last major Federal income tax cut in 1954 was enacted when the deficit was being rapidly reduced following the years of Korean conflict.

Before Congress is stampeded into voting tax cuts when the Federal deficit is rising sharply, legislative leaders may have to be persuaded that the current unemployment rate is politically less tolerable than a large deficit. Otherwise, they may well adopt a wait-and-see attitude, recognizing the importance of basic tax reform while the emonomy is still strong, and saving the tax-cutting ammunition to combat a subsequent recession.

If the strength of this latter position has not been overestimated, then an improving economy—as visualized here—will clearly lessen the chances for immediate tax reduction even though the rate of economic growth continues inadequate. Notwithstanding the tidal wave of support, therefore, those who are anticipating early tax action are likely to be disappointed. Indeed, the chances of a tax cut any time in 1963 are not promising if the atmosphere of economic urgency is dissipated and attention turns to structural reform with its inevitable lengthy debate.

Even without actual tax reduction in 1963, however, continued optimism on this score will influence financial markets. Expectations affect current actions, and widespread belief that additional consumer and business purchasing power will be released by tax reduction, may cause interest rates to firm up for a time. More basically, however, 1963 financial prospects will be determined by the interaction of sources and uses of funds as influenced by Federal monetary and debt management policies.

Financial Markets and Interest Rates

Evaluation of private market forces and Federal policy influ-

Continued on page 38

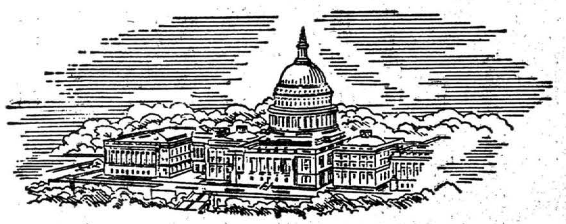
New Issues December 13, 1962.

$85,250,000

New Housing Authority Bonds

The Bonds of each issue will be secured by a first pledge of annual contributions unconditionally payable pursuant to an Annual Contributions Contract between the Public Housing Administration and the Local Public Agency issuing said Bonds in the opinions of bond counsel. Said annual contributions will be payable directly to the fiscal agent of said Local Public Agency in an amount which, together with other funds of the Local Public Agency which are actually available for such purpose, will be sufficient to pay the principal of and interest on the Bonds when due.

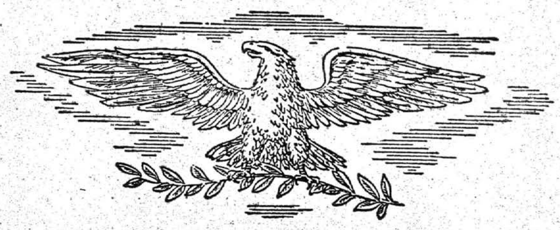
The United States Housing Act of 1937, as amended, solemnly pledges the faith of the United States to the payment of the annual contributions by the Public Housing Administration pursuant to the aforesaid Annual Contributions Contracts.



Quotation from an opinion, dated May 15, 1953, of the Attorney General of the United States, to The President of the United States:

"IN SUMMARY, I AM OF THE VIEW THAT: *** A CONTRACT TO PAY ANNUAL CONTRIBUTIONS ENTERED INTO BY THE PHA[1] IN CONFORMANCE WITH THE PROVISIONS OF THE ACT[2] IS VALID AND BINDING UPON THE UNITED STATES, AND THAT THE FAITH OF THE UNITED STATES HAS BEEN SOLEMNLY PLEDGED TO THE PAYMENT OF SUCH CONTRIBUTIONS IN THE SAME TERMS ITS FAITH HAS BEEN PLEDGED TO THE PAYMENT OF ITS INTEREST-BEARING OBLIGATIONS."

1 Public Housing Administration. 2 United States Housing Act of 1937, as amended.



Interest Exempt, in the opinion of counsel to the Underwriters, from Federal Income Taxes by the provisions of the United States Housing Act of 1937, as amended.

Legal Investments, in the opinion of counsel to the Underwriters, for Savings Banks and Trust Funds in New York and certain other States.

Bonds Issued by Local Public Agencies which are located in the political subdivisions or areas named below:

Scale A

$ 910,000	Beaver Co., Pa.	3⅛% due 1964-2003
2,120,000	Mercer Co., Pa.	3⅛% due 1964-2000
3,385,000	Scranton, Pa.	3⅛% due 1963-2002
1,370,000	York, Pa.	3⅛% due 1963-2002
6,105,000	Richmond, Va.	3⅛% due 1963-2002

Scale B

$3,160,000	Birmingham, Ala.	3¼% due 1964-2003
4,250,000	Fort Myers, Fla.	3¼% due 1964-2003
3,550,000	Grantville, Ga.	3¼% due 1963-2002
3,405,000	Columbia, Mo.	3⅛% due 1963-1999

Scale B (*continued*)

$ 2,130,000	Mexico, Mo.	3¼% due 1964-2003
2,950,000	Elizabeth, N. J.	3¼% due 1964-2003
27,335,000	Newark, N. J.	3⅛% due 1964-2003
1,765,000	Trenton, N. J.	3¼% due 1964-2003
2,225,000	Yonkers, N. Y.	3¼% due 1964-2003
3,340,000	La Follette, Tenn.	3¼% due 1963-2002
2,220,000	Wheeling, W. Va.	3⅛% due 1963-1999

Scale C

$ 1,325,000	Van Buren, Ark.	3¼% due 1964-2003
1,795,000	Athens, Ga.	3¼% due 1964-2003

Scale C (*continued*)

$1,545,000	Alton, Ill.	3¼% due 1964-2003
1,915,000	Marion Co., Ill.	3¼% due 1964-2003
795,000	Lake Charles, La.	3¼% due 1963-2002
790,000	Mt. Clemens, Mich.	3¼% due 1964-2003
1,530,000	Summit, Miss.	3¼% due 1964-2001
1,010,000	Guttenberg, N. J.	3⅛% due 1964-1994
685,000	Hightstown, N. J.	3¼% due 1964-2003
540,000	Phillipsburg, N. J.	3¼% due 1964-2001
520,000	Saratoga Springs, N. Y.	3¼% due 1964-2003
645,000	Mt. Pleasant, Tenn.	3¼% due 1964-2003
560,000	Sparta, Tenn.	3¼% due 1964-2003
1,375,000	Eagle Pass, Texas	3¼% due 1964-2000

Maturities, Yields and Prices

Year Due	Scales A	Scales B	Scales C
1963	1.50%	1.50%	1.50%
1964	1.50	1.50	1.50
1965	1.65	1.65	1.65
1966	1.75	1.75	1.75
1967	1.85	1.85	1.85
1968	1.95	1.95	1.95
1969	2.05	2.05	2.05
1970	2.15	2.15	2.15
1971	2.25%	2.25%	2.25%
1972	2.30	2.30	2.30
1973	2.35	2.35	2.35
1974	2.40	2.40	2.40
1975	2.45	2.45	2.45
1976	2.50	2.50	2.50
1977	2.55	2.55	2.55
1978	2.60	2.60	2.60
1979	2.65%	2.65%	2.65%
1980	2.70	2.70	2.70
1981	2.75	2.75	2.75
1982	2.80	2.80	2.80
1983	2.85	2.85	2.85
1984	2.90	2.90	2.90
1985	2.90	2.95	2.95
1986	2.95	3.00	3.00
1987	2.95%	3.00%	3.05%
1988	3.00	3.05	3.10
1989	3.00	3.05	3.10
1990	3.05	3.10	3.15
1991	3.05	3.10	3.15
1992	3.10	3.15	3.20
1993	3.10	3.15	3.20
1994	3.125	3.20	3.25
1995	3.125%	3.20%	3.25%
1996	3.125	3.20	3.25
1997	3.15	3.25	3.30
1998	3.15	3.25	3.30
1999	3.15	3.25	3.30
2000	3.20	3.30	3.35
2001	3.20	3.30	3.35
2002	3.20	3.30	3.35
2003	3.20	3.30	3.35

(Accrued interest to be added) (Where the yield and the coupon are the same, the price is par)

The Bonds of each issue will be callable fifteen years from their date at a call price of 104 and accrued interest, and thereafter, at the times and call prices. as stated in the Offering Prospectus.

The Bonds are being offered, subject to award, when, as and if issued and received by us, and subject to approval of legality, with respect to each issue, by bond counsel to the underwriters. The offering is not made hereby, but only by means of the Offering Prospectus, copies of which may be obtained from such of the undersigned and other underwriters as are registered dealers in this State.

Tax-Exempt Bond Market

BY DONALD D. MACKEY

The state and municipal bond business has been active this week as sizable sales have taken blocks of bonds out of the marketplace. Even as the *Blue List* of municipal bond offerings reached close to $575,000,000 last Friday, there was an active interest in all classes of tax-exempt bonds. This week investment interest has been broad enough to absorb more of the current offerings and, on Dec. 12, the *Blue List* total was down to $529,475,186.

Price Cuts Act as Sales Stimulant

This middle December activity in a market replete with relatively high priced inventory might appear as an investment phenomenon were it not for two very significant extenuating factors. In the first place, much of the business transacted recently has been accomplished at cut prices. In the intermediate maturity category, bonds have regularly traded down from 10 to 15 basis points. This has obtained for high grades as well as for the A's and BBB's.

Even the new issue reofferings have more often than not involved bank maturity sales at prices approximating cost or perhaps precious little profit at best. In the longer maturity category there has been some business transacted at list price but even here, should the particular account or offering be more than 24 hours old, volume business has usually been negotiated at some concession to the buyer. While new issue bidding has been fiercely competitive during the past few weeks, and continues to be so, it has been the unusual reoffering that has been disposed of in terms of list price.

The second extenuating market factor has had to do with government bond issues. Although the intermediate and long-term Treasury issues had been "dogging around" early in the month, there has been recent "open market" interest in these issues to the extent that dealers have been willing to go with the market rather than pass it up completely. As a result, the bond market has been working from a base substantive enough to maintain investor interest but not attractive enough to compel massive buying.

Tax Cut Talks Adverse Market Factor

Moreover, the general subject of taxation has had its effect recently on the tax-exempt bond market. A few weeks back the headlines indicated that almost everyone but Senator Byrd was for a tax cut and that seemed to be that. This thinking, of course, had its negative effect on the tax-exempt bond market as the averages show through November.

On Nov. 7, *The Commercial and Financial Chronicle's* high grade 20-year bond yield Index averaged at 2.903%. Currently our yield Index averages at 2.97%. The market thereby is off about a point in a month's time due partly to an anticipated tax cut and its possible effect on tax-exempts.

Now it seems quite generally felt that a quicky tax cut does not have a chance and that any cut at all faces a long fight deep into 1963. This change in thinking may now be a factor in stabilizing the tax-exempt bond market around its present level. This week's strength in the long-term dollar quoted revenue issues may be reflecting this sentiment in part.

Public vs. Administration

One of the basic reasons appearing to rule out effective tax reduction appears to be ideological. Most of the Administration spokesmen categorically describe any cut in government expenditures as not practical. It is claimed emphatically that the effectiveness of tax reduction will be lost if it be accompanied by reductions in governmental expenditures.

On the other hand, there appears to be a powerful latent public opposition to tax reduction unless it be an effective tax reform program. The recent concern lest a reform program be impossible of political attainment has been an important factor in fostering extremely competitive new issue bidding.

Calendar Remains at Relatively Low Level

The light new issue calendar has made it easier for dealers to at least hold down inventory accruals. This factor has obtained for much of the last quarter. As of Dec. 12, the calendar of scheduled as well as tentative new issues totals less than $300,000,000 through January. For this period, particularly, this is an extremely light expectancy.

In the negotiated category the $194,200,000 Memphis, Tennessee Light, Gas and Water Division offering dominates the schedule for January. The underwriting syndicate is headed by Lehman Brothers and includes Blyth & Co., Inc., Kuhn, Loeb & Co. and Equitable Securities Corp. White,

Continued on page 14

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California, State	3½%	1982	3.30%	3.15%
Connecticut, State	3¾%	1981-1982	3.10%	2.95%
New Jersey Hwy. Auth., Gtd.	3%	1981-1982	3.05%	2.90%
New York, State	3¼%	1981-1982	3.00%	2.85%
Pennsylvania, State	3⅜%	1974-1975	2.70%	2.55%
Delaware, State	2.90%	1981-1982	3.00%	2.85%
New Housing Auth. (N.Y., N.Y.)	3½%	1981-1982	3.10%	2.95%
Los Angeles, California	3¾%	1981-1982	3.30%	3.15%
Baltimore, Maryland	3¼%	1981	3.10%	2.95%
*Cincinnati, Ohio (U.T.)	3½%	1981	3.10%	2.90%
Philadelphia, Pennsylvania	3½%	1981	3.30%	3.15%
*Chicago, Illinois	3¼%	1981	3.25%	3.10%
New York, New York	3%	1980	3.21%	3.16%

December 12, 1962 Index=2.97%

*No apparent availability.

The Business Climate In the United States

By Henry J. Taylor,* *Journalist*
Scripps-Howard United Features Syndicate, New York, N. Y.

Nationally known commentator exposes some fallacies and myths perpetuated by the Keynesians themselves; points to the appalling economic ignorance said to be prevalent throughout the country which confronts the businessman; and hopes that we reach financial stability in time before "the free world blows up . . . with no one around to pick up the pieces, except the Soviet Union." Mr. Taylor asks those who favor increasing the debt on the grounds of its beneficence, or that we owe it to ourselves, why they don't advocate doubling the debt.

Members and friends of this splendid organization and participants in this so-widely misunderstood way of making a living. . . .


Henry J. Taylor

Speaking about the business climate, it is, of course, the ideal subject for any speaker, because it is a pretty big territory. I think our business climate today will be largely conditioned, and it certainly must be in the future, by the political factors.

For example, I think in the stock market we have much more of a political market than we have an economic market.

In my father's time, government was a factor—an important factor, I am sure in his life and in that of his contemporaries. Today, of course, it is a decisive factor. Nothing that any businessman can do can be separated in the larger sense from what the government does. It affects his labor policy; it affects his financial policy; it affects his sales policy; and frequently it affects his ability to stay out of jail.

These questions that arise in government, in turn, are prompted by a very fluid and dynamic series of world problems. A few of these are within our control; the overwhelming majority are not, because they rest on the initiative of the Soviet Union, Red China and red imperialism. As a result, by the time you get through trying to analyze the business climate bounced off the back of Mao Tse-Tung, Khrushchev and the New Frontiersmen and the general level of consumer purchasing power and the many important things Governor Rockefeller spoke of yesterday in what I thought was an extraordinaryly able speech, you bring your speaker into nearly any part of the world on nearly any subject.

To condense this just a little bit, I am breaking a precedent, I always follow and will use some notes. As a matter of fact, I write for the United Features; I am in the papers three times a week; so this is a little preview of next Monday. But in any event, it is factual.

Federal Debt Meaning Fully Explained

So, if you will excuse me, I'd like to start first on a small approach to this question of the wisdom of having a quickie tax-cut without reduction in government spending, because, as a matter of fact, with a small calculation I have made the discovery that every baby born in our country today—and this may be the reason that the baby cries—already owes the Federal Government $1,600. Now, we brothers and sisters of the world number nearly three billion people. We Americans owe Washington more than $100 for every soul living on earth. Mars is 53 million miles away, and this is what it means in dollars. Our Federal debt equals 5,650 trips to Mars. Perhaps somebody figured this out long ago: Had you gone into business in the year 1 A. D. and lost a thousand dollars every day, every month and every year, through the eyar 2739, you still wouldn't have lost a billion dollars.

Through this visualization, I will take a moment to remind you that our debt is $300 billion. Ten years after the First World War, our government, not only had reduced the war debt to a trifle, but succeeded in cutting in half the wartime tax load per person in the population within 10 years after the end of that war.

World War II has been over for 17 years, and the New Frontiersmen are spending more and collecting more in taxes than at the very peak of the war. In fact, this year they are spending more than the entire incomes of everybody west of the Mississippi.

I am reminded, some of you may remember, the town souse used to say, "whiskey doesn't hurt anybody": I find that Washington today has a similar saying. As a result, I hope it will become better known that we are spending more for taxes than we are for food. Our Administration has been running in the red at the rate of about $110 million a week ever since it took office; and the Secretary of the Treasury, so far as I know, is the man who is supposed to be the watchdog of our money matters. As far as I can see, the first thing we know, we will be throwing in the family silver.

Administration's Faulty Forecasts

Mr. Dillon stated again and again—and I don't know why—that the New Frontier budgets—this is a quotation—"are entirely appropriate." Appropriate for whom?

Budget Director David E. Bell—and I have followed Mr. Bell's arithmetic very carefully—seems as out of place in the Budget Bureau as Zsa-Zsa Gabor in a 5-and-10 cent store.

In spite of all this vast debt, Mr. Bell actually states in his official capacity that the President's budgets have been too conservative. Now, that kind of view, from my viewpoint as a citizen and tax payer, is not—well, it just isn't a design for our budget. My friends, it is nothing more or less than an emotional doodle.

Now actually, not alone Mr. Bell and Mr. Dillon, but the President alike have been dead wrong on every major financial calculation that they made from the very beginning. I think we ought to spell that out a little bit.

Now on March 27, 1961, at the kickoff, all three of these gentlemen forecast a $2 billion 100 million deficit in the first fiscal year of the New Frontier, and that we foresee a balanced budget, Mr. Kennedy said, and, in fact, he wanted to get the bad news over early. That was March 27, 1961. By May 25, he changed it; he said it would be $3 billion 600 million. Then on July 25, he changed it again; he said the red figure would be $5 billion 300 million.

On Jan. 16, 1962, he changed it all over again; he revised it this time to $7 billion. It makes you wonder who is tending the store.

In the new current fiscal year, however, this was all to be forgotten and any charge of financial irresponsibility is to be knocked in the head once and for all.

The present fiscal year's estimate ran at a $500 million surplus. Some skeptics didn't believe it and the skeptics were told by Pierre Salinger that they could only be skeptics if they were outsiders. Only insiders could understand the facts. Yet, within five months, but not until after the elections, Mr. Bell announced there wouldn't be a surplus; to be exact there would be a deficit, in fact, about $8 billion. That is a record for you.

There is a tendency in government to teach all businessmen how to run their business. If they can't tend to their business better than that, I hope they can't run mine.

Raising the Debt Limit

That is not the whole story. The spenders inherited a legal debt limit of $293 billion. Within only five months, on June 27, 1961, the Secretary of the Treasury asked Congress to boost it. This was the appeal; I quote: "A temporary statutory debt limit of $298 billion," he testified "should see us sufficient elbow room for maximum efficiency of operations." And over the protest of Senator Byrd. They got it. But, now, is it temporary—and what about the efficiency?

It is clear as a Bell that Mr. Dillon was in dreamland; the whole appeal was, in fact, nonsense. Mr. Dillon's estimate of debt turned out to be wrong by $5 billion 400 million in the first half of his own first fiscal year.

Now, Mr. Kennedy added a little bit to this; he added that another raise was needed to go up to $300 billion. This elbow room wasn't enough and, as a matter of fact, the government couldn't meet its bills unless Congress compiled, and Congress did comply, and Mr. Kennedy asked for and received still another increase in the debt limit since then. As a result one out of every $10 we pay in taxes goes to paying interest on this debt, the highest debt in the history of the United States in war or in peace.

Now, to anybody who has had to earn his own living and pay these taxes, they are like a toll on the toll bridge. You are not allowed to cross until you pay the toll. But the toll doesn't take you across the bridge and doesn't pay the expenses of your car in the forward movement across that bridge. These must be paid from money that doesn't go for the toll, and the toll is, in fact, an extra load on you and your life as a working citizen.

Taxes can be reasonable, and everybody wants to pay them. The thing that people don't want to pay is what they shouldn't have to pay. This is reasonable. Therefore, under today's conditions taxes can be highway robbery.

The melancholic truth is that we do not pay with our taxes the indispensable large responsibility for our national defense—because these weapons we are making are the best peace insurance we can buy—and we don't pay for the urgently needed social services either. We merely pay by borrowing and borrowing and borrowing more and more and more.

Pressure of the People

Gentlemen, the crows are guarding our corn; and the government feels pressures by special interests of every kind and by countless of tens of millions of people who really can't be expected to know what is happening to them, because economic questions are confusing and difficult, and frequently mispresented—often by the politicians—so that the allure of something for nothing, while it is resisted at the intellectual level, finds its way into the hearts and feelings of a great many people to put pressure on our good Congressmen and on the White House to spend and spend and spend.

The difficulty in arresting a movement like that goes deep in human nature. It is difficult, somehow or other, to oppose it. There is nothing more indivisible than our security and our solvency, frequently misinterpreted, as having an interest in dollars instead of people.

It is a very unjust criticism, because, as a matter of fact, so far as I have been able to observe in the world, it is the poor and relatively helpless people who really get it in the neck in a country that has the worst inflation. I have never worried too much about the very rich, because

Continued on page 41

Changing Silver Coinage if Silver Price Continues Up

By Dr. Arthur A. Smith, *Vice-President and Economist, First National Bank in Dallas, Dallas, Texas*

Should the market price of silver approach its mint value, Dr. Smith points out we could either devalue our silver coins or resort to baser metals. The bank economist contends that a "properly" managed money system does not have to monetize any precious metal in order to serve as satisfactory circulating media. Writing in the November, 1962 "Letter" published by his Bank, Dr. Smith explains how to compute metal and market value of our coins; and raises the possibility of seigniorage (profit) if the coins are called in.

Since the U. S. Treasury stopped buying and selling silver (Nov. 28, 1961) at 90.5 and 91.0 cents an ounce, respectively, the price of silver has been advancing steadily. At this writing it is $1.21 an ounce.


Dr. Arthur A. Smith

Numismatists and others interested in coins have been watching silver prices because the U.S. is one of very few countries still putting a large proportion of silver in circulating coins. Exactly 90% of the full weight of our silver dollar, half dollar, quarter dollar, and dime is pure silver.

Ultimately, if the price of silver continues to rise, the metal value of the above coins will exceed their money value. How much further must the market price go to reach the point where pure silver in each coin is worth exactly the face value of the respective coin? The following table gives the answer:

Silver Coin	Gross Weight	Pure Silver	Required Price Per Ounce
	—— Grains ——		
Dollar	412.50	371.250	$1.2929
Half	192.90	173.610	1.3824
Quarter	96.45	86.805	1.3824
Dime	38.58	34.722	1.3824

You will observe from the table that the market price would have to be $1.2929 per ounce (Troy) for the pure silver in the dollar to be worth $1, but because there is less than proportionate quantities of pure silver in the half, quarter, and dime than in the dollar, the market price would have to reach $1.3824 per ounce before the pure silver in the fractional pieces would be worth the face of the respective coin.

Bi-Metallism Experience

Back in 1853 when the price of standard silver in terms of gold was such that the government had difficulty keeping fractional silver coins in circulation, Congress reduced the pure silver in the half, the quarter, the dime, and the half-dime, then coined. After a slight adjustment in 1873, not changed since, there has been 6.473% less pure silver in two half dollars, or in four quarters, or in 10 dimes than in a silver dollar, which accounts for the fact that the market price would have to reach $1.3824 per ounce for the pure silver in the fractional coins to be worth face, compared with only $1.2929 in the case of the silver dollar.

At $1.21 per ounce (the present price) there is 93.585 cents worth of silver in a silver dollar; 43.75 cents worth in a half; 21.875 cents worth in a quarter; and 8.75 cents worth in a dime. To find the market value of pure silver in our coins at any time (a) multiply the market price per ounce of silver by the silver weight (in grains) of the particular coin and (b) divide by 480 (the grains in an ounce, Troy weight).

Example: Our dollar coin contains 371.25 grains of pure silver and the present price of silver is $1.21 per ounce. $1.21 multiplied by 371.25, then divided by 480, is 93.585 cents. For each of the other three silver coins, figure the market price of the silver in a dime, then multiply by five for the half and by 2.5 for the quarter, since the weights of the fractional coins are in exact proportion to each other, but not to the dollar.

If inflation continues, we very probably will see silver sell high enough to affect the circulation of our coins. The answer to the problem by Congress will be rather simple: (a) Coins of the present weight and fineness will be called in, excepting rare ones held by *bona fide* collectors, and (b) new coins containing much less silver will be minted — so much less silver that nothing would be gained by melting the coins for their silver content.

Precious Metals Need Not Be Monetized

Under properly "managed" money systems it is not necessary for coins to contain any precious metal in order to serve their purpose as satisfactory circulating media. So long as the coins are quickly identifiable, readily accepted, convenient in size and shape, durable, and not easily counterfeited, it makes no difference about the market value of their metal content.

It is true that silver has served well as a coin material because its distinct ring (sound) helps identify it; it is non-corrosive; and wears fairly well, but there are base metals which can supply these qualities. Furthermore, since other metals would be cheaper by far than silver, the government would make much more profit (seigniorage) from coinage, and at the same time a part of the large quantity of silver now held in the Treasury ($2,221.4 million in bullion; $113.7 million in silver dollars; and $5.4 million in fractional silver coins) could be disposed of. In addition, silver coins outside the Treasury, which amount to $2,080.8 million, could be called in.

I am not suggesting that such measures will be taken, but am merely pointing out what could happen. Certainly, if the market price of silver continues upward, we shall see some changes in our coinage laws. The current price is the highest since 1919 when it was $1.11. World consumption of silver in 1961 reached a record 350.7 million ounces. Production was only 211.0 million ounces. Average annual free-world consumption for the decade 1952-1962 was about 381 million ounces which exceeded production in the free world by about 86 million ounces a year. (Data from: "Commodity Year 1962 Book," Commodity Research Bureau, N. Y.)

Curtiss House To Admit Reed

CLEVELAND, Ohio — Norman E. Reed, Jr. on Jan. 1 will become a partner in Curtiss, House & Co., Union Commerce Building, members of the New York and Midwest Stock Exchanges. Mr. Reed is in charge of the firm's municipal department.

DeCoppet & Doremus to Admit to Firm

On Jan. 1, DeCoppet & Doremus, 72 Wall Street, New York City, members of the New York Stock Exchange, will admit to partnership John J. McNeary, R. Peter Rose, Seth H. Baker and H. Hanford Smith, Jr. As of the same date Else M. Nash will become a limited partner in the firm.

N. Y. Inv. Ass'n Elects Officers

J. Scott Crabtree, of Equitable Securities Corporation, was elected president of The Investment Association of New York at the annual meeting. Charles H. Symington, Jr. of G.H. Walker & Co. was elected vice-president; Robert E. McGill, III, of Morgan Stanley & Co. secretary; and Richard W. Goss, II, of Merrill Lynch, Pierce, Fenner & Smith Inc., Treasurer.


J. Scott Crabtree

The Investment Association of New York is an organization of approximately 600 young men engaged in the investment banking and security brokerage business in the New York metropolitan area.

The following were elected chairmen of executive committees: William B. Chappel, Jr. of Lazard Freres & Co. program committee: Bruce Griffin Coe of Kidder, Peabody & Co., member education committee; James A. Conlin of Hayden, Stone & Co., Inc., publication & publicity committee; L. Thomas Melly of DeCoppet & Doremus, public education committee; Edward Jedd Roe, Jr. of Eastman Dillon, Union Securities, membership committee and Arthur K. Salomon of Salomon Brothers & Hutzler, entertainment committee.

Chicago Analysts To Hold Meeting

CHICAGO, Ill. — George Spatta, President of Clark Equipment Co., will be guest speaker at the Luncheon meeting of the Investment Analysts Society of Chicago being held Dec. 13 at the La Salle Hotel.

Named Director

Reynolds C. Springborn, a Securities Analyst for Bear, Stearns & Co., was elected to the Board of Directors of the Saxon Paper Corporation.

Mr. Springborn joined Bear, Stearns in 1957 and has specialized in the printing papers, building, industrial machinery, and equipment industries. In addition, he has worked with his firm's buying department on underwritings, mergers and private placements.

TAX-EXEMPT BOND MARKET

Continued from page 11

Weld & Co. is the financial advisor.

Recent Awards

During the past week there has been a total of $167,545,000 tax-exempt bonds offered for public bidding. When it is considered that two issues constituted more than 70% of this volume, business activity was not as pronounced as the total volume might infer. Dealers generally were not overworked.

Last Thursday and Friday there were no important new flotations. On Monday, Dec. 10, one of the week's features, $30,000,000 State of New York, Park and Recreation Land Acquisition general obligation (1964-1983) bonds were offered for competitive bidding. The syndicate headed by the *Chase Manhattan Bank* was the successful bidder setting an annual net interest cost of 2.6252%. The runner-up bid, a 2.665% net interest cost, came from the First National City Bank account. The third bid, setting a 2.7063% net interest cost, was submitted by Lehman Brothers and associates.

Other major members of the winning syndicate include Kuhn, Loeb & Co., Chemical Bank New York Trust Co., Blyth & Co., C. J. Devine & Co., Manufacturers Hanover Trust Co., Marine Trust Co. of Western New York, Buffalo, The Northern Trust Co., Harris Trust and Savings Bank, Mellon National Bank and Trust Co., Hallgarten & Co., Ladenburg, Thalmann & Co., R. W. Pressprich & Co., Salomon Brothers & Hutzler, Barr Brothers & Co., Blair & Co., Inc., Philadelphia National Bank, Bear, Stearns & Co., Equitable Securities Corp., Hornblower & Weeks, Mercantile Trust Co., St. Louis, Stone & Webster Securities Corp., B. J. Van Ingen & Co., Inc., Wertheim & Co. and John Nuveen & Co. Reoffered to yield from 1.50% to 2.85% for a variety of coupons, initial bank orders took all of the $9,000,000 of bonds maturing 1964 to 1969. Demand for the balance of the bonds was moderately widespread with the present balance in syndicate being $9,655,000.

The Norwin School Authority, Pennsylvania (Westmoreland County) sold $5,902,000 revenue (1963-1983) bonds through negotiation to the group headed by *Arthurs, Lestrange & Co.* at a net cost of 3.55%.

Other members of the group include Halsey, Stuart & Co., Inc., Kuhn, Loeb & Co., Ira Haupt & Co., Eastman Dillon, Union Securities & Co., John Nuveen & Co., White, Weld & Co. and Thomas & Co. Scaled to yield from 1.75% to 3.70% initial demand has been good with the present balance about $1,088,000.

Maricopa County, Arizona School District No. 210 (Phoenix) awarded $2,400,000 High School and College System (1967-1977) bonds to *Blyth & Co.* and associates on a 2.7849% net interest cost bid. This bid compared favorably with the runnerup bid, a 2.795% net interest cost, made by the Bankers Trust Co., First National City Bank account. In addition, 16 other bids ranging in interest cost from 2.84% to 2.97% were made for this issue.

Other members of the winning group include The Northern Trust Co., Valley National Bank of Arizona, Phoenix, J. A. Hogle & Co., Kalman & Co., Inc. and J. A. Overton & Co. Scaled to yield from 2.10% to 2.85%, the present balance is $1,185,000.

Bankers Trust Co. and associates submitted the best bid on Wednesday for $2,500,000 St. Paul Port Authority, Minnesota (1965-1992) bonds naming an annual net interest cost of 3.0541%. The runner-up bid, setting an annual net interest cost of 3.081%, was submitted by Lehman Bros. and associates and in addition, there were 14 other bids made for this highly regarded issue.

Other major members of the successful syndicate include Chemical Bank New York Trust Co., R. S. Dickson & Co., Inc., Third National Bank, Nashville, First National Bank, Minneapolis and Seattle Trust and Savings Bank. Reoffered to yield from 1.80% to 3.25% for a variety of coupons, initial demand has been good, with the present account balance being $1,060,000.

Week's Major Award

On Wednesday, the largest loan of the week, $94,985,000 Public Housing Administration serial (1963-2003) bonds, was offered for public bidding. Involved were thirty-six local agencies located in nineteen states and each bid had to be calculated separately and entered separately. This was the fourth sale of Public Housing bonds this year and brings the total of bonds outstanding to just over $3.5 billion.

The group headed by *Blyth & Co., Phelps, Fenn & Co.* and *Lehman Brothers* in association with the *First National City Bank* and the group headed by *Bankers Trust Co.* and *Chase Manhattan Bank* submitted the best bids for thirty issues totaling $85,250,000 of bonds. The bonds were offered on three scales labeled A, B and C. The "A" scale ran from a 1.50% in 1963 to 3.20% in 2003 for 3⅛% coupons; the scale "B" bonds were offered to yield from 1.50% in 1963 to 3.30% in 2003 for 3⅛% and 3¼% coupons and the scale "C" bonds from 1.50% in 1963 to 3.35% in 2003 for 3¼% coupons.

Demand for these high grade bonds was spontaneous and all of the bonds maturing 1963-1978 were spoken for by bank members. In addition, special orders were said to amount to $28,000,000 so that approximately $50,000,000 of bonds were committed prior to dealers' orders. No balance is available at this writing but a successful underwriting seems assured.

The *Bank of America N.T. & S.A.* nosed out the Dealer-Bank group in the bidding for five issues totaling $9,080,000. These include $3,630,000 Oakland, California; $3,110,000 Contra Costa County, California; $1,225,000 Yolo County, California; $590,000 San Joaquin County, California and $525,000 Honolulu, Hawaii bonds. Scaled to yield from 1.50% to 3.25% for 3⅛% coupons, no balances are presently available due to time differentials.

The *Hartford National Bank and Trust Company* submitted the best bid for $655,000 Norwich, Connecticut (1964-2003) bonds. The bonds are being offered from 1.60% to 3.30% for a 3¼% coupon.

The final sale prior to reporting this week consisted of $6,275,000 Fairfax County, Virginia School (1964-1988) bonds which were awarded to the *First National City Bank* and associates at a 3.234% net interest cost. The runner-up bid, a 3.24% net interest cost, was submitted by the Halsey, Stuart & Co., Inc. account.

Other major members of the successful group include C. J.

Larger Issues Scheduled For Sale

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

December 13 (Thursday)			
Georgia State Hospital Auth., Ga.	6,500,000	1963-1982	Noon
Tampa, Fla.	11,935,000	1964-1992	11:00 a.m.
December 17 (Monday)			
Cleveland City Sch. Dist., Ohio	10,000,000	1964-1983	1:00 p.m.
Etowah County, Ala.	1,085,000	1963-1974	11:00 a.m.
Fridley, Minn.	1,140,000	1964-1983	8:00 p.m.
Livingston Township S. D., N. J.	2,313,000	1963-1982	8:00 p.m.
Tucson, Ariz.	6,000,000	1976-1992	10:00 a.m.
Tulsa County, Okla.	2,000,000	1965-1988	10:00 a.m.
December 18 (Tuesday)			
Adams Co. S. D. No. 14, Colo.	1,000,000	1964-1983	7:30 p.m.
Birmingham Sch. Dist., Mich.	2,415,000	1966-1988	8:00 p.m.
Charleston, W. Va.	4,000,000	1963-1992	11:00 a.m.
Cullman, Ala.	1,225,000	1964-1983	2:00 p.m.
Davidson County, Tenn.	5,000,000	1964-1988	Noon
Douglas Co. S. D. No. 66, Neb.	1,000,000	1965-1988	11:00 a.m.
Enfield, Conn.	1,255,000	1964-1983	11:30 a.m.
Green Bay, Wis.	1,600,000	1964-1995	11:00 a.m.
Grossmont Jr. College Dist., Calif.	2,000,000	1965-1983	10:30 p.m.
Honolulu, Hawaii	9,000,000	1966-1983	2:00 p.m.
Hudson, Mass.	1,250,000	1964-1983	11:00 a.m.
Los Angeles County, Malibu Waterworks Dist. No. 29, Calif.	1,000,000	1963-1992	9:00 a.m.
Maryland National Capital Park & Planning Commission, Md.	5,600,000	1963-1992	Noon
Mound, Minn.	1,815,000	1965	8:00 p.m.
Mountain View Sch. Dist., Calif.	1,340,000	1964-1983	9:00 a.m.
New York, N. Y. (Limited Profit Housing G. O. Bonds)	21,820,000	1963-2013	11:00 a.m.
Piscataway Township, N. J.	2,590,000	1963-1994	8:00 p.m.
Southwestern City S. D., Ohio	2,750,000	1964-1985	Noon
December 19 (Wednesday)			
Ayer, Mass.	1,423,000	1963-1967	11:00 a.m.
Cherry Hill Township S. D., N. J.	2,340,000	1964-1982	8:00 p.m.
Gadsden Board of Education, Ala.	1,000,000	1966-1934	2:00 p.m.
Islip Union Free S. D. No. 9, N. Y.	1,150,000	1963-1983	2:00 p.m.
Paterson, N. J.	1,549,000	1964-1983	11:00 a.m.
Port of New York Authority, N. Y.	25,000,000	1993	11:00 a.m.
Richmond, Va.	11,300,000	1964-1983	Noon
San Juan Unified S. D., Calif.	2,315,000	1965-1988	10:00 a.m.
West Homes Local Sch. Dist., Ohio	1,500,000	1964-1985	Noon
December 20 (Thursday)			
Arizona State College, Ariz.	1,000,000	1965-2002	10:00 a.m.
Brookhaven & Smithtown Unified School District No. 1, N. Y.	1,283,000	1963-1991	11:00 a.m.
Celina City Sch. Dist., Ohio	1,698,000	1964-1986	Noon
Chattanooga, Tenn.	2,000,000	1964-1982	11:00 a.m.
Juneau-Douglas Ind. SD, Alaska	1,404,000	1963-1982	11:00 a.m.
Oakland County, Mich.	5,405,000	1963-1992	11:00 a.m.
Snohomish County, Everett Sch. Dist. No. 2, Wash.	1,865,000	1965-1983	2:00 p.m.
December 27 (Thursday)			
Elgin, Ill.	2,600,000	1964-1985	Noon
Hammond Sanitary District, Ind.	2,900,000	1965-1989	2:00 p.m.
So. Dakota Board of Regents, S.D.	1,175,000	1964-2001	2:00 p.m.
January 3 (Thursday)			
Port Arthur, Texas	5,361,000	--------	--------
January 4 (Friday)			
Sylvania City Sch. Dist., Ohio	1,400,000	--------	--------
January 7 (Monday)			
Cinnaminson Township S. D., N. J.	1,215,000	1964-1983	8:00 p.m.
January 8 (Tuesday)			
Citrus Junior College Dist., Calif.	1,500,000	1965-1984	9:00 a.m.
Oklahoma City, Okla.	15,350,000	1965-1988	--------
January 9 (Wednesday)			
Jackson Township Local SD, Ohio	1,075,000	--------	--------
Louisiana (Baton Rouge)	15,000,000	--------	--------
Maynard, Mass.	1,690,000	1963-1982	--------
Pa. State Public School Building Authority, Pa.	22,000,000	1963-2002	--------
St. Mary Parish, La.	1,100,000	1964-1902	10:30 a.m.
Terrebonne Parish, La.	1,500,000	1963-1982	7:00 p.m
January 14 (Monday)			
Burlington Township, N. J.	1,800,000	1964-1983	8:00 p.m.

Devine & Co., The Northern Trust Co., Harris Trust and Savings Bank, Merrill Lynch, Pierce, Fenner & Smith, R. W. Pressprich & Co., First of Michigan Corporation and Laidlaw & Co. Scaled to yield from 1.70% in 1964 to 3.40% in 1985, the present balance is $2,745,000. The 1986 to 1988 maturities carried a 1/10 of 1% coupon and were sold at a 4.40% yield.

Dollar Bonds Attract New Interest

As we near press time, the dollar quoted toll road, toll bridge, public utility and other revenue issues are apparently in considerable, if quite sudden demand. Many of these issues have made new highs for the years at the Dec. 12 opening. Kentucky Turn-Turnpike 4⅛s traded at 107¼ as did the Maryland counterparts, New York State Power 4⅛s, traded at 109¾s, Richmond-Petersburg Turnpike 3.45s traded at 100 and Virginia Toll Highway 3s traded at close to 100.

Many other issues were at or close to their 1962 highs. Other than the Virginia issues, the interest seemed primarily centered in the higher coupon issues.

The strength in Treasury issues during Tuesday's and Wednesday's sessions has sparked this resurgence in dollar bond prices. *The Commercial and Financial Chronicle's* Revenue Bond Index averages at 3.578% this week. Last week the Index was 3.609%. This represents a ½ point betterment on the week. This interest has been contagious enough to stimulate further large sales from recent new issue accounts and, as we close this report, the state and municipal bond market shows more activity than in weeks.

The Security I Like Best

Continued from page 2

loan department, which was organized in 1961.

On June 30, 1962, The Colwell Company had $2 million of subordinated debentures with warrants attached to purchase 24,058 shares initially at $10.62 per common share and 20,000 shares at $27 per share. At that time there were 531,918 shares of common stock outstanding.

In 1961, operating income totaled $3.2 million and net income was $381,000 equal to 82½c per share after adjusting for the 4% stock dividend paid in February, 1962. No cash dividend is paid because of expansion requirements. Earnings more than doubled in the last four years and an approximate 20% per share gain is anticipated for 1962. An improvement of similar magnitude seems likely for 1963 because of the present growth in the loan management portfolio. Over the longer term, The Colwell Co. should continue to grow faster than its industry in California.

McCormick & Co. To Admit Partner

CHICAGO, Ill.—McCormick & Co., 135 South La Salle Street, members of the New York and Midwest Stock Exchanges, on Jan. 2 will admit Tull Monsees to partnership.

The State of TRADE and INDUSTRY

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

The economy appears to be moving slowly upward again after several months of hesitation, stated the December issues of *Barometer of Business* published by Harris Trust and Savings Bank, Chicago.

Also the publication stated that the United States seems to be in a position to increase its exports which in turn should narrow the deficit in U. S. balance of international payments.

Business in 1962 has followed a plateau-slow advance pattern throughout the year. Currently automobile and steel industries are giving the economy a forward thrust.

Automobile production exceeded 1.4 million for October-November compared with 1.2 million in the 1961 like period. There were also record auto sales in October and continuing good sales in November which is 15% above November 1961 sales, points out the business summary.

Booming automobile production combined with a completion of liquidation of steel inventories allowed the steel industry to increase its output in November for the fourth consecutive month. Steel production normally declines in November, because of seasonal factors.

Income and sales have shown recent improvement in addition to renewed production strength. After barely creeping ahead during the summer, personal income is now increasing at the rate of $2 billion per month.

Record Retail-Sales High

Paced by strong automobile purchases, retail sales surpassed $20 billion for the first time in history, reported the Harris Bank. Manufacturers' and wholesalers' sales are also at record levels. Moreover, the outlook for higher sales in the next six months is favorable. According to surveys of consumer buying plans, more families expect to buy new cars and major household appliances than was the case a year ago.

In reference to the U. S. balance of international payments situation, the *Barometer* indicated that the position for the U. S. to increase exports is due to favorable price-wage trends in this country. Enlarged exports would also add to the modest pickup in business anticipated for the next several months, believed the bank.

Even though our economy has shown some recent pickup, the U. S. balance of international payments deteriorated moderately in the third quarter. The deficit in the balance of payments increased to $2.9 billion annual rate in the third quarter after declining during the first half year.

Higher imports and lower exports accounted for a major portion of the worsening balance of payments position, reports the monthly publication. Seasonally adjusted imports of merchandise increased to an annual rate of approximately $16.8 billion in the third quarter from second quarter $16.1 billion. Meanwhile, merchandise exports declined by 2% to $21.2 billion. Part of the larger deficit stems from a reversal of second quarter inflow of capital from Canada.

Export Decline Held Temporary

The moderate decline in U. S. exports last quarter is probably only a temporary phenomenon, stated the Harris Bank. For the year 1962 merchandise exports will be over $1 billion above 1961.

A decline in the U. S. merchandise balance on international account, such as occurred in the third quarter, often raises the question of the ability of U. S. business to compete with foreign merchandisers, points out the periodical. Rising U. S. prices and wages are sometimes cited as obstacles to a larger surplus in the trade balance.

However, consumer prices and wages increased less between 1953 and 1961 in the United States than in eight of nine other major trading countries. Only Switzerland has a smaller percentage rise in the cost of living and wages between 1953 and 1961.

During the past two years none of these countries experienced greater price and wage stability than the United States, indicated the *Barometer of Business*.

Bank Clearings Increased 10.4% Above 1961 Week's Volume

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Dec. 1, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 10.4% above those of the corresponding week last year. Our preliminary totals stand at $33,166,082,447 against $30,047,935,317 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

Week End. Dec. 8—	(000 Omitted) 1962	1961	%
New York	$18,987,141	$16,467,632	+15.3
Chicago	1,480,139	1,352,986	+ 9.4
Philadelphia	1,207,000	1,191,000	+ 1.3
Boston	886,893	832,519	+ 6.5
Kansas City	547,081	528,089	+ 3.6

Steel Output Dips 1.0% Below Week Ago and Down 13.9% From Last Year

According to data compiled by the American Iron and Steel Institute, production for the week ended Dec. 8, 1962, was 1,858,000 tons (*99.7%), as against 1,876,000 tons (*100.7%) in the week ending Dec. 1.

Data for the latest week ended Dec. 1, 1962, shows a production decline of 13.9% compared to last year's week output of 2,158,000 tons (*115.8%).

Production this year through Dec. 8 amounted to 92,723,000 tons (*101.6%), or 1.8% above the Jan. 1-Dec. 9, 1961 period.

The Institute compares the Index of Ingot Production by Districts for the last two weeks as follows:

District—	*Index of Ingot Production for Week Ending Dec. 8 1962	Dec. 1 1962
North East Coast	86	91
Buffalo	95	92
Pittsburgh	87	90
Youngstown	88	85
Cleveland	110	121
Detroit	158	152
Chicago	113	114
Cincinnati	113	112
St. Louis	109	110
Southern	84	92
Western	96	80
Total Industry	99.7	100.7

*Index of production based on average weekly production for 1957-1959.

Steel Production Upswing Continues

Steel mills continue to increase production, reflecting steady improvement in automotive demand, *Steel* magazine said.

Output this week is expected to be slightly higher than the 1.9 million ingot tons that were

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Reasons for Optimism About Business Outlook

By Harold L. Bache,* Managing Partner, Bache & Co., New York City

Wall Street partner notes the optimistic shift of investor sentiment and delineates reasons why this should prevail as private enterprise accomplishes the impossible as well as the possible in the years ahead. He predicts a GNP 30% increase by 1970 and doubling of the population 37 years hence requiring the building of another America. Shareholders are expected to increase by 13 million to 30 million by 1970 and to supply the critical balance of investment funds permitting business to fulfill future demands.

Until quite recently an attitude of extreme caution about the state of the economy has been prevalent in many quarters. A strong change in sentiment has manifested itself—a change to outright optimism and a growing confidence in the vitality of the economy. Investors are heartened by the rising level of corporate profits, which will hit a peak this year. Employment is the highest in history. Car sales are breaking all previous records. Christmas retail sales are expected to ring up unprecedented totals. Per capita income is rising—as you certainly know, per capita income right here in San Francisco is the highest in the nation.

Harold L. Bache

In short, the outlook is heartening—**if** we make full use of our own capabilities. It is well in our power to keep America moving ahead. For it is largely through private business — through our capitalistic system of free enterprise that we will discover the creativity to meet the demands of the future.

In an economy such as ours, plants can be built, new products developed, jobs created in only one way: through investment. Overall, business will need around $400 billion to finance growth through 1970. Obviously, industry will depend to a sizable extent on retained earnings and depreciation. In addition, great sums can be raised through debt financing and bank loans.

Suppliers of Critical Investment Funds

But the balance, the critical balance — amounting to several billions of dollars each year—must come from individual savings. Today there are literally millions of financially qualified men and women who must be educated to direct some of their savings into equity investments.

In 1956, addressing a group of businessmen, I predicted a rise in shareownership from 6.5 million to 12 million by 1960. According to the New York Stock Exchange's 1960 census, there were 12,500,000.

The Exchange's latest shareowner census showed a total of some 17,000,000 as of early 1962. I predict — and I believe my estimate is on the conservative side —that the shareowning population will increase to 30,000,000 by 1970.

In this connection, it is reassuring that the great majority of today's investors are operating on a sound basis. They are buying for cash for the most part and making their investment decisions with careful research, guidance and advice. Many of them are investing out of income in high quality securities including mutual funds, accumulating over the years a sound and diversified investment portfolio.

When I speak of encouraging 13 million more people to own a share in American business, I want to re-emphasize a basic Bache policy. It is our purpose to encourage broader shareownership as an integral part of their personal, long-range financial planning, and with a full knowledge of the risks as well as the rewards of investment.

My own mood is one of optimism about the future—not merely the short-range outlook but for the long years ahead. Let me briefly offer you a few reasons for this attitude.

Optimism About the Future

It will strain your imagination to know that the Census Bureau has estimated that the population of the United States will double by the year 2,000. I grant you that seems far, far in the future. Actually 2000 A.D. will dawn in only 37 years. This is less than the average age of our population today. Many in this audience will live to see the dawn of 2000. But consider the exciting challenge of a doubling of our population in less than four decades. It means, in effect, that by the year 2000 we must build **another** America. We must put up another grammar school, another high school, another university for every one we have now. Another hospital, another factory, another library, another home.

Let us consider a nearer future —say 1970, just eight years away.

This is a year we can conceive more easily, for science will have changed our lives relatively little. I feel quite sure we shall be driving cars, living in houses, wearing clothes, flying in jets in pretty much the same way we do now.

By 1970 we shall have a Gross National Product, a total output of over $700 billion, or 30% greater than today. The average family will have a spendable income—that is, after taxes, of more than $8,000 a year. That family will be able to spend 25% more on recreation and about 12% on private education than at present.

By 1970, 80 million Americans will have gainful employment. The 68 million jobs we have today are in large measure the result of automation—and that will apply to the 80 million jobs of 1970. As we take the laborious, menial, repetitive tasks from human beings and give them to the machine, we in fact free them to perform for society other services more productive and befitting human dignity.

Challenge of Jobs

This process of transferring labor to other fields of useful and gainful endeavor is, to be sure, not simple or automatic. We shall have to plan and plant for it well. But we will meet this challenge through continuing research and development of new products.

Today we are the leaders of the world facing great responsibilities. The world knows us as a nation that can do the **impossible.** Surely, we shall not be daunted by doing merely the **possible.**

*From a talk by Mr. Bache at the Bohemian Club, San Francisco, Calif., Dec. 12, 1962.

Nuveen Appoints Clark Dallas Mgr.

DALLAS, Texas — Dallas is the location of the newest regional office of John Nuveen & Co., national investment banking organization. Edward P. Clark, a veteran sales representative of the company in Boston and Chicago, has been appointed the Nuveen regional manager for Texas, according to Chester W. Laing, President. The office is located at 1505 Elm Street.

Edward P. Clark

Mr. Clark has been associated with John Nuveen & Co. for five years.

The Nuveen organization, with principal offices in Chicago and New York, is the oldest and largest firm in the United States dealing in tax-exempt securities exclusively.

The new Dallas office will be tied into the company's private wire system providing communication nationwide to other principal cities, as well as to the company's principal offices.

Health Agency Names I. Abelow

The National Foundation for Neuromuscular Diseases, Inc. has announced the election of Irving Abelow, partner in the investment firm of Mitchell & Co., to its National Board of Directors and its policy-making Executive Committee.

The Foundation, a non-profit voluntary health agency, sponsors research at leading medical centers to find causes and treatments of a wide range of crippling nerve and muscle disorders, and provides equipment and services to patients through its affiliate chapters. Since 1953, it has awarded nearly $1,000,000 to medical investigators at institutions both in the United States and abroad.

Mr. Abelow, who is also a Director of the Burgess-Manning Co. and President of a philanthropic foundation which bears his own name, was himself stricken with a muscular disorder in 1941.

Confined to a wheelchair by a form of muscular dystrophy, Mr. Abelow nevertheless has for more than 20 years combined a successful business career with active support of numerous philanthropic projects and organizations. He is particularly interested in programs and institutions devoted to the aid of children with physical handicaps and disablements.

Mr. Abelow describes himself as "a born optimist, who lives for each day, is grateful for each day, and finds the greatest joy in living is in giving." A poet by avocation, he has written many inspirational verses. One of his favorite compositions is entitled:

THE HUMAN MIND

There is a story I would like to tell
Of a man who for years was in a cell,
For days and nights he'd sit and groan
"If I could but get out," he'd moan,
But alas, his freedom he did not get
And all he did was fume and fret.
But one day as he leaned against the iron door
It suddenly opened; he fell to the floor
As he picked himself up, thoroughly shocked
He realized the door had never been locked.
Many humans like the man in this tale
Lock themselves up in an imaginary jail,
Yet all they need to open the door
Is discard negative thoughts forevermore.

The Market . . . And You

BY WALLACE STREETE

Can the stock market stand prosperity? This was the obvious question asked earlier this week when stocks took their worst drubbing in six weeks.

Although the reaction seemed overdue, the real correction is still some weeks away, according to most technicians. A slowdown would appear inevitable after the steady advances of the last month and a half.

Strong Bull

Yet the bull retains a lot of strength. This animal is also easily swayed for a day or so by sudden flurries of good or bad news. Witness Monday market's reaction to the statement of Congressman Wilbur Mills that a tax cut is unlikely in 1963.

Mr. Mills, Chairman of the powerful House Ways and Means Committee, made his views known in a widely-read national magazine that appeared on the newsstands Monday. The market immediately fell seven points on the Dow-Jones industrials. The rails, one of the brightest spots in the post-Cuban crisis market, slipped 2½ points for their biggest retreat since June 12.

But if readers of this same magazine had read the four pages preceding Mr. Mills' gloomy outlook, the market reaction that day might have been far different.

A round-up of the outlook by business leaders for 1963 discloses:

- General Motors expects another good auto year, possibly as good as 1962, the industry's second best.
- Standard Oil (Indiana) predicts oil output and sales will set new highs in the first half of 1963. Profits will top 1962's first half.
- First National Bank of Chicago sees higher levels of general business activity for the next six months.
- Inland Steel expects sharply higher output for the industry for the first half-year as compared with 1962's second half.

Other industry heads are nearly as optimistic for the most part. Possibly too optimistic for those investors more inclined to agree with the head of the U. S. Chamber of Commerce that "business prospects for 1963 are cloudy and uncertain."

But the market appears more disposed to make up its own mind. Heavy selling Monday was followed by a sluggish Tuesday session. Yet a fairly ragged retreat was stopped by the news that November's non-farm employment rolls hit a record 56 million as the average work-week expanded to 43 hours. Overtime in the record-popping auto factories helped boost the work-week figures.

December also carries its own built-in bullish feeling. While the year-end rally is often elusive, it has a rather sturdy foundation this year. Most of the tax-loss selling is believed to be over except the usual laggards who wait for the last day.

Profit-Taking Vulnerable

Profit-taking remains more of a threat, particularly when it is noted that the calendar may play strange tricks this year. The traditional four business days to take profits before the end of the year may stretch to 10 calendar days if the exchanges decide to close Christmas Eve day, Dec. 24.

December 21 would then be the last day for regular way profit-taking.

If the New York Stock Exchange Governors follow their pattern of several years ago (1955), they will vote this week to close their doors the Monday before Christmas. One bright note: Compression of time for tax-selling can at least clear the decks for another rise if the market is so inclined.

Any sustained correction would probably change this inclination in a hurry. But few analysts expect the Dow will penetrate the 625 level on the downside in the near future.

The more serious corrections would seem to be postponed into the New Year barring the unexpected. One item in this category could be President Kennedy's speech later this week on the chances of a tax cut for 1963.

The Technical Side

Meanwhile the market appears to be enjoying its prosperity, but only to a degree. The shorts, especially in the glamor stocks, continue to prop the longs. The odd-lotters are still selling more shares than they are buying. And sales in year-end "window-dressing" by the mutual funds are apparent.

Volume has dropped, but the number of issues traded remains broad. It all adds up to a sensitively aggressive market although its character has changed in recent days.

We are now seeing, according to many traders, the end of the first stage of the post-Cuban crisis market where nearly every group made significant gains. Even the rails moved ahead as a group although many individual lines based their future hopes on a general boom economy.

Selectivity Amen

The next stage of the up market, according to the seers, will be selectivity. Most likely bets: International oils. Texaco and Standard of California as well as Jersey Standard and Royal Dutch are near their all-time highs.

Oils, unlike most major industrial groups, have weathered corrections this year better than most issues. They also appear better located to withstand near-term minor market revisions.

Contrast the oils with the aircraft and missile makers. Most of the latter have done well lately in line with the accent on space-age and growth potential stocks. But a flurry of contract changes could change the whole picture rapidly.

Missile Contingencies

Cancellation of the Skybolt missile program, for example, would affect many subcontractors in addition to Douglas Aircraft Co. These subcontractors include Northrop, Aerojet-General, and General Electric.

Although Aerojet and GE unquestionably have many other commitments, cancellation of the program would have major repercussions on Northrop and Douglas. Douglas has performed fairly well in crossing the 30 mark this week, but concedes it has no product to take up the slack if the Pentagon pulls out of the Skybolt program.

This air-to-ground missile project—the largest single one at Douglas—currently accounts for 14,000 workers, or one-in-six employed by Douglas. Nearly half of Douglas' 42,000 employees are connected with its missile and space division at Santa Monica. This is the same operation where the Skybolt is being developed.

Northrop appears to be equally vulnerable. Although its stock is currently several points above the year's low of 19⅛, Skybolt's demise could erase 15 or 20% of its annual volume. Elimination of Skybolt would also cut Northrop's backlog ($369 million at Oct. 29) to well below its year-ago total of $334 million.

Other vulnerable stocks in and out of the space area are those with large short positions. Although the shorts stand to lose heavily in the fast-climbing market of recent weeks, it is also apparent that stocks like Polaroid, Korvette, Chrysler, and Beckman may move equally as fast in the other direction if and when sentiment shifts.

This fear, according to some chartists, makes the less alluring but perhaps more wholesome members of the blue chip set the most likely candidates for 1963 popularity.

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

Southern New England Tel. Co. Debens. Offered

An underwriting group managed by White, Weld & Co. and Kidder, Peabody & Co., New York, are offering $45,000,000 Southern New England Telephone Co. 4⅜% debentures, due Dec. 1, 2001, at 101.032% and accrued interest, to yield 4.32%. The group won award of the bonds Dec. 11 on a bid of 100.28%.

A major portion of the net proceeds from the sale will be allotted for repayment of advances from American Telephone & Telegraph Co. parent, for a variety of corporate uses, including extensions, additions and improvements to facilities. The balance of the proceeds will be used for general corporate purposes.

The debentures are redeemable at prices ranging from 106.032% to par, plus accrued interest.

Southern New England Telephone, with principal offices in New Haven, Conn., furnishes communication services, mainly local and toll telephone service, throughout the State of Connecticut except for the principal portion of the Town of Greenwich and a few small communities served by a connecting company. On Sept. 30, 1962, the company had 1,359,766 telephones in service, of which slightly more than one-half were in the Bridgeport, Hartford, New Britain, New Haven, Norwalk, Stamford and Waterbury exchange areas.

For the nine months ended Sept. 30, 1962, the company had total operating revenues of $114,821,000 and net income of $14,993,000.

Chase Manhattan Senior V.-Ps.

E. Arthur Carter and John W. de Milhau have been promoted to Senior Vice-Presidents of the Chase Manhattan Bank, it has been announced.

E. Arthur Carter

John W. de Milhau

Both are in the investments and financial planning department. Mr. Carter is in charge of the bank investments group while Mr. de Milhau heads the municipal bond division.

Mr. Carter began his business career in 1917 with Carter & Company, members of the New York Stock Exchange. In 1921 he joined the International Acceptance Bank, which merged with the Bank of the Manhattan Company in 1932. The Bank of the Manhattan Company and the Chase National Bank merged in 1955 to form the Chase Manhattan Bank. Mr. Carter was appointed an Assistant Secretary in 1925 and was promoted to Assistant Vice-President in 1927 and to Vice-President in 1939.

Mr. de Milhau, who studied at Harvard, began his banking career with Harris Forbes and Company in 1930. In 1931 the business of Chase Securities Corporation, a division of the Chase National Bank, was consolidated with that of Harris Forbes under the name of Chase Harris Forbes Corporation, and he left the corporation to join the bank's bond department. In 1957 he assumed his present position as head of the Chase Manhattan municipal bond division.

Appointed an Assistant Manager in 1938, Mr. de Milhau was promoted to Second Vice-President in 1942 and to Vice-President in 1956. He is a former President of the Municipal Bond Club of New York and a former Governor of the Investment Bankers Association of America.

Zuckerman, Smith To Admit Post

Zuckerman, Smith & Co., 30 Broad Street, New York City, members of the New York Stock Exchange, on Jan. 1 will admit Richard M. Post to partnership.

Abrams Appointed By Benj. Lewis Co.

CHICAGO, Ill.—Wm. A. Abrams was named Assistant to the President of Benjamin Lewis & Company, 39 South La Salle Street. D. M. Rutherford, President, has announced that Mr. Abrams will represent the firm in negotiating private financing for industry.

BANK AND INSURANCE STOCKS

This Week — Insurance Stocks

3RD. QUARTER FIRE & CASUALTY UNDERWRITING RESULTS

The majority of fire and casualty insurance companies recorded an improvement in underwriting profit margin during the third quarter of the current year as compared with the similar three month period of 1961. The major factor behind the better results was the more favorable weather experienced this year in the months of July, August and September. The absence of a major hurricane this year, such as Donna in 1960 and Carla in 1961, was highly significant in reducing the loss ratio. In addition, the major underwriters continued to make steady if modest progress in reducing the expense ratio. Twenty-one of the twenty-nine companies listed in the accompaning table recorded a higher underwriting profit margin in the third quarter of this year than in the comparable period of 1961.

For the nine month period, the improvement in underwriting results indicated is also impressive. While many remain in the red in underwriting operations, both the loss and expense ratios have shown some reduction this year. It appears that results in the casualty and the property lines have been fairly similar thus far in 1962 with a small profit recorded in each area. Automobile liability experience has been somewhat better to date, thereby offsetting less favorable results for the property lines due principally to heavy losses experienced on fire and the homeowner's multiple peril lines.

Overall operating earnings for the nine month period were generally higher as gains in net investment income were reflected in total results. While virtually every company in the industry reported a lower liquidating value per share as of Sept. 30 than that of a year ago, or at year-end 1961, due to the decline in stock market values experienced over those two periods, the subsequent sharp rise in the stock market since Oct. 1, particularly in the "blue chips" which are so prevalent in insurance company investment portfolios, has undoubtedly restored a large portion of the drop in policyholders' surplus.

Underwriting Profit Margins

	Third Quarter		Nine Months	
	1962	1961	1962	1961
Aetna Cas. & Sur.	5.6%	— 3.4%	1.5%	— 1.4%
Aetna Ins.	1.6	— 1.1	1.3	— 0.6
Allstate Ins.	8.2	7.6	7.2	6.6
American Ins.	1.8	— 6.1	— 0.1	— 3.7
Boston Ins.	— 4.8	—11.3	— 3.8	— 8.5
Continental Casualty	0.8	0.5	— 0.4	1.2
Continental Ins.	— 2.6	— 6.8	— 4.4	— 9.5
Employers' Group	— 2.7	— 2.7	0.9	— 0.6
Federal Ins.	12.8	5.9	11.3	6.5
Fidelity & Deposit	20.8	15.8	17.6	15.3
Fireman's Fund	2.7	1.2	— 0.2	— 1.9
General America	4.6	7.1	2.8	5.6
Glens Falls	— 0.7	— 4.1	— 3.9	— 4.1
Govt. Employees	13.6	15.4	9.2	11.7
Great American	0.4	— 2.1	0.1	— 5.7
Hartford Fire	— 0.8	1.1	— 0.1	0.6
Home Ins.	2.4	— 5.7	— 0.9	— 5.4
Ins. Co. of N. A.	5.4	1.8	2.3	0.4
Maryland Casualty	— 2.9	0.0	1.1	— 1.1
National Union	— 2.3	— 0.4	— 3.9	— 3.2
Northern Ins.	—15.7	0.0	— 9.0	— 3.6
Phoenix Ins.	— 0.9	— 6.5	— 1.4	— 5.3
Prov. Washington	— 0.2	4.5	0.1	1.2
Reliance - Standard	0.4	— 2.7	— 0.3	— 1.5
St. Paul F & M	2.5	— 2.0	0.2	— 2.1
Security-New Amsterdam	1.2	0.2	1.8	0.1
Travelers Ins.	6.0	2.3	4.2	5.0
U. S. F. & G.	3.4	2.1	— 0.5	2.3
Western C. & S.	— 2.1	6.5	0.5	3.0

SPRINGFIELD-HOME INSURANCE TRANSACTION

Springfield Insurance Company has announced plans to sell a major portion of the fire and casualty insurance on its books to Home Insurance Company. Springfield plans to place much greater emphasis on the business done by its subsidiaries, principally Monarch Life Insurance, in the life and health insurance fields in the future. The proposed transaction has been approved by Springfield's directors and will be submitted to stockholders at a special meeting this week.

Springfield has recorded an underwriting loss of $11.2 million over the past two and one-half years on its property and casualty business which reduced net consolidated earnings before taxes to $5.1 million for the period. It is estimated that a profit of $12.1 million for the period would have been recorded if the proposed transaction had occurred prior to 1960. In his letter to stockholders, Chairman S. Dwight Parker indicated Springfield's principal reason for the proposed transaction as follows:

"As you are aware, underwriting results in the property and casualty insurance business have generally been unsatisfactory over the last several years. Your company has shared the unprofitable underwriting experience of the industry. The Board of Directors believes that, with the exception of the largest companies in the industry, it will become increasingly difficult for companies of our type to make an underwriting profit on property and casualty insurance. The basic reason for this is that in order to be competitive it is necessary to have a very low expense ratio, and such a ratio can only be achieved on a very large volume of business."

The proposed agreement indicates that the sale of the insurance involved together with the good will, rights and interests involved would be for a price of approximately $18 million composed of (1) $4 million for the agency plant and goodwill, (2) $1.2 million for the list of Deferred and Installment Premium Policyholders and the rights in connection therewith and (3) an amount equal to 45% of the applicable unearned premium reserve after deducting the $5.2 million from items (1) and (2).

The proposed transaction is of major significance to the insurance industry with the reasoning behind the sale and the purchase price of particular importance.

NEWS ABOUT BANKS AND BANKERS

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

The Chase Manhattan Bank, New York promoted E. Arthur Carter and John W. de Milhau to Senior Vice-Presidents. Jerry W. Johnston was also promoted to Assistant Vice-President. Mr. Johnston, who is in the Bank's International department, was formerly an Assistant Treasurer.

In addition, the Bank announced the appointment of five new officers. They are Patrick F. Dillon and Robert L. Oliver, both made Assistant Treasurers in the international department; Gerald T. Lutz, named Assistant Treasurer at the Fifth Avenue and 44th St. branch; and William H. Dolan and Raymond A. Guenter, both appointed Assistant Staff Counsel in the legal division.

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Election of Martin T. Griffin, Donald B. Riefler, and James R. Brugger as Vice-Presidents of **Morgan Guaranty Trust Company of New York** was announced here by Henry C. Alexander, chairman of the Board.

Messrs. Griffin and Riefler are in the Banks government bond department. Mr. Brugger heads the public relations department.

Mr. Griffin was employed by **J. P. Morgan & Co.** in 1935 and has been an Assistant Vice President since 1958. Mr. Riefler joined **Guaranty Trust Company of New York** in 1952 and has been an Assistant Vice-President since 1959. Mr. Brugger was employed by J. P. Morgan & Co. in 1954 and became manager of public relations in 1959.

Also announced were the appointments of three Assistant Vice-Presidents: Joseph G. Brown, in the government bond department; Henry C. McDonald and Richard L. Tauber, both in the municipal bond department.

Arnold C. Lewis was named a Trust Officer and Richard Flender and Joseph A. O'Connor Assistant Trust Officers, all in personal trust administration. G. Walter Nape was appointed an Assistant Trust Officer in pension trust administration.

Four Assistant Treasurers were appointed: John W. Lapsley and Alexander D. Mallace, both in the government bond department; Wiliam C. Bullock, Jr., in the credit department; Joheph O'Sullivan, in the municipal bond department.

Also announced were the appointments of Edward P. Fichter as an Investment Officer, Franklin Vanderbilt and Stephen I. Davis as Investment Research Officers, DeGrove Muir, Jr., as an Assistant Secretary in the Investments Department. Thomas B. Sitler as an Assistant Secretary in personal trust administration.

Election of J. Paul Austin as a Director was also announced Dec. 6.

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Edmund F. Wagner has been elected a member of the Lower Manhattan Advisory Board of **Chemical Bank New York Trust Company, New York,** Chairman Harold H. Helm announced Dec. 10. Mr. Wagner is Chairman and President of the **Seamen's Bank for Savings, New York.**

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The United States Trust Company of New York has promoted Fred E. Hilgeman to Senior Vice-President in charge of the Operations Division. Also promoted were Robert E. Powers, Douglas J. Smith and Elmer Witting, who became Assistant Vice Presidents.

Mr. Hilgeman joined the Trust Company in 1925. Since 1959 he has been responsible for the Company's operations.

Commercial Bank of North America, N. Y. received approval from the New York State Banking Department on Nov. 30 to increase its capital stock from $3,690,575 consisting of 738,115 shares of the par value of $5.00 each, to $3,782,840 consisting of 756,568 shares of the same par value.

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The New York State Banking Department on Nov. 29 gave approval to the **Central State Bank, Brooklyn, New York** to increase its capital stock from $428,400 consisting of 85,680 shares of the par value of $5.00 each, to $436,970 consisting of 87,394 shares of the same par value.

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The proposed consolidation of the **First National Bank of Southampton, L. I., N. Y.** into the **Security National Bank of Long Island, N. Y.,** will be submitted to Security National stockholders at the annual meeting Jan. 15, it was announced by Herman H. Maass, President of Security National.

Stockholders of First National Bank of Southampton will vote on the consolidtaion on Jan. 8, according to J. Lawrence Halsey, Board Chairman of First National.

The Security National Bank reported assets of $256,280,688 and the First National Bank of $15,335,000 as of Sept. 30.

Subject to approval by stockholders, the Comptroller of the Currency and other regulatory agencies, the consolidation would be affected by an exchange of stock on the basis of four shares of Security National for each share of First National.

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The National Shawmut Bank of Boston, Mass. elected John K. Benson and D. Thomas Trigg, Senior Vice-Presidents, Directors.

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The Boston Safe Deposit & Trust Co. Boston, Mass. elected John G. Flemming and Dana G. Mauch Vice-Presidents.

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The **Worcester County National Bank, Worcester, Mass.,** promoted Roger M. Corey and Arvo D. Peltonen, to Assistant Vice-Presidents and Thomas E. Keresey, was promoted to Assistant Cashier.

Elected officers are Robert E. Cruickshank, Assistant Personnel Officer; James F. Lynch, Manager, Operations Department; Paul G. Howe, Manager, Lincoln Plaza; Matthew W. Cavanaugh and John E. Mackintire, both Assistant Managers in the Time Sales Department; Siegfried F. Bursch and Richard H. Robertson, both Assistant Managers, of the Lunenburg Street office in Fitchburg.

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Bernard M. Halpern has been elected President of the newly organized **Commercial Bank and Trust Company, Pittsburgh Pa.** whose building is now being completed at 8th and Penn Avenue, Downtown. He succeeds his father, the late Julius Halpern in this position. Mr. Halpern was formerly Vice-President of the institution.

The Commercial Bank and Trust Company will have initial Capital and Surplus of $5,000,000 and plans to be open for business early in February.

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The First National Bank of Allentown, Pa., by action of the Board of Directors on Dec. 3, authorized the transfer of $1,000,000 from the undivided profit account to surplus, thereby increasing their combined capital and surplus to a total of $10,090,000.

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The National Security Bank, Chicago, Ill., elected John M. Clark, a Director.

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The First National Bank, St. Paul, Minn., elected E. L. Murphy, Jr., a Director. Charles E. Arner and Carl M. Peterson have also been elected Vice-Presidents.

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The Comptroller of the Currency James J. Saxon Dec. 5 issued preliminary approval to organize a new National Bank in Grand Forks, N. D.

The new bank, to be operated under the title **"Community National Bank of Grand Forks,"** will have an initial capital structure of $150,000, consisting of $100,000 capital, $25,000 surplus, and $25,000 undivided profits.

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The First National Bank in St. Louis, Missouri, announced that Eugene R. Wilhelm, Assistant Vice-President, was elected Vice-President and Charles S. Betz, was named Assistant Cashier.

Mr. Wilhelm, whose career with First National began in 1937, became Assistant Cashier in 1949 and was promoted to Assistant Vice-President in 1956.

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Preliminary approval to organize a National Bank in Boone, N. C., was granted Dec. 4 by Comptroller of the Currency James J. Saxon.

The bank, to be operated under the title **"First National Bank of Boone,"** will have initial capitalization of $300,000.

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The Boulevard National Bank of Miami, Fl., named Jose Miguel Morales y Gomez a Vice-President.

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The Comptroller of the Currency, Washington, D. C., Dec. 6 gave formal approval of a $4,000,000 increase in capital and surplus of the **Republic National Bank of Dallas, Texas.**

Action of the Comptroller, giving full effect to resolutions adopted by shareholders of Republic at a special called meeting Tuesday, was announced by Karl Hoblitzelle, Chairman of the Board, and James W. Aston, President of the Bank.

The increase was accomplished as follows:

1. An aggregate of 82,075 shares of the Bank's $12 par value stock, or 2% of the 4,103,789 shares previously outstanding, were issued to shareholders of record as of Dec. 4, ratably. This increased capital stock of the Bank to $50,230,368, or a net gain of $984,900, and increased the total number of shares outstanding to 4,185,864.

2. Simultaneously, The Howard Corporation, et al., whose stock is held in trust for the benefit of Republic's shareholders, made payment of $2,000,000 cash to the Bank. Also, the Bank increased its surplus account to $63,769,632 by transfer of $3,015,100 from undivided profits.

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The **Republic National Bank of Dallas, Texas,** elected John K. Campbell, John R. Sears, and Ed E. Monteith, Jr., Senior Vice-Presidents.

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James J. Saxon, Comptroller of the Currency, announced Dec. 5 that he has granted preliminary approval to organize a new National Bank in Waco, Texas, under the title **"Lake Air National Bank of Waco."**

The new bank, to be located in the Lake Air Shopping Center, will have an initial capitalization of $450,000. George O. Nokes, Jr., has been proposed as Chairman of the Board and Wilton A. Lanning will be President and a Director.

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Preliminary approval to organize the **"First National Bank of Ingleside," Ingleside, Texas,** was granted Dec. 5 by Comptroller of the Currency James J. Saxon.

Initial capitalization of $250,000 will consist of $100,000 capital, $100,000 surplus, and $50,000 undivided profits. Chester A. Long has been proposed as President and a Director.

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The **First National Bank in Dallas, Texas,** made Lawrence H. Budner a Vice-President and Trust Officer.

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The **Bank of California, San Francisco, Calif.,** elected S. Vilas Beckwith Senior Vice-President and Senior Trust Officer, and Victor T. Cranston was elected Senior Vice-President.

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The **Royal Trust Co., Montreal, Canada,** elected John M. Wells, President, succeeding Jack Pembroke who has been elected Chairman and remains Chairman of the Executive Committee. Ross Clarkson retired as Chairman to become Honorary Chairman. Conrad F. Harrington succeeds Mr. Wells as Vice-President and General Manager.

$30 Million Bonds Of N. Y. State Unit Publicly Offered

An underwriting group headed by The Chase Manhattan Bank is offering $30,000,000 State of New York 4%, 2.80%, 2¾%, 2.70%, 2.60%, 2½%, 2¼% and 2% Park and Recreation Land Acquisition Bonds, due Jan. 1, 1964-1983, inclusive, at prices to yield 1.50% to 2.85%.

The group was awarded the issue at competitive sale Dec. 10 on a bid of 100.0399999% for the combination of coupons, a net interest cost of 2.6252% to the State.

The bonds are general obligations of the State of New York, the full faith of which is pledged to the payment of principal and interest on the issue.

The bonds are being issued under State legislation for the acquisition of predominantly open natural lands, for conservation and outdoor recreation, particularly in and near rapidly growing suburban areas to meet future needs of an expanding population, to acquire additional state park lands, to provide for state grants to cities, counties, towns and villages in acquiring similar lands for municipal parks and to establish and carry out a park and recreation land acquisition program.

Stone & Webster Elects Mackey

Kenneth K. Mackey has been elected an Assistant Vice-President of Stone & Webster Securities Corporation, 90 Broad Street, New York City.

SECURITY SALESMAN'S CORNER

BY *JOHN DUTTON*

Security Salesmanship As a Career

This is the third in a series that will discuss the opportunities and the problems which are unique in the profession of security salesmanship. Further articles will follow during consecutive weeks on this subject.

Your Own Finances

The man who has a plan for living has the advantage of knowing where he is going. Few professions offer the opportunities for capitalizing upon contacts and information that can be acquired by an active security salesman. Think of the wide area of your operations. Many other salesmen who specialize in necessary, but run-of-the-mill products, are confined to contacting people in their own line of business. Often their income exceeds that of the people who are the "buyers" for the firms with whom they do business. Their knowledge is likewise limited to a few special products, or one line of business. Even the engineer salesman or a specialist salesman in the chemical industry is working in a circumscribed and limited field. The man who sells prosaic items such as clothing, hard-goods, groceries etc. may also be very successful and enjoy substantial earning power, but he too can never meet the broad variety of interesting people in all walks of life that a top-flight investment salesman contacts in his diversified activities.

Think of the doors that are open to you if you know how to sell securities. Doctors, lawyers, business executives; also men in the highest ranks of industry, finance, and banking are your prospects. If you are successful there is no limit to the contacts you can make among men who are important in your community, or even your state and your country. Once you have established contacts, and you have proven that you can handle business for such men as these, you are not only in the highest echelon of earning power but you are going to have opportunities placed before you that can lead to substantial progress in building up your own estate.

This has happened to many men who started as security salesmen and ended up presidents of large industrial firms. I remember one friend of mine way back in the thirties who had the foresight to envision the growth that might eventually take place in the affairs of a small but aggressive company. At the time they had some convertible debentures outstanding that were selling at about forty cents on the dollar. The assets were there, and the potential for recovery was apparent to him. He didn't have any money *but he had customers.* So he went out and quietly bought the bonds for his clients. Then he slowly picked up some of the stock and at the next meeting, low and behold, he went there with a fist full of proxies, and enough votes to take control of that company. When he became its president he quit the security business and for the past twenty odd years he has been running that business successfully. His customers also made money on the deal. What other line of business could offer such an opportunity, and this has happened many times.

But There Are Pitfalls

There is another side of the picture, however. The fact that so many interesting and varied contacts lie withing your grasp, and the diversified opportunities which constantly come before an imaginative security salesman, in themselves, create a constant challenge to your first obligation—and that is to sell securities. Many men have the mistaken idea that all they have to do is find someone who believes in them who has a new invention, a large bank-roll, or some sort of a business, and they are ready to become a tycoon. One of my old friends used to call it, "Trying to shoot an elephant in your back yard." There are not many elephants available unless you go where they live.

And what a lot of time you can waste once you begin to think that selling securities is just a hard way to make a living and there is greener grass on the other side of the street. What is important, is to keep your eyes open, never stop learning every day of your life, and if you someday find an opportunity, then you will have the background of experience and knowledge to make a valid decision.

You are going to be offered deals. Most of them will be time wasters. You will be told stories by people who think that because you know investors that you can help them to distribute some stock they would very much like to sell. They will make it appear that you are on their favored list and they are doing you a favor. You are a marked man when you have investor clients. You have "buying power." You can put away paper and others will get money for it. Be sure that you are not touting your friends onto the wrong horse. And you may also be tempted to buy some yourself. After all, aren't you in a position to hear about all these good things? Isn't that what many of the uninformed lay public are wont to believe?

There was a public forum for investors in our community the other day and some of the questions took the form of, "If you fellows on the panel are such experts why aren't you out here investing the money instead of telling us who have already made it what to do?" Of course, this is an entirely erroneous concept of security salesmanship. Investing is not a free ride to heaven. Nor is counselling investors a quick and easy way to get rich. It's a day in and day out job that is about in the same category as that of a good Doctor, a lawyer, a professional, or that of any other business man who must serve the public in these ever changing and challenging times.

Have A Plan For Yourself

If you are a security salesman then I would suggest that you put that first. Be as "excellent" in that as you can. Never stop improving you knowledge and your contacts. Over the years, follow the same common sense investment program for yourself that you suggest for your clients. When you have a good year, don't spend more than you make trying to put on a show for your friends, your associates, or even your wife and children. Live simply. Belong to a good club if you like it, enjoy it, and can afford it. Go to church, go fishing, help in community activities, or if you get more enjoyment and spiritual invigoration out of reading Thoreau or Emerson, or chatting with a few good friends, do that. Live your own life.

You can sell all the securities that you'll ever wish to sell without any outside activities providing you know how to work during business hours, *and you know your business.* There are so many slip-shod people in practically every phase of activity today from plumbing, to security selling, that a man who promises to do something, and then does it correctly and on time, practically has no competition.

As you invest in your life insurance when you are young, and you add to your investments as you increase your income, use the same sound policies of diversification, seeking out values, keeping quality high, buying when prices are attractive, as you try to accomplish for your customers. Don't attempt to run a trading account for yourself, another dozen sizable discretionary trading accounts for clients, handle several hundred investor clients, service some banks, insurance companies, and trust companies, and then expect to be a success at everything. There have been a few geniuses in the security business but most of them made their millions before SEC and the present day exhorbitant income tax rates.

It takes time to study and investigate an investment or speculative venture. Tips, hunches, and emotionalism have provided us with some "ninety-day wonders." It has also supplied our business with some very sad endings to what could have been much happier and more fruitful lives.

Back in the "forties" there used to be a fellow we called "Charlie." At one time he had been a millionaire. Some of us knew him by reputation, others had known him intimately for years. Every Friday afternoon at 3:30 Charlie would appear at our door. For years he would collect $2.00 from three of us in our office. Then he would go to several other places where old friends knew him. Possibly he collected about thirty dollars a week. We belonged to Charlie's club. Dues were $2.00 per week. Charlie never knew what it meant to turn down a friend when he had it. But faded glory, Cadillacs that are no more, and past membership in the best clubs, won't buy groceries when you are sixty-five. But a box-full of good securities, a home that is paid for, some good health and a sound liver, isn't such a bad way to reach that goal either.

Hirsch Co. to Admit

Effective Jan. 1, Herbert Fraiman and Harriet Shelare will become limited partners in Hirsch & Co., 25 Broad Street, New York City, members of the New York Stock Exchange.

MUTUAL FUNDS

BY JOSEPH C. POTTER

They're Rolling Again

Fundmen these days are full of Christmas cheer, for Santa Claus arrived in the waning days of October, stayed through November and here in the final month of 1962, he seems to have settled down for an extension of his long and most welcome visit. It's only when you settle down with annual reports of companies whose year ends on Oct. 31 that you remember the bad old days of the fading year.

There is, as an example, the 30th annual report of the Calvin Bullock-supervised Dividend Shares, Inc., one of the most respected in the field. The company is on an Oct. 31 year, so the report from President Hugh Bullock to his shareholders can't begin to measure the betterment in the portfolio since the year was closed out. Mr. Bullock and his colleagues, however, were not lacking in confidence as the new 12-month got underway. Thus he told stockholders:

"As a new fiscal year opens, your company has 94.3% of its assets represented by dividend-paying common stocks. This is a more fully invested position than was the case a year ago. Despite the many uncertainties confronting us in 1963 and the likelihood of recurring serious crisis in our international relations, it is felt that this policy is warranted on the basis of the long-term outlook for improvement in the domestic economy."

At the close of the latest year, total net assets amounted to $268.7 million, compared with $331.3 million a year earlier. And in the dreary year, assets per share declined to $2.79 from $3.52. That's a fall of 20%.

A week ago, this department cited Television-Electronics Fund, which also is on an Oct. 31 year. That glamour-growth company sustained a year-to-year setback of 26%.

While a fellow selling Dividend Shares might find some solace in the lesser loss sustained by this bread-and-butter fund, that would scarcely amount to a positive approach to a potential customer. The thoughtful investor certainly would have been more impressed by having it brought home to him that he had an opportunity to step up to the bargain counter at Tiffany's.

At least that is the way the Dividend Shares portfolio always has impressed Wall Streeters. And now, with investors more quality-conscious following the market slide in early 1962, that bundle of high-grade equities has an appeal that is almost irresistible.

Nearly 10% of the portfolio is wrapped up in the country's mighty banks and finance companies. Well over 4% is in General Motors and Ford. More than 8% is in drugs and chemicals, highlighted by du Pont and Union Carbide. Another 5% is in electrical equipment and electronics, largely General Electric and Westinghouse Electric.

And almost 5% of the whole Dividend Shares portfolio is invested in International Business Machines, far and away the biggest single holding.

More than $1 of each $7 of Dividend Shares assets is to be found in the top-drawer oil issues and something like $1 of every $6 is in utilities (including American Telephone & Telegraph).

In the last half of its fiscal year—a time when Mr. Bullock and his associates were converting problems into opportunities—Dividend Shares was busily snatching first-grade items off the bargain counter. Thus it added 2,000 shares to its 34,000-share bundle of IBM and 20,000 to its 100,000-share package of Westinghouse. By buying 20,000 shares of A. T. & T., it doubled its holdings of that premier equity. Dozens of others were bought, nearly every one designed to meet the most impeccable taste.

While it was picking up some three dozen different stocks, Dividend Shares over the six-month span was liquidating only one holding: American Tobacco, a 20,000-share bundle.

It reduced importantly its stake in 10 other companies, notably Bendix, Columbia Broadcasting System, J. C. Penney, C. I. T. Financial Corp. and Cities Service.

Of course, a big plus in this fund's fortunes is the fattened yields obtained from buying in a depressed market. After all, the name is Dividend Shares. And while stocks were sold heavily in early 1962, corporate boards of directors, aside from the steels, were doing well by stockholders. Incidentally, the fund, which owns 123,000 shares of United States Steel, was not buying into that group.

Unless Wall Street, in its renewed enthusiasm for stocks, is about to forsake quality goods, the next report to Dividend Shares stockholders should make for more pleasant reading.

The Funds Report

Total net assets of **Affiliated Fund, Inc.** at the close of the fiscal year on Oct. 31, amounted to $687,731,985, or $6.92 jer share, against $804,149,201, equal to $8.83 a share, at the end of the 1961 fiscal year.

* * *

Commonwealth Stock Fund puts net assets at the Oct. 31 fiscal year-end at $17,922,782, or $13.50 a share, against $21,581,047, equal to $18.03 a share, a year earlier.

* * *

Electronics Investment Corp. reports that at Oct. 31, midpoint of the fiscal year, net assets totaled $28,011,808, compared with $39,239,303 a year earlier. Net asset value per share declined to $5.30 from $7.70.

* * *

Guardian Mutual Fund, Inc. reports that at Nov. 30 net assets were $16,573,775, equal to $19.90 a share. A month earlier assets were $14,845,036, or $18.16 a share.

* * *

Investors Stock Fund, Inc. reports at the close of the fiscal year on Oct. 31 net assets were $883,245,534, compared with $978,730,731 a year earlier. At the 1962 year-end net asset value per share was $15.27, against $19.93 at the start of the fiscal year.

* * *

Lexington Income Trust reports that at the end of the fiscal year on Oct. 31 net asset value per share amounted to $9.92, compared with $11.51 a year earlier.

* * *

The semi-annual report of **National Securities Series** of mutual funds shows a decline in total assets to $444,477,381 at Oct. 31, down from the $511,595,844 at April 30.

Major portfolio additions to the funds included Chrysler, Harvey Aluminum, Radio Corp. of America, Adley Corp., Armstrong Rubber, Savannah Electric & Power, Combustion Engineering, General Motors, Libbey-Owens-Ford Glass and Tip Top Products Co. class A. Major portfolio sales: Joy Manufacturing, Wheeling Steel, Republic Steel and Simmons. Also sold were Curtiss-Wright, American Bakeries, E. J. Korvette and M. Lowenstein.

* * *

Puritan Fund reports total net assets on Oct. 31 were $117,400,000, equal to $7.08 a share. Share value a year earlier was $8.38.

* * *

The Putnam Growth Fund reports that at the end of the year on Oct. 31 net assets totaled $217,999,300, or $7.11 per share. This compares with assets of $207,361,400 and share value of $9.78 a year earlier.

* * *

Wellington Equity Fund reports that at the end of the fiscal year on Oct. 31 total net assets amounted to $64,900,000, or $11.41 a share. This compares with $80,400,000 of assets and $17.13 a share a year earlier.

FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

The Republicans at their recent meeting here almost with one voice blamed the President's belated action against Cuba as the reason for their failure to pick up more House seats. They are inclined to feel that he pulled a political ace out of the hole in the timing of his action. They had a good issue until he acted, they feel. They think the country was bitter at his no action and, had he not moved, the GOP would have swept Congress.

All the evidence is that they were wrong, They wholly misjudged the mood of the country. For months the Republicans had been on the wrong track by urging drastic action against Cuba. They came to the point of demanding that he take some action, many of them going so far as to demand intervention. The evidence is overwhelming that the country did not want this.

When the President set up a quarantine, the Republicans criticized him for not having acted sooner. They thought that they had forced the President to go as far as he did, and they had. In forcing the President to go this far they thought they were on top of the issue and sought to ride it to victory.

The indications are to the contrary. The public stood with the President because a quarantine was as far as he was willing to go and this was as far as the country was willing to go. Nowhere was this more apparent than in Indiana. Senator Homer E. Capehart, campaigning for his fourth term, had been one of the President's strongest critics in the three or four months preceding the election. He was making the President's failure to act in Cuba, one of his principal talking points.

The President, appearing in Chicago, attacked Capehart as a war monger. Then when Kennedy finally set up his quarantine, Capehart figured he had won the debate. He stepped up his criticism of the President for not having acted stronger and sooner. He was regarded as being a shoo-in for reelection.

But an analysis of the vote indicates that Capehart was wrong all the time. There is perhaps no more isolationist state in the Union than Indiana. It has long been against foreign aid. On election day it decided that Capehart was too belligerent and that Kennedy was the more moderate. Having been forced to act by the Republicans' criticism, the fact that he acted without resorting to intervention set well with the Hoosiers and the rest of the country as well.

It is surprising that a Capehart, a veteran campaigner who knows his state well, did not see this. He voted against World War II and always got his biggest hand at speechmaking when he declared he was against our foreign aid policy.

Of course, Kennedy's act in establishing the blockade turned out to be a big victory for him when Khrushchev backed down and agreed to withdraw his missiles and bombers out of Cuba. This unexpected outcome was a tremendous accomplishment for the President.

Never again will Khrushchev be quite the same bluff that he was. Maybe we will be able to handle our affairs without the fear that Moscow is looking over our shoulders and we are not handling them in a way which it would approve. Ever since World War II we have been guided in working out our affairs by the warning from the internationalists that we had better watch our step or the people of Europe would not understand it.

Beneficial Finance Co. Debens. Sold

Eastman Dillon, Union Securities & Co., New York, is manager of an underwriting group which is offering publicly $30,000,000 of Beneficial Finance Co. 4.45% debentures due June 1, 1988, at 100% and accrued interest to yield 4.45%.

Proceeds will be used to reduce outstanding short-term bank loans and commercial paper, incurred primarily to provide subsidiaries of the company with funds to carry on their respective businesses.

Beneficial Finance, headquartered in Wilmington, Del., is a holding company with subsidiaries engaged primarily in the small loan, merchandising and sales finance businesses. A nationwide merchandising business is carried on by Western Auto Supply Co., a susbidiary since Oct. 27, 1961.

COMMENTARY...

By M. R. LEFKOE

A country will rarely accept a totalitarian form of government willingly or knowingly. In order to institute a despotic political system, collectivists usually are required to resort either to armed aggression or to hiding from a country's citizens the real nature of the system they are advocating. The former method has been used in such communist-dominated countries as Soviet Russia, Red China, and Cuba. The latter method has been used in most of the Western nations of the world—including the United States.

The strategems used by collectivists in America to disguise their ultimate goal have been numerous and complex. Although many moral and economic subterfuges have been used with varying degrees of success, statists have been particularly successful in fooling too many Americans into believing one specific political-economic tenet: that inherent in *all* versions of totalitarianism is government expropriation of the means of production from private citizens.

Having accepted this tenet and having failed to grasp the essential nature of a collectivist government, the American public has been ideologically disarmed in any fight it might attempt against the dictatorial edicts which have been emanating daily from Washington.

von Mises' Thinking

In his book entitled *Socialism*, Professor Ludwig von Mises devastatingly refutes the assertion that the existence of private property *per se* is an essential criterion in determining the nature of a country's political system. He states:

"There are two different patterns for the realization of socialism. The one pattern — we may call it the Marxian or Russian pattern—is purely bureaucratic. All economic enterprises are departments of the government just as the administration of the army and the navy or the postal system. . . .

"The second pattern — we may call it the German or *Zwangswirtschaft* [compulsory economy] system—differs from the first in that it, seemingly and nominally, maintains private ownership of the means of production, entrepreneurs, and market exchange. . . . [But] the government tells these seeming entrepreneurs what and how to produce, at what prices and from whom to buy, at what prices and to whom to sell. The government decrees at what wages labourers should work, and to whom and under what terms the capitalists should entrust their funds. . . . *This is socialism with the outward appearance of capitalism.*" (Italics added.)

The United States today easily could have served as the nation which provided Professor von Mises with most of the concrete examples of government intervention he used to describe the "second pattern"—the compulsory economy — where economic coercion and slavery exist beneath a facade of capitalism and freedom.

The Real Issue

Thus, in attempting to analyze the nature of a country's political system, one should not begin by observing whether or not legal title to the means of production rests in private hands. Rather, one should ask: Are property rights recognized and protected by the government, or are they disregarded and violated? If property rights (and all other individual rights) are not recognized and protected, where legal title to property rests is irrelevant. One can be certain that the political system under analysis is collectivist in principal and dictatorial in practice.

Several weeks ago I briefly discussed the seven major administrative agencies and demonstrated that these government agencies "have obtained such sweeping power to control the use to which property is put that, for all practical purposes, private property exists no longer. Legal title to property still rests in the hands of private citizens, but the rights attendent to property virtually have been destroyed. There is no such thing as private property without property rights."

Other columns have shown how "these seeming entrepreneurs" are rigidly controlled by other branches of the government — the arbitrary, extra-legal edicts which flow regularly from the White House; the antitrust laws, requested and enforced by the Justice Department, which defy compliance, and which make every businessman a criminal from the moment he enters business; the laws passed by Congress which directly infringe on the rights of property owners, and the laws which turn over Congress's constitutional prerogatives to other government bodies; and the numerous decisions handed down by the Supreme Court which uphold the constitutionality of the dictatorial edicts, laws, and regulations promulgated and enforced by the other branches of government.

Well Known, But

The evidence of our government's destruction of property rights and all other individual rights has become so blatantly obvious that the fact has long since failed even to be a matter for debate. But while everyone (or at least everyone honest enough to admit the existence of facts staring him in the face) is aware of *what* is happening, too many people have failed to realize the *meaning* and *significance* of what they see—they have perceived the concrete events taking place around them, but they have failed to grasp the abstract principle involved in those events.

The essence of a collectivist political system is found in a government which substitutes an arbitrarily defined "public interest" for inalienable individual rights, capricious whims for objective laws, the initiation of coercion for the use of government force only in retaliation against criminals, slavery for freedom. The particular methods a statist government might use to enslave its citizens are only a matter of form and degree.

Either individuals possess certain inalienable rights, or they do not; inalienable rights which can be withdrawn by the government anytime it decides they clash with its own definition of the "public interest" is a contradiction in terms. Either a government enacts and impartially enforces objective laws, or it does not; an objective law which is binding only some of the time, on some people and not on others, is a contradiction in terms. Either a government protects its citizens from force and compulsion, or it does not; for individuals to be protected from criminals who initiate force by a government which itself initiates force is a contradiction in terms. Either men live in freedom, or they do not; a semi-free man is a contradiction in terms.

Road to Dictatorship

If Americans fail to understand the principles which differentiate a free society from a slave society, and realize that principles allow no exceptions, collectivists will no longer need to pretend the existence of a distinction between government ownership of the means of production and private ownership with property rights. They will have achieved their ultimate goal for the United States — an absolute dictatorship.

Standard Security Life Insurance Co. Common Offered

Ira Haupt & Co., New York City, is manager of an underwriting group which is offering 273,000 common shares of Standard Security Life Insurance Co. of New York at $9 a share.

Net proceeds from this financing will be added to the company's general funds and will not be set aside for any particular purpose. Substantially all of the proceeds will be invested initially in income producing securities as authorized by the New York Insurance Law and, thereafter, will be used to finance the company's operations, set up proper reserves for business to be written, expand its agency operations and increase its business.

Standard Security Life of 111 Fifth Avenue, New York City, was licensed by the New York Insurance Department in 1959 and is presently authorized to transact insurance business in 24 States. The company is engaged in the writing of individual and group life insurance and individual and group accident and health insurance. During the first nine months of 1962, the company wrote in excess of $54,600,000 of new life insurance, of which about $21,000,000 was reinsured.

Gross premiums after reinsurance (unaudited) for the nine months ended Sept. 30, 1962, amounted to $1,183,726 as against $459,836 (unaudited) in the comparable 1961 period. The company had life insurance in force on Sept. 30 amounting to $126,812,053.

Upon completion of this financing the company will have outstanding 690,000 shares of common stock and 150,000 shares of class A stock.

Carreau Co. to Admit

On Dec. 20, Stuart T. Parson will become a limited partner in Carreau & Co., 115 Broadway, New York City, members of the New York Stock Exchange.

1962—An Encouraging Prelude to the Year Ahead

By Roger W. Babson

Dean of American financial writers reviews past year's events which turn out to have been stronger and healthier than could be indicated in the day by day following of 1962 events. Mr. Babson does not minimize the jolt accorded to the stock market by the U. S. Steel-Kennedy inbroglio; notes the excellence of the year's over-all economic performance; and finds some good in the market slump in that it quashed "considerable . . . unhealthy speculative thinking."

Before attempting to assess prospects for 1963, it would be well for readers to look back on 1962 to "get the lay of the land," so to speak. The trends of the past year could provide valuable clues as to what may happen in 1963—which will be discussed in full in my forthcoming 1963 Forecast.

A Year of Crises

1962 had more than its share of dramatic events. Noteworthy among these were the forceful role played by the government in various aspects of business. Early in the year, Labor-Management bargaining in the steel industry was given definite "guidance" by the government. This helped to bring about an early and peaceful contract settlement. Only time will tell what the impact will be on the basic rights and responsibilities of Labor and Management in formulating mutually satisfactory working agreements. Shortly thereafter, attempts of certain leading steel companies to raise prices were dealt a severe setback at the hands of the government. This jolted confidence and helped to trigger the stock market slump, —another crisis.

The international scene took the limelight later in the year. The Cuban furor was followed shortly by the invasion of India by Red China. President Kennedy's forthright stand on Cuba restored American prestige in the eyes of the world. However, the Sino-Indian border clash underscored the magnitude of world unrest.

A Spadeful of Records

Notwithstanding the abovementioned crises, the American economy put together an excellent year. New records were set in many sectors. Total dollar value of goods and services produced (the Gross National Product) set a new record of $555 billion, according to my estimate. This trend is persistently up from the $519 billion average in 1961. The Federal Reserve Index of Industrial Production, which measures physical volume of output, is estimated to have averaged 119 (also a new record), versus 110 in 1961.

Other record-shattering performances included peaks in new construction expenditures, business capital outlays, retail trade, and personal income. Employment was also of record size; but, due to the increase in workers, the rate of employment relative to the growth in the labor force was disappointing. This situation points up a fundamental weak spot in our economy. If not remedied by sane business and government policies, it could haunt us in the future.

A Good Year for Consumers

The total spent each year by federal, state, and local governments is an awesome figure. Nevertheless, this is only about one-third of the total spent by consumers. Hence, our economy is still keyed to how consumers fare. In 1962, consumers had, indeed, much to be pleased about. Their earnings rose to unprecedented highs, and employment was ample in most areas. They spent rather freely, but still they added significantly to their savings. These factors were primarily responsible for maintaining a high level of public confidence.

Prices and Profits

Price structures were generally under pressure throughout 1962. The Bureau of Labor's Wholesale Price Index was fairly steady, but with a slight downward tilt. Prices for industrial and primary commodities, however, slipped more, due to abundant supplies and cautious demand. Price shadings, both announced and "under the counter," were commonplace. Retail prices were also subject to "discounts."

Starting the year with a slight sag, business profits turned upward moderately the remainder of 1962. Though price structures were on the soft side, businessmen shored up their profits through cost-cutting measures and by maintaining brisk production rates.

Stock Market

Many investors are still suffering from the slash in stock market values last spring. While the slump was breathtakingly sharp, subsequent rallies gradually restored a measure of confidence. Nonetheless, many investors undoubtedly learned a good lesson from the shakeout, and a considerable amount of unhealthy speculative thinking has been quashed. It appears that the stock market too is groping along trying to gauge the treacherous currents of the past year.

Federman, Stonehill to Admit Partners

On Jan. 1 Wilton L. Jaffee, member of the New York Stock Exchange, Morris Leverton and Walter C. Crawford will be admitted to partnership in Federman, Stonehill & Co., 70 Pine Street, New York City, members of the New York Stock Exchange. L. Teddy Cohn and Robert L. Mittman will become limited partners as of the same date.

Delafield Firm To Admit Partner

On Jan. 1, Delafield & Delafield, 45 Wall Street, New York City, members of the New York Stock Exchange, will admit to partnership John Pierrepont.

As We See It

Continued from page 1

that thoughtful people are duly grateful.

Victim of Fallacy

But the Governor has apparently fallen victim to the popular over-simplification of our current problems and in particular of the basic cause of our relatively high rate of unemployment which appears to be fastening itself upon us with determination. Like all the others, he fixes his eye upon that magic figure, GNP, and apparently assumes, again along with the others, that increases in this figure automatically measure economic welfare and "growth" of the "economy." Of course, this in itself is a gross over-simplification. Growth in the grand total of output may be primarily a result of enlargement of output of goods for which there is no adequate market. Agriculture is the most conspicuous current example of an industry that might play such a role, but there are others. It may even be that housing is to be included in this class as a result of constant subsidization and the like. What may be termed and is sometimes termed "the product mix," is as important as the overall size of this figure — a fact which virtually no one in this day and time seems to understand or remember.

This matter of the product mix has many ramifications, some of them reaching into the realm of employment and unemployment. Certain it is that those who seem to take it for granted that a larger GNP over the years would solve our unemployment problem would have a hard time presenting any statistical or historical support for their too readily drawn conclusion. Between 1948 and 1961, GNP doubled and so did total unemployment! Even when expressed as a percentage of the so-called labor force, it rose rapidly — not very far from doubling — while GNP when that aggregate is expressed in so-called constant dollars rose substantially. If we wish to confine our attention to more recent years we find that GNP rose from \$363 billion in 1954 to \$519 billion in 1961. In terms of so-called constant (1954) dollars, the increase was from \$363 billion to \$448 billion. Unemployment rose during those same years from 3,578,000 to 4,806,000, or in terms of the labor force from 5.6% to 6.7%. The fact is that one scans the entire postwar period for any evidence that rising GNP, whether expressed in current dollars or so-called constant dollars, has any marked ameliorating effect upon the extent of unemployment, either actual or relative to the size of the labor force.

As a matter of fact this is precisely what one would expect to find—or at least anyone who has given the matter careful and independent thought. We have in recent years been passing through an industrial revolution characterized by almost unbelievable technological revolutions, a change which in the presence of higher and rising labor costs has been directed in large part to reducing the manhours required for the production of current goods, whether they be consumer goods or producers equipment. Inevitably in these circumstances output has increased faster than the number of employees—just at a time when the number of men and women in the labor market is rising fairly rapidly. Not only that, but all this new and indeed revolutionary equipment calls for special skills in those who operate it, or at least much of it does. Thus we find shortages of labor alongside of much unemployment.

Mobile Capital

Again, this industrial revolution has quite naturally induced a good deal of change in location of producing units of industry, and most of our so-called social legislation and policy of recent years has tended rather definitely to render wage earners less rather than more mobile. One result is islands of unemployment existing at the same time and in the same country with other islands of labor shortages. Thus it comes about that men and women thrown out of work often not only must learn new skills but must seek new homes in strange neighborhoods if they are to satisfy the demand for wage earners which exist often many miles from where they and their families had settled themselves for life. Thus it is obvious that large increases in GNP that flow primarily from industries which have revolutionized their operations and probably moved to new sites of production could quite conceivably aggravate unemployment rather than alleviate it.

No Easy Solution

From all this it is evident that the so-called unemployment problem has no easy solution — certainly none that can be expressed in overall, general terms such as an increase in GNP over the years. Such a problem does not lend itself readily to the needs of a campaigning politician, but someone, somewhere, must come down to earth and discuss this question with far more realism than has as yet been seen or heard. The current situation has, of course, been aggravated by the activities of monopolistic labor unions which have steadfastly rejected any sort of concessions of the sort which in a free society tend through natural forces to correct such abnormalities as these. It is hardly to be expected that active politicians will relish plain talk to these politically powerful unions, but in any event we have reached a stage now where problems aplenty face us and would face us no matter what course the unions took. Perhaps the best first step is to quit talking as though an increase in GNP over the years is all that is required.

Tokyo Shibaura Electric Co. Ltd. Debens. Offered

A public offering of $20,000,000 Tokyo Shibaura Electric Co., Ltd. (Toshiba) 6⅜% convertible debentures due March 31, 1978, is being made by an underwriting group managed by Smith, Barney & Co. Inc. and The Nomura Securities Co., Ltd., New York. The debentures are priced at 100% and are convertible on and after June 1, 1963, into American Depositary Shares at a price equivalent to $13.472 per American Depositary Share. Each American Depositary Share represents 50 underlying shares of Toshiba common stock, par value 50 yen per share. The American Depositary Shares, offered to the public through Smith, Barney and Nomura in February 1962, are quoted in the New York Over-the-Counter-Market.

Principal of and interest on the debentures are payable in New York City in United States dollars. A sinking fund commences in 1971 to retire the entire issue at maturity. The issue is also optionally redeemable on and after June 1, 1963, in whole or part at prices ranging from 107½% to 100%, plus accrued interest.

Toshiba, headquartered in Tokyo, is one of Japan's two largest electrical equipment manufacturers and the third largest industrial corporation in the country.

Net proceeds from the sale of the debentures will be added to the company's general corporate funds to be applied to its construction program and to finance increased working capital requirements occasioned in major part by increased accounts and notes receivable.

Toshiba manufactures a broad line of electrical equipment including home appliances, radio and television sets, heavy duty electrical equipment, and lamps, tubes and semi-conductors.

Net sales of the company in the fiscal year ended Sept. 30, 1962 amounted to $734,401,000 and net income to $28,131,000, equal to $1.18 per American Depositary Share.

Robert W. Baird To Admit Three

MILWAUKEE, Wis. — On Jan. 1, Robert W. Baird & Co., 410 East Wisconsin Avenue, members of the New York and Midwest Stock Exchanges, will admit Ralph C. Inbush, Jr., Peter D. McBride, Jr., and Herbert C. Walsh to partnership. Mr. Walsh will be located in the firm's Madison office, in the First National Bank Building.

Conning & Co. To Admit

HARTFORD, Conn. — On Jan. 1, Stephen R. Wilcox will become a partner in Conning & Co., 15 Lewis Street, members of the New York Stock Exchange.

Indications of Current Business Activity

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

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON & STEEL INSTITUTE:					
Steel ingots and castings (net tons)	Dec. 8	1,858,000	1,876,000	1,804,000	2,046,000
Index of production based on average weekly production for 1957-1959	Dec. 8	99.7	100.7	96.8	109.8
Unofficial indicated steel operations (per cent capacity). The American Iron & Steel Institute discontinued issuing this data late in 1960	Dec. 8	(a)	64.0	61.5	70.0
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Nov. 30	7,313,460	7,378,210	7,313,960	7,197,810
Crude runs to stills—daily average (bbls.)	Nov. 30	8,479,000	8,178,000	8,326,000	8,473,000
Gasoline output (bbls.)	Nov. 30	30,733,000	30,087,000	29,913,000	31,076,000
Kerosene output (bbls.)	Nov. 30	3,375,000	3,543,000	2,961,000	3,086,000
Distillate fuel oil output (bbls.)	Nov. 30	13,793,000	13,187,000	13,219,000	14,699,000
Residual fuel oil output (bbls.)	Nov. 30	5,553,000	5,517,000	5,366,000	6,438,000
Stocks at refineries, bulk terminals, in transit, in pipe lines					
Finished gasoline (bbls.) at	Nov. 30	178,883,000	178,383,000	176,256,000	173,624,000
Kerosene (bbls.) at	Nov. 30	35,550,000	36,142,000	37,326,000	36,102,000
Distillate fuel oil (bbls.) at	Nov. 30	169,257,000	174,733,000	180,762,000	173,761,000
Residual fuel oil (bbls.) at	Nov. 30	51,772,000	*52,612,000	53,152,000	47,532,000
Unfinished Oils (bbls.) at	Nov. 30	85,503,000	85,323,000	84,679,000	84,214,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Dec. 1	562,254	484,257	608,614	572,800
Revenue freight received from connections (no. of cars)	Dec. 1	471,119	491,737	528,485	474,174
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Dec. 6	$437,700,000	$391,100,000	$447,800,000	$316,900,000
Private construction	Dec. 6	168,100,000	194,900,000	264,800,000	189,500,000
Public construction	Dec. 6	269,600,000	196,200,000	183,000,000	127,400,000
State and municipal	Dec. 6	203,800,000	151,200,000	168,200,000	107,000,000
Federal	Dec. 6	65,800,000	45,000,000	14,800,000	20,400,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Dec. 1	8,855,000	*7,370,000	8,825,000	9,056,000
Pennsylvania anthracite (tons)	Dec. 1	414,000	328,000	313,000	361,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100	Dec. 1	168	*137	117	171
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Dec. 8	17,005,000	16,699,000	16,491,000	16,084,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Dec. 6	294	322	295	295
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Dec. 3	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Dec. 3	$63.43	$63.43	$64.35	$66.44
Scrap steel (per gross ton)	Dec. 3	$25.50	$23.83	$23.50	$34.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Dec. 4	30.600c	30.600c	30.600c	30.600c
Export refinery at	Dec. 4	28.525c	28.500c	28.475c	27.875c
Lead (New York) at	Dec. 4	10.000c	10.000c	9.511c	10.250c
Lead (St. Louis) at	Dec. 4	9.800c	9.800c	9.311c	10.050c
‡Zinc (delivered) at	Dec. 4	12.000c	12.000c	12.000c	12.500c
Zinc (East St. Louis) at	Dec. 4	11.500c	11.500c	11.500c	12.000c
Aluminum (primary pig, 99.5%) at	Dec. 4	22.500c	24.000c	24.000c	24.000c
Straits tin (New York) at	Dec. 4	110.250c	110.625c	111.125c	122.125c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Dec. 11	89.85	89.77	87.99	86.17
Average corporate	Dec. 11	88.27	88.40	87.99	86.11
Aaa	Dec. 11	92.20	92.35	92.35	90.20
Aa	Dec. 11	90.34	90.34	90.20	88.27
A	Dec. 11	87.99	88.13	87.45	85.59
Baa	Dec. 11	83.15	83.15	82.65	80.93
Railroad Group	Dec. 11	84.94	85.07	84.17	83.53
Public Utilities Group	Dec. 11	89.92	89.92	89.92	87.32
Industrials Group	Dec. 11	90.34	90.20	90.20	87.59
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Dec. 11	3.72	3.74	3.67	4.10
Average corporate	Dec. 11	4.53	4.53	4.56	4.70
Aaa	Dec. 11	4.25	4.25	4.25	4.40
Aa	Dec. 11	4.39	4.39	4.40	4.54
A	Dec. 11	4.55	4.55	4.60	4.74
Baa	Dec. 11	4.92	4.93	4.97	5.11
Railroad Group	Dec. 11	4.77	4.78	4.85	4.90
Public Utilities Group	Dec. 11	4.42	4.42	4.42	4.61
Industrials Group	Dec. 11	4.39	4.40	4.40	4.59
MOODY'S COMMODITY INDEX	Dec. 11	368.8	368.7	363.6	372.4
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Dec. 1	344,456	306,950	392,349	346,452
Production (tons)	Dec. 1	324,169	331,113	353,962	331,983
Percentage of activity	Dec. 1	87	89	96	90
Unfilled orders (tons) at end of period	Dec. 1	452,005	436,409	492,527	484,863
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Dec. 7	118.83	119.19	118.12	114.00
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Nov. 16	3,379,250	2,555,620	1,945,700	3,400,700
Short sales	Nov. 16	768,100	622,830	466,160	680,470
Other sales	Nov. 16	2,599,530	1,824,080	1,623,250	2,732,650
Total sales	Nov. 16	3,367,630	2,446,910	2,089,410	3,413,120
Other transactions initiated off the floor—					
Total purchases	Nov. 16	835,910	592,450	452,570	470,320
Short sales	Nov. 16	100,520	79,900	86,400	38,700
Other sales	Nov. 16	673,850	485,120	423,820	408,120
Total sales	Nov. 16	774,370	565,020	510,220	446,820
Other transactions initiated on the floor—					
Total purchases	Nov. 16	1,300,570	1,109,080	973,254	1,127,210
Short sales	Nov. 16	223,600	173,910	112,614	109,480
Other sales	Nov. 16	1,070,219	906,215	732,285	1,014,200
Total sales	Nov. 16	1,293,819	1,080,125	844,899	1,123,680
Total round-lot transactions for account of members—					
Total purchases	Nov. 16	5,515,730	4,257,150	3,371,524	4,998,230
Short sales	Nov. 16	1,092,220	876,640	665,174	828,650
Other sales	Nov. 16	4,343,599	3,215,415	2,779,355	4,154,970
Total sales	Nov. 16	5,435,819	4,092,055	3,444,529	4,983,620
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Nov. 16	1,614,777	1,223,556	1,309,378	2,166,941
Dollar value	Nov. 16	$72,450,606	$55,631,395	$56,032,113	$119,942,374
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Nov. 16	1,873,813	1,474,457	1,552,559	2,327,344
Customers' short sales	Nov. 16	41,217	41,674	83,210	13,691
Customers' other sales	Nov. 16	1,832,596	1,432,783	1,469,349	2,313,653
Dollar value	Nov. 16	$83,555,086	$65,138,558	$67,152,202	$119,362,799
Round-lot sales by dealers—					
Number of shares—Total sales	Nov. 16	684,880	546,410	616,890	757,760
Short sales	Nov. 16	------	------	------	------
Other sales	Nov. 16	684,880	546,410	616,890	757,760
Round-lot purchases by dealers—Number of shares	Nov. 16	418,450	303,870	322,980	587,590
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	Nov. 16	1,718,130	1,412,420	1,478,240	1,006,630
Other sales	Nov. 16	23,091,070	16,665,090	16,035,510	21,559,220
Total sales	Nov. 16	24,809,200	18,077,510	17,513,750	22,565,850
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):					
Commodity Group—					
All commodities	Dec. 4	100.3	100.4	100.7	(a)
Farm products	Dec. 4	96.7	97.5	98.1	(a)
Processed foods	Dec. 4	100.8	100.8	101.9	(a)
Meats	Dec. 4	98.4	98.9	99.9	(a)
All commodities other than farm and foods	Dec. 4	100.7	100.7	100.7	(a)

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

	Latest Month	Previous Month	Year Ago
AMERICAN IRON AND STEEL INSTITUTE—			
Steel ingots and steel for castings produced (net tons)—Month of October	7,773,000	7,251,023	9,173,170
Shipments of steel products (net tons)—Month of October	5,579,309	5,125,428	6,045,841
AMERICAN ZINC INSTITUTE, INC.—Month of November:			
Slab zinc smelter output all grades (tons of 2,000 pounds)	76,192	77,939	81,861
Shipments (tons of 2,000 pounds)	81,489	87,434	85,563
Stocks at end of period (tons)	154,151	159,448	146,381
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—217 CITIES—Month of October:			
New England	$26,120,278	$33,459,125	$39,117,142
Middle Atlantic	97,575,297	109,609,808	663,698,945
South Atlantic	65,267,949	55,387,001	68,104,051
East Central	119,448,671	108,534,437	119,249,488
South Central	115,308,313	93,661,985	102,597,720
West Central	50,075,051	52,046,217	39,043,846
Mountain	32,032,859	32,541,076	33,258,087
Pacific	160,092,566	109,173,027	150,460,603
Total United States	$665,920,984	$594,412,676	$1,215,529,882
New York City	42,198,760	60,160,084	615,103,819
Total outside New York City	$623,722,224	$534,252,592	$600,426,063
COAL OUTPUT (BUREAU OF MINES)—Month of November:			
Bituminous coal and lignite (net tons)	37,000,000	40,270,000	38,078,000
Pennsylvania anthracite (net tons)	1,660,000	*1,525,000	1,501,000
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of October 31:			
Total consumer credit	$59,744	$59,236	$54,902
Instalment credit	46,029	45,621	42,181
Automobile	18,657	18,467	16,913
Other consumer credit	11,831	11,698	11,085
Repairs and modernization loans	3,245	3,233	3,183
Personal loans	12,296	12,223	11,000
Noninstalment credit	13,715	13,615	12,721
Single payment loans	5,245	5,288	4,778
Charge accounts	4,805	4,623	4,517
Service credit	3,665	3,704	3,426
METAL PRICES (E. & M. J. QUOTATIONS)—November:			
Copper—			
Domestic refinery (per pound)	30.600c	30.600c	30.600c
Export refinery (per pound)	28.488c	28.529c	28.005c
††London, prompt (per long ton)	£234.125	£234.250	£229.318
††Three months, London (per long ton)	£233.767	£232.772	£229.341
Lead—			
Common, New York (per pound)	9.951c	9.500c	10.203c
Common, East St. Louis (per pound)	9.751c	9.300c	10.003c
††London, prompt (per long ton)	£54.313	£52.954	£60.398
††Three months, London (per long ton)	£54.281	£52.948	£61.372
Zinc—			
East St. Louis (per pound)	11.500c	11.500c	11.500c
§§Prime Western, delivered (per pound)	12.000c	12.000c	12.000c
††London, prompt (per long ton)	£68.440	£66.030	£69.574
††London, three months (per long ton)	£69.048	£66.644	£70.688
Silver and Sterling Exchange—			
Silver, New York (per ounce)	119.171c	120.614c	92.313c
Silver, London (per ounce)	102.239d	102.674d	[illegible]
Sterling Exchange (check)	$2.80190	$2.80133	$2.81494
Tin, New York Straits	110.868c	108.750c	122.913c
Gold (per ounce U. S. price)	$35.000	$35.000	$35.000
Quicksilver (per flask of 76 pounds)	$190.400	$192.000	$189.250
Antimony—			
¶New York, boxed (per pound)	36.250c	36.250c	36.250c
Laredo, bulk (per pound)	32.500c	32.500c	32.500c
Laredo, boxed (per pound)	33.000c	33.000c	33.000c
Platinum, refined (per pound)	$82.000	$82.000	$82.000
Cadmium (per pound, delivered ton lots)	$1.75000	$1.75000	$1.60000
(Per pound, small lots)	$1.80000	$1.80000	$1.70000
Cobalt, 97% grade (per pound)	$1.50000	$1.50000	$1.50000
Aluminum—			
99% grade ingot weighted average (per lb.)	24.000c	24.000c	24.000c
99% primary pig export	22.500c	22.500c	23.250c
**Nickel	79.000c	79.000c	81.250c
Bismuth (per pound)	$2.25	$2.25	$2.25
MOTOR VEHICLE FACTORY SALES FROM PLANTS IN U. S. AUTOMOBILE MANUFACTURERS' ASSN.—Month of November:			
Total number of vehicles	801,317	848,510	753,356
Number of passenger cars	687,949	724,273	646,509
Number of trucks and motor coaches	113,368	124,237	106,847
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE — 1910-1914=100—As of Oct. 15:			
All farm products	245	250	240
Crops	226	232	226
Commercial vegetables, fresh	197	201	198
Cotton	275	280	286
Feed, grain and hay	152	154	154
Food grains	226	226	217
Fruit	243	266	225
Oil-bearing crops	238	238	242
Potatoes	139	153	135
Tobacco	519	525	537
Livestock	261	266	252
Dairy products	265	258	272
Meat animals	314	326	297
Poultry and eggs	150	153	141
Wool	249	251	228
U. S. GOVT. STATUTORY DEBT LIMITATION As of November 30 (000's omitted):			
Total face amount that may be outstanding at any time	$308,000,000	$308,000,000	$298,000,000
Outstanding—			
Total gross public debt	305,390,198	302,067,039	297,010,508
Guaranteed obligations not owned by the Treasury	502,765	486,387	314,519
Total gross public debt & guaranteed obligations	$305,892,963	$302,553,426	$297,325,028
Deduct—Other outstanding public debt obligations not subject to debt limitation	371,956	372,483	438,962
Grand total outstanding	$305,521,007	$302,180,942	$296,886,066
Balance face amount of obligations issuable under above authority	2,478,992	5,819,057	1,113,933
UNITED STATES GROSS DEBT DIRECT AND GUARANTEED—(000's omitted):			
As of November 30	$305,892,963	$302,553,426	$297,325,028
General funds balance	7,108,709	6,518,017	6,260,506
Net debt	$298,784,254	$296,035,409	$291,064,522
Computed annual average	3.288%	3.277%	3.123%

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

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

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

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

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

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

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

• Aerosystems Technology Corp. (12/26-28)
Aug. 29, 1962 filed 165,000 common. **Price**—$3. **Business**—Company has been engaged in experimentation on aerodynamic concepts and holds ten U. S. Patents relating to advanced vertical lift vehicles and systems for achieving controlled vertical flight. **Proceeds**—For additional equipment, research and development, plant facilities and other corporate purposes. **Office**—Route 15, Sparta, N. J. **Underwriter**—Chase Securities Corp., N. Y.

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

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

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

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

American Bolt & Screw Mfg. Corp. (12/24-28)
Dec. 15, 1961 filed $900,000 of 6% convertible subordinated debentures and 90,000 common, to be offered in units consisting of one $100 debenture and 10 shares. **Price**—$100 per unit. **Business**—Manufacture of standard and special industrial aircraft and missile fasteners. **Proceeds**—For debt repayment, equipment and other corporate purposes. **Office**—Lawson Blvd., Oceanside, L. I. N. Y. **Underwriter**—S. D. Fuller & Co., N. Y.

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

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

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

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

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

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

• American Plan Corp.
March 30, 1962 filed $3,100,000 convertible debentures due 1982, and 155,000 common (of which 120,000 will be sold by company and 35,000 by a stockholder). The securities will be offered in units of one $20 debenture and one share. **Price**—By amendment. **Business**—Production and servicing of physical damage insurance on automobiles, trucks and mobile homes. **Proceeds**—To finance the purchase of American Fidelity Fire Insurance Co. **Address**—American Plan Bldg., Westbury, L. I., New York. **Underwriter** — Bear, Stearns & Co., New York. **Offering**—Expected in January.

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

Americana East, Inc.
Nov. 13, 1962 filed 400,000 common. **Price**—$2.50. **Business**—Development, construction and management of real estate properties. **Proceeds**—For construction, debt repayment and working capital. **Office**—173 First St., Macon, Ga. **Underwriter**—Nusouth Growth Stock Sales Corp., 4101 Steam Mill Rd., Columbus, Ga.

• Ampeg Co., Inc.
Oct. 29, 1962 ("Reg. A") $294,000 7% conv. subord. debentures due 1972 and 29,400 common to be offered in units of one $1,000 debenture and 100 shares. **Price**—$1,020 per unit. **Business**—Manufacture of amplifiers and accessory equipment for musical instruments. **Proceeds**—For inventory, equipment, debt repayment and new products. **Office**—1570 W. Blancke, Linden, N. J. **Underwriter**—John R. Boland & Co., Inc., New York. **Offering**—Expected in January.

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

Arden Farms Co.
May 23, 1962 filed 49,993 shares of $3 cumulative preferred stock and 205,105 common shares being offered for subscription by stockholders of the respective classes on the basis of one new share for each 10 held. Record date for both offerings is Nov. 21 and the rights expiration date Feb. 15. **Price**—For preferred $52; for common $13. **Business** — Manufacture, purchase and sale of ice cream and other dairy products. **Proceeds**—For debt repayment. **Office** — 1900 W. Slauson Ave., Los Angeles. **Underwriter**—None.

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

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

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

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

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

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

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

Belock Instrument Corp.
Nov. 23, 1962 filed $1,400,000 of 6% conv. subord. debentures, due 1975 (series A). **Price**—By amendment. **Business**—Design, development, and manufacture of mechanical, electromechanical and electronic precision equipment for U. S. armed forces. **Proceeds**—For prepayment of loans. **Office**—112-03 14th Ave., College Point, N. Y. **Underwriter**—Carl M. Loeb, Rhoades & Co., New York.

Belock Instrument Corp.
Nov. 23, 1962 filed $752,400 of 6% conv. subord. debentures, due 1975 (series B) and an unspecified number of common shares to be offered by subscription in units (7,524) consisting of $100 of debentures and an unspecified number of shares, on the basis of one unit for each 130 common held. **Price**—By amendment (max. $210). **Business**—Design, development, and manufacture of mechanical, electromechanical and electronic precision equipment for U. S. armed forces. **Proceeds**—For prepayment of loans. **Office**—112-03 14th Ave., College Point, N. Y. **Underwriter**—None.

Bene Cosmetics, Inc.
March 2, 1962 ("Reg. A") 100,000 common. **Price** — $3. **Business**—Importation, sale and distribution of Italian cosmetics. **Proceeds** — For advertising, inventory and working capital. **Office**—114 W. 13th St., N. Y. **Underwriter**—Granite Securities, Inc., N. Y.

Big Top Stores, Inc.
Nov. 26, 1962 filed 86,000 common. **Price**—$3.50. **Business**—Operation of five retail toy, stationery and variety stores, and the servicing of franchised dealers. **Proceeds**—For expansion, additional inventory, and working capital. **Office**—832 Scarsdale Ave., Scarsdale, N. Y. **Underwriter**—P. J. Gruber & Co., Inc., N. Y.

Blue Magic Co. of Ohio, Inc.
July 16, 1962 filed 100,000 common. **Price**—$4. **Business**—Manufacture of liquid starch, a rinse, and spray starch for household use. **Proceeds**—For equipment, plant expansion and working capital. **Office**—901 Florence Ave., Lima, Ohio. **Underwriter**—Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia. **Offering**—Indefinite.

Brinkmann Instruments, Inc.
March 26, 1962 filed 100,000 common, of which 77,420 shares are to be offered by the company and 22,580 shares by stockholders. **Price** — By amendment (max. $7.75). **Business** — Importing and distribution of scientific instruments. **Proceeds**—For research and development, equipment, debt repayment and other corporate

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purposes. **Office**—115 Cutter Mill Rd., Great Neck, N. Y. **Underwriter**—D. B. Marron & Co., N. Y.

Buddy L. Corp.
April 2, 1962 filed 225,000 common. **Price** — By amendment (max. $10). **Business** — Design, manufacture and sale of various type toys. **Proceeds**—For a proposed acquisition of another toy company. **Office**—200 Fifth Ave., N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., N. Y. **Offering**—Temporarily postponed.

Cable Carriers, Inc.
June 22, 1962 filed 1,015,564 capital shares to be offered for subscription by stockholders on the basis of four new shares for each share held on Feb. 14, 1962. **Price**—25 cents. **Business**—Manufacture and sale of overhead trolley conveyers, vertical tray lift systems, floor and overhead tow systems, etc. **Proceeds**—For working capital. **Office** — Kirk Blvd., Greenville, S. C. **Underwriter**—None.

Caldwell Publishing Corp.
June 13, 1962 filed 100,000 common. **Price**—$3.50. **Business**—Company plans to publish classics. **Proceeds**—For general corporate purposes. **Office**—339 W. 51st St., N. Y. **Underwriter**—S. B. Cantor Co., N. Y.

• **California Life Insurance Co.**
Aug. 16, 1962 filed 350,000 common. **Price**—By amendment (max. $6). **Business**—Writing of life, accident and health insurance. **Proceeds**—For general corporate purposes. **Office**—4400 MacArthur Blvd., Oakland. **Underwriter**—Stewart, Eubanks, Meyerson & Co., San Francisco. **Note**—This registration was withdrawn.

Cambridge Fund of California, Inc.
Sept. 28, 1961 filed 280,000 common. **Price**—By amendment. **Business**—General real estate. **Proceeds**—Debt repayment and working capital. **Office**—324 E. Bixby Rd., Long Beach, Calif. **Underwriter**—To be named.

Cambridge Mills Inc.
July 27, 1962 filed 110,000 common. **Price**—$3.50. **Business**—Design and manufacture of infants' nylon "stretch" wear. **Proceeds**—For debt repayment, working capital and general corporate purposes. **Office**—725 Broadway, N. Y. **Underwriter**—Alskor Securities Co., N. Y.

Cameo Lingerie, Inc.
Feb. 12, 1962 filed 200,000 common, of which 120,000 are to be offered by the company and 80,000 by stockholders. **Price**—$5. **Business**—Manufactuer of women's and children's tailored panties. **Proceeds**—For debt repayment, inventory and working capital. **Office**—Fajardo, Puerto Rico. **Underwriter** — Schweickart & Co., N. Y. **Offering**—Temporarily postponed.

Cameron Iron Works, Inc.
Sept. 14, 1962 filed 280,000 common. **Price**—By amendment (max. $21.50). **Business**—Manufacture of equipment used in the petroleum and processing industries. Company also makes forged metal products used in the aviation, missile and atomic industries. **Proceeds**—For selling stockholders. **Address**—P. O. Box 1212, Houston, Texas. **Underwriters**—White, Weld & Co., Inc., and Lehman Brothers, New York. **Note** — This registration may be withdrawn and then refiled.

• **Canaveral Hills Enterprises, Inc.**
May 10, 1962 filed 100,000 common. **Price**—$5. **Business**—Company was formed to own and operate a country club and golf course, swimming pool and cabana club, near Cape Canaveral, Fla., and develop real estate, erect homes, apartment houses, motels, etc. **Proceeds**—For debt repayment and expansion. **Office**—309 Ainsley Bldg., Miami, Fla. **Underwriter**—Willis E. Burnside & Co., Inc., New York. **Offering**—Expected in early Jan.

• **Career Academy, Inc.**
June 29, 1962 filed 100,000 common. **Price**—By amendment (max. $3.25). **Business** — Operation of technical schools. **Proceeds**—For debt repayment, expansion and general corporate purposes. **Office**—135 W. Wells St., Milwaukee. **Underwriter**—Divine & Fishman, Chicago. **Offering**—Expected in January.

Cedar Lake Public Service Corp.
March 20, 1962 filed 9,964 common. **Price**—$100. **Business** — Company plans to qualify as a public utility and furnish water and sewage disposal services in and around Cedar Lake, Ind. **Proceeds** — To construct a sewage disposal system. **Address** — R.R. N. 3, Box 28, Cedar Lake, Ind. **Underwriter**—None.

Center Star Gold Mines, Inc.
April 10, 1962 ("Reg. A") 2,000,000 common. **Price**—15c. **Business**—For exploration, development and production of mineral deposits. **Proceeds** — For mining expenses. **Address**—Box 469, Wallace, Idaho. **Underwriters**—Pennaluna & Co. and Standard Securities, Inc., Spokane, Wash. **Offering**—Expected in early 1963.

Central Maine Raceways, Inc.
Oct. 26, 1962 filed 450,000 common. **Price**—$1. **Business**—Company conducts commercial parimutuel harness racing meets. **Proceeds**—For debt repayment, purchase of land, and raceway improvements. **Office**—33 Court St., Auburn, Maine. **Underwriter**—None.

Central Mutual Fund, Inc.
Aug. 20, 1962 filed 100,000 capital shares. **Price**—Net asset value (max. $14) plus a 2% sales commission. **Business**—A mutual fund specializing in life insurance stocks. **Proceeds**—For investment. **Office**—110 North East St., Jacksonville, Ill. **Underwriter**—CN Agency, Inc., same address.

Chemical Coating Corp.
June 29, 1962 filed 70,000 common. **Price**—$5. **Business**—Company plans to operate a painting contracting business and manufacture paints. **Proceeds**—For general corporate purposes. **Office**—Santurce, P. R. **Underwriter**—Arnold Malkan Investment Growth of Puerto Rico, Inc., Santurce, P. R.

Chestnut Hill Industries, Inc. (1/2/63)
Nov. 29, 1961 filed 300,000 class A common, of which 225,000 are to be offered by the company and 75,000 by stockholders. **Price**—$7.50. **Business**—Design and manufacture of women's, misses' and junior sportswear, coordinates, and dresses. **Proceeds**—For debt repayment, equipment and working capital. **Office**—2025 McKinley St., Hollywood, Fla. **Underwriter** — Clayton Securities Corp., Boston, Mass.

• **Child Guidance Toys, Inc.**
May 23, 1962 filed 100,000 common, of which 70,000 are to be offered by company and 30,000 by stockholders. **Price**—By amendment (max. $12.50). **Business**—Design, manufacture and sale of plastic educational toys. **Proceeds**—For working capital. **Office**—1125 Close Ave., Bronx, N. Y. **Underwriter**—J. R. Williston & Beane, New York. **Offering**—Indefinite.

Church Builders, Inc.
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—$5.50 per share. **Business**—A closed-end diversified management investment company. **Proceeds**—For investment. **Office**—501 Bailey Ave., Fort Worth, Texas. **Distributor**—Associates Management, Inc., Fort Worth.

Circle K Food Stores, Inc. (1/14-18)
Nov. 28, 1962 filed 96,000 common, of which 64,000 are to be offered by company and 32,000 by stockholders. **Price**—By amendment (max. $6.25). **Business**—Operation of retail drive-in grocery stores. **Proceeds**—For expansion and other corporate purposes. **Office**—904 Magoffin Ave., El Paso. **Underwriter**—Eppler, Guerin & Turner, Inc., Dallas.

Clark Semiconductor Corp.
Aug. 22, 1962 filed $153,045 of 5% subord. debentures due 1967 and 166,500 common shares to be offered in units of $170.05 of debentures and 185 shares. **Price**—$220 per unit **Business**—Production of very high frequency power transistors. **Proceeds**—For debt repayment and other corporate purposes. **Office** — Walnut Ave., Clark, N. J. **Underwriter**—None.

Coastal Chemical Corp.
Sept. 24, 1962 filed 40,000 class A, 39,239 outstanding class C, and 20,000 class D shares. **Price**—$35. **Business**—Manufacture of anhydrous ammonia and other fertilizer materials and components. **Proceeds**—For working capital. Mississippi Chemical Corp., parent, will receive the proceeds from the sale of the class C stock. **Address**—Yazoo City, Miss. **Underwriter**—Mississippi Chemical Corp., Yazoo City, Miss., will act as underwriter for the stock.

Collins Radio Co.
Sept. 21, 1962 filed 557,515 common shares to be offered for subscription by common stockholders on the basis of one new share for each four held. **Price**—By amendment (max. $26). **Business**—Design, development and manufacture of specialized radio communication equipment and aircraft and flight control devices. **Proceeds**—To reduce bank loans. **Office**—5225 "C" Ave., N. E., Cedar Rapids, Iowa. **Underwriters**—Kidder, Peabody & Co., Inc., and White, Weld & Co., Inc., N. Y. **Note**—This registration will be withdrawn.

Colonial Board Co.
March 28, 1962 filed 164,000 common, of which 115,000 are to be offered by the company and 49,000 by stockholders. **Price**—By amendment (max. $15). **Business**—Manufacture of shoeboard and boxboard. **Proceeds**—For expansion, equipment and debt repayment. **Office**—615 Parker St., Manchester, Conn. **Underwriter**—Putnam & Co., Hartford, Conn.

Colorado Imperial Mining Co.
Sept. 20, 1962 filed 200,000 common. **Price**—$1. **Business**—General mining. **Proceeds**—For exploration and operating expenses. **Office**—Creede, Colo. **Underwriter**—None.

• **Columbia Bancorporation**
Feb. 23, 1962 filed $30,000,000 of convertible subordinated debentures due 1987 and 1,500,000 common to be offered in units of one $20 debenture and one share. **Price**—By amendment. **Business**—A bank holding company recently formed to acquire stock of First Western Bank & Trust Co., Los Angeles. **Proceeds**—For acquisition of First Western stock, and working capital. **Office**—1000 Vermont Ave., N. W., Washington, D. C. **Underwriters**—Bear, Stearns & Co., and Allen & Co., N. Y. **Note**—This registration was withdrawn.

Columbia Gas System, Inc. (1/3/63)
Nov. 27, 1962 filed $25,000,000 of debentures, due 1988. **Proceeds**—To redeem outstanding 5⅜% debentures, due 1984, and increase working capital. **Office**—120 East 41st St., New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Morgan Stanley & Co.-First Boston Corp. (jointly). **Bids**—Expected Jan. 3, 1963.

• **Commercial Life Insurance Co. of Missouri**
Nov. 26, 1962 ("Reg. A") 46,000 common to be offered for subscription by stockholders on the basis of one share for each 3.36 common shares held. **Price**—At-the-market. **Business**—Sale of health, accident, life and hospital insurance. **Proceeds**—For working capital. **Office**—3570 Lindell Blvd., St. Louis. **Underwriter**—Edward D. Jones & Co., St. Louis.

• **Community Health Association, Inc.**
Nov. 19, 1962 filed 72,000 common. **Price**—$15. **Business**—Company is engaged in the health care service contract business in Washington and Oregon. **Proceeds**—For selling stockholders. **Office**—4000 Aurora Ave., Seattle. **Underwriter**—None. **Note**—This registration was withdrawn.

Computer Concepts Inc.
Dec. 29, 1961 filed 20,000 class A common. **Price** — $25. **Business**—Development and sale of advanced programming systems, for solution of business problems by the use of digital computers. **Proceeds** — For general corporate purposes. **Office**—1012 14th St., N. W., Washington, D. C. **Underwriter**—Doft & Co., N. Y. **Offering**—Imminent.

Computer Control Co., Inc.
Jan. 24, 1962 filed 157,500 common, of which 62,500 are to be offered by the company and 95,000 by stockholders. **Price**—By amendment. **Business**—Design and manufacture of digital equipment. **Proceeds**—For debt repayment. **Office**—983 Concord St., Framingham, Mass. **Underwriter**—Kidder, Peabody & Co., N. Y. **Offering**—Indefinitely postponed.

• **Concrete Structures, Inc.**
July 27, 1962 filed 100,000 common. **Price**—$4.50. **Business**—Production of precast and prestressed concrete items for the construction industry. **Proceeds**—For debt repayment. **Office**—12825 North East 14th Ave., North Miami, Fla. **Underwriter**—Bernard M. Kahn & Co., Inc., New York. **Note**—This registration was withdrawn.

Conso Products, Inc.
Sept. 27, 1962 filed 125,000 common. **Price**—By amendment (max. $10). **Business**—Manufacture of home furnishing trimmings and accessories. **Proceeds**—For machinery and working capital. **Office**—27 W. 23d St., N. Y. **Underwriter**—H. Hentz & Co., N. Y. **Offering**—Jan.

• **Consolidated Leasing Corp. of America**
April 27, 1962 filed $1,000,000 of 6½% subord. debentures due 1977 (with warrants), and 99,000 common. **Price**—For debentures, at par; for stock, by amendment (max. $9). **Business**—Renting of cars, trucks and equipment. **Proceeds**—For debt repayment, an acquisition and other corporate purposes. **Office** — 1012 Baltimore Ave., Kansas City, Mo. **Underwriter**—Blair & Co., N. Y. **Offering**—Expected in January.

Consolidated Vending Corp.
April 2, 1962 filed 70,000 common. **Price**—$5.75. **Business**—Operation of vending machines. **Proceeds**—For debt repayment, working capital and other corporate purposes. **Office**—129 S. State St., Dover, Del. **Underwriter**—Dana Securities Co., Inc., N. Y. **Note**—This registration will be withdrawn.

Contact Lens Guild, Inc.
Sept. 19, 1962 ("Reg. A") 75,000 class "A" common. **Price**—$4. **Business**—Manufacture and sale of a patented contact lens. **Proceeds**—For moving expenses, research, inventory, advertising and working capital. **Office**—360 Main St. E., Rochester, N. Y. **Underwriter**—John J. DeGolger Co., Inc., Rochester, N. Y.

ControlDyne, Inc.
Oct. 24, 1961 filed 150,000 common. **Price**—$1.15. **Business**—Development and production of electronic testing and training devices. **Proceeds** — For expansion and working capital. **Office**—9340 James Ave., S., Minneapolis. **Underwriter**—To be named. **Note**—This firm formerly was named Control Dynamics, Inc. **Offering**—Indefinitely postponed.

Corporate Funding Corp.
April 26, 1962 ("Reg. A") 75,000 class A common. **Price** $4. **Business** — A financial investment and holding company. **Proceeds**—For expansion and working capital. **Office**—39 Broadway, N. Y. **Underwriter**—R. F. Dowd & Co., Inc., N. Y. **Offering**—Indefinitely postponed.

• **Cosnat Corp.**
May 26, 1962 filed $1,250,000 of 6% convertible subordinated debentures due 1977. **Price**—At par. **Business**—The manufacture and distribution of phonograph records. **Proceeds** — For the repayment of debt, and working capital. **Office**—315 W. 47th St., N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y. **Note**—This firm was known formerly as the Cosnat Record Distributing Corp. **Offering**—Indefinitely postponed.

Creative Ventures Corp.
May 28, 1962 filed 150,000 common and warrants to purchase 30,000 additional shares, to be offered in units of one share and one warrant. **Price**—$2.25 per unit. **Business**—A corporate guidance and interim financing concern. Company may also act as a broker-dealer and underwriter. **Proceeds**—For investment. **Office**—733 Third Ave., N. Y. **Underwriter**—Hampstead Investing Corp., New York.

Credit Department, Inc.
Jan. 26, 1962 filed $1,200,320 of 7% conv. subord. debentures due 1974 and 54,560 common shares to be offered in 2,728 units, each consisting of $440 of debentures and 20 common shares. **Price**—$550 per unit. **Business**—A consumer sales finance company. **Proceeds**—For debt repayment. **Office**—1775 Broadway, N. Y. **Underwriter** — Bernard M. Kahn & Co., Inc., N. Y. **Offering**—Expected in January.

D. C. Transit Systems, Inc.
April 30, 1962 filed $6,250,000 of 6½% conv. subord. debentures due 1977 and five-year warrants to purchase an aggregate of 187,500 class A shares, to be offered for subscription by holders of class A and class B stock in units consisting of $100 of debentures and three warrants. **Price**—$100 per unit. **Business**—Operation of a public transit system in Washington, D. C.; a new subsidiary to construct housing projects in Washington, D. C. **Proceeds**—For construction and general corporate purposes. **Office**—3600 M St., N. W., Washington, D. C. **Underwriter**—None.

Data Corp of America
Oct. 29, 1962 filed 105,000 common. **Price**—$1.25. **Business**—Development of specialized data processing applications and the furnishing of data processing services. **Proceeds**—For training of personnel, advertising and sales promotion, and working capital. **Office**—44 Beaver

St., New York. **Underwriter**—A. D. Gilhart & Co., Inc., New York. **Offering**—In early January.

Data Systems Devices of Boston, Inc.
April 26, 1962 filed 200,000 common. **Price**—$5. **Business**—Company plans to design, develop and produce electronic and electro-mechanical devices, including printers for electronic computers. **Proceeds**—For product development, new plant and equipment and working capital. **Office**—342 Western Ave., Boston. **Underwriter**—Schmidt, Sharp, McCabe & Co., Inc., Denver.

Delta Bowling Corp.
Sept. 28, 1962 filed 100,000 common, of which 50,000 shares are to be offered by company and 50,000 by stockholders. **Price**—$3. **Business**—Leasing and operating of bowling centers. **Proceeds**—For expansion, equipment and working capital. **Office**—230 Park Ave., N. Y. **Underwriter**—Provost Securities, Inc., N. Y.

Deuterium Corp.
Sept. 28, 1962 filed 120,000 common with attached warrants to purchase an additional 120,000 shares to be offered for subscription by holders of its stock and debentures in units (of one share and one warrant) on the basis of 3 units for each 5% prior preferred share held, 2 units for each 5% preferred A stock held and 40 units for each $1,200 face amount of non-interest bearing subordinated debentures held. At the same time, the company will offer the securities to the public. **Price**—To subscribers, $20; to public, $22.25. **Business**—Company plans to erect a small size production and experimental plant for the limited manufacture of deuterium and deuterium oxide, and to establish and equip a general research laboratory. **Proceeds**—For working capital, construction, equipment and other corporate purposes. **Office**—360 Lexington Ave., N. Y. **Underwriter**—None.

Diamond Dust Co., Inc.
Feb. 27, 1962 filed 102,000 common. **Price**—$3. **Business**—Production of graded diamond powder and compound. **Proceeds**—For debt repayment, additional personnel, advertising and working caiptal. **Office**—77 Searing Ave., Mineola, N. Y. **Underwriter**—Magnus & Co., N. Y. **Offering**—Indefinitely postponed.

Diamond Mills Corp.
Jan. 23, 1962 filed 200,000 common, of which 120,000 are to be offered by the company and 80,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of women's nylon hosiery. **Proceeds**—For debt repayment and working capital. **Office**—417 Fifth Ave., N. Y. **Underwriter**—Drexel & Co., Philadelphia. **Offering**—Indefinitely postponed.

Diversified Collateral Corp.
June 13, 1962 filed 77,050 common. **Price**—By amendment (max. $11.75). **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—8397 N. E. Second Ave., Miami, Fla. **Underwriter**—Karen Securities Corp., N. Y.

Diversified Real Estate Trust
March 8, 1962 filed 1,000,000 shares of beneficial interest. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—500 Fifth Ave., N. Y. **Underwriter**—Bacon, Johnson Realty Management Co., Inc. (same address). **Offering**—Expected in Jan.

Diversified Realty Investors
June 28, 1962 filed 1,900,000 certificates of interest. **Price**—$1 per interest. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—19 E. First South, Salt Lake City. **Underwriter**—Realty Securities, Inc., Salt Lake City.

Dixie Lime & Stone Co.
Sept. 27, 1962 filed 100,000 common. **Price**—By amendment (max. $6.75). **Business**—Mining and processing of crushed granite, lime rock, and agricultural limestone. **Proceeds**—For loan repayment, and working capital. **Office**—11 N. Main St., Ocala, Fla. **Underwriter**—Courts & Co., Atlanta, Ga. **Offering**—Expected in January.

Doman Helicopters, Inc.
April 19, 1962 filed 418,680 common to be offered for subscription by stockholders on the basis of two new shares for each three held. **Price**—By amendment (max. $1.25). **Business**—Research, development and construction of experimental helicopters. **Proceeds**—To obtain certification of models, train service personnel, repay debt, etc. **Address**—Municipal Airport, Danbury, Conn. **Underwriter**—None. **Note**—The SEC has questioned the accuracy and adequacy of this statement.

● **Donmoor-Isaacson, Inc.**
Feb. 26, 1962 filed 150,000 common, of which 50,000 are to be offered by the company and 100,000 by stockholders. **Price**—By amendment (max. $12). **Business**—Design and manufacture of boys knit shirts, sweaters, and pajamas. **Proceeds**—For working capital. **Office**—1115 Broadway, N. Y. **Underwriter**—Goodbody & Co., New York. **Offering**—Expected in January.

Dynamic L. P. Industries, Inc.
June 21, 1962 filed 75,000 common. **Price**—$4. **Business**—manufacturing, labeling and packaging of long playing stereophonic and monaural phonograph records for label record companies. **Proceeds**—For equipment and working capital. **Office** — 900 Passaic Ave., East Newark, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York.

Dynapower Systems Corp.
Sept. 28, 1962 filed 750,000 common. **Price**—$1. **Business**—Manufacture of electro-mechanical vehicles and electronic devices for medical and marine purposes. **Proceeds**—For working capital, equipment and debt repayment. **Office**—2222 S. Centinela Ave., Los Angeles. **Underwriter**—None.

Eastern Camera & Photo Corp.
March 28 1962 filed $500,000 of 6% conv. subord. debentures due 1972 and 50,000 common shares (of which 25,000 will be sold by the company and 25,000 by stockholders). The securities are to be offered in units of one $100 debenture and 10 shares. **Price**—By amendment. **Business**—Operation of retail camera stores and department store concessions. Company also processes black and white film and repairs photographic equipment. **Proceeds**—For debt repayment and working capital. **Office**—68 W. Columbia St., Hempstead, N. Y. **Underwriters**—Edwards & Hanley, Hempstead, L. I., and Street & Co., Inc., New York. **Note**—This registration is expected to be withdrawn.

Eastern Pennsylvania Investment Co.
March 16, 1962 filed 450,000 common. **Price**—By amendment (max. $16). **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office** — 3 Penn Center Plaza, Philadelhia. **Underwriters**—Drexel & Co., Philadelphia and Kidder, Peabody & Co., N. Y.

● **Econo-Car International, Inc. (12/17-21)**
July 27, 1962 filed 66,667 class A common. **Price** — $6. **Business**—Rental of automobiles, station wagons, and trucks. **Proceeds**—For equipment, new franchises, and working capital. **Office**—520 Westfield Ave., Elizabeth, N. J. **Underwriters**—Crosse & Co., Inc., and Street & Co., Inc., New York.

● **Electro-Nucleonics, Inc.**
Sept. 24, 1962 ("Reg. A") 29,525 common. **Price**—$5. **Business**—Research and development toward improvement of gas centrifuge technology for separation of isotope and gaseous materials. **Proceeds**—For equipment, expansion, research and working capital. **Office**—368 Passaic Ave., Caldwell, N. J. **Underwriter** — Richard Bruce & Co. Inc., N. Y. **Offering**—Expected in January.

● **Electro-Temp Systems, Inc.**
Oct. 18, 1962 ("Reg. A") 160,000 common. **Price** — $1. **Business**—Sale of commercial and industrial refrigeration machinery and equipment. **Proceeds**—For debt repayment, equipment, inventory and working capital. **Office**—150-49 Hillside Ave., Jamaica, N. Y. **Underwriter**—S. C. Burns & Co., Inc., N. Y. **Offering**—In late Dec.

● **Equity Annuity Life Insurance Co.**
Aug. 21, 1962 filed 150,000 common being offered for subscription by stockholders on the basis of 1½ new shares for each share held of record Dec. 11, with rights to expire Dec. 29. **Price**—$7. **Business**—Sale of individual life insurance, pension trust and group variable annuity contracts. **Proceeds** — For expansion and capital funds. **Office**—2480 16th St., N. W., Washington, D. C. **Underwriter**—None.

Equity Funding Corp. of America
March 29, 1962 filed 240,000 common. **Price**—By amendment (max. $6.50). **Business**—A holding company for firms selling life insurance and mutual funds. **Proceeds**—For new sales offices, advances to subsidiaries and working capital. **Office**—5150 Wilshire Blvd., Los Angeles. **Underwriter**—Wisconsin-Continental, Inc., Milwaukee.

Everbest Engineering Corp.
April 2, 1962 filed 100,000 class A shares. **Price**—$2.40. **Business**—Manufacture and sale of long-lived electric lamps. **Proceeds**—New product development, inventories and working capital. **Office**—41 E. Twelfth St., N. Y. **Underwriter**—Planned Investing Corp., N. Y.

Fabco, Inc.
July 20, 1962 ("Reg. A") 200,000 common. **Price**—$1.50. **Business**—Manufacture of insulated water closet tanks, fiberglass gravel stop and laundry tubs. **Proceeds**—For debt repayment, equipment, and working capital. **Address**—Stillwater, Minn. **Underwriter**—Pewters, Donnelly & Jansen, Inc., St. Paul. **Note**—This letter will be withdrawn.

● **Falcon National Life Insurance Co.**
June 25, 1962 filed 300,000 common to be offered for subscription by stockholders on the basis of one new share for each three shares held. **Price**—$0.90. **Business**—Life insurance. **Proceeds** — For investments. **Office**—1330 Leyden St., Denver. **Underwriter**—None. **Note**—This registration has become effective. **Offering**—Indefinite.

Fastpak, Inc.
Nov. 30, 1961 filed 125,000 common. **Price**—$5. **Business**—The distribution of nuts, bolts and other fastening devices manufactured by others. **Proceeds**—For debt repayment and general corporate purposes. **Office**—8 Benson Place, Freeport, N. Y. **Underwriter** — Arnold Malkan & Co., Inc., N. Y. **Note**—This registration will be withdrawn.

Fedco Corp.
Oct. 29, 1962 filed 20,000 common, of which 17,500 are to be offered by company and 2,500 by a shareholder. **Price**—By amendment (max. $15). **Business**—Design and manufacture of tools, dies, molds, beryllium castings and the distribution of plastic, metal and glass products for home use. **Proceeds**—For a recession offer to stockholders and reduction of accounts payable. **Office**—3600 W. Pratt Ave., Chicago. **Underwriter**—None.

Fidelity Mining Investments Ltd.
Nov. 30, 1961 filed 800,000 common. **Price**—By amendment. **Business**—Exploration and testing of mining properties. **Proceeds**—For general corporate purposes. **Office**—62 Richmond St., Toronto. **Underwriter**—G. V. Kirby & Associates, Ltd., Toronto.

● **First American Israel Mutual Fund**
Aug. 15, 1962 filed 2,750,000 shares of beneficial interest. **Price**—By amendment (max. $10). **Business**—A mutual fund which plans to invest primarily in equity type securities of Israeli companies. **Proceeds**—For investment. **Office**—141 Milk St., Boston. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston. **Offering**—Expected in February or March.

First New York Capital Fund, Inc.
Oct. 27, 1961 filed 2,770,000 capital shares. **Price**—$1. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—1295 Northern Blvd., Manhasset, N. Y. **Underwriter**—None.

First Union Realty
Nov. 29, 1962 filed 880,000 shares of beneficial interest. **Price**—By amendment (max. $14). **Business**—A real estate investment trust. **Proceeds** — To acquire the 55 Public Square Bldg., in downtown Cleveland. **Office**—Room 1840, Union Commerce Bldg., Cleveland. **Underwriters**—Harriman Ripley & Co., Inc., New York and Hayden, Miller & Co., Cleveland.

Florida Bancgrowth, Inc.
March 16, 1962 filed 200,000 common. **Price**—By amendment (max. $15). **Business**—An investment company specializing in bank stocks. **Proceeds**—For investment. **Office**—3356 Atlantic Blvd., Pompano Beach, Fla. **Underwriter**—Dempsey-Tegeler & Co., Inc., St. Louis. **Note** This offering was postponed.

Florida Jai Alai, Inc.
June 28, 1962 filed 400,000 common. **Price**—$5. **Business** — Operation of Jai Alai games and pari-mutuel betting. **Proceeds**—For rent, purchase of leased quarters, building improvements, working capital. **Office**—Fern Park, Fla. **Underwriter**—To be named.

Floseal Corp.
May 10, 1962 filed 169,420 common to be offered for subscription by stockholders. **Price**—By amendment (max. $2). **Business**—Company owns and licenses carton pouring spout patents and die patents. **Proceeds**—For debt repayment and other corporate purposes. **Office**—100 W. 10th St., Wilmington, Del. **Underwriter**—None.

● **Forst (Alex) & Sons, Inc.**
March 23, 1962 filed 125,000 common. **Price**—By amendment (max. $15). **Business**—Wholesale distribution of toys and games. **Proceeds**—For selling stockholders. **Office**—2885 Jerome Ave., Bronx, N. Y. **Underwriter**—McDonnell & Co., New York. **Offering**—Indefinite.

Fund Investments, Inc.
June 28, 1962 filed 80,000 class B common. **Price**—$5. **Business**—Retailing of mutual fund shares. **Proceeds**—For working capital and debt repayment . **Office**—1301 E. Morehead St., Charlotte, N. C. **Underwriter**—None.

Garden State Small Business Investment Co.
Oct. 27, 1961 filed 330,000 common. **Price**—$3. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—1180 Raymond Blvd., Newark, N. J. **Underwriter**—Godfrey, Hamilton, Taylor & Co., N. Y. **Offering**—Temporarily postponed.

Geigher Pipe Supply Inc. (1/2-4)
Sept. 28, 1962 filed 60,000 class A common, of which 50,000 are to be offered by company and 10,000 by stockholders. **Price**—$9.50. **Business**—Sale of steel pipes, valves and fittings. **Proceeds**—For inventory. **Office**—4124 N. Broadway, St. Louis. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

General Design Corp.
April 25, 1962 ("Reg. A") 65,000 common. **Price**—$3. **Business**—Design and development of new products for various industries. **Proceeds**—For debt repayment, equipment and working capital. **Office**—1252 W. Peachtree St., N. W., Atlanta, Ga. **Underwriter** — Robert M. Harris & Co., Inc., Philadelphia. **Note**—The SEC has issued an order temporarily suspending this issue.

Glasco Pacific, Inc.
July 12, 1962 filed 250,000 class A and 250,000 common shares to be offered in units of one class A and one common share. **Price**—$5.05 per unit. **Business**—Company plans to manufacture flat glass mirrors and sliding wardrobe mirror doors and related products. **Proceeds**—For equipment, inventory and working capital. **Office**—1299 N. First Street, San Jose, Calif. **Underwriter**—Birr, Wilson & Co., Inc., San Francisco. **Note**—This registration will be withdrawn.

Glen Ellen Corp.
Sept. 6, 1962 filed $600,000 of 6% subord. income debentures due Jan. 1, 1983 and 24,000 common shares to be offered in units of one $1,000 debenture and 40 common shares. **Price**—$1,500 per unit. **Business**—Company plans to develop and operate a ski and recreational resort at Fayston, Vt. **Proceeds**—For construction. **Address**—Box 111, Waitsfield, Vt. **Underwriter**—None.

Glensder Corp.
March 23, 1962 filed 150,000 common, of which 60,000 are to be offered by the company and 90,000 by the company's parent, Glen Modes, Inc. **Price**—By amendment (max. $7). **Business**—Design, production and sale of women's fashion accessories, and sportswear. **Proceeds**—For general corporate purposes. **Office** — 417 Fifth Ave., N. Y. **Underwriter**—Sprayregen, Haft & Co., N. Y. **Offering**—Indefinitely postponed.

Global Construction Devices, Inc.
June 29, 1962 filed 100,000 common. **Price**—$10. **Business**—Manufacture, sale and lease of steel supports and beams used in construction. **Proceeds**—For debt repayment, expansion, research, and inventory. **Office**—545 Cedar Lane, Teaneck, N. J. **Underwriters**—Winslow, Cohu & Stetson and Laird, Bissell & Meeds, N. Y.

Gold Leaf Pharmacal Co., Inc.
March 13, 1962 filed 80,000 common. **Price**—$4. **Business**—Manufacture, development and sale of pharmaceutical and veterinarian products. **Proceeds**—For advertising, research, debt repayment and working capital. **Office**—36 Lawton St., New Rochelle, N. Y. **Underwriter**—Droulia & Co., N. Y.

Gotham Educational Equipment Co. Inc.
Dec. 4, 1962 filed 75,000 common. **Price**—By amendment (max. $6). **Business**—Design, manufacture, and market-

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ing of items used in educational institutions such as chalk boards, exhibit cases, etc. **Proceeds**—For general corporate purposes. **Office** — 91 Weyman Ave., New Rochelle, N. Y. **Underwriter**—Federman, Stonehill & Co., New York.

Gotham Investment Corp.
Nov. 21, 1961 filed 100,000 common. **Price**—$6. **Business**—Real estate investment. **Proceeds**—For working capital and other corporate purposes. **Office** — 1707 H St., N. W., Washington, D. C. **Underwriter**—Rouse, Brewer, Becker & Bryant. Inc., Washington, D. C.

Gourmet Food Products, Inc.
May 25, 1962 filed 28,113 common. **Price**—$3.50. **Business** — Growing, purchasing, distributing and selling whole potatoes and processing and selling of prepared potato products. **Proceeds**—For the selling stockholders. **Office**—915 Southeast 10th Ave., Portland, Ore. **Underwriter**—To be named.

Great Continental Real Estate Investment Trust
Aug. 3, 1961 filed 300,000 shares of beneficial interest. **Price**—$10. **Business**—Real estate. **Proceeds**—For investment. **Office**—530 St. Paul Place, Baltimore. **Underwriter**—To be named. **Note**—This firm formerly was known as Continental Real Estate Investment Trust.

Great Eastern Insurance Co.
April 13, 1962 filed 381,600 common. **Price**—By amendment (max. $5). **Business**—Company plans to write certain types of fire and casualty insurance. **Proceeds**—For general corporate purposes. **Office**—116 John St., N. Y. **Underwriters**—Emanuel, Deetjen & Co., and Zuckerman, Smith & Co., N. Y.

Greater McCoy's Markets, Inc.
June 28 1962 filed 219,150 class A common. **Price**—By amendment (max. $14). **Business**—Operation of 16 supermarkets in the Los Angeles area. **Proceeds**—For selling stockholders. **Office**—17602 Bellflower Blvd., Bellflower, Calif. **Underwriter**—Morris Cohon & Co., New York.

● **Greenman Bros., Inc.**
April 25, 1962 filed 150,000 common, of which 50,000 are to be offered by company and 100,000 by stockholders. **Price**—By amendment (max. $7). **Business**—Wholesale and retail distribution of toys, hobby lines and sporting equipment. **Proceeds**—For debt repayment, inventory and working capital. **Office**—35 Engel St., Hicksville, N. Y. **Underwriter**—J. R. Williston & Beane, New York. **Offering**—Indefinite.

Gulf Atlantic Utilities, Inc.
July 30, 1962 filed 90,000 common. **Price**—By amendment (max. $10). **Business** — A management and operating company for subsidiaries which own water treatment and sewerage disposal plants, and water distribution and sewage collections systems. **Proceeds**—For debt repayment, expansion and working capital. **Office**—2738 Malinda Blvd., Jacksonville, Fla. **Underwriter**—Pierce, Carrison, Wulbern, Inc., Jacksonville. **Offering**—Indefinite.

● **Hallandale Rock & Sand Co.**
March 30, 1962 filed $250,000 of 8% subordinated debentures due 1977, 200,000 common and 6-year warrants to purchase 25,000 common at $1 per share to be offered in units consisting of a $10 debenture, 8 common shares and one warrant. **Price**—$18 per unit. **Business**—Extraction, processing and sale of rock and sand. **Proceeds**—For a new plant and other corporate purposes. **Address**—Hallandale, Fla. **Underwriter**—To be named.

● **Hallicrafters Co.**
Nov. 27, 1962 filed 108,144 capital shares. **Price**—By amendment (max. $15). **Business**—Manufacture of short-wave radio transmitting and receiving equipment, company also engages in long-range engineering projects for U. S. armed forces. **Proceeds**—For selling stockholders. **Office**—4401 W. Fifth Ave., Chicago. **Underwriter**—Paine, Webber, Jackson & Curtis, Chicago. **Offering**—Expected in early January.

Harley Products, Inc.
March 28, 1962 filed 75,000 common. **Price**—$4. **Business**—Design, production and distribution of belts and related products. **Proceeds**—For sales promotion, expansion, inventory, and debt repayment. **Office**—476 Broadway, N. Y. **Underwriter**—To be named.

Harwyn Publishing Corp.
Jan. 29, 1962 filed 300,000 class A common. **Price** — By amendment. **Business** — Publishes illustrated encyclopedic works for children and operates an advertising agency for sale of TV and radio spot time. **Proceeds**—For working capital. **Office**—170 Varick St., N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y. **Offering**—Indefinite.

Hawaii Real Estate Investment Trust
May 18, 1962 filed 1,000,000 shares of beneficial interest and eight-year stock purchase warrants to be offered in units consisting of one share and one warrant. **Price**—$10 per unit. **Business**—A real estate investment trust. **Proceeds**—For working capital. **Address**—Honolulu, Hawaii. **Underwriter**—White, Weld & Co., Inc., N. Y.

Heartland Development Corp.
March 28, 1962 filed 23,300 shares of 5% convertible preference stock to be offered for subscription by stockholders on basis of one preferred share for each 10 common held. **Price**—$12. **Business**—Real estate. **Proceeds**—For general corporate purposes and debt repayment. **Office**—40 Beaver St., Albany, N. Y. **Underwriter**—None.

Heck's Discount Centers, Inc.
June 7, 1962 filed 125,000 common. **Price**—By amendment (max. $5). **Business**—Operation of discount stores. **Proceeds**—For inventory, expansion, debt repayment and working capital. **Office**—6400 MacCorkle Ave., S. W., St. Albans, W. Va. **Underwriter**—Willard Securities, Inc., New York.

Hek Manufacturing Co., Inc.
Aug. 7, 1962 ("Reg. A") 75,000 common, of which 69,000 shares are to be offered for the account of the company and 6,000 shares for the underwriter. **Price**—$2. **Business**—Manufacture of dental equipment. **Proceeds**—For debt repayment, advetrising, research and development and working capital. **Office**—2176 Palou, San Francisco. **Underwriter**—L. H. Wright Co., Inc., N. Y.

Helix Land Co., Inc.
April 27, 1962 filed 586,000 capital shares. **Price**—By amendment (max. $5). **Business**—General real estate. **Proceeds**—For general corporate purposes. **Office**—4265 Summit Dr., La Mesa, Calif. **Underwriter**—None.

Hill Street Co.
Oct. 16, 1961 filed 2,265,138 common to be offered for subscription by stockholders of Union Bank of California on a share-for-share basis. **Price**—$3. **Business**—A management investment company. **Proceeds**—For investment. **Office**—760 S. Hill St., Los Angeles. **Underwriter**—None.

Hillsboro Associates, Inc.
Nov. 27, 1962 filed $1,000,000 of 4% cum. income debentures due 1982 and 15,000 capital shares to be offered in units consisting of 10 shares or one $500 debenture and five shares. **Price**—$1,000 per unit. **Business**—Company plans to purchase the Hillsboro Club, a social and recreational organization. **Proceeds**—For working capital, debt repayment, and property improvement. **Office**—1776 E. Sunrise Blvd., Fort Lauderdale, Fla. **Underwriter**—None.

Hollingsworth Solderless Terminal Co.
Feb. 27, 1962 ("Reg. A") 75,000 common. **Price** — $4. **Business**—Manufacture, sale and development of solderless terminals and other wire terminating products. **Proceeds**—For debt repayment, equipment, advertising and working capital. **Address**—P. O. Box 430, Phoenixville, Pa. **Underwriter**—Harrison & Co., Philadelphia. **Offering**—Temporarily postponed.

Honda Motor Co., Ltd. (12/19)
Nov. 16, 1962 filed 450,000 ADR's (representing 9,000,000 common shares). **Price**—By amendment (max. $20). **Business**—Manufacture of motorcycles. **Proceeds**—For capital improvements, investments in subsidiaries, and working capital. **Office**—Tokyo, Japan. **Underwriters**—Goldman, Sachs & Co. and Nikko Securities Co., Ltd.

Honora, Ltd.
Nov. 29, 1961 ("Reg. A") 76,500 common. **Price**—$3.75. **Business**—Purchase of cultured pearls in Japan and their distribution in the U. S. **Proceeds**—For general corporate purposes. **Office**—42 W. 48th St., N. Y. **Underwriter**—Sunshine Securities, Inc., Rego Park, N. Y.

Hunsaker Corp. (1/2-4/63)
March 30, 1962 filed $1,600,000 of convertible subordinated debentures due 1977 and 250,000 common shares. **Price** — By amendment (max. $6 per common share). **Business**—Construction of homes and apartments on land which company has acquired in Southern Calif. **Proceeds**—For debt repayment and other corporate purposes. **Office**—15855 Edna Pl., Irwindale, Calif. **Underwriter**—Bateman, Eichler & Co., Los Angeles.

ICOA Life Insurance Co.
Oct. 25, 1962 filed 1,130,000 common to be offered for subscription by stockholders on a share-for-share basis. **Price**—$4. **Business**—Sale of ordinary life, individual health and disability, and group credit life and disability insurance. **Proceeds**—For expansion, and investment. **Office**—250 Liberty St., S. E. Salem, Ore. **Underwriter**—Oregon Underwriters, Inc., Salem.

I. P. D. Financial Corp.
Aug. 23, 1962 filed 300,000 common. **Price**—$4. **Business**—Company plans to furnish equity capital to business concerns, make loans and assist in arranging mergers and corporate financing. **Proceeds**—For working capital and other corporate purposes. **Office**—200 W. 57th St., N. Y. **Underwriters**—J. J. LeCort Associates, Inc. and Harris, Clare & Co., Inc., N. Y. **Note**—This registration will be withdrawn.

Ideal Toy Corp.
May 1, 1962 filed 490,000 common, of which 250,000 will be offered by company and 240,000 by stockholders. **Price**—By amendment (max. $20). **Business**—Manufacture of toys and related products. **Proceeds** — For debt repayment and general corporate purposes. **Office** — 184-10 Jamaica Ave., Hollis, Long Island. N. Y. **Underwriter**—White, Weld & Co., Inc., N. Y. **Offering** — Indefinitely postponed.

Industry Capital Corp.
Dec. 26, 1961 filed 500,000 common. **Price**—$15. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—208 S. La Salle St., Chicago. **Underwriter**—A. C. Allyn & Co., Chicago. **Note**—This registration will be withdrawn.

Infotronics Corp.
Oct. 23, 1962 filed 100,000 common. **Price**—$5. **Business**—Research, engineering, manufacturing and marketing in the field of electronic information handling and automation systems. **Proceeds**—For new products, inventory, new plant and working capital. **Office**—1401 S. Post Oak Rd., Houston. **Underwriter**—None.

Instr-O-Matics, Inc.
Sept. 28, 1962 filed 32,000 class A common. **Price**—By amendment (max. $10). **Business** — Company develops, manufactures and sells electronic equipment for use in the marine field, principally in pleasure boating. **Proceeds**—For debt repayment, advertising, inventories, new products and working capital. **Office**—3181 N. Elston Ave., Chicago. **Underwriter** — R. A. Holman & Co., Inc., N. Y.

● **Instron Engineering Corp. (12/17-21)**
March 26, 1962 filed 120,000 common. **Price**—By amendment (max. $14). **Business**—Development and production of equipment for use in testing the physical characteristics of various materials. **Proceeds**—For selling stockholders. **Office**—2500 Washington St., Canton, Mass. **Underwriter**—Tucker, Anthony & R. L. Day.

Instrument Components, Inc.
June 11, 1962 ("Reg. A") 135,000 common. **Price** — $1. **Business** — Manufacture and distribution of electro-mechanical rotating devices. **Proceeds**—For debt repayment, sales promotion and other corporate purposes. **Office**—312 Mt. Pleasant Ave., Newark, N. J. **Underwriter**—Gold-Slovin Co., Inc., N. Y.

● **International Systems Research Corp.**
March 30, 1962 filed 110,000 class A common and 9-month warrants to purchase 110,000 class A shares at $4 per share, to be offered in units, each consisting of one share and one warrant. **Price**—$4 per unit. **Business**—Design, development and manufacture of mechanical, electro-mechanical and electronic equipment for government agencies and the military. **Proceeds**—For equipment, debt repayment and working capital. **Office**—Engineer's Hill, Plainview, L. I., N. Y. **Underwriter**—Leib, Skloot & Co., Inc., Clifton, N. J. **Offering**—Indefinite.

International Terrazzo Co., Inc.
Nov. 8, 1962 ("Reg. A") 75,000 common. **Price**—$2. **Business**—Manufacture and installation of terrazzo, and the installation of marble and tile. **Proceeds**—For debt repayment, equipment, working capital and other corporate purposes. **Office**—826 E. 62nd St., Brooklyn, N. Y. **Underwriter**—Jay Gould & Co., Inc., 111 W. 57th St., New York.

Interstate Equity
March 30, 1962 filed 1,605,100 shares of beneficial interest. **Price**—(max. $10). **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—450 Seventh Ave., N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y. **Offering**—Indefinite.

Investment Management Corp.
May 10, 1962 filed 100,000 common to be offered for subscription by stockholders on a 2-for-1 share basis. Unsubscribed shares will be offered to the public. **Price**—To stockholders, $2.50; to the public, $3.50. **Business**—Manager and distributor for Western Industrial Shares, Inc., a mutual fund. **Proceeds**—For debt repayment and general corporate purposes. **Office**—818 17th St., Denver. **Underwriter**—None.

Investors Realty Trust
May 31, 1962 filed 200,000 shares. **Price** — $10. **Business**—A real estate investment trust. **Proceeds** — For construction and investment. **Office** — 3315 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—None.

● **Iona Manufacturing Co.**
Jan. 26, 1962 filed 140,000 common, of which 125,000 are to be offered by the company and 15,000 shares by a stockholder. **Price**—By amendment. **Business**—Manufacture of household electric appliances and electric motors. **Proceeds**—For new products and working capital. **Office**—Regent St., Manchester, Conn. **Underwriter** — S. D. Fuller & Co., New York. **Note**—This registration will be withdrawn.

● **Israel Hotels International, Inc. (12/17-21)**
Feb. 28, 1962 filed $4,036,000 of 6½% sinking fund debentures due 1980-86 and 40,360 common (with warrants) to be offered for sale in units of one $1,000 debenture and 10 common (with 20 attached warrants). **Price**—$1,050 each. **Business** — Company was formed to construct the luxury hotel "Tel Aviv Hilton" at Tel Aviv, Israel. **Proceeds**—For general corporate purposes. **Office**—229 South State St., Dover, Del. **Underwriters**—Van Alstyne, Noel & Co., and American Israel Basic Economy Corp., New York. **Note**—This statement has become effective.

Jaap Penraat Associates, Inc.
Jan. 30, 1962 filed 100,000 common. **Price**—$3. **Business**—Industrial designing, the design of teaching machines and the production of teaching programs. **Proceeds**—For expansion, new facilities and working capital. **Office**—315 Central Park W., N. Y. **Underwriter**—R. F. Dowd & Co., Inc., N. Y.

● **Jamoco Air Conditioning Corp.**
Feb. 28, 1962 ("Reg. A") 40,000 common. **Price** — $3. **Business**—Design, installation and maintenance of heating, plumbing and air conditioning systems. **Proceeds**—For inventory, equipment and other corporate purposes. **Office** — 954 Jamaica Ave., Brooklyn, N. Y. **Underwriter**—Martin-Warren Co., Ltd., New York. **Offering**—Expected in late December.

● **Kaiser-Nelson Corp.**
March 29, 1962 filed $750,000 of 6¾% convertible subordinated debentures due Nov. 30, 1974 and 26,250 common to be offered in units of one $200 debenture and seven shares. **Price**—$228. **Business**—Reclamation of metallics from steel slag; mining of sand and gravel; and dismantling and salvage of industrial buildings. **Proceeds**—For new plants, debt repayment and working capital. **Office**—6272 Canal Rd., Cleveland. **Underwriter**—Robert L. Ferman & Co., Inc., Miami, Fla. **Offering**—Expected in late December.

Kavanau Corp.
March 29, 1962 filed 50,000 shares 6% cum. preferred and four-year common stock purchase warrants to be offered in units consisting of one preferred and one warrant. **Price**—By amendment (max. $101 per unit). **Business**—Real estate investment. **Proceeds**—For debt repayment and working capital. **Office**—30 E. 42nd St., N. Y. **Underwriter**—Hayden, Stone & Co., N. Y. **Note**—This registration will be withdrawn.

Kay Foods Corp.
Dec. 29, 1961 filed 88,000 class A common shares, of which 44,000 are to be offered by the company and 44,000 by stockholders. **Price**—$7. **Business**—Packing and sale of fruit juice products. **Proceeds**—For general corporate

purposes. **Office**—241 N. Franklintown Rd., Baltimore. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C. **Offering**—Indefinitely postponed.

● **Keene Packaging Associates**
April 2, 1962 filed 150,000 common, of which 75,000 are to be offered by company and 75,000 by stockholders. **Price**—$4. **Business**—Design and manufacture of semi-rigid vinyl plastic cases and containers for packaging. **Proceeds** — For debt repayment, working capital and other corporate purposes. **Office** — 947 Newark Ave. Elizabeth, N. J. **Underwriters**—Hardy & Co., N. Y., and Kleiner, Bell & Co., Beverly Hills, Calif. **Offering**—Imminent.

Kenner Products Co.
March 30, 1962 filed 542,000 common, of which 205,000 are to be offered by company and 317,000 by stockholders. **Price**—By amendment (max. $24). **Business**—Manufacture, design, and distribution of plastic toys. **Proceeds**—For general corporate purposes. **Office**—912 Sycamore St., Cincinnati, Ohio. **Underwriter**—Kuhn, Loeb & Co., New York.

Kingsberry Homes Corp.
April 9, 1962 filed 140,000 shares of capital stock of which 100,000 will be offered by company and 40,000 by stockholders. **Price**—By amendment (max. $17.50). **Business**—Manufacture of prefabricated homes. **Proceeds**—For a new plant. **Office**—1725 S. Gault Ave., Ft. Payne, Ala. **Underwriters**—The Robinson - Humphrey Co., Inc., Atlanta, and J. C. Bradford & Co., Nashville. **Offering**—Indefinitely postponed.

King-Stevenson Gas & Oil Co.
Nov. 26, 1962 filed $1,526,200 of 6½% conv. subord. debentures, due 1977, to be offered by subscription by common stockholders at the rate of $100 of debentures for each 30 shares held of record Nov. 15. **Price**—At par. **Business**—Company is engaged in operating gas and oil properties, supervising drilling on its leases and managing exploration programs for investors. **Proceeds**—For general corporate purposes. **Office**—2200 First National Bank Bldg, Denver, Colo. **Underwriter**—None.

Kraft (John) Sesame Corp.
May 24, 1962 filed $225,000 of 6% conv. subord. debentures, due 1972, and 150,000 common to be offered in units consisting of a $300 debenture and 200 shares. **Price**—$900 per unit. **Business**—Processing and distribution of sesame seed. **Proceeds**—For accounts receivable, inventories, plant expansion and working capital. **Office**—2301 N. Main St., Paris, Texas. **Underwriters**—John A. Dawson & Co., and Leason & Co., Inc., Chicago.

Kreedman Realty & Construction Corp.
April 19, 1962 filed $5,000,000 of conv. subord. debentures due 1982 and 200,000 common shares to be offered in units consisting of $25 of debentures and one common share. **Price**—By amendment (max. $27). **Business**—Construction and operation of office buildings. **Proceeds**—For debt repayment. **Office**—9350 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Lee Higginson Corp., New York. **Offering**—Indefinitely postponed.

Kwik-Kold, Inc.
March 29, 1962 ("Reg. A") 100,000 common of which 65,000 will be sold for company and 35,000 for stockholders. **Price** — $3. **Business** — Manufacture of certain patented cooling packages. **Proceeds**—For debt repayment and working capital. **Office**—Jennings Bldg., P. O. Box 638, Moberly, Mo. **Underwriter**—John W. Flynn & Co., Santa Barbara, Calif. **Note**—This letter will be withdrawn.

Las Vegas Properties Trust
Oct. 29, 1962 filed 500,000 shares of beneficial interest. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—4933 Paradise Rd., Las Vegas. **Underwriter**—Securities Co. of Nevada (same address).

Lee-Norse Co.
May 25, 1962 filed 272,000 common. **Price**—By amendment (max. $20). **Business**—Production of a coal mining machine. **Proceeds**—For selling stockholders. **Office**—751 Lincoln Ave., Charleroi, Pa. **Underwriter**—Moore, Leonard & Lynch, Pittsburgh. **Offering** — Temporarily postponed.

Lewis (Tillie) Foods, Inc. (12/17-21)
April 9, 1962 filed $2,250,000 of 5½% convertible subordinated debentures due 1982. **Price**—At par. **Business**—Processing, canning, bottling and selling of fruits and vegetables. **Proceeds**—For debt repayment and working capital. **Office**—Fresno Ave. & Charter Way, Stockton, Calif. **Underwriter**—Van Alstyne, Noel & Co., N. Y.

Litho-Web, Inc.
Oct. 26, 1962 ("Reg. A") 150,000 common. **Price**—$2. **Business**—Manufacture of various types of business and data processing forms. **Proceeds**—For debt repayment and working capital. **Address**—P. O. Box 168, Leaksville, N. C. **Underwriter**—Smith, Clanton & Co., Inc., Greensboro, N. C.

● **Livestock Financial Corp.**
Feb. 23, 1962 filed 130,000 common. **Price**—$10. **Business**—An insurance holding company whose subsidiaries insure the lives of all types of animals. **Proceeds**—To form new subsidiaries. **Office**—26 Platt St., N. Y. **Underwriter**—Shearson, Hammill & Co., N. Y. **Offering**—Indefinite.

Logos Options, Ltd. (12/24-28)
April 11, 1962 filed 250,000 capital shares. **Price** — By amendment (max. $10). **Business**—A diversified closed-end investment company. **Proceeds**—For investment. **Office**—26 Broadway, N. Y. **Underwriter**—Filor, Bullard & Smyth, N. Y. **Note**—This company formerly was named Logos Financial, Ltd.

Lunar Films, Inc.
Aug. 31, 1961 filed 125,000 common. **Price**—$5.75. **Business**—The production of television films. **Proceeds**—For filming and production and working capital. **Office**—543 Madison Ave., N. Y. **Underwriter**—To be named. **Note**—This firm formerly was named Lunar Enterprises, Inc. **Offering**—Postponed.

Mac-Allan Co., Inc.
Feb. 23, 1962 filed 130,260 of class A common, of which 65,130 are to be offered by the company and 65,130 by stockholders. **Price**—$5. **Business**—Sale and distribution of costume jewelry, ladies' handbags, and accessories. **Proceeds** — For working capital. **Office** — 1650 Broadway, Kansas City, Mo **Underwriter**—George K. Baum & Co., Kansas City. **Offering**—Indefinitely postponed.

Mail Assembly Service, Inc.
April 27, 1962 filed 100,000 common. **Price**—$2.25. **Business**—Assembling of packages for shipment to post offices. **Proceeds**—For general corporate purposes. **Office**—145 Ave. of the Americas, N. Y. **Underwriter**—To be named. **Offering**—Indefinitely postponed.

Management Investment Corp.
Aug. 29, 1962 filed 2,000 common (with attached warrants). **Price**—$500. **Business**—Company plans to furnish equity capital to firms in the atomic, space and missile fields, and provide advisory and management counseling services on a fee basis. **Proceeds**—For repayment of loans, and general corporate purposes. **Office**—130 Fulton Federal Bldg., Atlanta. **Underwriter**—None.

Manchester Insurance Management & Investment Corp.
Nov. 28, 1962 filed 272,941 common. **Price**—$3.50. **Business**—Writing of casualty insurance, adjustment of claims, financing of insurance premiums, and the making of investments. **Proceeds**—For expansion, loan repayment and other corporate purposes. **Office**—9929 Manchester Rd., St. Louis. **Underwriter**—Troster, Singer & Co., N. Y.

Manhattan Drug Co., Inc.
March 29, 1962 filed 72,000 common, of which 58,000 are to be offered by company and 14,000 by stockholders. **Price**—$3.50. **Business**—Manufacture, packaging and sale of various proprietary drug products. **Proceeds**—For equipment, new products, debt repayment and working capital. **Office**—156 Tillary St., Brooklyn, N Y **Underwriter**—Dana Securities Co., Inc., N. Y. **Note**—This registration will be withdrawn.

Marshall Press, Inc.
May 29, 1962 filed 60,000 common. **Price**—$3.75. **Business**—Graphic design and printing. **Proceeds**—For publishing a sales catalogue, developing a national sales staff and working capital. **Office**—812 Greenwich St., N. Y. **Underwriter**—To be named. **Offering**—Indefinitely postponed.

Master Artists Corp.
Nov. 26, 1962 ("Reg. A") 65,000 capital shares. **Price**—$1. **Business**—Production and distribution of recorded radio shows. **Proceeds**—For debt repayment, inventory, working capital and other corporate purposes. **Office**—9641 Heather Rd., Beverly Hills, Calif. **Underwriter**—Keon & Co., Los Angeles.

Masters, Inc.
March 22, 1962 filed $1,500,000 of 6% conv. subord. debentures due 1972; also 150,000 common shares, of which 80,000 will be offered by the company and 70,000 by a stockholder. The securities will be offered in units of one $100 debenture and 10 common shares, except that up to $700,000 of debentures and 70,000 shares may be offered separately. **Price**—For debentures, at par; for common, $10. **Business**—Operation of discount department stores selling a wide variety of merchandise. **Proceeds**—For expansion. **Office**—135-21 38th Ave., Flushing, N. Y. **Underwriters**—Sterling, Grace & Co.. and Norton, Fox & Co., Inc., N. Y. **Note**—This registration will be withdrawn.

McAleer (E. J.) & Co., Inc.
Nov. 19, 1962 ("Reg. A") $50,000 of 5% and 7% unsecured series C debentures due June 30, 1972. **Price**—$100 each. **Business**—Processing and selling at wholesale frozen seafood and other frozen foods. **Proceeds**—For working capital. **Office**—5830 Henry Ave., Philadelphia. **Underwriter**—None.

McGrath (John W.) Corp.
June 28, 1962 filed 253,875 common. **Price**—By amendment (max. $15). **Business**—Contract stevedoring and related operations. **Proceeds**—For selling stockholders. **Office**—39 Broadway, N. Y. **Underwriter**—Bear, Stearns & Co., New York. **Offering**—Indefinite.

Mechmetal-Tronics Inc.
May 28, 1962 filed 150,000 shares of 8% convertible cumulative preferred stock. **Price**—$3. **Business**—Design and manufacture of miniature metal bellows and other miniature products. **Proceeds**—For debt repayment, research and development and working capital. **Office**—12 Rochelle Ave., Rochelle Park, N. J. **Underwriter**—Charles Plohn & Co., New York.

Medical Industries Fund, Inc.
Oct. 23, 1961 filed 25,000 common. **Price**—$10. **Business**—A closed-end investment company which plans to become open-end. **Proceeds** — For investment in the medical industry and capital growth situations. **Office**—677 Lafayette St., Denver. **Underwriter** — Medical Associates, Inc., Denver.

Medical Video Corp.
Nov. 13, 1961 filed 250,000 common. **Price** — $1. **Business** — Manufacture of medical electronic equipment. **Proceeds** — For general corporate purposes. **Office**—Studio City, Calif. **Underwriter** — Financial Equity Corp., Los Angeles.

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NEW ISSUE CALENDAR

December 17 (Monday)

Duro-Test Corp. ____ Common
(Auchincloss, Parker & Redpath) 150,000 shares

Econo-Car International, Inc. ____ Class A
(Crosse & Co., Inc. and Street & Co., Inc.) $400,002

Grace Line Inc. ____ Bonds
(Merrill Lynch, Pierce, Fenner & Smith Inc.) $28,000,000

Instron Engineering Corp. ____ Common
(Tucker, Anthony & R. L. Day) 120,000 shares

Israel Hotels International, Inc. ____ Units
(Van Alstyne, Noel & Co. and American Israel Basic Economy Corp.) $4,237,800

Lewis (Tillie) Foods, Inc. ____ Debentures
(Van Alstyne, Noel & Co.) $2,250,000

Wellington Electronics, Inc. ____ Common
(Hemphill, Noyes & Co.) $500,000

December 18 (Tuesday)

Northern Pacific Ry. ____ Equip. Trust Ctfs.
(Bids 12 noon EST) $6,645,000

December 19 (Wednesday)

Honda Motor Co., Ltd. ____ ADR's
(Goldman, Sachs & Co. and Nikko Securities Co., Ltd.) 450,000 ADR's

December 24 (Monday)

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

Logos Options, Ltd. ____ Capital Stock
(Filor, Bullard & Smyth) 250,000 shares

December 26 (Wednesday)

Aerosystems Technology Corp. ____ Common
(Chase Securities Corp.) $495,000

January 2, 1963 (Wednesday)

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

Geigher Pipe Supply Inc. ____ Class A
(Midland Securities Co., Inc.) $570,000

Hunsaker Corp. ____ Common
(Bateman, Eichler & Co.) 250,000 shares

Hunsaker Corp. ____ Debentures
(Bateman, Eichler & Co.) $1,600,000

January 3, 1963 (Thursday)

Columbia Gas System, Inc. ____ Debentures
(Bids to be received) $25,000,000

January 8, 1963 (Tuesday)

New York Telephone Co. ____ Bonds
(Bids to be received) $70,000,000

January 9, 1963 (Wednesday)

Denver & Rio Grande Western RR. ____ Eq. Tr. Ctfs.
(Bids 12 noon MT) $4,500,000

Genesco, Inc. ____ Preferred
(Blyth & Co., Inc.) 185,000 shares

January 10, 1963 (Thursday)

Servotronics, Inc. ____ Cap. Shs.
(General Securities Co., Inc.) $375,000

January 14, 1963 (Monday)

Circle K Food Stores, Inc. ____ Common
(Eppler, Guerin & Turner, Inc.) 96,000 shares

January 15, 1963 (Tuesday)

Illinois Power Co. ____ Bonds
(Bids 10 a.m. CST) $35,000,000

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

January 22 (Tuesday)

Chesapeake & Potomac Telephone Co. of Md. Debs.
(Bids to be received) $50,000,000

January 23, 1963 (Wednesday)

Texas Eastern Transmission Corp. ____ Debentures
(Dillon, Read & Co., Inc.) $25,000,000

January 28, 1963 (Monday)

Nippon Electric Co., Ltd. ____ American Shs.
(First Boston Corp. and Daiwa Securities Co., Ltd.) 400,000 A. D. S.

January 29, 1963 (Tuesday)

Dallas Power & Light Co. ____ Bonds
(Bids 12 noon EST) $25,000,000

February 5, 1963 (Tuesday)

Bell Telephone Co. of Pennsylvania ____ Debentures
(Bids to be received) $50,000,000

February 6, 1963 (Wednesday)

Laclede Gas Co. ____ Debentures
(Bids to be received) $10,000,000

Laclede Gas Co. ____ Preferred
(Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc.; and Reinholdt & Gardner) 200,000 shares

March 5, 1963 (Tuesday)

Northwestern Bell Telephone Co. ____ Debentures
(Bids to be received) $40,000,000

Continued from page 29

● Merco Enterprises, Inc.
Nov. 5, 1962 filed 104,000 common, of which 33,000 are to be offered by company and 71,000 by stockholders. **Price**—By amendment (max. $5.50). **Business**—Sale of phonograph records to, and the providing of merchandising services to retail record department. **Proceeds**—For general corporate purposes. **Office**—750 Stewart Ave., Garden City, L. I., N. Y. **Underwriter**—J. R. Williston & Beane, N. Y. **Offering**—Indefinite.

Met Food Corp.
March 30, 1962 filed $1,000,000 of convertible subordinated debentures due Nov. 1, 1977. **Price** — By amendment. **Business**—Distribution of food and related products to supermarkets and other retail stores in the New York Metropolitan area. **Proceeds**—For general corporate purposes. **Office**—345 Underhill Blvd., Syosset, N. Y. **Underwriter**—Brand, Grumet & Siegel, Inc., N. Y. **Offering**—Indefinite.

Metropolitan Acceptance Corp.
Oct. 2, 1961 filed $300,000 of 6% subordinated convertibles due 1967 and 60,000 common shares to be offered in units consisting of $100 of debentures and 20 common shares. **Price**—$150 per unit. **Business**—Financing of retail sales. **Proceeds**—For working capital. **Office**—5422 Western Ave., Chevy Chase, Md. **Underwriter**—To be named.

Midwest Technical Development Corp.
Feb. 26, 1962 filed 561,500 common to be offered for subscription by stockholders on the basis of one share for each two shares held. **Price**—By amendment (max. $7). **Business** — A closed-end management investment company. **Proceeds** — For general corporate purposes. **Office** — 2615 First National Bank Bldg., Minneapolis. **Underwriter**—None.

Modern Laboratories, Inc.
Oct. 29, 1962 ("Reg. A") 97,000 common. **Price**—$3. **Business** — Manufacture of cosmetics. **Proceeds** — For equipment. **Office**—837 W. North Ave., Pittsburgh. **Underwriter**—A. J. Davis Co., Pittsburgh.

Monarch Plastics Corp.
May 28, 1962 ("Reg. A") 140,000 common. **Price**—$2. **Business**—Manufacture and sale of plastic letters, embossed sign faces, quantity signs and boat windshields. **Proceeds**—For purchase of land and building, moving expenses, equipment and working capital. **Office**—5606 Stuebner Airline Rd., Houston. **Underwriter**—W. R. Sauve Co., N. Y.

Montebello Liquors, Inc.
April 5, 1962 filed 160,000 common. **Price**—By amendment (max. $5). **Business**—Blending, bottling and marketing of alcoholic beverages. **Proceeds**—For equipment, inventories, advertising and working capital. **Office**—Bank St. & Central Ave., Baltimore. **Underwriters**—Street & Co., and Morris Cohon & Co., N. Y. **Offering**—Temporarily postponed.

Multronics, Inc.
Jan. 5, 1962 ("Reg. A") 100,000 capital shares. **Price**—$3. **Business**—Production of electronic parts and components and the furnishing of consulting services in the radio-engineering field. **Proceeds**—For debt repayment, equipment, and working capital. **Office**—2000 P St., N. W. Washington, D. C. **Underwriter** — Switzer & Co., Inc., Silver Spring, Md. **Offering**—Temporarily postponed.

Municipal Investment Trust Fund, Series B
April 28, 1961 filed $15,000,000 (15,000 units) of interests. **Price** — To be supplied by amendment. **Business** — The fund will invest in tax-exempt bonds of states, counties, municipalities and territories of the U. S. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York. **Offering**—Indefinite.

Music Royalty Corp.
July 27, 1962 filed 150,000 common. **Price**—$1. **Business**—Company acts as representative of artists, musicians, etc. and plans to engage in the music publishing business. **Proceeds**—For debt repayment, public relations, acquisition of musical properties, and working capital. **Office**—545 Fifth Ave., N. Y. **Underwriter**—Associated Securities Co., 545 Fifth Ave., N. Y.

National Directories, Inc.
March 29, 1962 ("Reg. A") 100,000 common. **Price**—$2.75. **Business**—Compilation and publication of regional classified telephone directories. **Proceeds**—For general corporate purposes. **Office**—3306 Lancaster Ave., Philadelphia. **Underwriter**—Crichton, Cherashore, Cundy, Inc., New York. **Note**—This letter will be withdrawn.

National Fence Manufacturing Co., Inc.
Nov. 29, 1962 filed 100,000 common. **Price**—$8.75. **Business** — Manufacture of galvanized chain link fence, welded concrete reinforcing fabric, gates and related products. **Proceeds**—For construction of a plant in Ireland, and working capital. **Office**—4301 46th St., Bladensburg, Md. **Underwriter**—Netherlands Securities Co., Inc., N. Y. **Offering**—Expected in February.

National Equipment & Plastics Corp.
Sept. 28, 1961 filed 105,000 common. **Price**—$5. **Business**—Operation of a cleaning and pressing plant and affiliated stores. **Proceeds**—For debt repayment, store expansion and working capital. **Address** — Portage, Pa. **Underwriter**—Cortlandt Investing Corp., N. Y. **Note**—This registration will be withdrawn.

National Memorial Estates
Oct. 11, 1962 filed 4,750,000 common. **Price**—$1. **Business**—Company plans to engage in cemetery development and to establish and operate a life and disability insurance concern. **Proceeds**—For general corporate purposes. **Office**—13 S. Broadway, Red Lodge, Mont. **Underwriter**—Security Brokerage Co., Billings, Mont.

National Mortgage Corp.
Nov. 9, 1962 filed $8,000,000 of installment certificates, series 20, and 410,000 common shares. **Price**—For certificates, $1,000; for common, $1.15. **Business**—A mortgage loan company. **Proceeds**—For investment and other corporate purposes. **Office**—113 S. Hydraulic, Wichita, Kan. **Underwriter**—National Mortgage Agency, Inc. (same address).

National Security Life Insurance Co., Inc.
Nov. 28, 1962 filed 590,075 common to be offered for subscription by common stockholders of record Oct. 15, on a share-for-share basis. **Price**—By amendment (max. $2). **Business**—Writing of participating and non-participating ordinary life insurance. **Proceeds** — To expand operations. **Office**—6225 University Ave., Madison, Wis. **Underwriter**—None.

● National Security Life Insurance Co.
March 23, 1962 filed 100,000 common, of which 80,000 are to be offered by company and 20,000 by stockholders. **Price**—$17.50. **Business**—A life, accident and health insurance company. **Proceeds**—For investment. **Office** — 130 Alvarado, N. E. Albuquerque, N. M. **Underwriter**—To be named. **Editor's Note**—We regret that in error "The Commercial & Financial Chronicle" stated in its issue of Dec. 6, 1962, and prior thereto, that the SEC had questioned the accuracy and adequacy of this company's registration statement. We have since learned that the accuracy and adequacy of this registration statement has not been questioned by the SEC. We sincerely regret the error.

National Telepix, Inc.
July 30, 1962 filed $150,000 of 6½% conv. subord. debentures due 1972. **Price**—At par. **Business**—Production of motion pictures. **Proceeds**—For production and distribution expenses and working capital. **Office**—1270 Ave. of the Americas, N. Y. **Underwriter**—None.

National Uni-Pac, Inc.
July 31, 1962 filed 85,000 common. **Price**—By amendment (max. $4). **Business**—Company plans to sell or lease coin operated vending machines. **Proceeds**—For debt repayment, equipment and working capital. **Office**—15 Peachtree St., Atlanta. **Underwriter**—None. **Note**—This registration will be withdrawn.

Natural Gas & Oil Producing Co.
Sept. 7, 1962 filed 180,000 class A common. **Price**—$5. **Business**—Production of natural gas and oil. **Proceeds**—For drilling expenses, working capital and other corporate purposes. **Office**—Tekoil Bldg., Oklahoma City. **Underwriter**—Peter Morgan & Co., N. Y.

New Campbell Island Mines Ltd.
Oct. 13, 1961 filed 475,000 common, of which 400,000 are to be offered by the company and 75,000 by a stockholder. **Price**—50c. **Business**—Exploration, development and mining. **Proceeds**—General corporate purposes. **Office**—90 Industry St., Toronto, Canada. **Underwriter**—A. C. MacPherson & Co., Toronto.

Norda Essential Oil & Chemical Co., Inc.
March 20, 1962 filed 200,000 class A shares. **Price**—By amendment (max. $15). **Business**—Manufacture, processing and distribution of natural and synthetic essential oils, flavor, essences, etc., to food and drug industries. **Proceeds** — For debt repayment, working capital and other corporate purposes. **Office**—601 W. 26th St., N. Y. **Underwriter**—S. D. Fuller & Co., N. Y. **Offering**—Expected sometime in March.

Nordon Corp., Ltd.
March 29, 1962 filed 375,000 capital shares, of which 100,000 are to be offered by company and 275,000 by stockholders. **Price**—By amendment (max. $6). **Business**—Acquisition and development of oil and natural gas properties. **Proceeds**—For drilling expenses and working capital. **Office** — 5455 Wilshire Blvd., Los Angeles. **Underwriter**—Gregory-Massari, Inc., Beverly Hills, Calif.

North Atlantic Life Insurance Co. of America
Aug. 31, 1962 filed 600,000 common being offered for subscription by stockholders on the basis of two new shares for each common share held of record Aug. 27, 1962, with rights to expire Dec. 4. **Price**—$3.50 **Business**—Writing of life, accident and health insurance. **Proceeds**—For capital funds. **Office**—163 Mineola Blvd., Mineola, L. I., N. Y. **Underwriter**—None.

Northwest Securities Investors, Inc.
June 25, 1962 ("Reg. A") 80,000 common. **Price**—$3.75. **Business**—Acquisition of second-trust notes secured by real estate property. **Proceeds**—For general corporate purposes. **Office**—922 You St., N. W., Washington, D. C. **Underwriter**—Clarence E. Shaw & Co., Washington, D.C.

Nuclear Science & Engineering Corp.
March 29, 1962 filed 100,000 common. **Price**—By amendment (max. $15). **Business**—Research and development on contracts using radioactive tracers; precision radioactivity measurement; production of radioactive isotopes and the furnishing of consulting and radiation measurement services. **Proceeds**—For equipment, debt repayment, expansion and working capital. **Address**—P. O. Box 10901, Pittsburgh. **Underwriter**—Johnston, Lemon & Co., Washington, D. C.

Nuveen Tax-Exempt Bond Fund, Series 4
Oct. 17, 1961 filed $15,000,000 of units representing fractional interests in the Fund. **Price**—By amendment. **Business**—The Fund will invest in interest-bearing obligations of states, counties, and municipalities of the U. S., and political subdivisions thereof which are believed to be exempted from Federal Income taxes. **Proceeds**—For investment. **Office**—Chicago, Ill. **Sponsor**—John Nuveen & Co., 135 So. La Salle St., Chicago.

● Optech, Inc.
Dec. 26, 1961 filed 100,000 common. **Price**—$3. **Business**—Research, development and fabrication of materials used in optical electronics. **Proceeds**—For equipment and working capital. **Office**—246 Main St., Chatham, N. J. **Underwriters**—Stone, Ackerman & Co., Inc., and Heritage Equity Corp., N. Y. **Offering**—Indefinite.

Orr (J. Herbert) Enterprises, Inc.
May 1, 1962 filed 285,000 common. **Price**—$10.50. **Business**—Company's subsidiaries manufacture cartridge tape recorders and programs therefor and men's and boys' dress trousers. **Proceeds**—For debt repayment, advertising and working capital. **Address**—Opelika, Ala. **Underwriter**—None.

Outlet Mining Co., Inc.
Feb. 28, 1962 filed 900,000 common. **Price**—$1. **Business**—Mining. **Proceeds**—For equipment and working capital. **Address**—Creede, Colo. **Underwriter**—None.

Pak-Well Paper Industries, Inc.
March 30, 1962 filed 150,000 class A common. **Price**—By amendment (max. $13). **Business**—Manufacture of envelopes, packaging materials of various kinds, wrapping paper, stationery, and school supplies. **Proceeds**—For selling stockholders. **Office**—198 W. Alameda, Denver. **Underwriter**—Francis I. du Pont & Co., N. Y. **Offering**—Expected in January.

Pan American Beryllium Corp.
Feb. 28, 1962 filed 100,000 common. **Price**—$5. **Business**—Company plans to mine for beryl ore in Argentina. **Proceeds** — For debt repayment, equipment, and other corporate purposes. **Office**—39 Broadway, N. Y. **Underwriter**—To be named.

PanAm Realty & Development Corp.
March 12, 1962 filed 400,000 class A stock. **Price**—$10. **Business**—A real estate holding and development company. **Proceeds**—For general corporate purposes. **Office**—70 N. Main St., Freeport, L. I., N. Y. **Underwriter**—To be named.

Parkway Laboratories, Inc.
Dec. 6, 1961 filed 160,000 common. **Price**—$5. **Business**—Manufacture of drugs and pharmaceuticals. **Proceeds**—For an acquisition, research and other corporate purposes. **Office** — 2301 Pennsylvania Ave., Philadelphia. **Underwriter**—Arnold Malkan & Co., Inc., N. Y. **Note**—This registration will be withdrawn.

● Peerless Radio Corp.
March 22, 1962 filed 120,000 common, of which 100,000 are to be offered by the company and 20,000 by stockholders. **Price** — $4. **Business** — Distribution of electric parts and components to industrial customers. **Proceeds**—For debt repayment, inventory and working capital. **Office**—19 Wilbur St., Lynbrook, N. Y. **Underwriter**—Kordan & Co., Inc., N. Y. **Note**—This registration was withdrawn.

Pellegrino Aggregate Technico, Inc.
Aug. 10, 1961 filed 130,000 class A common shares. **Price**—$5. **Business**—The manufacture of building materials. **Proceeds**—For payment of income taxes and loans and for working capital. **Office**—Woodbridge-Carteret Road, Port Reading, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., N. Y. **Offering**—Temporarily postponed.

Perma-Bilt Enterprises, Inc.
May 28, 1962 filed 230,000 common. **Price**—By amendment (max. $8). **Business**—Merchandising, sale and construction of homes. **Proceeds**—For acquisition and development of land, and other corporate purposes. **Office**—319 MacArthur Blvd., San Leandro, Calif. **Underwriter**—Robert A. Martin Associates, Inc., N. Y. **Note**—This registration will be withdrawn.

Permeator Corp.
May 18, 1962 filed 300,000 common to be offered for subscription by stockholders of National Petroleum Corp. Ltd., parent, on the basis of one share for each 15 National shares held. **Price**—$5. **Business**—Manufacture, use and sale of a patented tool, "Permeator," used in completion of oil and gas wells. **Proceeds**—For general corporate purposes. **Office**—445 Park Ave., N. Y. **Underwriter**—Irving Weis & Co., New York. **Offering**—Imminent.

● Petro-Capital Corp.
March 28, 1962 filed 556,700 common. **Price**—$11. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—6130 Sherry Lane, Dallas. **Underwriter**—McDonnell & Co., New York. **Offering**—Indefinite.

Playboy Clubs International, Inc.
May 28, 1962 filed 270,000 common. **Price**—By amendment. (max. $7). **Business**—Company is engaged in the ownership and franchising of Playboy Clubs. **Proceeds**—For debt repayment and general corporate purposes. **Office**—232 E. Ohio St., Chicago. **Underwriter**—Divine & Fishman, Inc., Chicago. **Offering**—Indefinite.

Polequity Corp.
Aug. 29, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Company through its subsidiaries engages in the sale of life, accident and health, and group and disability benefits insurance; trading in over-the-counter market; underwriting of new security issues and sale of mutual funds. **Proceeds**—For expansion, advertising, and working capital. **Office**—150 Broadway, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., N. Y.

Potomac Real Estate Investment Trust
July 6, 1962 filed 1,000,000 shares of beneficial interest. **Price**—By amendment (max. $5). **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—880 Bonifant St., Silver Spring, Md. **Underwriter**—None.

Poulsen Insurance Co. of America
Aug. 27, 1962 filed 100,000 common. **Price**—By amendment (max. $10). **Business**—Writing of group and franchise forms of accident, sickness and life insurance in the Midwest. **Proceeds**—For debt repayment and expansion. **Office**—Executive Plaza, Park Ridge, Ill. **Under-**

writer—A. C. Allyn & Co., Chicago. **Note**—This stock will not be offered for sale in New York State. **Offering**—Indefinitely postponed.

Powell Petroleum, Inc.
Sept. 28, 1962 filed 100,000 common. **Price**—$5. **Proceeds**—To drill for and operate oil wells. **Office**—418 Market St., Shreveport, La. **Underwriter**—None.

Prescott-Lancaster Corp.
March 30, 1962 filed 150,000 common. **Price**—$5. **Business**—Real estate. **Proceeds**—For purchase of mortgages, and working capital. **Office**—18 Lancaster Rd., Union, N. J. **Underwriter**—To be named.

Prince Georges Country Club, Inc.
Oct. 15, 1962 filed 500 common to be offered for subscription by stockholders on the basis of one new share for each share held of record Feb. 18, 1962. **Price**—$1,000. **Proceeds**—For debt repayment, construction of a swimming pool, and other improvements. **Address**—Landover, Prince Georges County, Md. **Underwriter**—None.

Publishers Co., Inc.
Aug. 29, 1962 filed $3,500,000 of 6% subord conv. debentures due 1977 to be offered by the company and 25,000 outstanding common shares to be sold by stockholders. **Price**—For debentures, par; for stock—by amendment (max. $10). **Business**—Book publishing. **Proceeds**—Company will use its proceeds for the purchase of two printing firms; to redeem outstanding 6% notes; for working capital, and other corporate purposes. **Office**—1106 Connecticut Ave., Washington, D. C. **Underwriter**—Roth & Co., Inc., Philadelphia.

Putnam Management Co., Inc.
Aug. 22, 1962 filed 150,000 common (non-voting). **Price**—By amendment (max. $14). **Business**—An investment adviser and distributor of mutual funds. **Proceeds**—For selling stockholders. **Office**—60 Congress St., Boston. **Underwriters**—Paine, Webber, Jackson & Curtis, Boston, and Kidder, Peabody & Co., Inc., N. Y. **Offering**—Indefinite.

Quick-N-Clean Corp. of Minnesota, Inc.
Oct. 1, 1962 ("Reg. A") 205,000 common. **Price**—$1.15. **Business**—Company plans to open a chain of coin operated dry cleaning stores. **Proceeds**—Advertising, expansion and working capital. **Office**—712 Fir St., Brainerd, Minn. **Underwriter**—Northwest Securities, Inc., Detroit Lakes, Minn.

R. E. D. M. Corp.
June 29, 1962 filed 125,000 common, of which 50,000 will be offered for the company and 75,000 for certain stockholders. **Price**—By amendment (max. $6). **Business**—Engaged in manufacturing, engineering and research under Defense Department contracts; also manufactures ball point pens, points, mechanical pencils and desk sets. **Proceeds**—For equipment and working capital. **Office**—Little Falls, Passaic County, N. J. **Underwriter**—To be named.

Radar Relay, Inc.
Oct. 1, 1962 filed 100,000 common, of which 75,000 will be sold by company and 25,000 by a stockholder. **Price**—By amendment (max. $10). **Business**—Design and manufacture of electronic monitoring and warning systems, and integrally lighted switches. **Proceeds** — For product improvement and development, working capital, and other corporate purposes. **Office**—1631 10th St., Santa Monica, Calif. **Underwriter**—White, Weld & Co. Inc., New York. **Offering**—Indefinite.

Real Properties Corp. of America
April 27, 1962 filed 300,000 class A shares. **Price**—By amendment (max. $16). **Business**—Company owns certain real estate, general insurance agency and a mortgage servicing company. **Proceeds**—For debt repayment. **Office** — 745 Fifth Ave., N. Y. **Underwriter** — Stanley Heller & Co., N. Y. **Note**—This registration will be withdrawn and then refiled.

● **Red-O-Lier Corp.**
Aug. 27, 1962 filed 100,000 class A common. **Price**—$3.25. **Business**—Distribution of electrical supplies and equipment to commercial and industrial users. **Proceeds**—To finance additional inventories and accounts receivables. **Office**—577 Courtland Ave., N. Y. **Underwriter**—Crosse & Co., Inc., New York. **Offering** — Expected in January.

Regal Factors, Inc.
Oct. 2, 1962 ("Reg. A") 90,000 common. **Price**—$2. **Business**—Company plans to engage in factoring and accounts receivable financing. **Proceeds**—For working capital. **Office**—32 Broadway, N. Y. **Underwriter**—Edward H. Stern & Co., Inc., N. Y.

Regulators, Inc.
Jan. 29, 1962 filed 75,000 common, of which 50,000 are to be offered by the company and 25,000 by Electronic Specialty Co., parent. **Price**—$5. **Business**—Design and manufacture of regulating and control devices used in the electric and electronic fields. **Proceeds**—For debt repayment and working capital. **Office**—455 W. Main St., Wyckoff, N. J. **Underwriter**—Myron A. Lomasney & Co., N. Y. **Note**—This registration will be withdrawn and then refiled.

Remitco, Inc.
Nov. 19, 1962 filed 952,000 common. **Price**—$10. **Business**—Company is engaged in selling "puts" and "calls." **Proceeds**—For working capital. **Office**—130 N. Virginia St., Reno, Nev. **Underwriter**—None.

Resin Research Laboratories, Inc.
Feb. 27, 1962 filed 105,000 common. **Price**—$3.50. **Business** — Operation of a laboratory for contractual research, development and engineering in the chemical field. **Proceeds**—For expansion of facilities, debt repayment and working capital. **Office**—396-406 Adams St., Newark, N. J. **Underwriter**—Keene & Co., Inc., N. Y.

Resort Corp. of Missouri
Nov. 27, 1962 filed 125,000 class A common and three-year warrants to purchase 1,250 class A shares to be offered in units consisting of four shares and one warrant. **Price** — $32 per unit. **Business** — Company will erect and operate a luxury hotel and resort facilities, and sell 80 acres of land for home sites. **Proceeds**—For construction. **Office**—3615 Olive St., St. Louis. **Underwriter**—R. L. Warren Co., St. Louis.

Richard Gray & Co., Inc.
June 21, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business** — A securities broker-dealer. **Proceeds** — For working capital and other corporate purposes. **Office**—237 W. 51st St., N. Y. **Underwriter**—Richard Gray Co., New York. **Offering**—Imminent.

Richmond Corp.
Dec. 21, 1961 filed 142,858 common. **Price**—$7. **Business**—A real estate investment company. **Proceeds**—For debt repayment and general corporate purposes. **Office**—220 K St., N. W., Washington, D. C. **Underwriter**—Hirschel & Co., Silver Spring, Md. **Offering**—Indefinite. **Note**—The SEC has challenged the accuracy and adequacy of this registration statement.

● **Rona Lee Corp.**
Sept. 26, 1962 filed 100,000 common. **Price**—$5. **Business**—Design, manufacture, and distribution of girls' blouses, sportswear, and coordinates. **Proceeds**—For debt repayment. **Office**—112 W. 34th St., N. Y. **Underwriter**—Winslow, Cohu & Stetson Inc., N. Y. **Offering**—Indefinite.

Royaltone Photo Corp.
Nov. 29, 1961 filed 300,000 common, of which 100,000 are to be offered by the company and 200,000 by stockholders. **Price** — By amendment. **Business** — Develops and prints color, and black and white photographic film. **Proceeds** — For equipment and working capital. **Office**—245 7th Ave., N. Y. **Underwriter** — Federman Stonehill & Co., N. Y. **Offering**—Indefinitely postponed.

Ruby Silver Mines, Inc.
Jan. 2, 1962 ("Reg. A") 2,400,000 common. **Price**—12½ cents. **Business**—Exploration and development of mineral deposits. **Proceeds**—For debt repayment and general corporate purposes. **Address**—Box 1088, Wallace, Idaho. **Underwriter**—Pennaluna & Co., Spokane, Wash.

Russell Mills, Inc.
Sept. 28, 1962 filed 312,500 common. **Price**—By amendment (max. $12). **Business**—Manufacture of athletic clothing, knitted underwear, children's sleepwear and cotton cloth. **Proceeds**—For bond retirement and plant expansion. **Address**—Alexander City, Ala. **Underwriter**—Hornblower & Weeks, N. Y. **Note** — This company formerly was called Russell Manufacturing Co. **Offering**—Expected sometime in January.

San Francisco Capital Corp.
April 23, 1962 filed 60,000 common. **Price**—$12.50. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—400 Montgomery St., San Francisco. **Underwriter**—Cantor, Fitzgerald & Co., Inc., Beverly Hills, Calif.

Scripps-Howard Broadcasting Co.
March 20, 1962 filed 375,000 common. **Price**—By amendment (max. $20). **Business**—Company owns and operates TV, radio and FM broadcasting stations. **Proceeds**—For selling stockholders. **Office**—1121 Union Central Bldg., Cincinnati. **Underwriter**—First Boston Corp., N. Y. **Offering**—Indefinitely postponed.

Seaboard Land Co.
July 25, 1962 filed 200,000 class A common. **Price**—By amendment (max. $2.50). **Business**—Ownership and development of real estate. **Proceeds**—For working capital. **Office**—912 Thayer Ave., Silver Spring, Md. **Underwriter** — North American Seaboard Securities Corp., (same address).

Seaboard Life Insurance Co. of America
June 29, 1962 filed 256,097 common being offered for subscription by stockholders on the basis of one new share for each 5 held of record Oct. 1, with rights to expire Dec. 31 (period may be extended). **Price**—$9.25. **Business**—Writing of life, accident and health insurance. **Proceeds**—For purchase of a building, debt repayment, reserves, and other corporate purposes. **Office**—1451 N. Bayshore Dr., Miami. **Underwriter**—None.

Security Aluminum Corp.
Jan. 26, 1962 filed 165,000 common. **Price**—$6. **Business**—Manufacture of aluminum sliding windows and doors. **Proceeds**—For equipment, moving expenses and working capital. **Office**—503 E. Pine Ave., Compton, Calif. **Underwriter** — Vickers, MacPherson & Warwick, Inc., New York. **Offering**—Expected in January.

Selective Financial Corp.
Feb. 28, 1962 filed 500,000 common, of which 405,000 are to be offered for subscription by holders of the A, B and C stock of Selective Life Insurance Co., an affiliate, on the basis of 4 company shares for each class A or B share and two-thirds share for each class C share of Selective Life held. Remaining 94,822 and any unsubscribed shares will be offered publicly. **Price**—To public, $6; to stockholders, $5. **Business**—Company plans to engage in the consumer finance, mortgage, general finance and related businesses. **Proceeds** — For general corporate purposes. **Office**—830 N. Central Ave., Phoenix. **Underwriter**—None.

Sentinel Life Insurance Co.
Sept. 10, 1962 filed 250,000 capital shares. **Price** — $5. **Business**—Company plans to sell life and disability insurance. **Proceeds**—For organizational expenses and other corporate purposes. **Office**—225 Bush St., San Francisco, Calif. **Underwriter**—None.

Sentinel Properties Corp.
May 1, 1962 filed 200,000 class A common. **Price**—$10. **Business**—Real estate investment. **Proceeds**—For construction of a building. **Office**—565 Fifth Ave., N. Y. **Underwriter**—None.

● **Servotronics, Inc. (1/10/63)**
March 30, 1962 filed 125,000 capital shares. **Price** — $3. **Business**—Design, development and manufacture of precision control components and associated products. **Proceeds** — For debt repayment, equipment and working capital. **Office** — 190 Gruner Rd., Cheektowaga, N. Y. **Underwriter**—General Securities Co., Inc., N. Y.

Shaker Properties
Oct. 19, 1962 filed 215,000 shares of beneficial interest. **Price**—$15. **Business** — A real estate investment trust. **Proceeds**—For investment and working capital. **Office**—1956 Union Commerce Bldg., Cleveland, Ohio. **Underwriter**—McDonald & Co., Cleveland. **Offering**—In Jan.

Signalite Inc.
Jan. 29, 1962 filed 126,000 common. **Price**—$4.50. **Business**—Manufacture, sale and development of glow lamps for use as indicators and circuit components. **Proceeds**—For debt repayment, equipment and working capital. **Office**—1933 Heck Ave., Neptune, N. J. **Underwriter**—Milton D. Blauner & Co., N. Y. **Offering**—Postponed.

● **Simpson (J.) & Co., Inc.**
Oct. 1, 1962 ("Reg. A") 50,000 class A. **Price**—$6. **Business**—Company is a licensed pawn broker. **Proceeds**—For general corporate purposes. **Office**—1176 Ave. of Americas, N. Y. **Underwriter**—Richard Bruce & Co., Inc., New York. **Note**—This letter was withdrawn.

Southeastern Towing & Transportation Co., Inc.
Nov. 29, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Construction and operation of towing boats. **Proceeds**—For debt repayment, conversion of a boat, and working capital. **Office**—3300 N. W. North River Drive, Miami, Fla. **Underwriter**—Irwin Karp & Co., Inc., 68 William St., N. Y.

● **Sovereign Life Insurance of California**
Nov. 28, 1962 filed 800 capital shares. **Price**—$2,500. **Business**—Company plans to engage in writing life and disability insurance in California. **Proceeds**—For capital and surplus. **Office**—510 S. Spring St., Los Angeles. **Underwriter**—McDonnell & Co., Inc., New York. **Offering**—Expected in January.

● **Sperti Products, Inc.**
Nov. 29, 1961 filed 230,000 common of which 200,000 are to be offered by the company and 30 000 by stockholders. **Price**—By amendment. **Business**—Manufacture of drug and food products, electrical and electronic devices and precision machinery. **Proceeds**—For the purchase of certain patents, repayment of debt, and working capital. **Office**—730 Grand St., Hoboken, N J **Underwriter**—Blair & Co., New York. **Offering**—Expected in January.

Star Development Corp.
Nov. 9, 1962 filed $300,000 of 6½% convertible s. f. debentures due 1972. **Price**—At par. **Business**—Real estate development. **Proceeds**—For debt repayment, land acquisition, construction, and working capital. **Office**—1601 E. S. Mountain Ave., Phoenix. **Underwriter**—None.

Sterling Copper Corp.
Aug. 2, 1962 filed 850,000 common. **Price**—$1. **Business**—Company plans to operate a non-ferrous rod and tube mill. **Proceeds**—For plant and equipment, working capital and other corporate purposes. **Office**—300 Horn Rd., Pinconning, Mich. **Underwriter**—None.

Stratford Financial Corp.
March 29, 1962 filed 315,000 class A shares of which 218,000 are to be offered by the company and 97,000 by the stockholders. **Price**—$6. **Business**—Commercial finance company. **Proceeds**—For debt repayment. **Office**—95 Madison Ave., N. Y. **Underwriter**—Mortimer B. Burnside & Co., Inc., N. Y.

● **Stratton Fund, Inc.**
March 20, 1962 filed 500,000 common. **Price**—$20. **Business**—A new mutual fund which plans to offer investors the opportunity of exchanging their individual securities for shares of the Fund without incurring Federal income tax liability. **Office**—15 William St., New York. **Dealer-Manager**—J. R. Williston & Beane, N. Y. **Note**—This company formerly was named Stratton Realty & Construction Fund, Inc. **Offering**—Indefinite.

Superior Commercial Corp.
Nov. 15, 1962 filed 200,000 class A common, of which 100,000 are to be offered by the company and 100,000 by stockholders. **Price**—$1.50. **Business**—Company buys and holds second mortgages. **Proceeds**—For general corporate purposes. **Office**—9 Maiden Lane, New York. **Underwriter**—S. C. Burns & Co., Inc., New York. **Offering**—Indefinite.

Tabach Industries, Inc. (1/15/63)
March 29, 1962 ("Reg. A") 125,000 common. **Price**—$2. **Business**—Manufacture and sale of women's wear. **Proceeds**—For debt repayment, leasehold improvements and expansion. **Office**—217 E. Eight St., Los Angeles, Calif. **Underwriter** — Costello, Russotto & Co., 9301 Wilshire Blvd., Beverly Hills, Calif.

Tactair Fluid Controls, Corp.
March 29, 1962 filed 90,000 common. **Price**—By amendment (max. $7.50). **Business**—Manufacture of fluid control equipment used in missiles, helicopters and aircraft. **Proceeds**—For selling stockholders **Address**—Bridgeport, Conn. **Underwriters**—Stroud & Co., Inc. and Penington, Colket & Co., Philadelphia.

Teaching Systems, Inc.
June 1, 1962 ("Reg. A") 50,000 common. **Price**—$2. **Business**—Production and sale of educational audio-visual teaching aids. **Proceeds**—For equipment, promotion and advertising and working capital. **Office**—1650 Broadway, N. Y. **Underwriter**—Creative Ventures Corp., 733 Third Ave., N. Y.

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Telephone Employees Life Insurance Co.
Nov. 9, 1962 filed 110,292 capital shares, being offered for subscription by stockholders of Telephone Employees Insurance Co., affiliate, on a 1-for-4 basis. Record date for the offering is Dec. 5 and the rights expiration date Dec. 20. **Price**—$25. **Business**—Company plans to write ordinary life, credit life and group life insurance. **Proceeds**—For capital and surplus, and investment. **Address**—Redwood & Light Streets, Baltimore, Md. **Underwriter**—Eastman Dillon, Union Securities & Co., Baltimore.

Tenna Corp.
Sept. 28, 1962 filed 122,000 common. **Price**—By amendment (max. $11). **Business**—Manufacture of automobile antennas and radios. **Proceeds**—For repayment of bank loans and working capital. **Office**—19201 Cranwood Parkway, Warrensville Heights, Ohio. **Underwriters**—Westheimer & Co., Cincinnati, and Hartzmark & Co., Inc., Cleveland.

Tennessee Gas Transmission Co.
Oct. 11, 1962 filed $50,000,000 of first mortgage pipe line bonds due Dec. 1, 1982. **Price**—By amendment. **Proceeds**—For debt repayment, and construction. **Office**—Tennessee Bldg., Houston. **Underwriters**—Stone & Webster Securities Corp.; White, Weld & Co.; Halsey Stuart & Co. Inc. **Offering**—Expected sometime in January.

Texas Plastics, Inc.
July 27, 1962 filed 313,108 common. **Price**—$3.50. **Business**—Operation of a plant producing plastic film and packaging products. **Proceeds**—For working capital. **Address**—Elsa, Texas. **Underwriter**—Crow, Brourman & Chatkin, Inc., N. Y.

Top Dollar Stores, Inc.
May 1, 1962 filed 200,000 common, of which 100,000 are to be offered by company and 100,000 by stockholders. **Price**—$5. **Business**—Operation of a chain of self-service retail stores selling clothing, housewares, etc. **Proceeds**—For expansion, equipment and working capital. **Office**—2220 Florida Ave., Jasper, Ala. **Underwriter**—Philips, Appel & Walden, 115 Broadway, N. Y. **Offering**—Temporarily postponed.

Tourist Industry Development Corp. Ltd.
Aug. 3, 1962 filed $5,000,000 of 7% senior debenture stock due 1962. **Price**—At par. **Business**—Company was organized by the State of Israel to furnish financing to tourist enterprises. **Proceeds**—For general corporae purposes. **Address**—Jerusalem, Israel. **Underwriter**—American-Israel Basic Economy Corp., N. Y.

● **Towers Marts International, Inc.**
Feb. 1, 1962 filed 550,000 capital shares. **Price** — By amendment. **Business** — Company builds and operates retail discount department stores. **Proceeds**—For expansion. **Office**—41 E. 42nd St., N. Y. **Underwriter**—W. C. Langley & Co., New York. **Note**—This registration was withdrawn.

Town & Country Associates
Nov. 5, 1962 filed 64½ limited partnership interests and $506,325 of 5% subordinated promissory notes due 1973 to be offered in units of one interest and $7,850 of notes. **Price**—$8,750 per unit. **Business**—A limited partnership which plans to construct a shopping center, an office building and related facilities at Springfield, Ill. **Proceeds**—For general corporate purposes. **Office**—59 E. Van Buren St., Chicago. **Underwriter**—None.

Transarizona Resources, Inc.
May 28, 1962 filed 500,000 capital shares. **Price**—$1.50. **Business**—Exploration, development and production of the Lake Shore copper deposit near Casa Grande, Ariz. **Proceeds**—For equipment, exploration and working capital. **Office**—201 E. 4th St., Casa Grande, Ariz. **Underwriter**—None.

Turbodyne Corp.
March 2, 1962 filed 127,500 common. **Price**—$5. **Business**—Research, development and production and overhauling of gas turbine engines. **Proceeds**—For debt repayment, research and development, a new plant and working capital. **Office** — 1346 Connecticut Avenue, N. W., Washington, D. C. **Underwriter**—Sandkuhl & Co., Inc., N. Y.

Ultrasonic Laboratories, Inc.
Nov. 29, 1962 filed 67,200 common. **Price**—$3.50. **Business**—Design, engineering and manufacture of specialized products primarily in the field of contamination control. Company also acts as sales agents and distributors of allied equipment in the fields of contamination control and ultrasonics. **Proceeds**—For debt repayment, equipment, advertising and other corporate purposes. **Office**—1695 Elizabeth Ave., Rahway, N. J. **Underwriter**—None.

United Camera Exchange, Inc.
Nov. 29, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Operation of retail stores selling and trading cameras, films and other photographic equipment. Company also sells radios, tape recorders, dictating and photocopying machines, and provides a film developing and printing service. **Proceeds**—For new stores and camera concessions. **Office**—25 W. 43rd St., N. Y. **Underwriter**—Ingram, Lambert & Stephen, Inc., N. Y.

United Variable Annuities Fund, Inc.
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo. **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo.

Universal Capital Corp.
Aug. 28, 1962 filed 1,500,000 common. **Price**—$1. **Business**—Company plans to establish or acquire control of other companies, principally those in life insurance field. **Proceeds**—For general corporate purposes. **Office**—318 N. St. Paul St., Dallas. **Underwriter**—None.

Urethane of Texas, Inc.
Feb. 14, 1962 filed 250,000 class A and 250,000 common to be offered in units of one share of each class. **Price**—$5.05 per unit. **Business**—Manufacture of urethane foams. **Proceeds**—For equipment, working capital, leasehold expenses and other corporate purposes. **Office**—2300 Republic National Bank Bldg., Dallas. **Underwriter** — First Nebraska Securities Corp., Lincoln, Neb. **Offering**—Temporarily postponed.

Valu-Rack, Inc.
May 4, 1962 filed 200,000 common, of which 100,000 are to be offered by company and 100,000 by stockholders. **Price** — $5. **Business** — Wholesale distribution and retail merchandising of health and beauty aids, housewares, kitchenwares, wearing apparel and other goods. **Proceeds**—For debt repayment. **Office**—2925 S. San Pedro St., Los Angeles. **Underwriter**—To be named.

● **Vending Components, Inc.**
March 30, 1962 filed 100,000 common. **Price**—$4. **Business** — Manufacture, design and sale of metal valves, mixers, taps, etc., for vending machines. **Proceeds**—For expansion, new products and other corporate purposes. **Office**—204 Railroad Ave., Hackensack, N. J. **Underwriter**—Keene & Co., Inc., N. Y. **Note**—This registration was withdrawn.

Venride Inc.
Nov. 5, 1962 filed 150,000 common. **Price**—$3. **Business**—Operation of coin-operated children's rides. **Proceeds**—For debt repayment, equipment and working capital. **Office**—241 Church St., N. Y. **Underwriter**—Leonard B. Stern & Co., N. Y.

Wade, Wenger ServiceMaster Co.
Nov. 23, 1962 filed $250,000 of 7% conv. subord. debentures due 1973. **Price**—95% of principal amount. **Business**—Sale of franchises for on-location cleaning of carpets, furniture, floors, etc., and the manufacture and sale of cleaning equipment and materials. **Proceeds**—For debt repayment and other corporate purposes. **Office**—2117 N. Wayne, Chicago. **Underwriter**—None.

Waterman Steamship Corp.
Aug. 29, 1961 filed 1,743,000 common. **Price**—By amendment. **Business**—The carrying of liner-type cargoes. **Proceeds**—For the purchase of vessels, and working capital. **Office**—71 Saint Joseph St., Mobile, Ala. **Underwriter**—Shields & Co., Inc., N. Y. (mgr.). **Offering**—Temporarily postponed.

● **Wellington Electronics, Inc. (12/17-21)**
Oct. 29, 1962 filed 50,000 common, of which 37,500 are to be offered by company and 12,500 by a stockholder. **Price**—$10. **Business**—Manufacture of etched aluminum foil; the company also produces and leases automatic winding machines used in the manufacture of capacitators. **Proceeds**—For loan repayment, equipment, plant expansion and working capital. **Office**—65 Honeck St., Englewood, N. J. **Underwriter**—Hemphill, Noyes & Co., New York.

Western Empire Real Estate Investments
Sept. 26, 1962 filed 600,000 shares of beneficial interest. **Price**—$4. **Business**—Company plans to qualify as a real estate investment trust. **Proceeds**—For investment. **Office**—1755 Gilpin St., Denver, Colo. **Underwriter**—None.

● **Western Pioneer Co.**
Feb. 19, 1962 filed 371,750 capital shares of which 175,000 are to be offered by the company and 196,750 by stockholders. **Price**—By amendment (max. $42). **Business**—The making of loans secured by first liens on real estate. **Proceeds**—For debt repayment. **Office** — 3243 Wilshire Blvd., Los Angeles. **Underwriter** — Kidder, Peabody & Co., New York. **Offering**—Indefinite.

Western Travel, Inc.
Oct. 29, 1962 ("Reg. A") 175,000 common. **Price**—$1. **Business**—Operation of motels, hotels, restaurants and related businesses. **Proceeds**—For completion of a motel and working capital. **Office**—290 N. University Ave., Provo, Utah. **Underwriter**—Western Securities, Inc., Provo, Utah.

Wheeler & Ryan, Inc.
July 30, 1962 filed 80,000 common. **Price**—$12.50. **Business**—Acquisition of leases and production of oil and gas. **Proceeds** — For repayment of debt and other corporate purposes. **Office**—Thompson Bldg., Tulsa. **Underwriter**—R. J. Edwards, Inc., Oklahoma City.

● **White Photo Offset, Inc.**
July 13, 1962 filed 100,000 common. **Price**—$3.50. **Business**—Photo-offset printing. **Proceeds** — For debt repayment, equipment and working capital. **Office**—142 W. 26th St., N. Y. **Underwriter** — K-Pac Securities Corp., New York. **Offering**—Expected in January.

Widman (L. F.), Inc.
Oct. 27, 1961 filed 162,000 common, of which 102,000 are to be offered by the company and 60,000 by stockholders. **Price**—$3. **Business**—Operates a chain of retail drug stores. **Proceeds**—Expansion, equipment and working capital. **Office**—738 Bellefonte Ave., Lock Haven, Pa. **Underwriter**—Godfrey, Hamilton, Taylor & Co., N. Y.

Wiener Shoes Inc.
April 2, 1962 filed 80,000 common. **Price** — By amendment (max. $11). **Business**—Operation of a chain of shoe stores. **Proceeds**—For debt repayment, expansion and working capital. **Office** — 808 Dakin St., New Orleans. **Underwriter** — Howard, Weil, Labouisse, Friedrichs & Co., New Orleans. **Note**—This registration will be withdrawn.

Winslow Electronics, Inc.
Dec. 28, 1961 filed 125,000 common. **Price**—$4. **Business**—Design and manufacture of precision electrical and electronic measuring devices and test equipment. **Proceeds**—For debt repayment and other corporate purposes. **Office**—1005 First Ave., Asbury Park, N. J. **Underwriter**—Amos Treat & Co., Inc., N. Y.

Wolf Corp.
Jan. 26, 1962 filed $4,500,000 of 6.5% convertible subordinated debentures due 1977 (with attached warrants) to be offered for subscription by stockholders of class A stock on the basis of $500 debentures for each 100 class A shares held. **Price**—$500 per unit. **Business**—Real estate. **Proceeds**—For debt repayment and realty acquisitions. **Office**—10 East 40th St., N. Y. **Underwriter**—S. E. Securities, Inc., 10 East 40th Street, New York. **Note**—This registration will be withdrawn.

Workman Electronic Products, Inc.
Oct. 25, 1962 filed 140,000 common. **Price**—$3. **Business**—Manufacture, development and assembling of precise electronic replacement components for radio, TV and industrial use. **Proceeds**—For debt repayment, inventory, research, and other corporate purposes. **Office**—Packinghouse Rd., Sarasota, Fla. **Underwriter**—Hensberry & Co., St. Petersburg, Fla.

Zero Mountain, Inc.
March 30, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Operation of underground cold storage facilities. **Proceeds**—Expansion, debt repayment and working capital. **Address**—Box 594, Fayetteville, Ark. **Underwriter** — Don D. Anderson & Co., Inc., Oklahoma City. **Offering**—Expected sometime in January.

Issues Filed With SEC This Week

★ **Accounting Corp. of America**
Dec. 5, 1962 ("Reg. A") 300,000 common. **Price**—$1. **Business**—Operation of an electronic data processing service. **Proceeds**—For expansion, equipment and working capital. **Office** — 37 Brighton Ave., Boston. **Underwriter**—Walker, Wachtel & Co., Inc., Boston.

★ **Aquariums Inc.**
Dec. 5, 1962 filed 51,200 common. **Price**—By amendment (max. $6). **Business**—Manufacture of home aquariums, and supplies. **Proceeds**—For moving expenses, equipment, debt repayment and working capital. **Address**—Route 46, Pine Brook, N. J. **Underwriter**—Divine & Fishman, Inc., N. Y.

★ **Brewer (J. W.) Co., Inc.**
Nov. 29, 1962 ("Reg. A") 120,000 common. **Price**—$2. **Business**—Distribution of automatic dispensing, cooling and ice-making equipment through a lease service program. **Proceeds**—For debt repayment and working capital. **Office**—3650—51st Ave., Sacramento, Calif. **Underwriter**—Mason Brothers, Oakland.

★ **Centre Circuits, Inc.**
Nov. 28, 1962 ("Reg. A") 3,239 common to be offered for subscription by stockholders on the basis of one new share for each 25 held of record Nov. 15, 1962. **Price**—$15. **Business**—Production and sale of chemical etching (Chemcut) equipment used in the manufacture of printed circuits and in the chemical machining of metals. **Proceeds**—For a European subsidiary and equipment. **Office**—1101 N. Atherton St., State College, Pa. **Underwriter**—None.

★ **Cotter & Co.**
Nov. 21, 1962 filed $3,000,000 of 6% subordinated notes, series I. **Price**—At par. **Business**—A cooperative wholesaler of hardware and related items. **Proceeds**—For working capital. **Office**—2740 N. Clybourn Avenue. **Underwriter**—None.

★ **Duro-Test Corp. (12/17-21)**
Dec 6, 1962 filed 150,000 common. **Price**—By amendment (max. $9). **Business** — Manufacture of various types of lights for industrial and commercial use. **Proceeds**—For the selling stockholder. **Office** — 2321 Hudson Blvd., North Bergen, N. J. **Underwriter**—Auchincloss, Parker & Redpath, New York.

★ **Genesco Inc. (1/9/63)**
Dec. 7, 1962 filed 185,000 shares of cumulative convertible preferred (no par). **Price** — By amendment (max. $100). **Business**—Manufacture of various types of footwear and apparel. **Proceeds** — For debt repayment and working capital. **Address**—111 7th Ave., North, Nashville, Tenn. **Underwriter**—Blyth & Co., Inc., New York.

★ **Intelectron Corp.**
Dec. 10, 1962 filed 100,000 common. **Price**—$3. **Business**—Company plans to engage in the research and development of devices for the hard of hearing and equipment applicable to certain specialized and affiliated areas of communication. **Proceeds**—For general corporate purposes. **Office**—171 E. 77th St., New York. **Underwriter**—None.

★ **Johnny-on-the-Spot Central, Inc.**
Nov. 30, 1962 ("Reg. A") 6,000 common. **Price**—At-the-market (max. $8.33). **Business**—Operation of a chain of retail dry cleaning and shirt laundering establishments. **Proceeds**—For selling stockholders. **Office**—830 Central Ave., Scarsdale, N. Y. **Underwriter**—None.

★ **Luck's, Inc.**
Dec. 5, 1962 filed 145,500 common, of which 72,750 are to be offered by company and 72,500 by stockholders. **Price**—By amendment (max. $9). **Business**—Canning and marketing of processed foods. **Proceeds** — For general corporate purposes. **Address** — Seagrove, N. C. **Underwriters**—J. C. Wheat & Co., Richmond, Va., and Allied Securities Corp., Greensboro, N. C.

★ National Central Life Insurance Co.
Dec. 7 filed 125,000 common. **Price** — By amendment (max. $15). **Business**—Writing of health and accident insurance. **Proceeds**—For general corporate purposes. **Address**—2632 McGee St., Kansas City, Mo. **Underwriter**—To be named.

★ Nippon Electric Co. Ltd. (1/28-31/63)
Dec. 7, 1962 filed 400,000 American Depositary Shares, representing 10,000,000 common. **Price**—By amendment (max. $22.50). **Business**—Manufacture of telecommunications and electronic equipment. **Proceeds**—For expansion. **Address**—Tokyo, Japan. **Underwriters**—First Boston Corp., and Daiwa Securities Co., Ltd., New York.

★ Paradynamics, Inc.
Nov. 30, 1962 ("Reg. A") 20,000 common. **Price** — $3. **Business**—Design, manufacture and sale of microwave test equipment and components for use in microwave systems and assemblies. **Proceeds** — For selling stockholders. **Office**—51 Urban Ave., Westbury, N. Y. **Underwriter**—None.

★ Penn Fuel Gas, Inc.
Nov. 30, 1962 ("Reg. A") 12,126 common to be offered for subscription by stockholders on the basis of one share for each 23 held. **Price**—$3.30. **Business**—A holding company for public utility corporations distributing gas in Pennsylvania. **Proceeds**—For debt repayment, and plant expansion. **Office**—55 S. 3rd St., Oxford, Pa. **Underwriter**—None.

★ Recreation Industries, Inc.
Nov. 23, 1962 ("Reg. A") 75,000 common. **Price** — $2. **Business**—Sale of travel and entertainment. **Proceeds**—For capital investment, and working capital. **Office**—411 W. 7th St., Los Angeles. **Underwriter** — Costello, Russotto & Co., Beverly Hills, Calif.

★ Star Development Corp.
Nov. 9, 1962 ("Reg. A") $300,000 of 6½% convertible sinking fund debentures. **Price**—At par. **Business**—Real estate development and construction. **Proceeds** — For debt repayment, land acquisition and development, advertising, and working capital. **Office**—1601 E. South Mountain Ave., Phoenix. **Underwriter**—None.

★ U. S. Cold Storage of Hawaii, Inc.
Nov. 20, 1962 ("Reg. A") 20,000 common. **Price** — $10. **Business** — Operation of a cold storage warehouse for frozen foods and other commodities. **Proceeds** — For a new warehouse, and working capital. **Office** — 3140 Ualena St., Honolulu. **Underwriter**—Loyalty Enterprises, Ltd., 32 Merchant St., Honolulu.

★ Warner Products Co., Inc.
Nov. 26, 1962 ("Reg. A") 40,000 common. **Price** — $1. **Business**—Purchase and marketing of a special type of pocket toothbrush. **Proceeds**—For equipment, inventory, advertising and promotion. **Office** — 425 S. Taney St., Philadelphia. **Underwriter**—None.

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."

Arkansas Valley Industries, Inc.
$1,200,000 of 6% convertible subordinated sinking fund debentures due Dec. 1, 1977, offered at par and accrued interest, and 16,000 capital shares at $14 per share, by A. G. Edwards & Sons, St. Louis, and A. C. Allyn & Co., Chicago.

Beneficial Finance Co.
$30,000,000 of 4.45% debentures due June 1, 1988, offered at par and accrued interest, to yield 4.45%, by Eastman Dillon, Union Securities & Co., New York.

Consolidated Bottling Co.
100,000 common offered at $5 per share, and $750,000 of 6½% subordinated sinking fund debentures due Dec. 1, 1977 (with warrants), offered at 98½% plus accrued interest, by Suplee, Yeatman, Mosley & Co., Inc., Phila.

Equity Annuity Life Insurance Co.
150,000 common shares being offered for subscription by stockholders at $7 per share on the basis of one-and-a-half new shares for each share held of record Dec. 11, with rights to expire Dec. 29. No underwriting is involved.

First Connecticut Small Business Investment Co.
75,000 common offered at $7.50 per share by P. W. Brooks & Co., New York.

Food & Drug Research Laboratories, Inc.
40,000 common offered at $10 per share by Charles Plohn & Co., New York.

Inter-American Development Bank
$75,000,000 of 4¼% bonds due Dec. 15, 1982, offered at par and accrued interest, by Lazard Freres & Co.; Lehman Brothers; Blyth & Co., Inc., New York, and associates. (Issue was not registered with the SEC).

Jackson's/Byrons Enterprises, Inc.
$1,000,000 of 6½% convertible subordinated debentures due 1977, offered at par, and 100,000 class A common at $8.50 per share by Clayton Securities Corp., Boston.

Massachusetts General Life Insurance Co.
322,497 capital shares offered at $11.50 per share by Kidder, Peabody & Co., Inc., New York.

Southern New England Telephone Co.
$45,000,000 of 4⅜% debentures due Dec. 1, 2001, offered at 101.032% and accrued interest, to yield 4.32%, by White, Weld & Co., and Kidder, Peabody & Co., New York.

Standard Security Life Insurance Co. of New York
273,000 common offered at $9 per share by Ira Haupt & Co., New York.

Tokyo Shibaura Electric Co., Ltd.
$20,000,000 of 6⅜% convertible debentures due March 31, 1978, offered at par and accrued interest, by Smith, Barney & Co., Inc., and The Nomura Securities Co., Ltd., New York.

Traileurop, Inc.
75,000 common offered at $5 per share by Kordan & Co., Inc., New York.

United Markets, Inc.
$400,000 of 8% subordinated convertible debentures due Nov. 1, 1972 and 20,000 common shares offered in units, at $250 each, of $200 of debentures and 10 shares by Moran & Co., Newark, N. J.

Prospective Offerings

Bell Telephone Co. of Pennsylvania (2/5/63)
Dec. 3, 1962 it was reported that this A. T. & T., subsidiary plans to sell $50,000,000 of debentures in February. **Office**—1835 Arch St., Philadelphia. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; White, Weld & Co.-Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected Feb. 5, 1963 at 195 Broadway, New York.

Bethlehem Steel Co.
Dec. 3, 1962, Arthur B. Homer, Chairman, announced that the company will embark on a $750,000,000 capital improvements program to be completed over the next three years. He said that approximately two-thirds of the financing for the program will be generated internally and the balance secured externally. Mr. Homer added that this would not be required in the immediate future. **Office**—25 Broadway, New York. **Underwriters**—To be named. The last public sale of securities in May, 1955, was handled by Kuhn, Loeb & Co., and Smith, Barney & Co., New York.

Biologics International Inc.
Aug. 15, 1962 it was reported that this company plans to file a registration statement covering 125,000 common shares. **Price**—$3. **Business**—Company plans to breed and supply animals for biological research purposes. **Proceeds**—For general corporate purposes. **Office**—7520 Bergenline Ave., North Bergen, N. J. **Underwriter**—To be named.

California Electric Power Co.
Oct. 29, 1962 it was reported that this company plans to raise new money in the third or fourth quarter of 1963. A spokesman for the company stated that the utility is thinking of selling 380,000 common shares, although a final decision has not been made. **Office**—2885 Foothill Blvd., San Bernardino. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

Central Illinois Light Co.
Nov. 5, 1962 it was reported that this company plans to sell about $9,400,000 of first mortgage bonds in the first quarter of 1963. **Proceeds**—To redeem a like amount of 3¼% bonds maturing April 1, 1963. **Office**—300 Liberty St., Peoria, Ill. **Underwriters**—To be named. The last issue of bonds on March 14, 1960 was won at competitive bidding by Halsey, Stuart & Co. Inc. Other bidders were: First Boston Corp.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Stone & Webster Securities Corp. (jointly).

Central Illinois Public Service Co.
July 10, 1962 it was reported that this company plans to issue about $10,000,000 of first mortgage bonds in 1963. **Proceeds**—For construction. **Office**—607 E. Adams St., Springfield, Ill. **Underwriters**—(Competitive). Probable bidders: Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Blyth & Co.-Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; First Boston Corp.; Lehman Brothers-Bear, Stearns & Co. (jointly).

Chesapeake & Potomac Telephone Co. of Md. (1/22/63)
Nov. 28, 1962 this A. T. & T. subsidiary announced plans to sell $50,000,000 of debentures due Jan. 1, 2002. **Proceeds** — To refund $25,000,000 of 5¼% debentures due Jan. 1, 1996, repay loans, and expand facilities. **Office**—320 St. Paul Place, Baltimore, Md. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; White, Weld & Co. **Bids**—Expected Jan. 22, 1963 at 195 Broadway, New York.

Chicago Union Station Co.
Nov. 28, 1962 it was reported that this company will issue $48-$50 million of first mortgage bonds in May 1963. **Proceeds**—To refund outstanding 3⅛% and 2⅞% bonds maturing July 1, 1963. **Office**—210 S. Canal St., Chicago. **Underwriters** — (Competitive). Probable bidders: Kuhn, Loeb & Co.; Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.

Community Public Service Co.
Oct. 29, 1962 it was reported that this company plans to issue about $5,000,000 of first mortgage bonds in June 1963. **Office**—408 W. 7th St., Fort Worth, Tex. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; Stone & Webster Securities Corp.

★ Connecticut Light & Power Co.
Dec. 10, 1962 it was reported that the company is considering the issuance of about $22,500,000 of bonds in 1963 or 1964. **Proceeds**—For construction. **Address**—Selden St., Berlin, Conn. **Underwriters**—To be named. The last public offering of bonds on Jan. 20, 1960 was handled by Morgan Stanley & Co.-Putnam & Co.-Chas. W. Scranton & Co.-Estabrook & Co. (jointly).

Consumers Power Co.
Sept. 4, 1962, Robert P. Briggs, Executive Vice-President, announced that the company had postponed until mid-1963 its plan to sell additional securities because of "larger than anticipated internal generation of cash, substantial refunds from natural gas suppliers and the increased use of bank credit." Earlier, the company reported that it expected to sell about $40,000,000 of securities, probably bonds, in the fourth quarter. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Shields & Co. (jointly); Harriman Ripley & Co. Inc.-First Boston Corp. (jointly); Morgan Stanley & Co.

★ Dallas Power & Light Co. (1/29/63)
Dec. 10, 1962 it was reported that this subsidiary of Texas Utilities Co., plans to sell $25,000,000 of first mortgage bonds due 1993. **Proceeds**—To redeem $20,000,000 of 5¼% bonds due 1989, and for other corporate purposes. **Office**—1506 Commerce St., Dallas. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler-Equitable Securities Corp. (jointly); Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co.-Blyth & Co., Inc.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); First Boston Corp.; Lehman Brothers. **Bids**—Jan. 29, 1963 (12 noon EST).

Delaware Power & Light Co.
March 9, 1962 it was reported that the company has postponed until early Spring of 1963 its plan to issue additional common stock. The offering would be made to common stockholders first on the basis of one share for each 10 shares held. Based on the number of shares outstanding on Dec. 31, 1961, the sale would involve about 418,536 shares. **Proceeds**—For construction. **Office**—600 Market St., Wilmington, Del. **Underwriters**—(Competitive). Probable bidders: Carl M. Loeb, Rhoades & Co.; W. C. Langley & Co.-Union Securities Co. (jointly); Lehman Brothers; First Boston Corp.; White, Weld & Co.-Shields & Co. (jointly); Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

★ Denver & Rio Grande Western RR. (1/9/63)
Dec. 10, 1962 it was reported that this road plans to sell $4,500,000 of equipment trust certificates in January. **Office**—1531 Stout St., Denver. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Jan. 9 (12 noon MT) at company's office.

Eastern Freight Ways, Inc.
Oct. 9, 1962 the ICC authorized the company to issue 100,000 common. **Price**—By amendment (min. $5). **Business**—A motor vehicle common carrier operating in nine eastern states from Vermont to Virginia. **Proceeds**—For working capital, debt repayment and advances to subsidiaries. **Office** — Moonachie Ave., Carlstadt, N. J. **Underwriter**—Allen & Co., New York.

Food Fair Properties, Inc.
May 11, 1962 stockholders authorized the company to issue 756,000 shares of a new convertible preferred stock which will be offered to stockholders through subscription rights on a 1-for-10 basis. **Price**—By amendment. **Business**—Development and operation of shopping centers. **Proceeds**—To retire outstanding 6% preferred stock and purchase up to $6,000,000 convertible debentures of Major Realty Corp., an affiliate. **Office**—223 East Alleghany Ave., Philadelphia. **Underwriter**—To be named. The last rights offering in December 1957 was underwritten by Eastman Dillon, Union Securities & Co., New York. **Offering**—Indefinitely postponed.

General American Transportation Corp.
Dec. 4, 1962 it was reported that this company plans to sell $35,000,000 of equipment trust certificates due 1983. **Business**—The supplying of railroad freight cars to railroads and shippers for their use. **Office**—380 Madison Ave., N. Y. **Underwriter**—Kuhn, Loeb & Co., Inc., New York. **Offering**—Expected in January.

General Aniline & Film Corp.
On Oct. 22, 1962, President Kennedy signed a bill authorizing the Government to sell its holdings of 540,894 class A and 2,050,000 class B shares, representing 98% of the voting control of the company. The stock, now held by the Attorney General, was seized in 1942 as a German asset. No date has been set for the offering which need not be registered with the SEC. Proceeds from the sale will be used to reimburse American citizens for losses of life and property during World War II. **Business**—Company is a leading domestic producer

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of dyestuffs, chemicals and photographic materials. **Office**—111 W. 50th St., New York. **Underwriters**—(Competitive). Probable bidders: Bache & Co.; Blyth & Co.-First Boston Corp. (jointly); Lehman Brothers-Kuhn, Loeb & Co.-Glore, Forgan & Co. (jointly).

● Grace Line Inc. (12/17-21)
Dec. 3, 1962 it was reported that the company will issue $28,000,000 of U. S. Government Insured Merchant Marine Bonds due Dec. 1, 1987. **Price**—At par and accrued interest. **Business**—A subsidiary of W. R. Grace & Co., operating a regularly scheduled liner service between U. S. and South America. **Proceeds**—To help finance the construction of four combination passenger/cargo-container vessels. **Address**—3 Hanover Square, New York. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Paine, Webber, Jackson & Curtis, New York.

Gulf States Utilities Co.
Oct. 5, 1962 it was reported that this company plans to sell $16,000,000 of first mortgage bonds due 1992. **Proceeds**—To retire a like amount of 5¼% bonds due 1989. **Office**—285 Liberty Ave., Beaumont, Tex. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler-Eastman Dillon, Union Securities & Co. (jointly); Stone & Webster Securities Corp.; Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Lehman Brothers. **Offering**—Temporarily postponed.

Highway Trailer Industries, Inc.
Sept. 10, 1962 it was reported that this company plans to raise some $2,500,000 by a rights offering to stockholders. Authorized stock now consists of 2,000,000 $1.25 par common shares of which 714,086 shares are outstanding. **Business**—Manufacture of truck trailers, cargo containers, telephone and power line construction equipment, etc. **Proceeds**—To help form a new finance company subsidiary. **Office**—250 Park Ave., N. Y. **Underwriters**—To be named. The last financing by the company was underwritten by Allen & Co., and Van Alstyne, Noel & Co., New York City.

Illinois Power Co. (1/15/62)
Nov. 28, 1962 it was reported that this utility expects to sell $35,000,000 of first mortgage bonds in January. **Office** — 500 South 27th Street, Decatur, Ill. **Underwriters**—To be named. The last sale of bonds on May 21, 1958 was made through First Boston Corp. Other bidders were: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly); Eastman Dillon, Union Securities & Co.; Harriman Ripley & Co., Inc.-Glore, Forgan & Co. (jointly). **Bids**—Jan. 15 (10 a.m. CST) in Room 2075, 231 So. La Salle St., Chicago. **Information Meeting**—Jan. 10, 1963 (2:15 p.m. CST) at Morgan Guaranty Trust Co., 60 Liberty St., New York.

Interstate Power Co.
Oct. 10, 1962 it was reported that the company plans to sell $8,000,000 of first mortgage bonds and $4,000,000 of common stock in late May, 1963. **Office**—1000 Main St., Dubuque, Iowa. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; White, Weld & Co.

Iowa Public Service Co.
Nov. 5, 1962 it was reported that this company plans to sell $16,000,000 of bonds in the third quarter of 1963. **Address**—Orpheum-Electric Bldg., Sioux City, Iowa. **Underwriters**—(Competitive). Probable bidders: Kidder, Peabody & Co.-Blyth & Co. Inc. (jointly); Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; White, Weld & Co.; First Boston Corp.

Jamaica Water Supply Co.
March 20, 1962 it was reported that this utility plans to sell $3,000,000 of mortgage bonds and $2,000,000 of preferred and common stocks. **Proceeds**—For debt repayment, and construction. **Office** — 161-20 89th Ave., Jamaica, N. Y. **Underwriters**—To be named. The last sale of bonds on May 3, 1956 was made by Blyth & Co. Other bidders were: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co. The last several issues of preferred were sold privately. The last sale of common on May 9, 1956 was made through Blyth & Co., Inc.

Japan Development Bank
July 3, 1962 it was reported that the Japanese Finance Ministry has authorized the bank to issue an additional $22,500,000 of bonds in the U. S. It is expected that a major portion of this financing will be completed by March 31, 1963. **Business**—The bank was incorporated in 1951 as a Japanese Government financial institution to supply long-term funds to Japanese industry for the promotion of economic reconstruction and industrial development. **Office**—Tokyo, Japan. **Underwriters** — First Boston Corp.; Dillon, Read & Co. Inc.; Smith, Barney & Co., Inc., N. Y.

Kentucky Utilities Co.
Aug. 1, 1962 it was reported that this utility plans to sell approximately $15,000,000 of 30-year first mortgage bonds, in the first quarter of 1963. **Office**—120 So. Limestone St., Lexington, Ky. **Underwriters**—(Competitive). Probable bidders: Blyth & Co., Inc.; Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.-White, Weld & Co. (jointly); Eastman Dillon, Union Securities & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Laclede Gas Co. (2/6/63)
Nov. 1, 1963 the company announced plans to sell 200,000 shares of preferred stock (par $25). **Proceeds**—To repay bank loans. **Office**—1017 Olive Street, St. Louis. **Underwriters**—Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc., New York, and Reinholdt & Gardner, St. Louis.

Laclede Gas Co. (2/6/63)
Nov. 1, 1962 the company announced plans to sell $10,000,000 of 20-year sinking fund debentures. **Proceeds**—To repay bank loans. **Office**—1017 Olive Street, St. Louis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc.-Reinholdt & Gardner (jointly); Stone & Webster Securities Corp.; First Boston Corp.; Eastman Dillon, Union Securities & Co. **Bids**—Expected Feb. 6, 1963.

★ Laguna Niguel Corp.
Dec. 11, 1962, Gerald W. Blakeley, President, stated that the company is "seriously considering" the issuance of about $10,000,000 of debentures to redeem its 60-cent cumulative class A stock. Mr. Blakeley said class A dividends must be paid from after-tax earnings, meaning the company has to earn 12% of gross revenue, whereas interest on debentures is an expense item, so the company would have to earn only 6% to provide the same return. **Business**—Acquisition, development and management of real properties. **Office** — 32802 Pacific Coast Hwy., So., Laguna, Calif. **Underwriter**—To be named. The last financing for the company was handled by Paine, Webber, Jackson & Curtis, Boston.

Michigan Consolidated Gas Co.
On Oct. 24, 1962 it was reported that this company plans to sell about $22,000,000 of first mortgage bonds in the third quarter of 1963. **Proceeds**—For construction. **Office**—415 Clifford St., Detroit. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; White, Weld & Co.-Lehman Brothers (jointly).

Michigan Wisconsin Pipe Line Co.
Oct. 24, 1962 it was reported that this company plans to sell about $22,000,000 of first mortgage bonds in the third quarter of 1963. **Proceeds**—For construction. **Office**—500 Griswold St., Detroit. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc.

Mitsubishi Electric Mfg. Co.
Oct. 24, 1962 it was reported that the Japanese Finance Ministry had authorized the company to sell $10,000,000 of convertible bonds in the United States in 1962. It is expected that the bonds would mature in 15 years and bear interest of 6.5%. No decision has yet been made as to whether the issue will be sold publicly or privately. **Business**—Production of electric machinery. **Proceeds**—For expansion. **Office**—Tokyo, Japan. **Underwriter**—Kidder, Peabody & Co., New York.

Natural Gas Pipeline Co. of America
June 12, 1962 it was reported that this subsidiary of Peoples Gas Light & Coke Co., plans to sell $35,000,000 of senior securities later this year. **Business**—Operation of two natural gas pipeline systems extending from Texas to the Chicago metropolitan area. **Proceeds**—For expansion. **Office** — 122 So. Michigan Ave., Chicago. **Underwriter**—Dillon, Read & Co. Inc., New York City.

New York Telephone Co. (1/8/63)
Nov. 15, 1962 it was reported that this A. T. & T., subsidiary plans to sell $70,000,000 of first mortgage bonds in January. **Proceeds**—To repay bank loans. **Office**—140 West St., New York. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected Jan. 8, 1963.

Northern Illinois Gas Co.
Feb. 28, 1962 it was reported that the company expects to raise $125,000,000 to finance its 1962-66 construction program. About $25,000,000 of this, in the form of a debt issue, will be sold in the second half of 1962. **Office**—615 Eastern Ave., Bellwood, Ill. **Underwriters**—To be named. The last sale of bonds on July 14, 1960, was handled by First Boston Corp. Other bidders were: Halsey, Stuart & Co., Inc.; Blyth & Co., Inc-Equitable Securities Corp. (jointly); Glore, Forgan & Co.

Northern Natural Gas Co.
Feb. 28, 1962 it was reported that the company's 1962 expansion program will require about $40,000,000 of external financing to be obtained entirely from long or short term borrowing. **Office**—2223 Dodge St., Omaha, Neb. **Underwriter**—To be named. The last sale of debentures on Nov. 16, 1960 was handled on a negotiated basis by Blyth & Co., Inc., N. Y.

● Northern Pacific Ry. (12/18)
Nov. 5, 1962 it was reported that this road plans to sell $6,645,000 of equipment trust certificates due Jan. 10, 1964-78. **Office**—120 Broadway, N. Y. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Dec. 18 (12 noon EST) at company's office.

★ Northwestern Bell Telephone Co. (3/5/63)
Dec. 3, 1962 it was reported that this A. T. & T., subsidiary plans to sell $40,000,000 of debentures to mature not later than 40 years after date of issuance. **Office**—100 So. 19th St., Omaha, Neb. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; First Boston Corp.-Eastman Dillon, Union Securities & Co. **Bids**—Expected March 5, 1963 at 195 Broadway, New York.

Oklahoma Gas & Electric Co.
Aug. 1, 1962 it was reported that this company plans to sell $12,000,000 of 30-year first mortgage bonds, in the second quarter of 1963. **Office**—321 No. Harvey St., Oklahoma City. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Halsey, Stuart & Co. Inc.; Lehman Brothers-Blyth & Co. Inc. (jointly); First Boston Corp.; Harriman Ripley & Co., Inc.-Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp.

Pacific Power & Light Co.
Nov. 28, 1962 it was reported that the company plans to issue $30,000,000 of first mortgage bonds in June 1963. **Proceeds**—To repay outstanding loans. **Office**—920 S. W. Sixth Ave., Portland, Ore. **Underwriters**—(Competitive). Probable bidders: Lehman Brothers-Bear, Stearns & Co.-Salomon Brothers & Hutzler (jointly); Halsey, Stuart & Co. Inc.; Blyth & Co.-White, Weld & Co. (jointly); Eastman Dillon, Union Securities & Co.-Kidder, Peabody & Co. (jointly).

Pennsylvania Power & Light Co.
Feb. 20, 1962. Jack K. Busby, President and C. E. Oakes, Chairman, stated that the company will require about $93,000,000 in debt financing in the period 1962 to 1970. **Proceeds**—For construction and the retirement of $17,000,000 of maturing bonds. **Office**—9th and Hamilton Sts., Allentown, Pa. **Underwriters**—To be named. The last sale of bonds on Nov. 29, 1961 was won at competitive bidding by White, Weld & Co., and Kidder, Peabody & Co. Other bidders were Halsey, Stuart & Co. Inc.; First Boston Corp.-Drexel & Co. (jointly).

Snelling & Snelling, Inc.
Nov. 20, 1962 it was announced that the company plans its first public offering of stock. **Business**—Operation of a nationwide network of franchised personnel consultants with offices at 35 major cities. **Proceeds**—For expansion. **Office**—1530 Chestnut St., Philadelphia. **Underwriter**—To be named.

South Carolina Electric & Gas Co.
Aug. 1, 1962 it was reported that the company plans a rights offering to stockholders of approximately $8,500,000 of common stock. **Office**—328 Main St., Columbia, S. C. **Underwriter**—To be named. The last rights offering in February, 1958, was underwritten by Kidder, Peabody & Co., N. Y. **Offering**—Expected in the first quarter of 1963.

Southern New England Telephone Co. (12/11)
Oct. 5, 1962 it was reported that this A. T. & T. affiliate plans to sell $45,000,000 of debentures. **Proceeds**—To repay advances from A.T. & T., and for other corporate purposes. **Office**—227 Church St., New Haven, Conn. **Underwriters**—(Competitive). Probable bidders: White, Weld & Co.-Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Lehman Brothers-Salomon Brothers & Hutzler (jointly); First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—Expected Dec. 11 at 195 Broadway, New York.

Southern Railway Co.
Nov. 28, 1962 it was reported that stockholders are to vote Jan. 15 on authorizing the company to issue $50,000,000 of general mortgage bonds. **Proceeds**—To acquire stock of Central of Georgia Ry.; retire first mortgage 3¾% bonds of Atlanta & Charlotte Air Line RR.; reimburse the treasury for capital expenditures and provide for additional capital expenditures. **Offices**—14th and Canal St., Richmond, Va., and 70 Pine St., New York. **Underwriters** — (Competitive). Probable bidders: Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler (jointly); Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.-White, Weld & Co. (jointly).

Southern Union Gas Co.
Aug. 15, 1962 it was reported that this utility plans a rights offering of $10,000,000 of convertible preferred stock in the first quarter of 1963. **Office**—1507 Pacific Ave., Dallas. **Underwriters** — To be named. The last rights offering of preferred stock in April 1959 was handled by Snow, Sweeny & Co., Inc., N. Y., and A. C. Allyn & Co., Chicago.

Southwestern Electric Power Co.
Nov. 5, 1962 it was reported that this company plans to sell $16,000,000 of first mortgage bonds in the fall of 1963. **Office**—428 Travis St., Shreveport, La. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-Eastman Dillon, Union Securities & Co. (jointly); Kuhn, Loeb & Co.-Blyth & Co. Inc.-Salomon Brothers & Hutzler (jointly); Halsey, Stuart & Co. Inc.

Southwestern Public Service Co.
Nov. 28, 1962 it was reported that the company plans to raise $14,000,000 by sale of first mortgage bonds in Feb. or March, 1963. **Proceeds**—For construction. **Office**—720 Mercantile Dallas Bldg., Dallas. **Underwriter**—Dillon, Read & Co., Inc., New York.

Tennessee Valley Authority
Oct. 3, 1962, A. J. Wagner, Chairman, stated that the Authority plans to issue $50,000,000 of short- or long-term securities in the spring of 1963. **Proceeds**—For construction. **Office**—Knoxville, Tenn. **Underwriters**—To be named. On Jan. 24, 1962 the Authority sold at competitive bidding $45,000,000 of 4½% bonds due Feb. 1, 1987. The issue was won by a group jointly managed by Chase Manhattan Bank; Morgan Guaranty Trust Co. of New York; Chemical Bank New York Trust Co.; C. J. Devine & Co.; and the First National Bank of Chicago.

Texas Eastern Transmission Corp. (1/23/63)
Dec. 4, 1962 it was reported that this firm plans to sell $25,000,000 of debentures in January. **Business**—Company owns and operates pipeline systems for the transportation of natural gas and clean petroleum products. It is also active in exploration for and production of oil and natural gas and, through a subsidiary, operates a refinery and natural gas processing plants. **Proceeds**—For construction. **Address**—Texas Eastern Bldg., Houston 1, Texas. **Underwriter** — Dillon, Read & Co., Inc., New York.

Union Bank (Los Angeles)
Dec. 5, 1962 it was reported that the bank is offering stockholders the right to subscribe for an additional 162,368 capital shares on the basis of one new share for each 15 held of record Nov. 30, with rights to expire Dec. 17. **Price**—$67.50. **Proceeds**—To increase capital funds. **Office**—Eighth and Hill Sts., Los Angeles. **Underwriter**—Blyth & Co., Inc., New York.

Union Light, Heat & Power Co.
Nov. 21, 1962 it was reported that this subsidiary of Cincinnati Gas & Electric Co., plans to sell $5,000,000 of first mortgage bonds in 1963. **Office**—139 East Fourth St., Cincinnati. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. Inc.-First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co. (jointly); Equitable Securities Corp.; White, Weld & Co.; Kidder, Peabody & Co.

Washington Gas Light Co.
Aug. 1, 1962 it was reported that this company plans to sell $12,000,000 of 25-year bonds, in the second quarter of 1963. **Office**—1100 H. St., N. W., Washington, D. C. **Underwriters**—(Competitive): Probable bidders: Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; Kidder, Peabody & Co.; First Boston Corp.; Halsey, Stuart & Co. Inc.

Western Light & Telephone Co., Inc.
Aug. 1, 1962 it was reported that the company plans to sell approximately $5,000,000 of common stock through a rights offering to stockholders, in the second quarter of 1963. **Office**—2015 Forest Ave., Great Bend, Kan. **Underwriter**—To be named. The last rights offering in January, 1957, was underwritten by Dean Witter & Co., San Francisco.

Selecting Stocks Offering Investment Success

Continued from page 3

34% for the group was converted into increases around 70% for earnings and passed along as dividends. Market value increased at about 1.8 times the rate of gain for earnings and dividends, most sharply from 1958. Except for prices, new high records are estimated for 1962. A return of about 4% is now available from the group.

Nondurable Consumer Group

Group 3 consists of General Foods, Procter & Gamble, Scott Paper and Sears, Roebuck, all consumer oriented companies with nondurable predominance, new convenience and specialty products.

Group 3	1953-62 % Net Change
Sales	+59
Net income	+126
Dividend	+140
Market Value	+320

Market value growth of about 320% proceeded at a rate about 2½ times that of the approximate 130% gain for earnings and dividends, again most sharply since 1958. 1953 purchasers bought a 3.8% return, now receive about 9% on their investment. If purchased now, the return is about 2.2%. But let's assume that the growth rate slows up to one-half the rate of 1953-62. All interim dividends accumulated and added to an assumed 4% return principal market valuation for the stocks in 1972 would total $510. This compares with $598 of total income and principal value if the same amount were invested for 10 years in bonds at 4¼%. Putting it another way, the growth rate of this group must continue from now to 1972 at better than half the past 10 year rate to have the stocks perform better than bonds. While this seems probable, it is presently unattractive for buyers primarily seeking income.

New Specialized Growth Products

Group 4 is composed of Corning Glass, IBM, Merck and Minnesota Mining. These are in the generally acknowledged growth areas of new, specialized products having dynamic characteristics and, as a group, serving nearly all consumers.

Group 4	1953-62 % Net Change
Sales	+136
Net Income	+282
Dividend	+232
Market Value	+617

Here, as for the preceding General Foods group, growth of about 617% in market value increased at about 2½ times the approximate growth of 250% for income and dividends, again most sharply from 1958. Investors who accepted a 2.45% return in 1953 are now receiving about 8% on investment and obviously got the principal appreciation they hoped to buy. The approximate cost of the group now gives a return of about 1.4% and requires strong conviction and patience from new buyers. Assuming a change in market valuation from the present 1.4% return to 3% in 1972, and accumulation of all interim dividends increasing at the same rate as in the past 10 years, the total would be $1,075. This compares with $1,021 of total income and principal value if the same amount is invested for 10 years in bonds at 4¼%. Present purchasers of this group must rely not only on a continuation of past rates of growth, but also on a continuation of a high market valuation of this growth. A significant slowdown in the rate of growth could change results severely.

Glamour Growth Group

Group 5, is composed of Brunswick, Polaroid, Texas Instruments and Xerox, all members in various conditions of standing in the Glamour Growth area. The ownership of this group of shares from the earlier stages of their dynamic growth produced fabulous results.

Group 5	1953-62 % Net Change
Sales	+502
Net Income	+1810
Dividend	+950
Market Value	+3285

The rate of increase of about 32 times in market value for this group was about 1.8 times the approximate 18 times income gain, very sharply up from 1958. The total present estimated dividend of about $26 returns 26% on the 1953 investment. This group most clearly illustrates the lure of earnings/dividend growth accompanied by extremely handsome principal gains. This group also illustrates the risks. Of the four stocks in the group, only Xerox has so far continued without an earnings trend reversal after years of steady up-trend, and its price is down a modest 20% from its 1961 high. Polaroid's earnings peaked in 1959, value in 1960, with declines of about 10% and 55%, respectively, to the present. Texas Instrument's earnings and value peaked in 1960, are now down about 50% and 75%. Brunswick peaked in 1961, earnings down about 5% and price 80%. It might be a safe paraphrase to say that when the earnings trend breaks, down comes the discounting, price and all.

Cautionary Reminder

Some late comers to growth stocks might have accepted the very high price/earnings ratios as an indication of growing quality instead of making their own analysis. Price increases at about twice the rate of earnings increases from 1958 to 1961 indicate such an acceleration of enthusiasm. Adverse changes in earnings were readily reflected in severe price declines.

Comparison of the five groups of stocks with Standard & Poor's 425 Industrial and 50 Utilities shows the same general income, dividend and market value factors based on 1953 purchases.

Ranges of Several Categories Of Data

Based on $100. invested in stocks at mean prices of 1953

	1953-62 % Net Change
Aver. of 5 Stock Groups (20 stocks)	
Net Income	+350
Dividends	+187
Market Value	+887
Aver. of 4 Stock Groups (Ex-Brunswick Group) (16 stocks)	
Net Income	+ 75
Dividends	+ 89
Market Value	+287
S & P 425 Industrials	
Net Income	+ 40
Dividends	+ 50
Market Value	+160
S & P 50 Utilities	
Net Income	+ 67
Dividends	+ 65
Market Value	+138

Only the General Foods, Corning Glass and Brunswick groups each exceeded in all respects the Standard & Poor's Averages. Of note is the fact that the S & P Utilities Average exceeded the S & P Industrials in the rate of growth in earnings and dividends and were within 20% of equalling value gain. Up-trend earnings do pay off!

Conclusion

In summary, the growth of earnings of single or limited line companies, however attractive, is especially vulnerable to reversal and sharp change in market reappraisal. Exposure to narrowly specialized situations should be minimized. Broadly based companies serving the "softer" consumer oriented markets and "new sectors" of the economy may show less spectacular results because of differing growth rates of multiple products. But the investor can expect to participate in good earnings and dividend growth rates with greater predictability, taking a less than average present rate of return with reasonable probability of future investment success. While waiting for selections of earnings growth companies to reach livable return levels acceptable to determined objectives, funds might be better invested in bonds.

*An address by Mr. Gray at a Conference on Foundation Investment Policy sponsored by the Provident Tradesmens Bank and Trust Co., Philadelphia, Pa.

A. L. Stamm Co. To Admit to Firm

On Jan. 2 A. L. Stamm & Co., 120 Broadway, New York City, members of the New York Stock Exchange, will admit R. Bruce Reymann to partnership.

NSTA NOTES

SECURITY TRADERS ASSOCIATION

(Left to right): Wilbur Krisam, treasurer; Lewis "Hank" Serlen, first vice-president; Sidney Jacobs, president; Sal Rapp, second vice-president; James Torpie, secretary.

The Security Traders Association of New York, largest affiliate of the National Security Traders Association, has elected the following Officers for 1963:

President: Sidney Jacobs, Sidney Jacobs Co.
First Vice-President: Lewis H. Serlen, Josephthal & Co.
Second Vice-President: Salvatore J. Rappa, Mergott, Rappa & Company Incorporated.
Secretary: James Torpie, Torpie & Saltzman, Inc.
Treasurer: Wilbur Krisam, John C. Legg & Co.
Directors (two year term): Joseph H. Billings, Cowen & Co., Joseph R. Dorsey, Bache & Co.; Thomas A. Larkin, Goodbody & Co.; and Harold I. Murphy, Gregory & Sons.

The Annual Meeting, held Friday evening, Dec. 7, 1962 was attended by over 600 members. The meeting was followed by a cocktail hour and buffet dinner.

SECURITY TRADERS ASSOCIATION OF LOS ANGELES

At a recent meeting of the Security Traders Association of Los Angeles the following officers were elected for 1963:

Delbert E. Bakerink

K. O. Barsamian

President: Delbert E. Bakerink, Paine, Webber, Jackson & Curtis.
Vice-President: Kenneth O. Barsamian, Morgan & Co.
Secretary: Stephen C. Turner, Jr., Turner, Poindexter & Co.
Treasurer: Arthur L. Claude, Fairman & Co.
Governors: Patrick H. Sheedy, Fairman & Co.; Thomas Euper, Sr., New York Hanseatic Corp.; and Clemens T. Lueker, Hill, Richards & Co.

NATIONAL SECURITY TRADERS ASSOCIATION

Four recipients of National Security Traders Association Awards for 1962 have been announced by Charles A. Bodie, Jr., Stein Bros. & Boyce, Baltimore, NSTA President.

The annual awards recognize outstanding contributions to shareholder and investor education and a better understanding of the Over-the-Counter Securities Market.

Following are 1962 awards in each of four divisions.

Publishing division: To *The Philadelphia Inquirer* and Financial Editor Royal H. Plenty for the publication of a special OTC market newspaper supplement.

TV-Radio division: To WOR-Radio and Faye Henle for forums and interviews on the OTC market broadcast on Miss Henle's "Dollars and Sense" programs.

Corporate division: To Wisconsin Power and Light Company for an outstanding shareholder relations program conducted by a company whose securities are traded in the OTC market.

Education division: To the Education Committee of the Investment Bankers Association of America and Educational Director Erwin W. Boehmler for the OTC seminars in training courses conducted in cooperation with the Wharton School University of Pennsylvania and the School of Business of Northwestern University.

Opportunities for U. S. Industry in the ECM

Continued from page 1

population of 170 million persons. If we take into account other states which wish either to join us or to be associated with us, an integrated European market of more than 250 million persons is easily conceivable, living in one large economic area, just as the American population too lives in one economic area.

60% GNP Rise by 1970

Not only is this a large market —it is growing still larger. According to our forecasts, the total gross product of the Community may rise from $181 billion to $288 billion by 1970 — an increase of almost 60%. Part of the gross product of this area will undoubtedly be drawn from foreign trade, will stem from imports. No one can yet be sure whether this part will grow at exactly the same rate as the gross product, or even faster. But our experience leads us to expect a 60% increase in gross product to bring with it comparable increase in the demand for imports, so that the Common Market's trading partners, will have before them a market with a growing demand — and a rapidly growing demand.

There are several reasons for this tremendous expansion of the market which we foresee in the years ahead, despite the brisk growth already experienced in the past few years.

Firstly, Europe still has much leeway to make up before it consumes as great a volume of industrial goods as the United States, where for every thousand inhabitants there are 340 cars as against 78 in the Common Market, 1,030 radio sets as against 244 and 315 television sets as against 60. These are only a few examples, to which we could add many others — office machines, household gadgets and a host of luxury and semi-luxury goods. Another 50 million cars or so, 50 million television sets and 145 million radios must be bought if the Common Market consumer is to be as well equipped as his opposite number in the United States.

On top of this, many goods that go with a high standard of living —from the big cold-storage plants so common in the United States to private planes or highly automatic machinery — have not yet really been discovered by the European consumer (including the businessman). New products will create a demand for both more and better goods.

Meanwhile, the march of progress continues throughout America and Europe. The Atlantic world is becoming more and more one world in its way of life, its standard of civilization. Developments in one country affect the others. If somewhere color television is introduced or automation is achieved in another branch of production, this will lead to a demand for the same innovation in Europe.

(2) But demand can only exist where there is purchasing power. The Common Market, however, is also a market with growing purchasing power. The Rome Treaty, our constitutional instrument, pledges us, and I quote, to "an accelerated raising of the standard of living." If we consider the index or hourly wages in industry, we find for the most part that there has been a significant increase since 1958. From 100 in 1958 the index rose in Germany to 127 in 1961, in Italy to 115 and in the Netherlands to 116.

According to our forecasts, private consumption will stride ahead significantly in the next few years. We foresee an increase of about $75 billion in the period from 1960 to 1970, so that in 1970 consumer demand may reach $184 billion. This is a 66% rise in 10 years, and the basic amount will doubtless soar considerably as soon as the Community is extended.

The sums which may be available for investment are no less impressive. In 1961, $38 billion were spent on investment goods in the Community. Here too, according to our preliminary forecasts, there may be an increase of $25 billion by 1970.

Favorable American Position

American industry is in a rather favorable position vis-a-vis this market. For the first time in history, American businessmen will be dealing with a market comparable with their own, allowing them to apply the methods of production and distribution—and in particular rational methods of mass production — which they have developed to supply their own market.

(3) Finally, is this new market with its increasing demand and rising purchasing power accessible to the American producer? There are two facets to this question.

(a) In the first place we note that in recent years an ever-growing stream of American capital has flowed into the Community. From 1950 to 1961, direct investment by Americans in the Common Market increased five-fold, from $637 million to $3.41 billion, while investment in the United Kingdom increased only four-fold, and in the world as a whole only tripled. To this we must add investment by purchase of securities. The few and imprecise figures available suggest that this type of investment has also been increasing rapidly.

We see in this American interest in Europe an incentive to our own progress. Important branches of the American economy employ production methods that we do not yet have in Europe. This makes the productivity of American firms using these methods higher than ours. In most cases, American investment means that American know-how and American production methods are brought to Europe. The higher productivity achieved forces European competitors to employ similar methods. Competition, which is the most important element in our economic order, is thus encouraged. On the other hand, new ties of cooperation and solidarity are formed when European firms participate in these investments and when agreements are made on the application of American know-how.

Greater Importance to Trade

(b) What is still more important, our large market is not only receptive to capital but it is also open to trade. The essential prerequisite for this is that we should have a liberal trade policy, and ever since the Common Market was founded we have stated our determination to practice such a policy. We have made the removal of all obstacles to trade within the Common Market the basic principle of our organization, and we are convinced that we shall all benefit if we adopt a liberal attitude to the rest of the world as well. Moreover, the EEC Treaty commits us to a liberal trade policy. Our own interest inclines us in the same direction. An economy like that of the Common Market in which processing industries play the leading role simply cannot afford to adopt a protectionist attitude. If even the United States, where foreign trade accounted in 1961 for some 7% of the Gross National Product, is showing an increasingly liberal attitude, this is even more necessary for an entity such as the Common Market, where a far higher proportion, namely 32% of the gross product, is derived from foreign trade.

This liberal attitude is not merely an ideal or a program; it is also the policy we are practicing. When the common external tariff was devised to replace individual national tariffs, we adopted the method of the arithmetical mean. This favors non-member countries by substantially reducing extremely high duties with their prohibitive effect. The Common Market's external duties thus vary between 0 and 25% (American duties, as you know, range from 0 to 60%). It is just the hard core of the extremely high or prohibitive duties which is of particular interest.

There is another calculation that we must consider concerning the incidence of the common external tariff. If one calculates the customs duties actually paid by importers, we see that the total is now smaller under the common external tariff than before under the national tariffs. In other words, the treasuries of the states have fewer receipts since the inauguration of the common external tariff than in the period of national tariffs.

Furthermore, we extended our first internal tariff cut to non-member countries — and we did so unilaterally, without any *quid pro quo*.

Finally, when we started aligning our Member States' duties on imports from non-member countries we worked on the basis of the common external tariff reduced by 20%. This meant a further reduction below the duty rates originally proposed, and some of these reductions were bound in the "Dillon round" or tariff negotiations in Geneva.

Challenge of Trade Negotiations

In addition, in the new convention with our African associates, the negotiations which are now coming to a close in Brussels, we provide a reduction in the external tariff on certain important tropical products.

The greatest challenge, however, for our trade policy is the answer of the United States to the rise of the European Economic Community. This American move will lead to comprehensive negotiations in a variety of fields and will provide a new opportunity to lower the barriers to trade in the Atlantic area while helping trade in the world at large. Our Commission has watched with great interest the evolution of the new program, and we now look forward to the negotiations.

(4) This brings me to my last criterion of the meaning of the Common Market to American business. There is no opening of foreign markets without reciprocity. The Trade Expansion Act is therefore the downright logical answer to what we have built up. Sharper competition is the natural consequence for all concerned on both sides of the Atlantic. I am, however, inclined to regard this too as an asset.

From more than four years experience with the Common Market, we have learnt that brisker and keener competition brings advantages — not disadvantages — for everybody. We all become stronger as we vie with each other. For instance, two states as highly developed as Germany and France have given up 50% of their tariff protection in a relatively short while, and at the same time the economies of these two States have been striding forward at an almost unprecedented pace. European experience cannot, of course, be applied automatically to all other cases. But it does allow us to expect that everybody will benefit from a freer Atlantic market.

II

In addition to the economic significance of the Common Market, we must not lose sight of the—no less important—political aspect, the one which is expressed in the term "European Economic Community."

Political Amalgation of States

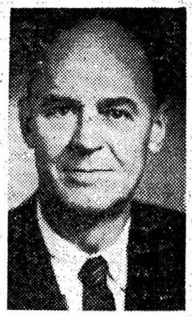
The merging of the six European markets into one market is being accomplished by pooling important elements of the economic and social policies of the Member States. Not only agriculture, transport and trade policies, but also general economic policy with all its various branches are being subjected to Community discipline. Business cycle policy, structural policy, regional policy, monetary policy, energy policy and so on: All this must be moulded into a harmonious whole. You will ask: What is the philosophy behind all this? This is the decisive question. The answer is: Behind all this lies the philosophy of a free political, economic and social way of life based on the freedom and responsibility of the individual, on property, freedom of contract and competition, on free enterprise, freedom to choose one's work, freedom of choice for the consumer, on the rule of law and democracy. If our undertaking proves a success—and it must and will succeed — this will immensely strengthen the values of Western civilization. It will be an-

Shearson, Hammill & Co. To Admit Five Partners

Shearson, Hammill & Co., 14 Wall St., New York, members of the New York Stock Exchange and nationwide investment bankers and brokers, announce that five new general partners will be admitted to the firm on Jan. 2, 1963. They are Rudolph Brennan,

Rudolph Brennan

John J. Cronin, Jr.



Frederic H. Kass, Jr.

Walter Mintz

William H. Stern

Manager of sales development, John J. Cronin, Jr., Manager of the New York Institutional Sales Department, Frederic H. Kass, Jr., Manager of the Investment Advisory Department, Walter Mintz, Manager of the Research Department, and William H. Stern, Manager of Shearson's Houston, Texas office.

Mr. Brennan has been responsible for the sales development functions of the firm for the past four years. He also supervises the operations of a number of Shearson's 46 branch offices.

John J. Cronin, Jr., has been associated with Shearson for 16 years.

Frederic H. Kass, Jr., active in the securities business since 1935, has been with Shearson, Hammill & Co., since 1952.

Walter Mintz has been with Shearson since 1956 as a senior analyst. Earlier this year he was appointed Manager of the Research Department.

William H. Stern, a veteran of three decades in the investment field in Houston, Texas, has been Manager of Shearson's office there for the past ten years.

other piece of evidence, penetrating to and felt in the distant corners of the earth, showing that our way of life not only is better — because it corresponds with what man is created for—but also that it works better, because it helps man more in the struggle for existence, giving him security and the opportunity to develop his personality.

But the significance of this is not only economic: it is, generally speaking, of vital political importance for our existence, for the peaceful maintenance of everything comprised in the phrase "the free world."

When, 12 years ago, we began what is known as the economic integration of Europe, we knew that in essence this was a political undertaking. We wanted to ensure peace in Europe by making it not only unlawful but also impossible to wage war, which for centuries had cost Europe so terribly dear. We did so by merging the war potential of our economies and by merging the essential parts of the policies followed by the various states. In the same spirit, we now wish to create—by exclusively peaceful means—material and moral strength and security for the most decisive of the battle fields on which East and West confront one another in what some people call competitive coexistence.

That is what gives our undertaking its ultimate *raison d'etre.* It is from awareness of this, and from trust in our friends, that we draw our firm resolve.

Not profit but survival is our problem.

*An address by Dr. Hallstein before the 67th Annual Congress of American Industry sponsored by the National Association of Manufacturers, New York City, Dec. 5, 1962.

Drastic Institutional Moves To Help Business Outlook

Continued from page 4

business picture is consumer investment which consists of outlays for residential housing and for durable consumer goods. The housing market in 1962 will record a level of about 1.4 million starts—a good performance. However, slight weakening has already set in. Mortgage rates have already declined slightly. The F. W. Dodge people, probably the best informed in the field, are estimating a decline of 2% in housing starts for 1963.

The best indicator of consumer expenditures for durable goods is the market for new passenger cars. New automobiles purchases this year should be in the neighborhood of 6.8 million passenger cars. Earlier estimates for next year put this figure at around 6.3 million—a decline of 7%. However, the present booming auto sales seem to indicate that this estimate is too low. A more reliable estimate would put next year's auto sales at about this year's level.

Expects $580-585 Billion GNP In 1963

Crystal ball gazing is an ulcer-busting task, but a very necessary one. There are so many imponderables and the statistical measures are so crude that a sense of history and faith is necessary in making forecasts. However, forecasts are necessary so as to assist in business decisions. As I see it, Federal Reserve Board Index of Industrial Production will remain around the 120 level for the remainder of this year—averaging about 118 for the entire year. Assuming a tax cut of about $4-$5 billion in 1963 concentrated mainly in the personal sector, the Federal Reserve Board Index should show some growth and average about 123. Corporate profits before taxes, about $51 billion in 1962, will tend to hold their own level. This is a good level when we consider that the higher depreciation allowances will detract from profits. Gross National Product, about $554 billion in 1962, should average in the $580-$585 billion range for 1963.

The profits figures are very significant. As a recovery progresses, corporate profits increase rapidly until they reach a plateau—a ceiling. This is the point to which total profits stay level but where the profit margins i.e., profits as a percent of sales—decrease. As the Gross National Product increases, profits hold their own level, and do not increase until the next subsequent recovery—after a substantial decline has taken place. The latest three quarters' data seem to indicate that this ceiling has been reached. Note that corporate profits before taxes were $51.1, $50.4, and $50.7 billion in the 4th quarter of 1961 and the first two quarters of 1962 respectively. These data correspond to increasing Gross National Product levels of $539, and $545 and $552. However, we cannot expect a sharp decline in profits as long as Gross National Product increases substantially.

If the above analysis of the business picture is correct, the present recovery will be the second **abortive** recovery in succession—that is, one wherein the economy did not reach its maximum potential.

Full Potential Gap

A few words are necessary about the "full-potential" of the American economy. Full employment is a situation that exists when the labor force and the capital plant of an economy are operating at their maximum preferred levels. (Mr. James W. Knowles of the Joint Economic Committee of the United States Congress has done some pioneering work in this area and I am indebted to him for some of the following data.)

At the cycle peak in 1948, the American economy was operating at roughly 101 percent of its full potential. In 1953, this vital statistics rose to 105 percent; this seemed to be the peak. It declined to 102 percent in 1955, 97 percent in 1957 and 94 percent in 1960.

The rate of operations of the American economy as a percent of its full potential has been drifting downward since the fourth quarter of 1961. It is now about 92 percent.

This can be illustrated in a different fashion. Full employment, under present day conditions, could also be defined as a level of unemployment of 4% of the labor force. Unemployment averaged 2.9% in 1953, 4.4% in 1955, 5.6% in 1960, and will average about 5.6% in 1962. (Note that these are all recovery years.) Unemployment seems to be showing an increasing trend.

We talk a great deal about the structural imbalances in our economy which prevent us from growing at a maximum rate. Our long term trend of 2.9% growth per annum is obviously not enough to satisfy the demands of our people in the terms of full potential of our system. We would like to create an atmosphere where business and labor, the investor and the borrower, the Government and the citizens all participate in a healthy, growing economy. Are there rigidities in our system that prevent this? Suspicion points at the tax structure of the nation that has grown like a weed in all directions and tends to stifle private initiative. We must take note of the promise made by the Administration to lower taxes next year. This is all to the good for it will tend to put a floor under any business decline. However, the thought always remains that if a lowering of taxes is continually used to stimulate the economy, how low will Federal revenue fall after three or four such stimuli? A full thorough reform of our tax structure is needed to stimulate private investment, to put financial institutions on the same tax base, and to assist in the necessary growth of our economy.

Foreign Competition

The impact of foreign competition upon this country must be watched. The American businessman is now facing competition on a global scale. Many industries, especially here in West Virginia, have suffered. Other industries here have benefited. Because of high tariffs and other restraints abroad, it is difficult for the American bussinessman to increase his exports.

In order to alleviate these restraints, the Administration has proposed reciprocal lowering of trade barriers here and abroad. In the long run American industry will benefit by this policy. However, there are bound to be short term dislocations in industry and labor. We cannot expect a policy of protective tariffs under present international conditions. It is gratifying that these competitive restraints are being removed. If carefully accomplished, there will be a minimum of disruptiion to our economy and much benefit in the long run.

Doubts are growing as to the adequacies of our monetary policies. Due to the restraints created by the balance of payments problem, the monetary authorities have controlled the interest rate pattern of our economy within a very small channel. Has this assisted or has this detracted from our growth potential?

The main problem, of course, will always be with us—that is, our defense and aid commitments throughout the world. Are these commitments putting a straitjacket on our growth?

Summary

In summary, it must be stated that our near term outlook is fair. The worst that can be expected in 1963 is a continuation of the present plateau—or a very slow rate of growth. Promised tax cuts should increase this rate of growth. However, unless drastic institutional changes are made, economic action will still continue to be cyclical and each succeeding recovery will fail to achieve its full potential. If some unforeseen event—such as full scale military action or an investment boom not now foreseen—were to occur, obviously economic activity will increase sharply. However, the nearest such event that can now be foreseen is in the population boom that should occur in the late 1960s.

In closing, it must be emphasized that man is a myopic animal. Seeds now being planted will bring about their economic results to morrow. It is our task, as businessmen, to look for these seeds, watch for their developments and take action as soon as possible.

Although we cannot adequately see the future, I am sure that our future is bright indeed. I cannot but marvel at the steady growth of the nation—albeit with interruptions at times.

*Based upon a talk by Dr. Farhi before the West Virginia Bankers Association, Charleston, W. Va., Oct. 19, 1962. Portions of the original address have been changed to reflect later developments.

Inter-American Development Bank Bond Issue Sold

Felipe Herrera, President, has announced that a public offering of $75,000,000 of the Bank's 4¼% bonds due Dec. 15, 1982, is being made by a nationwide syndicate of investment banking firms and commercial banks jointly headed by Lazard Freres & Co., Lehman Brothers, and Blyth & Co., Inc., New York. The bonds are priced at par and accrued interest. The offering marks the Bank's first borrowing in the U. S. market.

As a sinking fund the Bank is obligated to retire $5 million of the bonds by Dec. 15 in each of the years 1968 through 1981, at 100% plus accrued interest. The sinking fund, together with the payment of $5 million on Dec. 15, 1982, will retire the entire issue by maturity.

The bonds will not otherwise be redeemable prior to Dec. 15, 1972. On and after that date to Dec. 14, 1975, they will be subject to optional redemption by the Bank in whole or in part at 102½% plus accrued interest, and at decreasing prices thereafter.

The Inter-American Development Bank, whose membership consists of the United States and 19 other American Republics, is an international institution established to further the economic development of its member countries. The Bank's subscribed ordinary capital resources consist of $813,-160,000. Of this amount, $381,580,-000 has been fully paid in and $431,580,000 is subject to call by the Bank only when required to meet its borrowing obligations.

The net proceeds of the bond issue will be included in the ordinary capital resources of the Bank. Every loan made with the ordinary capital resources is repayable in the currency or currencies in which it is made. Thus, dollar loans made from these resources must be repaid in dollars.

Lehman Brothers To Admit Four

On Jan. 1 Lehman Brothers, 1 William Street, New York City, members of the New York Stock Exchange, will admit John R. Lehman, Robert A. Bernhard, Frederick W. Hellman and James W. Glanville to partnership.

$85,250,000 Bonds Of Housing Units Publicly Offered

A group headed by Blyth & Co., Inc., Phelps, Fenn & Co. and Lehman Brothers, in association with The First National City Bank of New York, and a group headed by Bankers Trust Company and The Chase Manhattan Bank made public offering on Dec. 12 of 30 issues of New Housing Authority bonds according to three scales.

The first scale consists of $910,-000 Beaver County, Pa., $2,120,000 Mercer County, Pa., $3,385,000 Scranton, Pa., $6,105,000 Richmond, Va., and $1,370,000 York, Pa. bonds, all carrying a 3⅛% coupon and reoffered at prices to yield from 1.50% for those due in 1963 to 3.20% for the 2000-03 maturities.

The second scale consists of $3,-160,000 Birmingham, Ala., $4,250,-000 Fort Myers, Fla., $3,550,000 Grantville, Ga., $2,130,000 Mexico, Mo., $2,950,000 Elizabeth, N. J., $1,765,000 Trenton, N. J., $2,225,-000 Yonkers, N. Y., and $3,340,000 La Follette, Tenn. bonds, all with a 3¼% coupon, and $3,450,000 Columbia, Mo., $27,335,000 Newark, N. J., and $2,220.000 Wheeling, W. Va. housing authority bonds, all with a 3⅛% coupon. All of these bonds are reoffered at prices to yield from 1.50% for those due 1963 to 3.30% for the 2000-03 maturities.

The third scale consists of $1,-325,000 Van Buren, Ark., $1,795,-000 Athens, Ga., $1,545,000 Alton, Ill., $1,915,000 Marion County, Ill., $795,000 Lake Charles, La., $790,-000 Mt. Clemens, Mich., $1,530,000 Summit, Miss., $685,000 Hightstown, N. J., $540,000 Phillipsburg, N. J., $520,000 Saratoga Springs, N. Y., $645,000 Mt. Pleasant, Tenn., $560,000 Sparta, Tenn., and $1,-375,000 Eagle Pass, Tex, all carrying a 3¼% coupon and $1,010,000 Guttenberg, N. J. bonds, with a 3⅛% coupon. All are reoffered at prices to yield from 1.50% for those due 1963 to 3.35% for the 2000-03 maturities.

Rated Aaa by Moody's and AAA by Standard & Poor's, the bonds are secured by a first pledge of annual contributions unconditionally payable pursuant to an annual contributions contract between the Public Housing Administration and the Local Public Agency issuing the bonds in the opinions of bond counsel. The United States Housing Act of 1937, as amended, solemnly pledges the faith of the United States to the payment of the annual contributions by the Public Housing Administration pursuant to the annual contributions contracts.

Neale V.-P. of Granbery, Marache

F. Brent Neale has joined Granbery, Marache & Co., Inc., 67 Wall Street, New York City, members of the New York Stock Exchange, as a Vice-President in the Institutional Sales Department, it was announced.

Mr. Neale previously was with Lehman Brothers as an institutional salesman and before that he was in the syndicate departments of Parrish & Co. and Carl M. Loeb, Rhoades & Co.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Southwestern Public Service Company

Southwestern Public Service was organized in 1942 as an integrated portion of the Community Power & Light system, together with a part of the United Light & Power system. A number of subsidiaries were disposed of and the company became an operating concern in 1944, being the first electric system to complete an integration program under the Holding Company Act. It now serves a population of about 822,000 in a contiguous area of the Texas and Oklahoma Panhandle, Texas South Plains and New Mexico Pecos Valley.

Irrigated farming is the principal industry and the area also has important natural resources such as oil, natural gas, potash, etc. Industrial growth has been largely connected with oil and gas (Phillips Petroleum being the largest company in the area); potash mining, carbon black, chemicals and food processing are also important. Carbon black plants produce nearly half of the national supply. Amarillo, located in one of the most important wheat belts in the country, is a wholesaling and distributing center.

Oil is the most important single industry and oil pumping is an important source of revenue for the company. While the number of producing days in Texas have been reduced, continued new drilling and development activity, and the increasing electrification of oil well pumping units, have largely offset lower production. In the fiscal year ended Aug. 31, 1962, the company's revenues were 29% residential, 23% commercial, 32% industrial and 16% municipal and wholesale.

In this area the supply of water is an important consideration. The company has an adequate supply of water for condensing and other purposes at all its generating plants for a period estimated to exceed the life of these plants. The two largest cities in the territory have acquired rights to underground water supplies sufficient to meet their estimated requirements for many years. Construction of the Canadian River Dam by the Federal Government (a $96 million project) should provide an adequate water supply for 11 other cities beginning in 1967. Construction of the dam should benefit the general economy of the area, and when it is completed the company expects to supply a substantial amount of power to operate the aqueduct system.

The company's generating capability in some earlier years provided considerable excess capability—40% in 1955—but at present, with capability of 1,044,000 kw and peak load of 919,000 kw, the reserve is about 14%. In 1964 capability will be increased to 1,248,000 kw. Construction expenditures for the current fiscal year ending August 1963 are estimated at $24,630,000. Outlays for the next three years have been budgeted at about $78 million but this will not require any additional equity financing. The present equity ratio of 35% is considered adequate.

The company has a good growth record; sales and revenues have nearly doubled in the past eight years, and average residential usage has increased 87%. Population has nearly doubled in the past 20 years. Earnings per share have increased from 73¢ in 1954 to $1.31 for the 12 months ended Oct. 31, 1962, or an average annual gain of 6.7%. Recent earnings, while making a good showing, were adversely affected by abnormally heavy rainfall last summer together with cool weather in the late spring and summer months, which caused irrigation and air-conditioning revenues to drop below anticipated amounts. On the other hand, the heavy rainfall produced excellest crops and have benefited the farming industry.

Industrial growth continues in the area, industrial loads of over 38,000 kw with estimated revenue of $1,036,000 having been added in the 1962 fiscal year; the corresponding gain in the current fiscal year is estimated at $1,300,000. Promotional efforts in the sale of electric househeating, commercial lighting and commercial cooking equipment have produced good results.

The company's operating ratio (about 73% after depreciation and taxes) is exceptionally low, permitting the company to carry about 21% of revenues to net income. Gas costs less than 16¢ per mcf, so that unit fuel cost per net kwh generated is only 1.87 mills—about half the average fuel cost for the electric utility industry. While the cost of gas has about doubled in the past decade, some 64% of the company's revenues (practically all the industrial and commercial rate schedules) are now covered by fuel clauses which permit future increases in fuel costs to be substantially offset by automatic rate increases.

Like other utilities, the company is making substantial progress with automation so as to hold down labor costs and offset wage rate increases. The company is installing an IBM 1401 computer next May which will improve mechanization of customer billing, payroll records, plant accounting, etc.; this system should absorb a considerable increase in growth with no increase in clerical labor costs. The company's accounting and collection expenses are currently 2.3% of revenues, well below the national average. The company's 12 principal generating plants are controlled at the Amarillo office building through remote control by switching and carrier circuits on the transmission lines, in order to insure the most efficient output under varying load conditions.

Earnings for the fiscal year ended Aug. 31 were $1.27 compared with $1.12 in the previous year, and a further rise to at least $1.35 is tentatively projected for the fiscal year ending next August (with $1.31 reported for the 12 months ended Oct. 31, half of this increase has already been realized).

At the recent price around 32 (range this year has approximated 35½-23) the stock yields 3.3% based on the $1.06 dividend rate. (The dividend has increased 17 times in the past 20 years). The price-earnings ratio approximates 24.4.

Phila. Secs. Ass'n Receives Slate

PHILADELPHIA, Pa.—William A. Webb of DeHaven & Townsend, Crouter & Bodine, has been nominated for President of The Philadelphia Securities Association. Mr. Webb would succeed Phillips B. Street of The Boston Corporation, whose term is expiring.

William A. Webb

The annual meeting and dinner of the Association will be held on Wednesday evening January 9, 1963, at The Barclay Hotel.

Other officers nominated were Henry McK. Ingersoll of Smith, Barney & Co., Vice-President; Frederick T. J. Clement of Drexel & Co., Treasurer, and Thomas W. Smyth of White, Weld & Co., Secretary.

Mr. Street has been nominated for the Board of Governors to serve one year. The following have been nominated to serve as Governors for two-years: Rubin Hardy of The First Boston Corporation; C. Budd Heisler of Central-Penn National Bank; Norman T. Wilde of Janney, Battles & E. W. Clark, Inc. and Spencer D. Wright, III, of Wright, Wood & Co.

Bair V.-P. of Carolina Secs.

John W. Bair has been elected a Vice-President of Carolina Securities Corporation of Raleigh, N. C. Mr. Bair makes his headquarters at the firm's New York office, of which he is Resident Manager.

Muehlenkamp With Harrison & Company

CINCINNATI, Ohio — John C. Muehlenkamp has become associated with Harrison & Co., Fifth Third Bank Building, members of the New York and Cincinnati Stock Exchanges. Mr. Muehlenkamp was former Vice-President and Manager of the trading department for Doll & Isphording, Inc.

Rippey, Inskeep and Hess & McFaul Merge

PORTLAND, Ore.—The securities business of Hess & McFaul and Rippey & Inskeep, Inc. have been merged under the firm name of Rippey, Inskeep, Hess & McFaul, Inc. Offices will be at 621 Southwest Morrison.

Outlook for Credit Markets And for Savings Banking

Continued from page 9

ences leads to the following conclusions:

1. *Total demands on the capital markets from businesses, consumers and governments will continue strong in coming months.* The only major gain from 1962 is likely to be in the Federal Government sector, reflecting the expected large budget deficit. In this respect, 1963 Treasury borrowing operations will be among the more interesting capital market developments.

Because of balance of payments constraints, the Treasury will continue to finance most of its cash needs through short-term borrowing. But the long-term securities market will not be neglected. Treasury debt managers are well aware of the need to keep average maturities from shortening and of the importance of tapping real savings whenever economically feasible. Long term Governments have been sold mainly through the advance refunding technique, but in an effort to broaden the market, the Treasury has proposed a bold new experiment for selling bonds: competitive bidding at auction through private underwriting syndicates.

If the initial long-term offering of $250 million, expected early in 1963, is successful, a broad new market for Treasury bonds may develop at rates more competitive with other capital market securities than heretofore. In any event, an important underpinning to long-term rates will be provided and investors may again be attracted to a long neglected capital market area.

(2) *The supply of savings will continue large enough to meet comfortably the anticipated demands for credit and capital.* Record levels of employment, rising consumer incomes, ample stocks of goods and little fear of inflation are the stuff of which large saving flows are made. Moreover, the more liquid types of saving will continue to be favored by individuals. The flow of saving into savings accounts and U. S. savings bonds has increased from one-third of total individuals' saving in 1959, to one-half in 1960, and three-fifths in 1961; it may well approach two-thirds in 1962.

This dramatic shift has reflected the increasingly attractive returns on deposits in a period of general interest rate stability, the painful realization by individuals that stock prices move down as well as up, and recent unfavorable publicity on the management of mutual funds. Even if equity prices continue their recent upswing for a time, unquestioning faith of individuals in the stock market may not soon return.

(3) *The interaction of basic demand and supply forces suggests that no upward pressure on interest rates is in prospect, at least for the near term.* On the contrary, private market forces suggest some slight easing. The remarkable stability since mid-1960 in both long and short-term yields has reflected in large part the effects of the new look in Federal debt management and monetary policies. These policies, oriented strongly towards international balance of payments considerations, have in effect provided a floor for the interest rate structure.

To reduce outflows of short term capital and gold from the U. S. it has been necessary to keep short term rates here competitive with those abroad. This has been accomplished mainly by increasing the volume of weekly Treasury bill issues. In recent months, a 2.75 target yield for the 91-day bill rate has been established by the Treasury, supported by Federal Reserve open market operations. International constraints on domestic monetary policy have thus prevented private market forces from pushing yields down.

In effect, then, downward pressures on the yield structure, owing to heavy saving flows relative to credit demands, have been offset by deliberate upward pressures on money rates applied by forceful debt management and monetary techniques. The result of these opposing pressures has been the unusual stability in yields over the past two years. Thus, a basic question for 1963 is whether the international financial situation will cause Federal debt and monetary managers to continue to frustrate natural market forces possibly working towards financial ease. If so, both long and short-term rates will continue to move within a narrow range in the months ahead.

Narrowing Government-Mortgage Yields

(4) *Within the capital markets, there will continue to be basic changes in yield relationships.* In 1962, yields on mortgages and municipal bonds were under special downward pressure. This has been the result, in large part, of the quest for higher-yielding obligations by commercial banks and other lenders faced with increased costs and record deposit inflows. The scramble for mortgage loans in 1962 exceeded even that of the pre-1951 Federal Reserve bond-pegging days. A two-fold result has been a record mortgage flow of around $24 billion compared with the previous high of $19 billion in 1959, and a narrowing in the mortgage - Government bond yield spread to the lowest level in a decade.

Another basic result of the mortgage scramble—though not statistically measurable—has been a reduction in the quality of credit. By this I mean the willingness of lenders to qualify marginal borrowers not earlier acceptable, wink at overly liberal property appraisals, extend contract maturities and reduce down - payment requirements. In addition, supplementary fees and charges to borrowers have been generally lowered.

These types of adjustments are typical in a borrower's market. The interest rate is the last element in the mortgage contract to give, which accounts for its relative stickiness. But there is a limit to how far the other mortgage terms may be reasonably adjusted. And the time may now have arrived—if not long passed—for all good prudent mortgage men to come to the aid of sound mortgage credit.

True, the yield on FHA loans has declined rather steadily through 1962 and is now well below the early 1960 peak. Conventional mortgage rates have also eased, although inadequate statistical measures leave strong doubt about actual levels in various markets. In any event, the expectation of large saving inflows and high deposit costs means continued heavy investor demand for relatively high-yielding mortgages. Further downward pressure on mortgage rates may well be in prospect for the near term, therefore, although any decline will be small in line with the financial constraints discussed earlier.

Ready availability of mortgage credit is not as strong an influence in housing markets as it was in earlier periods of extreme shortage. Nonetheless, it remains a positive factor and together with other positive forces—population expansion, low vacancy rates, rising consumer incomes in a strong economy, increased demolition of old housing—suggest a continued active housing market in 1963. In terms of private housing starts, the volume may be around 1.5 million units, slightly higher than the 1962 total. It should be emphasized, however, that this is not an unusually large output considering current levels of population and income.

Some observers have expressed concern that the President's Executive Order on housing desegregation will have a marked effect on residential building. Here emotion must be segregated from reason, but even so, about all that can be ventured is a judgment that such forecasts seem highly exaggerated. Anti-discrimination housing laws already exist in 19 states and 49 cities and notwithstanding some claims of lax enforcement, the absence of any noticeable effects on housing activity in these areas is an encouraging precedent.

The fact is that wide differences in economic status between white and nonwhite groups is a major barrier to anything but token integration in private housing at present. When the tumult dies down, and economic realities set in, the net effect on residential building of the President's desegregation order will be found to have been quite small.

Outlook for Savings Banking

All of this brings us to an appraisal of 1963 savings bank prospects. And in the business and financial environment outlined here, these prospects can be summarized in one word — EXCELLENT! This optimism is warranted partly because a gradually expanding economy with relative price and interest rate stability is a healthy environment for deposit-type savings. It is warranted also because the inherent advantages of mutual savings banking—flexibility of investment powers, efficiency of internal operations, specialization in savings and long-term investment, and economies of industrial size — will give it an edge over thrift competitors in the setting of the 1960's. Enactment of Federal charter legislation will strengthen mutual savings banking even further, as well as other types of thrift institutions that choose to convert.

A year ago the general outlook for financial savings was also strong, but the specific outlook for savings banking was in doubt. The prospect of new vigorous rate competition, touched off by the Regulation Q amendment, was not a joyful one, after three years of rather disappointing deposit inflows. Our own projection of a $2 billion deposit gain was considered wildly optimistic by many economists and saving bankers. Well, the 1962 record book is nearly closed now, and it will probably show that our "wildly optimistic" guess was on the low side by about $1 billion.

With data for 10 months at hand we are estimating a $3 billion savings bank deposit gain in 1962, half again as large as the 1961 gain and nearly one-third larger than the previous high of $2.3 billion in 1958. Moreover, it is significant that even excluding the crediting of interest, the 1962 gain in regular deposits will reach an all-time high of around $1.6 billion. Further evidence of savings bank vitality is the fact that industry deposit growth in 1962 was substantially greater, compared with 1961, than was true for commercial banks and savings and loan associations.

Thus, savings banking faces 1963, behind it a year of record achievement in a climate of new vigorous competition. New types of savings contracts have been gained, a large number of branch offices established, and expanded public information programs launched. This evidence of vigor, together with imaginative use of flexible investment powers, will make 1963 an even better year for savings banking than 1962.

Continued gains in earnings will permit the payment of competitive rates of return to savers. The record shows that savings bank earnings have increased steadily over the postwar years. The rate of return on total assets has risen by nearly 140 basis points in the past decade, from 3.20% in 1952 to almost 4.60% in 1962. As total assets have grown, this has meant a more than doubling in earnings from less than $800 million to about $2 billion.

In looking ahead to 1963 and beyond, observers sometimes question whether earnings rates can continue to increase in a climate of steady to slightly declining yields on investments. Overlooked here is the basic nature of savings banking and the fact that current capital market yields are still considerably higher than in earlier postwar years. As long-term investors, savings banks have portfolios weighted with assets acquired in years of prevailing low yields. Asset turnover alone, therefore, will bring higher returns, although the rate of gain in earnings may well slow down. Savings bank earnings rates will continue upward for several years, then, unless capital market yields drop sooner and faster than anticipated. For commercial banks, however, earnings are far more volatile and reflect quite quickly changes in money market yields.

Another basic factor making for improved savings bank earnings is the shift in asset composition. In recent years, the strong move toward mortgages, for example, has raised earnings of savings banks faster than of savings and loan associations, which have always concentrated on mortgages. The gap between savings banks and savings and loan earnings will narrow further if savings banks continue to increase their mortgage/assets ratio and mortgage yields show little change.

For 1963, the average rate of return on savings bank assets will exceed 4.70 permitting the maintenance of current interest rates on desposits more comfortably than in 1962. As a result of increased taxation, however, interest rates to depositors will be lower than would ordinarily be justified by earnings alone. The new tax burden, moreover, suggests some reorientation of 1963 investment policy towards tax-sheltered earnings. This means, for example, that common and preferred stocks will have added appeal for savings bank investment portfolios, as well municipal obligations.

The main investment outlet for savings banks will continue to be mortgages, even though yields may be relatively less favorable than in earlier years. Investment officers may have to adjust their standards in evaluating current reduced yield spreads between Federally underwritten loans and Treasury bonds. Wider spreads in earlier postwar years reflected an unusual mortgage supply-demand situation in a setting of housing shortages and investor apathy towards mortgages. With urgent housing demands satisfied and increased investor interest in mortgages, the reduced mortgage-bond yield spread of today may be the more normal one, not the wider spread of earlier years.

In the kind of mortgage market expected in 1963, sound portfolio expansion will not be easy. Demand for mortgages will be pressing on available supplies, a situation not likely to change for some time, moreover. Savings bank mortgage policies and practices, therefor, need to be gradually adjusted to changed market circumstances.

In this regard, recent talks and articles by National Association staff have included specific suggestions for industry consideration, which can only be summarized here. Together with a more aggressive, imaginative seeking of mortgage loans, we urge: (1) resistance to deterioration of portfolio quality; (2) more active participation in construction loans, in home improvement and income property loans, and in the new special purpose Federally aided mortgage programs; (3) a broadening of conventional home mortgage lending in local and out-of-state markets with a concerted attack on outmoded out-of-state lending laws; (4) a sharpening of basic mortgage techniques and practices relating to types of commitments, warehousing, loan participations, arrangements with servicing contractors, mortgagor and builder contracts; and (5) more widespread use of cash flow analysis to gauge inflows and outflows of mortgage funds and to capitalize on new lending opportunities.

As savings bank mortgage portfolios are expanded further and desposit inflows continue volatile, the importance of access to a strong secondary reserve facility cannot be overly stressed. Assured access to external reserves, apart from emergency needs, will permit the fullest use of flexible savings bank investment powers in adjusting to varying economic and financial conditions. Even though cash flows remain subject to seasonal and cyclical swings, high yielding investments may be acquired on a more steady basic because needs for internal liquidity will be reduced.

One basic lending area in which savings banks must participate more actively in 1963 and beyond is consumer credit. This is an area of personal financial need where savings banking can provide a useful service in conjunction with its other basic financial services to individuals. Consumer loans will not only provide an effective supplement to mortgage lending, but will also be a source of new mortgage and savings business from individuals whose personal credit needs are well served. In states where savings banks are not permitted to extend personal credit, remedy must be sought through the legislative route, as is being done vigorously in New York.

Keeping up with the quickened pace of change in savings and investment markets will require the highest management skills that savings banking can muster. Competition is hardly likely to ease nor the pressure on earnings abate. Nor do we really want this to happen. For in our society it is the force of vigorous competition that stimulates productive imagination, peak efficiency, and strong, useful institutions. So long as savings banks provide useful services, efficiently performed, their future is assured.

*An address by Dr. Klaman at the 16th Annual Midyear Meeting of the National Association of Mutual Savings Banks, N. Y. City, Dec. 4, 1962.

Inter-American Bank Floats Loan

A loan of $75,000,000, its first public financing in the United States, was floated by the Inter-American Development Bank, Dec. 11, 1962. The bonds, which bear interest at 4¼% and mature in 20 years, were offered by a nationwide syndicate of commercial banks and investment banking firms, headed by Lazard Freres & Co., Lehman Brothers and Blyth & Co., Inc. The issue was oversubscribed and the books closed Dec. 12. Shown above, from left, are Stewart S. Hawes, President of Blyth & Co., Inc., Andre Meyer, senior partner of Lazard Freres & Co., Felipe Herrera, President of the Inter-American Development Bank, and Robert Lehman, senior partner of Lehman Brothers.

Small Business Investment Co. Common Offered

An underwriting group headed by P. W. Brooks & Co., Inc., New York, is making a public offering of 75,000 common shares of The First Connecticut Small Business Investment Co. at $7.50 a share.

Net proceeds from this sale will be added to the general funds of the company for investment in small business concerns which are independently owned and operated and are not dominant in their fields of operation. Small business firms have been further defined as being those companies with assets not in excess of $5,000,000 or net worth in excess of $2,500,000, nor net income in excess of $250,000 after Federal income taxes during the preceding two years.

Headquartered at Bridgeport, Conn., the company was organized in 1960. It has elected to be treated as a regulated investment company and intends to pay cash dividends on a quarterly basis equal to at least 90% of its "investment company taxable income."

As of Sept. 30, 1962, the company had invested a total of approximately $2,038,000 in small business concerns. Of this amount, some $1,677,000 was invested in 104 secured loans of an average maturity of approximately six years, $271,000 in the convertible debentures of 11 companies and $75,000 in the equity securities of four companies. Up to the present time the company has not invested as much as 5% of its total assets in any one small business concern. While the company has not realized any losses on its loans and investments to date, nevertheless it has set aside approximately $90,000 or 4.4% of the aggregate net cost of outstanding loans and investments, as a reserve against possible loss.

The company reported total revenues (unaudited) of $126,442 for the six months ended Sept. 30, 1962, and income of $58,176 before provision for reserve of $32,975 against possible losses. Dividends declared in this period amounted to $25,201. Upon completion of current financing the company's outstanding capitalization will consist of $600,000 in 5% 5-year notes, $400,000 in 5% subordinated debentures and 201,006 shares of common stock.

S.F. Street Club Elects Officers

SAN FRANCISCO, Calif.—Douglas E. De Tata, Vice-President, Walston & Co. Inc., has been elected President of The Street Club of San Francisco for 1963. The outgoing President is Kimball S. Palm, partner, Brush, Slocumb & Co.

Other new officers and directors for 1963 are: Vice-President, James D. Hansen, Wulff Hansen & Co.; Secretary, Peter Costigan, Irving Lundborg & Co.; Treasurer, Edward L. Culin, Brush, Slocumb & Co.; Director, Ronald H. Shaffer, Merrill Lynch, Pierce, Fenner & Smith Inc.; Director, Richard L. Kehne, Jr., Birr & Co., Inc.; Director, Edward J. Burke, Stewart Eubanks Meyerson & Co.

The Street Club is an organization of investment men from various securities firms in the Montgomery Street area.

The State of TRADE and INDUSTRY

Continued from page 15

poured last week, said *Steel*. Operations then were running at 62% of estimated annual capacity (160 million tons) vs. the previous week's 60.5%.

If new car sales continue at their record pace, chances are good that automakers will ask suppliers to ship some January tonnage in late December. They requested substantial "ship aheads" in both October and November.

The five major U. S. automakers plan to build 640,500 cars this month, up from 627,005 a year ago and the highest scheduled December output since 1955, the industry's record year for production and sales.

This month's schedules indicate that fourth quarter auto production will total 2,052,040. Output this year will reach 6,927,000 cars, second highest in history.

Steelmakers who believed two months ago that 1963 ingot production would not exceed 95 million tons are raising their forecasts. They think there is a good chance next year's output will reach 100 million tons, topping 1962's estimated 98 million.

Their forecasts have been boosted because: (1) New cars are selling much better than expected. (2) Business confidence has been restored. (3) Tax cuts may stimulate spending. (4) Fears of a recession in two major steel consuming industries—capital goods and construction—have lessened.

With steelmaking operations at the highest level since April and pointing upward, a turnabout in sentiment has developed in the scrap market. *Steel's* price composite on No. 1 heavy melting jumped $1.34 a gross ton last week to $25.67.

ECM Steel Output on Plateau

Steel output in the European Common Market this year will about equal last year's 80 million tons, *Steel* reported. France will register its first postwar production decline — 18.4 million tons vs. last year's 18.9 million. West Germany's output will slump to 36.2 million tons from 36.8 million.

Shares of Common Market output will shift. Belgium will have 10% of ECM production this year (vs. 9.5% in '61). Shares of others: Italy — 13.1 (vs. 12.5), Netherlands—2.9 (vs. 2.7), Luxembourg —5.4 (vs. 5.5), France—23.6 (vs. 24), Germany—45 (vs. 45.8)

Better Than Expected Steel Output Assured

Restrained optimism continues to be the sentiment of the steel market, *The Iron Age* reported.

With a better - than - expected December assured, and a mild pickup for January in the works, the industry has good reason for the hopeful feelings.

This optimism should be put into perspective, *The Iron Age* cautioned. No one expects a major surge in steel production or sales. December will about equal November, and January looks at best to bring a 5% pickup.

But only a few weeks ago, many analysts had predicted a decline in December, and some had hinted a possible relapse in the first quarter of 1963. With these fears largely diminished, pessimism has yielded to guarded optimism.

Against this background, market developments of the past ten days reflect absence of any real trend. Automotive business continues to hold the key to the market. In only a few areas has there been any trend to better orders from other steel users.

In the same way, products that show strength continue to be those dominated by automakers—principally hot and cold-rolled sheets and some grades of bars.

On the other hand, there is some indication that users are lengthening their lead times. This means their own stocks of steel are low and they feel the need to be protected on mill books.

But this is not the rule. Most products can be delivered on short notice. Every week major orders are won or lost by some producer offering delivery within a matter of days on products where lead times of six weeks could once have been considered short notice.

Auto Sales Cheer Steel Producers

The domination of the market by automotive business is apparent. On the strength of record or near-record sales for November and December, automakers moved some January tonnage into December and are planning further large orders for January.

This has caused much cheer in steel sales offices. But the joy is restrained by the knowledge that too much of the order bulge is concentrated in one industry. With new orders based on a narrow segment of all industry, steelmakers have doubts even the good auto outlook can't quite erase.

There are few valid indications yet as to what automakers and other major steel users plan in advance of possible steel labor trouble next summer. Best educated guess is that automakers will build stocks, but spread the building over several months.

The big users are confident they could accumulate all they need in about two months. But this would mean a false inflation in the market for a short period. Besides, too much of a push too late by the big users could crowd their own suppliers off the books.

As it stands now, there are more orders on the books for January than were in for December, 30 days ago. And there are enough indications of February business to allay fears of a severe downtrend after the first of the year.

An added indication of better things to come is noted in steel service centers. The warehouses have not yet shared in the general pickup in business but are getting enough new business to wipe out the November decline with a 5% increase this month. This is despite past history of a December dropoff in warehouse sales.

Auto Model Year at All-Time High

With two of the nation's five major auto makers scheduling highest weekly output in history, production of 1963 model passenger cars roared past the 2,000,000-unit mark last week, *Ward's Automotive Reports* said this week.

The statistical agency said 172,719 assemblies were programmed by the industry for the period ending last Saturday. This is a few units above the seven-year peak in weekly production set two weeks ago when 172,471 cars were made. In the corresponding week a year ago, the car count was 161,454.

Ward's said General Motors Corp. and American Motors would this week individually establish all-time highs in car making. General Motors, which operates 23 auto assembly plants, will have 18 of them working overtime December 8. American Motors Corp., which as of Dec. 3 began three-shift output at its lone Kenosha (Wis.) assembly complex—the first auto maker to do so in over a decade—will attain a similar high in its six-day program this week

Industry output of '63 model cars by the end of operations last Saturday reached an estimated 2,114,000 units. On a model year basis, output is at an all-time high to this date, and running more than 13% ahead of 62 output a year ago.

Rail Freight Loadings Are 1.8% Below Year Ago

Loading of revenue freight in the week ended Dec. 1 totaled 562,254 cars, the Association of American Railroads announced. This was an increase of 77,997 cars or 16.1% above the preceding Holiday week.

The loadings represented a decrease of 10,546 cars or 1.8% below the corresponding week in 1961, but an increase of 39,318 cars or 7.5% above the corresponding week in 1960.

There were 12,392 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Nov. 24, 1962 (which were included in that week's over-all total). This was an increase of 2,132 cars or 20.8% above the corresponding week of 1961 and 3,184 cars or 34.6% above the 1960 week.

Cumulative piggyback loadings for the first 47 weeks of 1962 totaled 641,351 cars or an increase of 107,434 cars or 20.1% above the corresponding period of 1961, and 136,380 cars or 27.0% above the corresponding period in 1960. There were 61 class I U. S. railroad systems originating this type traffic in this year's week compared with 58 one year ago and 54 in the corresponding week in 1960.

Truck Tonnage Down 1.7% Below Last Year

Intercity truck tonnage in the week ended Dec. 1 was 1.7% below the volume in the corresponding week of 1962, the American Trucking Associations announced. Truck tonnage was 17.9% ahead of the volume for the previous week of this year.

While the weekly survey indicates truck tonnage is trailing volume of a year earlier, the year-to-year decrease is colored by the unusually strong upturn in traffic in the Fall of 1961. The week-to-week increase is attributable to the Thanksgiving Day holiday preceding the week reported, and is consistent with that experienced during comparable periods in past years.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

The terminal survey for last week showed increased tonnage from a year ago at 16 localities, with 18 points reflecting decreases from the 1961 level. Truck terminals at three centers reflected tonnage gains in excess of 10%, while three points registered decreases of more than 10% from that of a year ago.

Compared with the immediately preceding week, 33 metropolitan areas registered increased tonnage, while only one area, San Francisco, reported a decrease.

Lumber Output Increased 8.8% Above 1961 Rate

Lumber production in the United States in the week ended Nov. 24, totaled 222,516,000 board feet compared with 206,789,000 in the prior week according to reports from regional associations. A year ago the figure was 204,523,000 board feet.

Compared with 1961 levels, output rose 8.8%, shipments rose 12.9% and new orders rose 16.6%.

Following are the figures in thousands of board feet for the weeks indicated:

	Dec. 1, 1962	Nov. 24, 1962	Dec. 2, 1961
Production	222,516	206,789	204,523
Shipments	224,972	200,429	199,241
New orders	215,939	188,173	185,164

Electric Output Up 5.7% Over Last Year

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Dec. 8, was estimated at 17,005,000,000 kwh., according to the Edison Electric Institute. Output was 306,000,000 kwh above that of the previous week's total of 16,699,000,000 kwh., and 921,000,000 kwh., or 5.7% above the total output of the comparable 1961 week.

Business Failures Dip in Latest Week

Commercial and industrial failures fell to 294 in the week ended Dec. 6 from 322 in the preceding week, reported Dun & Bradstreet, Inc. Despite this downswing, casualties held about even with a year ago when 295 occurred and with the comparable prewar level of 297 in 1939. However the toll dropped considerably short of the 360 registered in the similar week of 1960.

Failures involving liabilities of $100,000 or more dipped to 45 from 57 last week but still exceeded the 35 of this size in the corresponding week of 1961. Smaller casualties with losses under $100,000 declined to 249 from 265 in the previous week and also were down from their year-earlier toll of 260.

The week-to-week downturn was concentrated in retailing, off to 129 from 161, and in commercial services, off to 25 from 37. There was little change in the toll among manufacturers which stood at 49 as against 51, while wholesaling casualties increased to 29 from 20 and construction rose to 62 from 53. Compared with last year's levels, mortality ran heavier among wholesalers, construction contractors, and service concerns. In contrast, fewer manufacturers and retailers succumbed than in the comparable week a year ago.

Five of the nine major geographic regions had lower business tolls than in the prior week. Middle Atlantic casualties dropped to 73 from 85, East North Central to 53 from 64, and Pacific to 64 from 74. Little change appeared in either the West North or West South Central, and contrasting increases occurred in the Mountain and South Atlantic States, with failures in the latter area climbing to 48 from 32. In most regions, about the same number or more concerns failed than last year. Only three noticeable declines from 1961 were recorded—in the New England, East North and East South Central States.

Canadian failures edged off to 41 from 44 a week earlier but held a slight margin over 38 in the similar week last year.

Wholesale Commodity Price Index Moves Higher for Second Week

With substantial increases in steel scrap, silver and grains, the general wholesale commodity price level edged up for the second consecutive week to reach 270.19 this Monday, reported Dun & Bradstreet, Inc. Since there were few declines in quotations at wholesale markets and they were fractional in size, the index stood the highest since early November. However, it continued considerably below year-ago levels.

The Daily Wholesale Commodity Price Index rose to 270.19 (1930-32=100) on Monday, Dec. 10, from 268.66 in the preceding week and pushed slightly ahead of the 269.64 registered a month ago although it remained appreciably lower than the 273.64 chalked up in the similar day last year.

Wholesale Food Price Index Takes Downturn in Latest Week

After inching up for the two prior weeks, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., dropped down 1.3% on Dec. 11 to $5.94 the

Tokyo Shibaura Financing Completed

Above is shown Motoji Kuno (center), Senior Managing Director of Tokyo Shibaura Electric Co., Ltd. (Toshiba), at the signing of documents covering the offering of $20,000,000 Toshiba Convertible Debentures due 1978. The offering was made by a group headed by Smith, Barney & Co., Inc. and The Nomura Securities Co., Ltd.

At the left is E. B. Schwarzenbach, vice-president of Smith, Barney & Co., Inc., and on the right is Kiichiro Kitaura, Executive Vice-President of The Nomura Securities Co., Ltd.

lowest level in five weeks. For the first time in a month, the index also dipped lower than a year ago. Off 0.2% from the $5.95 on the corresponding date of last year, it continued substantially below the comparable 1960 level of $6.15.

Declines in wholesale cost were registered for bellies, lard, cocoa, beans, peas, steers and hogs. Quoted higher at wholesale markets, on the other hand, were corn, rye, oats, barley and eggs, but their increases were not sizable.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Unseasonal Weather Makes Buying Sluggish

A sluggish advance was registered in retail purchases last week, with shopping zest discouraged by exceptionally warm temperatures and rain in many areas. Total volume in the week ended Wednesday, Dec. 5, managed to wobble ahead of year-ago levels, but so far there were only scattered signs of a strong upsurge. New cars continued to sell at a heady pace and were largely responsible for boosting total sales above last year. Toys and housewares fared well, but buying of apparel and "big ticket" furniture and appliances bogged down in the unseasonal weather.

The total dollar volume of retail trade in the reported week ranged from 1% below to 3% higher than last year, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1961 levels by the following percentages: West North Central —7 to —3; Middle Atlantic —5 to —1; New England —4 to 0; Mountain —1 to +3; East North Central and East South Central 0 to +4; South Atlantic +1 to +5; Pacific +2 to +6.

Nationwide Department Store Sales Declined 2% Below 1961's Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported an overall decline of 2% for the week ended Dec. 1, compared with the like period in 1961. In the four-week period ended Dec. 1, 1962, sales advanced 2% over the corresponding period in 1961.

According to the Federal Reserve System, department store sales in New York City for the week ended Dec. 1, were 5% less than the same period in 1961.

G.E.C. Securities Opens New Department

A Department for Control of Branch Operations was established in G. E. C. Securities, Inc., 625 Madison Avenue, New York City, with Arnold Poliskin named as Director.

Mr. Poliskin was formerly Branch Manger of the G. E. C. Office in Newark, N. J. Saul Ring formerly Assistant Trading Manager of G. E. C. will replace Mr. Poliskin as Branch Manager of the Newark Office.

Award Made to Mrs. M. Roebling

ATLANTIC CITY, N. Y.—Mary G. Roebling, Chairman of the Board and President of the Trenton Trust Co., has been named the recipient of the Golden Deed Award presented by the New Jersey Association of Real Estate Boards.


Mary G. Roebling

Mrs. Roebling accepted the award, which goes annually to the individual who has done the most to create an image of the State in the minds of its citizens, from Charles Eaton, President of the New Jersey State Chamber of Commerce.

The presentation was made before nearly 2,000 Realtors at a banquet climaxing their 46th annual convention in the Traymore Hotel.

Arthur G. Pulis, Jr., retiring President, said the trophy symbolizes the close relationship between realtors and the real estate interests and the need for the State's continued progress and leadership in the economic race of the nation.

Mr. Pulis lauded Mrs. Roebling as one of New Jersey's foremost citizens, "a leader in business, industry and public life." Mr. Pulis said, "Mrs. Roebling's philanthropies are legend in this state of ours."

Banks to Request OASI Numbers

ABA executive head notifies all banks that beginning Jan. 1, they must request Social Security or other identification from interest or dividend recipients.

Beginning Jan. 1, 1963, banks and other financial institutions are required to begin requesting Social Security or other Internal Revenue identifying numbers which will identify customers to whom interest or dividends are paid, according to a letter by Dr. Charls E. Walker, Executive Vice-President of The American Bankers Association, which is being sent to all A. B. A. member banks.

This will be the first step toward compliance by banks and other financial institutions with two recently enacted laws. The first adopted in 1961 requires that banks and other financial institutions supply the Internal Revenue Service with the Social Security number or other Internal Revenue identifying number of each payee for whom an information return (Form 1099) is filed. Such payee number must be shown on any return filed after Sept. 30, 1963, if any part of the payments required to be reported was made after that date.

Under the new 1962 Revenue Act, banks and other financial institutions must report to the Internal Revenue Service all payments of interest and dividends aggregating $10 or more, made during the calendar year of 1963 and subsequent years. "In other words," the A. B. A. letter says, "reporting under the new Act will be required starting early in 1964, and such reports must include the payee identification number except that such number need not be shown on the 1964 report (with respect to payments made in 1963) unless some part of such payments was made after Sept. 30, 1963."

In order to help its member banks prepare for compliance with these laws, The American Bankers Association is developing a booklet which will present information on both numbering and reporting, and which will suggest operational procedures and give specific examples of ways to meet problems posed by the new requirements. Completion of this booklet must await issuance of final Internal Revenue Service regulations on interest and dividends reporting.

Even before the booklet is distributed, however, the A. B. A. will provide its member banks with suggestions for use in requesting bank customers to supply the bank with identification numbers.

Proposed regulations for reporting interest and dividends were published in the Federal Register of November 7 for review and comment. The American Bankers Association is analyzing these regulations and will suggest necessary or desirable changes to the Internal Revenue Service.

The A. B. A. also suggests to banks that in the interest of good public relations and the possible advantages which might result from coordinated effort on the part of the financial community, banks should cooperate with other financial institutions at the local-area level in obtaining Social Security or other identifying numbers. Joint timing of initial mailings and educational publicity or advertising can insure simultaneous notice to all institutional customers in a given community.

Thos. & Ruth Hill With Burnham

Burnham and Company, 60 Broad Street, New York, members of the New York Stock Exchange and American Stock Exchange, announces that Thomas W. Hill and Ruth R. Hill are now associated with the firm as registered representatives. Mr. Hill was senior partner of the former New York Stock Exchange firm of Hill, Darlington & Grimm. His wife, Ruth R. Hill, was a registered representative with the firm.

To Be Officers of J. N. Russell Co.

CLEVELAND, Ohio—As of Dec. 31 Thomas A. Russell a Vice-President of J. N. Russell & Co., Inc., Union Commerce Building, members of the New York and Midwest Stock Exchanges, will also become treasurer of the firm. On the same date James M. Russell and Roderick R. Russell will become Vice-Presidents.

McMahon, Lichtenfeld Partner

McMahon, Lichtenfeld & Co., 111 Broadway, New York City, members of the New York Stock Exchange, on Jan. 1, will admit Merrill S. Lichtenfeld to partnership.

The Business Climate In the United States

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the very rich have nearly always been able to take care of themselves in some way.

Accumulation of surplus is transportable assets and their facilities and their root in various countries are very substantial.

But the very people who cheer the loudest, feel the most satisfied and are the most loyal to the unbalanced economics and the leadership of men who are certainly sincere, but economically shortsighted—these are the people who really suffer the most.

Business and College Economics

The businessman in the climate of today faces a degree of economic ignorance that is very appalling and very dangerous in a country of our high literacy and educational opportunity.

I move a great deal in university circles. I was at the University of Virginia in Charlottesville, and here in New York; I have attended literally countless classes in economics in the universities of our country. Somehow or other I am afraid we have missed the boat in making this subject, which is really the subject of how we live together, of the vitality it has in the lives of all of us.

In the NAM and other organizations, I have heard many suggestions for the better understanding of economics. I, myself, broadcast for 11 years across our country for General Motors on economic subjects. I made 725 consecutive broadcasts for GM. I went off the air to go to Switzerland. I never had a vacation; I never missed a broadcast; I was never late; I never had a substitute; I was never off the air; and if you eat 725 peanuts, you have a lot of peanuts.

So I do think I have some appreciation of what the problem is in the field we are following.

I am an optimist by nature. I seriously question, however, whether the cliches that come so easily to government spenders reconcile with the national interest.

It is a funny thing: History repeats itself, although I am sure never in quite the same way. But oddly enough, at the bottom of all of these debates which the President invited in his speech at Yale, the opponents start off on a few premises. The first is that myths are myths by their definition. Well, they may be myths by their definition, but not in history.

If We Owe It To Ourselves Then Let's Double the Debt

The second is—I am not quite able to grasp this idea—that you see, all this money we are talking about and this small picture I have attempted to draw today, isn't too important after all. Well, the reason it isn't so important is because we owe it to ourselves. Well, the French owed it to themselves too; so did the Germans; and so did the British, when they devalued the pound. I don't know any country that went flat broke that did owe it to itself.

If it were as easy as that—and I can't seem to bring an answer out of these folks—what are we waiting for? Double the debt, and double the spending, and really get this country moving. They say, we can't do that exactly, and we say, why not? This is your thesis; if it is right; if you have any lurking feeling of distrust about your own thesis, maybe you could help by telling what the limit would be.

And, at this point, the theory, my friends, collapses. There isn't a man in this room who can get John Galbraith or Heller or any one of these fellows to tell you what that limit is. They go into a whole lot of business about the Gross National Product, and they just peg it to this balloon.

Now, the trouble with the balloon is that as you go up, the balloon carries you; but, as the balloon starts down at any time you are stuck with the debt, because the debt doesn't go down when the balloon goes down.

The second thing is, that as far as the compensating budget is concerned, it is in the hands of political people and the theory gets thrown out the window; it is being thrown out the window right now. This theory is that in good times you reduce your debt and increase the taxes; in bad times, you increase the debt and reduce the taxes.

What do they do, if in good times they spend all the money they can collect and they do not reduce the debt, and as I have demonstrated increase it, and ask for more money, and in bad times they propose a reduction in the taxes without a crease in the spending?

It is a compliment to what a great country we have that it could have stood the kicking around that this nation had had to take. I hope and literally pray that we come into an era of financial stability because the weapon the Russians want the most is an unstable America. We face a very grave situation in our balance of payments and in our gold supply. We are in a long haul, I think beyond dispute, for generations.

I should think that you sober businessmen, such a factor in the life and energy and progress in the job given us, wouldn't hesitate one minute to blow the whistle on things that you don't believe in and speak out for our country in terms of the lessons of prudence that you have learned all your lives. Because the chips are down; if this country blows up, the free world blows up, and there is nobody around to pick up the pieces, except the Soviet Union.

We aren't going to blow up and we can face any challenge that we can possibly foresee, but it is just downright wrong to experiment with the essentials and with fundamental economic underpinnings of free enterprise in America when we are under the gun, and no man who believes that is true should neglect this, in my small opinion, the first duty of citizenship, which is to say so.

*An address by Mr. Taylor before the 67th Congress of American Industry sponsored by the National Association of Manufacturers, N. Y. City, Dec. 6, 1962.

To Be Rothschild Partner

On Jan. 1, Herbert W. Wolfer of Geneva will become a partner in L. F. Rothschild & Co., 120 Broadway, New York City, members of the New York Stock Exchange.

Investment in Japan Merits Thoughtful Consideration

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1951 are required by law to issue stock at a par value of not less than 500 yen (U. S. $1.40). Dividends are generally paid on a semi-annual basis.

Debt Favored Over Equity Capital

Because entire sectors of Japanese industry were destroyed during the war and many had to start again from scratch, a sizable number of industries are under-capitalized. As yet, however, the Japanese stock market has not been able to assume the role of the major capital raising institution. Industries seem to prefer to borrow rather than to raise capital on the market. Short term loans can always be renewed and are at the same time exempt from taxation. Because of the large amount of short term debt capital, liabilities continue to increase at a faster rate than net worth. The current ratio of assets to liabilities averages much less than 2 to 1, a ratio which is way below American standards.

One method of raising domestic capital in Japan has been the internal transfer of accounts. Inter-reserve funds or capital reserve funds are turned into capital and new shares are thereby issued without any charge to the stockholder. Another method of allocating new shares is to ask the old shareholder to pay at par value. This system of investment is normally welcomed by the stockholders. At times this sort of stock issue has a tendency to dilute the stocks previously issued and consequently depresses the market which is disadvantageous to investors in general.

Japanese stock market prices are among the fastest increasing prices in the leading industrial countries of the world. Using January 1950 as the base, prices reached a summit of 1,786% in July, 1961, while those of Germany increased 1,069% (January 1951 to August 1960), and those of the U. S. 264% (to December 1961). The Japanese stock prices declined however abruptly since August 1961, at a time when Japan lost large amounts of exchange reserves due to an excess of imports over exports. The Dow Jones average reached a bottom of 1,319 six months later. Between January and October 1962, the high was 1,539 and the low 1,246. The sharpest decline was a drop of about 34% from the summit. It was only the Paris market which held more firmly with a setback of 16%, while West Germany declined by 50%. The high growth rates of both Japan and West Germany which had emerged from relatively depressed levels, had created undue optimism on the part of the investors.

Average Yields

Although the Japanese security market stands on the top of the great bull market of 1950-1961, the average yield of the 225 issues listed in the Tokyo Stock Exchange is only in the neighborhood of 4%. Some of the growth stocks have an even lower yield some less than 2%. Tokyo Toshiba Electric Co., contrary to the case of a number of electric companies, yields almost 10%. This perhaps accounts for the greater interest in Toshiba's ADR than in Sony's ADR by Mutual Funds in the United States.

It is interesting to note that as a whole Japanese banking and insurance shares are a high yielding group. Some of the issues have a price/earning ratio as low as 1.3% and practically all pay regular dividends. Four of the largest banks, namely Fuji, Mitsubishi, Sanwa and Sumitomo regularly pay dividends of at least 9% on par value. Bank of Tokyo shares valued in 1961 from 55 to 67 yen per share, have a price/earning ratio of only 4.3%, paying dividends of 2.25 yen, and yielding about 7.6%. The low prices of bank stocks is attributable unquestionably to the influence of the Ministry of Finance in setting dividend rates.

Investors in general can acquire various and attractive shares with a good yield. While the monthly instalment plan in the New York Stock Exchange requires a $40 monthly minimum at the outset, the corresponding Japanese plan requires $4 or less. Investment may be made either on an individual basis or in the form of subscription in one of the large investment trusts, both open and closed end.

A comparison of the subscription experiences of two stock issues, both in the form of American Depositary Receipts, is enlightening.

Sony Corporation. Sony Corporation's issue of 200,000 ADR's in the United States in June, 1961, attracted a great deal of investor interest. Each ADR represented 10 shares of common stock and, by the end of June, 1962, 270,000 ADR's had been sold against the initial public issue of 200,000, the number of ADR outstanding fluctuating as new shares were issued and others redeemed. By the middle of November, 1962, Sony had 220,000 ADR's outstanding. Although world famous for its transistor radios, the corporation is a comparative newcome in its field, having been established only since 1946, and its stock is considered a glamour item by most investors.

Tokyo Shibaura Electric. Toshiba's offering of 600,000 ADR's in the United States, Europe and Hongkong in February, 1962, was oversubscribed by five to one. Each ADR represented 50 shares of common stock and, by the end of June 1962, 846,000 ADR's had been sold against the initial public issue of 600,000. The Japan Fund, Inc., dealing mainly in Japanese equity securities for American investors, showed holdings of 13,000 ADR's of Toshiba, none for Sony (semi-annual report, 1962). Toshiba, having obtained approval of the Securities & Exchange Commission to issue an additional one million ADR's had tripled its shares sold by the middle of November from 600,000 to 1,846,000. Toshiba has been established for over 55 years and now ranks among the largest and foremost electrical manufacturers in the world, having a tie-up with General Electric on capital and engineering. Its stock is thus considered "blue chip" and welcomed by conservative investors.

According to the Weisenberger Investor's Report, at the end of June, 1962, three American mutual funds held 606,000 shares (or 60,600 ADR's) of Sony, against 11 groups who held 7,875,750 shares (or 157,515 ADR's) of Toshiba. The price behavior of both issues, however, tells a different story. The fluctuations in Sony's ADR's have consistently been above the initial public offering price of $17.50 except for a few days in September, 1961, when the price dropped to $16.00. Toshiba, however, has behaved quite poorly. Except for the first 10 days following its public offering at $15.50 on Feb. 9, when the price jumped from $16¼ to $18⅛, the trend has been downward most of the time. In October the stock went as low as $8.50. Lack of enthusiasm on the part of Japanese investors for the stock market in general and the industrial giants in particular has been blamed for the slump.

There is always considerable variation between the local New York market price and the Tokyo price. In addition, the free yen is valued at about 395 to one American dollar while the official rate is 360, leaving profit to the arbitrage trader.

Japanese Bond Issue Prior to and After World War II

Japan's first external bond issue dates back to 1870 when a one million pound sterling public loan was floated in London for the construction of a railway between Yokohama and Tokyo. The interest paid was 9% and the principal redeemable after 12 years. Since 1897, the year that the gold standard was adopted in Japan, the country has floated external bonds on 69 different occasions, totaling 3,391 million yen. The total involved in these bonds was sizable when compared to the average Bank of Japan notes of Y500 to Y600 million issued in those days. Of the bonds floated, 23 were government bonds and 29 corporate securities. British pound sterling bonds led by 38 issues valued at 250 million pounds, followed by American bonds at $536 million and six French bonds at 851 million francs. About half of the money thus inducted was used for military purposes and hence non-productive. The balance was primarily employed to make up the deficit in the balance of payments. This foreign capital was undoubtedly responsible for Japan's remarkable economic growth prior to World War II.

Six issues of Japanese bonds have been offered the public in the United States since Jan. 15, 1959 totaling $115 million (as of September, 1962) and one issue in West Germany, totaling $25 million U. S. currency. In addition, Japanese manufacturers have recently resorted to borrowing directly from American institutional buyers; in fact, this has become the most popular practice in the foreign dollar bond market. Insurance companies are usually the buyers, with investment banks interested in two-to-five year obligations.

Of the six instances of Japanese bond issues in the United States since 1959, all were public bonds with the exception of the Shin Mitsubishi. The first was issued by the Japanese Government in February 1959 for the sum of $30 million. The proceeds went to the Electric Power Development Co., a government owned corporation. The next issue was floated in May 1961, by the Nippon Telegraph and Telephone Public Corporation in the amount of $20 million, towards improving network facilities (its second offering was made in September, 1962). The following two issues emanating from the Japan Development Bank were valued at $20 million (October 1961) and $17.5 million (May 1962). Proceeds are used by the Bank for making loans in Jananese currency to certain leading private electric power companies for the construction of thermal electric power facilities. The Japanese Government gives an unconditional guarantee of payment of principal and interest on all public bonds. In February, 1962, $25 million dollars worth of bonds were issued in West Germany through 45 major banks, including the Deutsche Bank.

That Japan has been successful in participating in the American capital market is evident by the fact that during the month of September 1962, $70 million of Japanese bonds and debentures were successfully floated in the American market. The first public offering of convertible securities by a Japanese company was made in September 1962 by Shin Mitsubishi in the amount of $10,000,000 at 6½%. The Nippon Telegraph and Telephone Public Corporation issued its second $18.5 million dollars worth of bonds due in 1977. Two private Japanese firms placed $41.5 million notes and convertible debentures with institutional investors. Kokusai Denshin Denwa Co., Ltd. (KDD), Japan's overseas radio and cable system placed $25 million of 15-year notes with Equitable Life Insurance Society of U. S. and various other companies. Meanwhile Hitachi, Ltd., one of the largest manufacturers of machinery, electrical equipment and appliances in the Orient has placed $16.5 million of 6½% convertible debentures with institutional buyers. This practice of issuing debentures may be considered the first such form of financing outside of Japan.

Conclusions

Although reduction of the holding period from two years to six months has not eliminated all restrictions on foreign investment in Japan, this is the maximum reduction that may be expected under present circumstances. Japan's balance of payments position is now improving as a result of its favorable foreign trade balance, but it has not yet been able to recoup all losses suffered through deterioration of the foreign exchange as of July 1961. While Japan's determination to liberalize import items by 88% (Oct. 1, 1962) falls short of the promised 90% figure, the policy is nevertheless a courageous one. There is no assurance that the outcome will be favorable since a possible flood of imports could be detrimental to the country's foreign exchange position.

Since nearly all American private investment in Japan is on a joint venture basis, in which American ownership generally does not exceed 50%, complete control of Japanese industry by American interests is barred. Furthermore, according to estimates of Japanese authorities, the more than 18 hundred licensing agreements with foreign investors has proved extremely profitable to Japan in terms of sales expansion, royalty fees, and technological gains.

Japan cannot expect that American or European capital will rush to Japan either in the form of stocks or managerial participation. But so long as economic growth continues to expand, interest in both portfolio and direct investment will gradually increase. Both the psychology and the practical needs of the foreign investor must be met. It will be important, for example, that the management of Sony, Toshiba or others come more often to New York to furnish investors with financial and other data. Research in the foreign securities field is a more demanding job than in domestic investment. It is also true that when the home market is healthy, interest in foreign markets is greatest. When the domestic market is clouded with uncertainty, such as the aftermath of the recent Wall Street debacle, the foreign issues are the first to lose out in an upgrading of the stock portfolio. Most of the investors in foreign stocks are seeking more in terms of captial appreciation than in dividends.

There is no doubt that American industries will continue to be interested in Japan's growth and are willing to participate in a managerial capacity as well. American industry has a tendency at present to accept the idea of joint ventures so much favored by the Japanese. However, Japan is not in a position to limit investment to long term capital. The supply and demand of capital and the success with which Japan can meet competition for capital elsewhere in the world will largely determine the degree of foreign investment in their country.

Whenever Japan feels able by eliminating all restrictions on foreign investment, to put it on a par with domestic capital, and assuming that the rate of economic growth continues, the relatively comfortable investment climate in Japan will undoubtedly prove even more attractive to foreign investors.

Macdonald 50 Yrs. With Dominion

John M. Macdonald was honored at a luncheon at the Bankers Club in New York City on the occasion of the 50th anniversary of his association with Dominion Securities Corporation, 40 Exchange Place, New York City. Mr. Macdonald is Treasurer of Dominion Securities, and is in charge of the Government, Eastern Provincial, and Municipal Departments of the firm.

John M. Macdonald

Seventy-five guests from all over the country and Canada attended the luncheon.

Hubshman, Fleschner to Be Formed

Hubshman, Fleschner, Inc., members of the New York Stock Exchange, will be formed as of Jan. 1 with offices at 350 Park Avenue, New York City. Officers will be Malcolm K. Fleschner, Chairman of the Board and Treasurer; Louis Hubshman, Jr., President; Donald Vinik, member of the Exchange, Secretary; and W. Anthony Ullman, Assistant Secretary. Mr. Vinik is a partner in Vinik, Feins & Co,. which will be dissolved.

Current News in the Field

These items are supplemental to similar notices appearing elsewhere in this issue

NEW FIRMS

BALTIMORE, Md.—**Murray Manson, Inc.,** 17 West Camden Street. Officers are Murray Manson, President; Sylvia Manson, Vice-President; and F. Richard Manson, Secretary and Treasurer.

DALLAS, Texas — **Forbes Investments & Securities,** 3511 Hall St. Harry J. Forbes is general partner and Dorothy P. Beasley is a limited partner in the firm. Mr. Forbes was formerly with Hauser, Murdoch & Miller.

DERBY, Colo. — **Raymond G. Johnson,** 6451 East 72nd Avenue.

EAST ELMHURST, N. Y.—**George H. Starke,** 2215 Ninety-ninth St.

FAR ROCKAWAY, N. Y.—**Harry M. Weiss,** 2214 Beach Channel Drive.

FT. LAUDERDALE, Fla.—**Aaron Barzilay, Inc.,** Professional Bldg. The firm will continue the investment business of Aaron Barzilay. Officers are Aaron Barzilay, President and Treasurer, and Nancy Barzilay, Vice-President and Secretary.

MIAMI, Fla. — **Planned Futures,** 2680 Southwest 24th Terrace. Thomas W. Shipton is a principal.

NEW YORK CITY—**Col. Elmer L. Kincaid, Jr.,** 6 Harrison Street.

NEW YORK CITY — **Manhattan Capital Corporation,** 15 E. 40th St. Officers are Stanley Namm, president; Leonard Malin, vice-president; and Louis Medill, secretary and treasurer. Mr. Namm and Mr. Medill were formerly with Columbian Financial Corp.

NEW YORK CITY—**Tucker Investors Plan, Inc.,** 342 Madison Avenue. Officers are Gerald J. Tucker, president; Edward A. Sobin, vice-president; and Henry C. Caron, secretary and treasurer.

NEW YORK CITY — **DCA Investors, Inc.,** 15 William Street. The firm is successor to Aberdeen Investors Programs, Inc.

NEW YORK CITY—**ESICO Corp.,** 18 East 175th Street. The firm will continue the investment business of Empire State Investors Corp.

NEW YORK CITY — **American Business Counsellors,** 5 Maiden Lane. Irvin J. Miller is proprietor.

NEW YORK CITY — **Creative Ventures Corporation,** 733 Third Avenue. Freeman Koo is a principal.

ROCHESTER, Mich. — **Profit Sharing Investments, Inc.,** 1812 South Rochester Road. Officers are Daniel S. Holefca, President; John L. Shanahan and John K. Hatcher, Vice-Presidents; and Karl Schettenhelm, Secretary and Treasurer.

TORONTO, Canada — **Doherty Roadhouse & McCuaig Bros.,** 335 Bay Street. The firm was formed by a merger of Doherty Roadhouse & Co., members of the Toronto Stock Exchange and other Exchanges, and McCuaig Bros. & Co., Ltd. of Montreal, members of the Canadian and Montreal Stock Exchanges.

WASHINGTON, D. C. — **Frank & Co.,** 729 Fifteenth Street N. W. Irving Frank is proprietor. Mr. Frank was formerly with H. P. Black & Co.

NEW BRANCHES

GARDEN CITY, N. J. — **First City Securities Inc.,** 600 Old Country Road. Maxwell J. Mangold is resident manager.

NEW YORK CITY — **First City Securities, Inc.,** 60 East 42nd St. Maxwell J. Mangold is manager.

OPELIKA, Ala. — **First Southeastern Company,** 815 South Railroad Avenue. Sam L. Jollit is manager.

PAWTUCKET, R. I. — **Davis & Davis,** 12 East Avenue, under the management of John J. McMahon.

LITTLE ROCK, Ark. — **Hornblower & Weeks,** Boyle Building, with James R. Vinson, registered representative, in charge. Mr. Vinson was formerly resident manager for A. G. Edwards & Sons, and in the past conducted his own investment business in Little Rock.

SANFORD, Fla.—**A. M. Kidder & Co., Inc.,** 101 Building, First Street West, under the management of Lee P. Moore.

LATHAM, N. Y.—**Carl M. Loeb, Rhoades & Co.,** 679 New London Road, under the management of John H. Finch. Mr. Finch was formerly local manager for Cruttenden, Podesta & Miller.

HARTFORD, Conn. — **Merrill Lynch, Pierce, Fenner & Smith Incorporated,** in temporary quarters at 100 Constitution Plaza under the management of John J. Mackay.

RENO, Nev.—**Blyth & Co., Inc.,** 150 North Center Street. John E. Hostetlet is local manager.

CAMBRIDGE, Mass — **Richard Bruce & Co., Inc.,** 1737 Cambridge Street, under the management of Florence Hinkle.

FALL RIVER, Mass.—**Delta Management Corporation,** 18 Bedford Street, Manuel Rezendes is resident manager.

PERSONNELS

OMAHA, Neb.—Robert H. Schreiber has been added to the staff of **John Nuveen & Co.,** Woodmen of the World Building.

PORTLAND, Oreg. — Robert E. Chaney has joined the staff of **Belford & Co., Inc.,** 610 Southwest Alder Street.

APPLETON, Wis. — Erwin Seybold is now with **McKee & Jaeckels, Inc.,** Irving Zuelke Building. He was previously with Paine, Webber, Jackson & Curtis.

MILWAUKEE, Wis. — Robert Agulnick, Julius R. Atkins and Nathan Wahlberg have become associated with **Plaza Securities Inc.,** 612 North Water Street.

WASHINGTON, D. C. — Ruth E. Hutton, formerly a partner in **Ramsey - Hutton Investments,** 18 Eighth Street, N. E., is now sole proprietor of the firm.

BOSTON, MASS.—Joseph P. Galvin is now sole proprietor of **Hines, Galvin Co.,** 53 State Street. He was formerly a partner in the firm.

DENVER, Colo.—Joe V. Zimmerman has been added to the staff of **Howsam-Brown & Associates, Inc.,** 290 Fillmore Street. He was previously with Shaw, Bauer & Co.

AUGUSTA, Maine—Howard Millet has become associated with **A. G. Edwards & Sons.** He was formerly with A. M. Kidder & Co., Inc. and F. L. Putnam & Co., Inc. In the past he was an officer of Ingraham, Millet & Co. of Augusta.

BOSTON, Mass. — Ronald E. Burton has become affiliated with **A. W. Benkert & Co., Inc.,** 40 Court Street. He was previously with Lane, Lourie, Wolff & Co.

SPRINGFIELD, Mass. — Royal T. Arthur has rejoined the staff of **J. Clayton Flax & Co., Inc.,** 1562 Main Street. He has recently been with Stanton-Lewis & Co.

MINNEAPOLIS, Minn. — Arnold H. Bennett and Jerome H. Shapiro have become connected with **Reynolds & Co.,** 629 South Second Avenue.

HOUSTON, Tex. — The appointment of Donald M. Graubart as a Registered Representative has been announced by **Underwood, Neuhaus & Co., Inc.,** 724 Travis St. Mr. Graubart recently qualified for the position by successfully completing examinations of the New York Stock Exchange and National Association of Securities Dealers, Inc.

He has been associated with Underwood, Neuhaus since early 1962.

Underwood, Neuhaus, Texas' oldest investment banking house, maintains offices on the first and seventh floors of the Houston Club Building. The firm is a member of the New York Stock Exchange and associate member of the American Stock Exchange.

NEW YORK CITY — Thomas C. Clingan, III, has joined the One Wall Street office of **Francis I. duPont & Co.,** members of the New York Stock Exchange, as registered representative. He was previously with Chase Manhattan Bank as an investment advisor in the Trust Department.

NEWARK, N. J. — Sidney Nager and William C. Owens have become customers representatives with **Richard E. Kohn & Co.,** members of the New York Stock Exchange at 20 Clinton St., it was announced by Mr. Kohn, senior partner of the firm.

Mr. Owens was formerly in the securities business in Belleville under the firm name of Owens & Co. Before that he was for many years with American Fruit-Growers, Inc., working in Florida, West Virginia and Massachusetts, and later, as general sales manager for the corporation, in New York City.

Mr. Nager was formerly a partner of Sidney Rubber Co., Inc., of Kenilworth. He is a past vice-president of Congregation Beth Shalom of Union and a past president of the B'Nai Bridge Lodge in Union.

PHILADELPHIA, Pa. — Laird, Bissell & Meeds, Philadelphia National Bank Bldg., members of the New York Stock Exchange and other leading exchanges, announce that Emil H. Hubschman has become associated with them as a registered representative.

Scott, Harvey Co. Names Birnberg

FAIRLAWN, N. J.—Jack Birnberg has been elected President of Scott, Harvey & Co. Inc., 30-24 Broadway.

Mr. Birnberg is a member of the Board of Trustees of the Children's Shelter of Passaic County, Co-Chairman of the Clifton Committee for the Celebration of the New Jersey Tercentennial, Trustee of the Greater Clifton Lodge of B'nai B'rith, Trustee of the Clifton Democratic Club, and Instructor at Fairleigh Dickinson University.

Mr. Birnberg is married to the former Louise Rothstein. They reside at 90 Hazel Street, Clifton, New Jersey.

Dealer-Broker Literature

Continued from page 8

Philadelphia 2, Pa. Also available is a bulletin on **Pacific Vegetable Oil Corp.**

Western Air Lines Inc.—Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Wisconsin Power & Light—Memorandum—Loewi & Co. Incorporated, 225 East Mason Street, Milwaukee 2, Wis. Also available is a memorandum on **Nuclear Chicago.**

World Color Press, Inc.—Analysis — Dempsey-Tegeler and Company Incorporated, 1000 Locust Street, St. Louis 1, Mo. Also available are memoranda on **Halliburton Oil Well Cementing Co., Electric Storage Battery** and **Standard Oil Co. of Indiana.**

G. H. Walker to Admit H. H. Fitch

KANSAS CITY, Mo.—G. H. Walker & Co., members of the New York Stock Exchange, on Jan. 1 will admit Howard H. Fitch to partnership. Mr. Fitch will make his headquarters at the firm's recently opened Kansas City office, 912 Baltimore Avenue.

Seligman Honors 25-Year Group

J. & W. Seligman & Co., one of the oldest members of the New York Stock Exchange, and associated companies on Dec. 5 honored the men and women in the Quarter Century Club, made up of employees who have served the organizations for 25 years or longer.

Fifty-four members, whose combined experience totals 1,787 years, were entertained at a luncheon at the Lawyers' Club.

The Quarter Century Club is made up of partners and employees of J. & W. Seligman & Co., Union Service Corporation, and Broad Street Sales Corporation.

The Seligman firm itself, which was founded in 1864, has all seven partners and 44% of all employees among the veterans. Partners' service averages over 33 years and totals 234. The oldest employee in the group started working for the firm in 1899.

An examination of the Club's roster shows that, although 1929 has gone down in history as the investment business' darkest year, more members — about 22% — of the group began their careers with the organizations in that year than in any other. No new members were taken into the Club this year.

Bernard Aronson To Admit

Sydney S. Schatz, member of the New York Stock Exchange, on Dec. 21, will become a partner in the Exchange member firm of Bernard Aronson & Co., 745 Fifth Avenue, New York City.

WASHINGTON AND YOU

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

WASHINGTON, D. C.—There is neither going to be a boom nor a bust in 1963.

That appears to be the consensus of opinion here in the Nation's capital. This seems to be the general thinking. At the present, however, there is an air of uncertainty about the economic picture.

President Kennedy and his economic advisers have been asking business leaders from across the country for their opinions. Government economists and business and industry representatives have been trying to come up with a plausible answer.

There are numerous plus signs on the horizon, but the minus signs are causing an enigma and thus are causing the economic air to be hazy.

Meantime, it is no secret in Washington that the President is not pleased that the Nation's economic growth is not moving as fast as he had hoped and expected.

A few days ago the Chamber of Commerce of the United States at its handsome building across Lafayette Square from the White House had a huddle on the outlook for business for the first half of 1963. Qualified experts on business, banking, industry, and business paper publishing, participated.

Tax Cut Emphasized

There were no sensational statements or predictions to emerge from the pow-wow. There were neither depressing statements nor predictions that the coming year will be a soaring one for the economy.

The President of the Chamber of Commerce of the United States said that in the absence of a substantial tax cut, the outlook is very uncertain. Mr. Plumley took the occasion to again call for a tax reduction.

There is no doubt that the Chamber of Commerce boost for a tax cut meets with approval from President Kennedy and his advisers. The Administration is all set to submit a tax reduction proposal early to the new Congress. Nevertheless, it is no absolute certainty there will be a reduction, although one is long overdue. First, however, there should be other considerations.

President Plumley was taken to task earlier this year by Senator Harry F. Byrd of Virginia, Chairman of the Senate Finance Committee.

Senator Byrd's Thesis

Senator Byrd, the "watchdog" of the United States Treasury from atop Capitol Hill, told President Plumley that he was absolutely shocked that, on the day after passage by Congress of the debt-raising bill in June, the Directors of the United States Chamber went on record in favor of tremendous tax reductions in the face of the red ink of the budget.

The Virginian declares he is still against a reduction in taxes until the government can get its fiscal affairs in reasonable order and stop deficit financing and increasing the national debt.

Emerging from the conference on what the business picture looks like the first half of next year were some pertinent information. Corporate profits before taxes this year have fallen short of the Administration's projection last January by more than $5.5 billion. Nevertheless, business activity has been fairly good with GNP up some $35 billion as compared with 1961.

This year is expected to prove to be the second best automobile sales year in history. Sales in 1963 are now expected to be fractionally higher than 1962 sales of about $6.85 million.

Housing a Question Mark

A major question concerning the construction picture pertains to housing David K. Gillogy, associate economic director, National Association of Home Building, said: "Last month, at the U. S. Savings and Loan League's Convention, I presented a forecast for 1963 of 1,450,000 housing starts—about 3% to 4% above the 1.39 to 1.4 million private non-farm units with which we will probably end 1962. That forecast was made before issuance of the executive order. It could hardly now be considered valid (as a result of the President's recent non-discrimination order).

"The key issue in a forecast of 1963 construction is obviously: 'What's going to happen to housing?' And the answer to that is obviously known only to the foolish. . . . The figure I have chosen for a housing starts level is 1,335,000, about 60,000 units below the expected 1962 total, or a decline of 4%."

It was brought out that in order to stay competitive, industry in the United States is compelled to spend substantial sums for new facilities whether it can afford them or not. The steel industry was cited as an example. The steel industry this year is spending $1.2 billion on oxygen converters, automated strip mills, coating lines and other equipment to reduce costs and improve product quality. It is also expected to spend $1.3 billion in 1963.

As a result of the advances in steel products made possible by new equipment now being installed, it is estimated that 95 million tons of steel will go as far as 100 million tons did a couple of years ago.

One spokesman closely identified with the steel and construction industries said a tax cut would help industry. He added, however, that it should be remembered that industry does not spend money for plant and equipment simply to save tax money. It spends it to reduce costs as part of the battle to offset continuing rising wages, improve product quality, and attempt to make some dividends for stockholders.

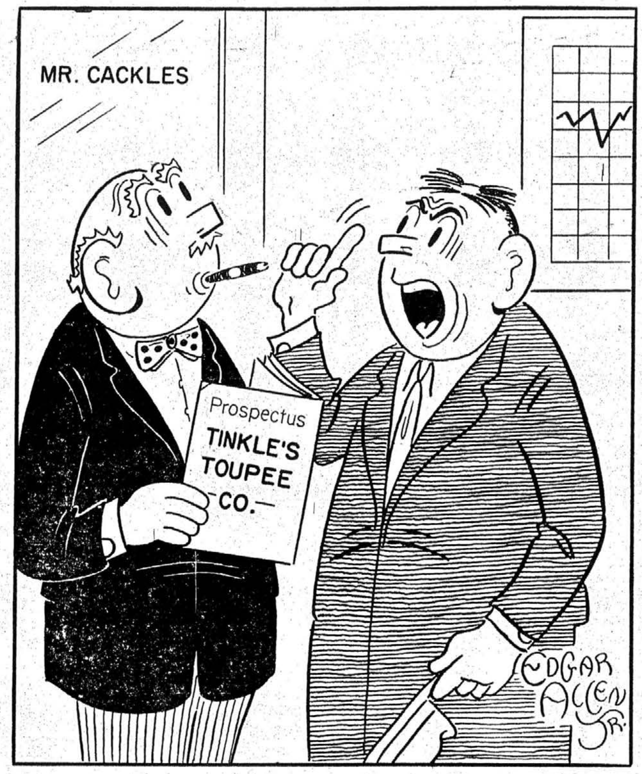
Dr. Leslie Peacock, Senior Economist of the American Bankers Association, New York, in a prepared paper on fiscal and monetary factors, said the big task for the fiscal authorities in 1963 will be to secure a noninflationary replacement on new and maturing debt.

Although the possibility of a tax cut has dominated most of the discussion of government economic policy for the coming year, said the New York Economist, it could well be that developments with respect to Federal spending will exercise a more important short-term impact on business conditions.

He said, as Washington observers generally believe, that the prospects for quick passage by Congress of a tax cut are slim. More than likely if a tax cut should materialize it would be late in the session, not early.

Any tax cut is likely to run concurrently with tax revisions and so-called loophole closing. Congress once again will face a heavy legislative year.

[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.]



"I don't think much of their product—I bought this toupee to hide my bald spot and now the TOUPEE is getting a bald spot!"

COMING EVENTS

IN INVESTMENT FIELD

Jan. 18, 1963 (Baltimore, Md.)
Baltimore Security Traders Association 28th Annual Midwinter Dinner at the Southern Hotel.

Jan. 21, 1963 (Chicago, Ill.)
Security Traders Association of Chicago annual winter dinner at the Drake Hotel.

Jan. 24, 1963 (Kansas City, Mo.)
Kansas City Security Traders Association Mid-Winter Party on the Roof Garden of the Hotel Continental.

April 3-4-5, 1963 (Dallas, Tex.)
Texas Group Investment Bankers Association Convention at the Statler Hilton Hotel.

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

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

May 8-11, 1963 (White Sulphur Springs, W. Va.)
Investment Bankers Association Board of Governors Meeting at the Greenbrier.

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

June 19-21, 1963 (Chicago, Ill.)
Investment Bankers Association Municipal Conference at the Pick-Congress Hotel.

Sept. 11-13, 1963 (Pebble Beach, Calif.)
Investment Bankers Association Board of Governors Meeting at the Del Monte Lodge.

Sept. 22-26, 1963 (Colorado Springs, Colo.)
National Security Traders Association Annual Convention at the Broadmoor Hotel.

The CHRONICLE will publish on Oct. 17 a special pictorial Supplement giving complete coverage to the proceedings at the Convention.

Dec. 1-6, 1963 (Hollywood Beach, Fla.)
Investment Bankers Association of America Annual Convention at the Hollywood Beach Hotel.

Irving Weis to Admit Shelare

Robert F. Shelare on Jan. 2 will become a partner in Irving Weis & Co., 66 Beaver Street, New York City, members of the New York Stock Exchange. Mr. Shelare is a partner in Hirsch & Co.

Wrage Co. Forming NYSE Member

Wrage & Co., members of the New York Stock Exchange, will be formed as of Jan. 1 with offices at 25 Broad Street, New York City. Partners will be George Wrage, member of the Exchange, and Mildred Wrage, limited partner. Mr. Wrage is a partner in Mayer & Hart.