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EDITORIAL

As We See It

The 88th Congress is about to convene. When it does, it will be faced by, and we must hope assume, responsibilities of a magnitude seldom if ever encountered in peacetime. It has become a habit, particularly since the days of Franklin Roosevelt, to look to the White House and what is rather vaguely termed "the Administration" for the making of all vital decisions and the formulation of national policy in general. Too often such an attitude has found a basis in practical events. It is, however, not the way that this country was originally organized. Indeed it is not the way that public affairs were actually managed, say 50 years ago, and should not be the way they are managed now. Congress has a vital role to play in giving effect to any national policy or program and should have a vital role in the shaping of policy.

The work of the 88th Congress has, of course, already begun. The behind-the-scenes maneuvering about the constitution of key committees, in whose hands vast power of necessity abides, is under way where decisions have not already been reached. Complaint is often made that these committees, or some of them, play an undue role in deciding whether any given program or plan will be adopted by Congress. The fact is though, or so it seems to us, that these very committees often save us from the harm that popular politicians may do and the mass emotions which can so easily be whipped up to foolish action by smooth political operators.

The duties of the Congress now about to gather in Washington are not only highly important to the welfare of the country; they are also of a rather unusually difficult nature. It has obligations both of omission and of commission. That is to say the (Continued on page 20)

Flooding the Economy With Money No Help to Our Twin-Fold Problem

By Wm. McC. Martin, Jr.,* *Chairman, Board of Governors of the Federal Reserve System, Washington, D. C.*

Mr. Martin opposes further direct monetary stimulus of the economy on the ground that it would do little if any good —and might do actual harm. He makes clear that any additional stimulus must come from fiscal action and that the Fed's role would be "mainly supplementary and defensive." Dealing mainly with our still persistent balance of payments problem, Mr. Martin defends gold and other monetary policies pursued and warns that too rapid monetary expansion would lead to rising costs and encourage capital outflow.

The task of the Federal Reserve, like that of all parts of our Government, is (in the words of the Employment Act of 1946) "to foster and promote free competitive enterprise" as well as "to promote maximum employment, production and purchasing power." These four purposes may well be summarized under the single heading of orderly and vigorous economic growth.

William Mc C. Martin

The Federal Reserve has recently been criticized for neglecting these goals in favor of another — the achievement of balance in our international payments. Other critics of the Federal Reserve, however, charge us with neglecting the international payments problem and with concentrating too much on domestic goals. Both criticisms overlook what seems to me an obvious fact, namely, that our domestic and international objectives are inextricably interrelated. We simply do not have a choice of pursuing one to the virtual exclusion of the other. Both must be achieved together, or we risk achieving neither.

Thus, our domestic economic growth will be stimulated when our external payments problem is resolved. And our payments situation will be eased when the pace of our domestic growth has been accelerated. With more rapid growth, the United States will become more attractive to foreign and domestic investors, and this will improve our payments balance by reducing the large net outflow of investment funds.

In particular, accelerated growth will presumably lead to larger internal investment and credit demand, and so to some gradual rise in interest rates, not through the fiat of restrictive monetary policy, but through the influence of market forces. With rising credit demand pressing on the availability of credit and saving, the flow of funds from the U. S. to foreign money markets will be more limited. In addition, a closer alignment of interest rates internationally can be expected to result and this will help to reduce the risk of disturbing flows of volatile funds between major markets.

Similarly, the maintenance of reasonable stability in average prices, with progressive gains in productivity, is more than a basis for sustained domestic growth. It is also a necessary prerequisite for improving the international competitive position of our export industries and our industries competing with imports, and thus for increasing our trade surplus so that it can cover a larger part of our international commitments. This is not to deny that prices and costs of some of our individual industries may be out of line with those of foreign producers. There are doubtless industries where grievous competi- (Continued on page 22)

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 27.

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

JOSEPH E. NORTH

Analyst, Mitchell & Company, New York City

Charles of the Ritz, Inc.

The cosmetics industry has been characterized by the steepest of all growth rates in our industrial galaxy—for the 31 publicly-held companies deriving the bulk of their business from cosmetics and toiletries, the 1956-1961 interval saw their earnings grow by an average of 23% a year, compounded annually, while the sales increase was 16%. The earnings multiple for the group currently averages about 19:1, while in comparison, the current price of 19 for Charles of the Ritz shares capitalizes 1962 earnings of $1.60 by only 12 times, and estimated current years earnings of $1.85 by little more than 10 times. It is believed that sales last year totaled $28.1 million, while expectations for the current year call for a 10% increase, to $31 million, a handsome improvement in itself, but a somewhat slower pace than seen in the 1956-1961 interval, when sales and earnings increases of 23.0% and 15.2%, compounded annually, were registered.

Charles of the Ritz, Inc., manufactures and distributes a prestige line of about 70 products in many different sizes, shapes, fragrances and colors, including blended face powder, creams and lotions for the beautification, care and treatment of feminine complexions, and lipsticks and make-up preparations. The company's distinguishing product, its unique selling "gimmick" is Charles of the Ritz custom-blended face powder, made up individually to the customer's individual specifications and complexion needs, with the formula retained on file at the retail counter where the face powder was purchased, assuring her ability to reorder the identical blend. The product is responsible for the continuing attraction of new customers to its unique, personally-tailored approach, while the permanent registration allows a follow-up by mail or telephone, if need be.

Charles of the Ritz products are sold to carefully selected department and specialty stores, on an exclusive or semi-exclusive basis, with sales personnel assigned to handle the line trained and supervised by Charles of the Ritz management to provide the ultimate in customer service and expert cosmetic advice. The company's continuing aim is the sale of the Charles of the Ritz line by "trained cosmeticians, not sales-girls." The line is now sold in 1,141 stores across the country. At the close of 1955, 767 stores handled the line, and 85 outlets were added in 1962, and approximately 100 are expected to be opened this year, with 60 already planned for 1964. As is evident, a many-fold expansion of outlets is possible, but in line with their controlled-growth policy, only a minimum of new stores are added each year, to be sure of maintaining the company's prestige image.

The company's products are sold in many companies in many countries outside the United States, and the list is being continually extended. Manufacturing facilities are maintained in Canada, England and France, the latter two facilities being of fairly recent vintage.

Charles of the Ritz, Inc., has not hesitated to grow by merger, and in the past decade has acquired the Amatole Robbins, Alexandra de Markoff and Antoine de Paris lines of cosmetics, the latter just recently. In 1959, the Venus Pen & Pencil Corp. was acquired for $7.5 million, payable $1.2 million in cash and the balance in notes. The company also operates 21 beauty salons at prestige locations throughout the nation. On a consolidated basis in 1961, cosmetics and toiletry preparations accounted for 39% of sales and 60% of earnings, while the Venus Division accounted for 48% of sales and only 23% of earnings, and the beauty salon division for 13% of revenues and 8% of earnings. With such a large proportion of sales in a non-allied line, the analyst needs "to put on his bifocals" in trying to establish the market worth of heterogeneously derived earnings. Throwing away the Venus Division entirely, by subtracting the estimated 35 cents which it earned in 1962, from the total estimated earnings of $1.60 a share, the current price of 19 evaluates the cosmetics earnings at only 15 times.

In the past, the cosmetics industry in general, and Charles of the Ritz, Inc., in particular, have been prime beneficiaries of our population growth, and while the expected jump of 34 million persons in our national population during the decade of the 1960's is impressive, it is in the breakdown of this increase by age brackets, that industry finds cause for optimism. Cosmetics of all sorts have gained in social acceptance, and a number of other socio-economic factors must be reckoned with. The sharp jump in the number of users of cosmetics and toiletries among low income women is an indication that good grooming awareness and the glamor concept itself, are being extended down to the lowest income range. In 1961, the consumer spent $5.29 of each $1,000 of his disposable income for these items, compared with only $3.80 in 1943.

There are 1,040,238 shares outstanding, on each of which earnings were $1.36 in 1960, and $1.45 in 1961. The shares were first offered to the public in April of 1961 at $25 a share, and subsequently sold as high as $45 before declining to a low of 14½ in the desperate markets in the late spring of 1962. A 4% stock dividend was paid in April last year, and it is possible that a small cash dividend will be initiated in the current year. The financial position is strong, the current ratio at the close of 1962 standing at 3.2:1. Long term debt stands at $3.85 million.

In conclusion, these shares have a good deal of attraction for short-term traders, as price-earnings ratios smooth out within the industry, and for long-term investors, who seek above average growth, and are able to overlook the lack of a cash dividend. The stock is traded in the Over-the-Counter Market.

PEGGY A. SCHULDER

Institutional Reseach Department, Auerbach, Pollak & Richardson, New York City

Members New York Stock Exchange.

Sanders Associates, Inc.

In just eleven years, Sanders Associates has emerged as an important prime contractor for military electronic systems and has also established a growing position in the components field. Estimated sales of over $60 million in the current fiscal year stem primarily from company-developed equipment and products.

Sanders' highly regarded founding group had been responsible for a number of pioneering efforts in the missile and radar fields, including the original development of the first successful anti-aircraft guided missile in the late 1940's and significant contributions to the establishment of reliability standards in the missile industry.

Despite the substantial growth achieved thus far, management has maintained and encouraged an aggressive approach to advanced electronic techniques, and has attracted capable additions to the professional engineering and scientific staff which now numbers some 600 out of total employment of over 3,000.

The company's technical abilities appear quite exceptional even in comparison with many of the large military suppliers with which it competes.

Moreover, business management has developed well in concert with technical achievements. The company has demonstrated an ability to profitably channel its talents toward significant business opportunities in both research and development, and production.

Manufacturing activities now account for some 75% of the total, while a sizable funded research and development base is maintained which could generate future production awards.

More than half of the manufacturing total involves classified military weapons systems and support equipment. Electronic countermeasures systems are quite important in this category. Included in the balance are sonobuoys, instruments and components.

The backlog of close to $100 million represents a wide variety of contracts. The largest award amounts to 25% of the total and three other production contracts aggregate another 25%. Numerous smaller development contracts are also included in unfilled orders.

The company's abilities encompass a broad variety of fields such as radar, missile guidance systems, navigation, communications, counter-measures, ground

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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.)

Attractive Investment Opportunities for 1963

By S. Logan Stirling,* *Partner in Charge of Investment Research Department, Eastman Dillon, Union Securities & Co., New York City*

The market's constructive prospects for both stocks and bonds are cited by Mr. Stirling. Principally favored industries in terms of maintaining or improving earnings are said to be: automobiles, aerospace, chemicals, drugs, electrical and electronics, oils, public utilities and leading banks. Mr. Stirling states that the over-all market is far less vulnerable than the average statistic might indicate; notes that one-third of the NYSE stocks are estimated to be selling at or below their 1957-58 lows; and points out the favorable signs and pluses helping to restore the underpinnings to the investment business. Brief discussion of favorably situated industries cites author's preferred choices.

The ever present uncertainties concerning business and the threat of a levelling off or even a letdown in business activity some time during the next six months has, to a large extent, in my opinion, already been discounted in the approximate 200 point decline in the Dow-Jones Industrial Average from its record closing high of approximately 735 late in 1961 to its 1962 closing low of 535.76 reached on June 26. At the end of 1961 the Dow-Jones Industrial Average was selling at a lofty 23 times '61 per share earnings. By the end of the first quarter of 1962, the price-earnings multiple had declined to 20.6 and at the June low the earnings ratio had dropped to 15.3. The price-earnings ratio of the Industrial Average has since risen to around 17 times. Based on the past record, this price-earnings ratio must be regarded as being on the high side, but some new factors have entered the equation, including the higher depreciation charges now permitted which will tend to make reported earnings of better quality and could be a factor in maintaining or even increasing the current price-earnings ratio level.

S. Logan Stirling

In this connection, Washington sources note that the Treasury estimates the tax credit and new depreciation rules will result in a tax saving—or an increase in cash flow—of some $2.5 billion for American industry, while some private estimates point to even higher gains. Thus, at around the present level in the Dow-Jones Average of 600, we feel the market is at a reasonably satisfactory level and is selling "ex" a great deal of speculative froth which was squeezed out in last spring's sharp decline. Also, considering the fact that earnings and dividends, in our judgment, are going to be well maintained over the foreseeable future and in numerous instance will be increased, and that income taxes, both corporate and personal, are likely to be reduced in 1963, make for a fairly good background for undertaking well considered and selective common stock purchases for individual portfolios.

Prospects for the bond market also continue constructive for in spite of weaknesses that do occur from time to time in this market, no real weakness is anticipated so long as offerings keep within the workable levels now anticipated. In addition, funds destined for investment in fixed income securities still continue to grow providing the bond market with an unusually firm base. The bond market turned firm following the easing of the Cuban situation. The Treasury's refunding of its November and December maturities went smoothly and most other new issues are being quite well received. The scheduled volume of forthcoming new issues is not at all burdensome.

Market Is Far Less Vulnerable

In reviewing the current background of the market, it is important to note that a number of major groups including Airlines, Aluminums, Coppers, Oils, Steels asd Railroads made their highs in the market as far back as 1957 and in many of these instances have been in what we term a bear market since. In fact, there was only one stock among the 30 stocks used in the Dow-Jones Industrial Average which sold at an all-time record high in 1962 and that was the staid investment issue of International Harvester. Consequently, we think it is a fair statement to say that the market as a whole is far less vulnerable than the average statistic might indicate. It has been estimated that about one-third or more of the stocks listed on the Big Board are now selling around or below their 1957-58 lows, even though the industrial average is now about 150 points above those earlier levels. This means that there has been an enormous amount of individual self correction in many issues during the past five years

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OBSERVATIONS...

BY A. WILFRED MAY

INVESTORS' BIBLE

Welcome to awaiting lay and professional investors, analysts, teachers, and students, is the arrival of a giant "investment Bible" **(Security Analysis: Principles and Technique. By Benjamin Graham, David L. Dodd, and Sidney Cottle, with the collaboration of Charles Tatham. Fourth edition, 778 pp. New York, McGraw-Hill Book Co., $13.95.)**

Mr. Graham, widely recognized as the "dean of security analysts" as well as successful in the unacademic management of several well-known funds and other enterprises, and now Visiting Professor of Finance at the University of California, L. A., carries on from previous editions as senior author, along with Professor Emeritus Dodd of the Columbia School of Business, and Mr. Tatham, public utility expert; with Dr. Cottle of the Stanford Research Institute added as revising co-author.

Although technically merely a "new edition," previous ones having appeared in 1934, 1940 and 1951, the current version embodies overall revision and additions warranting its use as an epochal new work.

Its "break with the past" results from both the important changes in the stock market which have occurred since 1951, when the previous edition was published; and the introduction of new major additions in other areas.

New Coverage

Included in the newly introduced subject matter are sections on GROWTH Stocks, the use of Trends, this era's *Cash Flow* concept, and optimism capital structures, and foreign operations.

The investment company is one of the major items eliciting additional treatment in this volume. It had been cut down in the 1951 edition pursuant to the publisher's space exigencies. Such physical considerations, unfortunately, force the condensation, in the new edition, of chapters previously devoted to stockholder-management relations, a lifelong interest of Mr. Graham.

Highly significant to the composition of this volume is the impact from the complete change in stock market conditions that has occurred since the date of the preceding edition. At that time, 1951, as well as the other previous edition periods, the application of sound investment principles was altogether feasible—in direct contrast to the current era, definitively beginning in 1955, of stock market inflation stemming from delusions of all sorts, resulting in major divergence of market performance from *value* standards, with a shaking of confidence in them.

THE AUTHOR'S DILEMMA

As the authors state, they have faced a three-pronged dilemma. If they cling to their long-held conservative appraisal methods, they risked failing to recognize fundamental changes in the structure of stock pricing (To your reviewer this underlines the need to use hard-and-fast quantitative yard-sticks of appraisal without much regard for past performance). If, on the other hand, they were to adopt the optimistic new tenets, they might well be descending to validating Bull Market excesses. And if they adopted a compromise position, they would be incurring the risk of falling between the two stools of the market community and the value protagonists, and satisfying neither.

Value Criteria Retained

In meeting this "puzzlement" the authors have formulated new *value* standards "in accordance with our best judgment," with the accompanying conclusions that the market's capitalization of earnings and dividends will be permanently higher than pre-1950. They go some distance in giving current weight to future expectations of earnings, etc. All, happily, with retention of standards of value measurement—and down-grading of—and with rejection of market *timing* techniques.

The shift in institutional investment problems is another major factor stemming from the past decade's major change in the market's structure which draws the attention of the current volume's authors. Wtih the common stock proportion of institutional portfolios having risen from one-third to two-thirds during the 1950s, the authors point out today's different problems facing the investment manager. These result principally from the high current interest rates coupled with substantially lower stock yields, and in addition from the mitigation of inflationary pressure.

All of this the authors maintain creates an environment in which the course of action in the 1960's is far less clear than it was at the beginning of the 1950's.

THE GROWTH STOCK—MAJOR NEW AREA

The *Growth Stock* in line with the authors' above-cited overall recasting of their valuation standards constitutes a specific major area giving the instant volume a "new look."

Filling the gap in serious mathematical valuation which has accompanied the Bull Market's craze for Growth Stocks, the author's define a true Growth Stock as one expected to grow at the annual rate of at least 7.2%; which is equivalent to a doubling of the earnings in 10 years.

In any event estimates of the rates of future growth must be made realistically and definitely to forecast the course of future earnings and dividends as presently discounted to determine their total current value.

Within this context which the authors discuss quite simply, they show mathematical cases where it can be assumed that growth at a fixed rate will continue in the indefinite future.

Also described and discussed are growth-valuation techniques proposed by other technicians, including N. M. Molodovsky, J. C. Buckley, J. F. Bohmfalk, J. G. Palmer, O. K. Burrell, and R. E. Kennedy. The authors then follow with three approaches favored by them after their own past individual explorations, with the multipliers applied to earnings rather than dividends.

Whether or not the inexpert reader is able to fathom the intricacies of the various calculations offered, he is being rendered along with the entire investment community a most constructive service in being warned of the necessity of using *some* quantitative standard of value, rather than the pie-in-the-sky "cheap-at-any-price" attitude (confirmable as a practical matter, by the 1962 stock market's holocaustic deflation of the growth fantasies, as with IBM's 278-point, 48% decline from its high *et al.*)

THE REAL SIGNIFICANCE OF "CASH FLOW"

Another item now receiving further stepped up investor attention is *Cash Flow*—that is, the net earnings plus depreciation and other charges, often stated as "earnings before depreciation." While this writer has been contending that Cash Flow is being exploited to rationalize bull market high earnings ratios (as the "hidden earnings" of the 1920s' New Era), we agree with the authors' conclusion that it has "good uses of a special sort." Such constructive use includes indication of the total funds available to the company from the period's operations for replacements, expansion, reduction of debt, increase in working capital, and dividends.

Coincidentally, the author's specifically mention the Glickman Corporation, the real estate company which together with its founder, got into financial difficulties long after the volume went to press. The enterprise has been the term "cash flow income" to mean "net taxable profit plus allowable depreciation less mortgage-debt reduction"—with the authors' interpreting this as assuming that ordinary income will not be subject to income tax because of liberal depreciation allowed.

* * *

Irrespective of one's agreement with the authors' conclusions regarding Cash Flow and the many other controversial items covered, their unflaggingly, and sound, intelligent and articulate presentation provides a truly invaluable contribution to the investing community—in both the amateur and professional areas.

Morgan Stanley & Co. Admits Partners

D. H. McAllister

Vance Van Dine

C. C. Townsend, Jr.

Morgan Stanley & Co., 2 Wall St., New York City, members of the New York Stock Exchange, announce the admission of Donald H. McAllister, Vance Van Dine and Charles C. Townsend, Jr. as general partners, effective Jan. 1, 1963.

Mr. McAllister was graduated from Dartmouth College in 1947 and the Amos Tuck School of Business Administration in 1948. He joined the staff of Morgan Stanley & Co. in 1953, having served in the U. S. Naval Reserve from 1943 to 1946 and from 1950 to 1952.

Mr. Van Dine became associated with Morgan Stanley & Co. in 1953, having graduated from Yale University in 1949. During 1959-1961 he was on leave of absence to serve as a financial consultant with the International Bank for Reconstruction and Development. He served in the U. S. Naval Reserve from 1943 to 1946.

Mr. Townsend was graduated from Princeton University in 1951 and from the Harvard Graduate School of Business Administration in 1956. He joined Morgan Stanley & Co. as a member of the staff in 1959, having previously been associated with The Atlantic Refining Co. and Seatrain Lines Inc. He served in the U. S. Army from 1946 to 1948.

50th Anniversary

ALLENTOWN, Pa.—The 50th anniversary of the opening of the Allentown, Pa. offices of Smith, Barney & Co. was observed Jan. 2, it was announced by Leon Schreiber and Louis G. Cressman, managers of the offices. The firm is one of the oldest serving the Allentown area.

The first Allentown offices of the firm were located in the Allentown Bank Building, and bore the name of Edward B. Smith & Co. a highly respected firm founded in Philadelphia in 1892. In 1938 Edward B. Smith & Co. was combined with Chas. D. Barney & Co., also a firm of high traditions and also founded in Philadelphia, in 1873 by associates of Jay Cooke & Co. whose banking operations were vitally important to the Federal Government during and after the Civil War.

Publishing Profits

By Dr. Ira U. Cobleigh, *Economist*

A fresh look at the book publishing business, the validity of its growth rate, and certain representative book values.

The basis of the book business is a lot of literate people, with money to spend. In America, we have 182 million people, the highest per capita income in the world, high literacy, a thirst for knowledge and determination that our children shall be well educated. Harness these forces together, and the resultant is over $1.4 billion in annual sales in the publishing industry — up 40% in the past five years. The growth is across the board—in educational, technical and "trade" books in hard covers, and paperbacks that are now produced at the astounding rate of over 1 million a day!

Book Categories

Textbooks are the leaders. Sales in this classification, for 1961, were $374 million—about 30% of the industry total — and should exceed $400 million this year. Continued expansion here seems assured by the growth rate in our overall school enrollment — up from 30.2 million in 1950 to over 46.5 million today. Our population explosion, college enrollment, up 63% in the 1950 decade, and the boom in leisure time, adult education, all are powerful stimulants to textbook sales.

Second in annual volume of sales are the trade books, which include fiction and non-fiction, hard covers and paperbacks. It is in this class that the best sellers appear — "My Life In Court," "Advise and Consent," "Gone With the Wind," etc. While many people think it is these ultra-popular novels that make for publishing success, big, best sellers are relatively rare, and it is the text and reference book trade that produces the durable revenues and basic industrial growth.

Third in importance are reference books and encyclopedias, which will account for about $300 million in sales for 1962. This is a most attractive line for publishers. It costs a great deal of money to prepare and launch an encyclopedia and, for that reason, new competitors are less likely to enter this branch of the business.

The fourth major category is juvenile books. These are almost always low priced and widely distributed in chain stores and supermarkets.

These four divisions account for over 90% of book sales and, of course, the greatest unit volume is in paperbacks, which enjoy almost b l a n k e t distribution—newsstands, transportation terminals, chain stores, supermarkets. Other categories making up the balance of annual sales would include religious, technical, business and professional books. All divisions are moving briskly ahead with juveniles, and college texts probably achieving the fastest current growth rate.

Merger Trends

In the postwar years, the publishing business has changed radically. Book sales outlets have broadened substantially, through chains, department stores and book clubs, and the traditional family owned publishing house has either increased its capital and potentials by going public, or by becoming by marger, a part of a much larger and more aggressive enterprise. The larger publishing company can achieve major economic advantages in printing, promotion and distribution, in attracting top authors, and in expansion into more diversified lines. Books which used to be browsingly purchased in book shops now are powerfully plugged in the press, on radio and TV, and advertising budgets in the industry have soared.

Publicly Held Stocks

Mergers and public offerings have, in the past three years, made available to the public shares in many interesting and highly profitable book companies—Random House, Pocket Books, Inc., Western Publishing, Harcourt Brace and World, etc. As frequently happens, public enthusiasm for a newly popular investment medium got out of hand, and market prices of publishing equities reached gaudy heights in 1961; Crowell-Collier topped at 50⅞, Harcourt Brace at 44¾, McGraw-Hill at 43⅛ and Prentice Hall at 49⅞. All of these declined in price by more than 50% within the past two years. This correction has now placed a number of publishing shares in a more attractive price range, and certain issues might be regarded as attractive. We've selected three representative issues.

McGraw-Hill Publishing Co., Inc.

This is a leader in the industry; big, energetic and diversified; and its sales this year will cross $150 million for the first time. Its publication division embraces 31 industrial and business management magazines, headed by "Business Week," with a top-quality circulation of around 400,000. This division accounted, in 1961, for 46% of sales.

McGraw - Hill Book Company is probably the leading publisher of college textbooks in America; it offers a broad line of high school texts, and, through its Gregg division, a complete line of texts for business colleges, secretarial schools and vocational high schools. It also publishes two encyclopedias and has two more on the way.

Altogether, the book division published 450 titles last year, including fiction, non-fiction and paperbacks. "Fail-Safe," a best seller, was the November Book of the Month selection.

In 1961, McGraw-Hill acquired F. W. Dodge Corporation, which publishes the Dodge Reports, construction news, statistics and publications.

McGraw-Hill represents a valid publishing equity. Growth rate was especially impressive in the 1950 decade. The common stock, now selling at 24, is outstanding in the amount of 11,036,700 shares. The 1962 dividend was $.63, which might be increased on the basis of this year's expected earnings of around $1.20 per share, a new high. At 20 times net, these shares, down from a 1962 high of 34¾, deserve consideration.

Ginn & Company

This company has specialized in elementary and secondary school textbooks and has been in the business for 95 years. Elementary school sales deliver over 70% of the annual business volume. Texts include reading, writing and arithmetic and, since 1948, over 50 million copies of the "Ginn Reader" have been sold. In high school texts, the Ginn leader is Muzzey's "American History," which has sold over 5.3 million copies in the past 50 years. College texts are being expanded, and Ginn is also moving into audio-visual materials and programmed texts.

While sales of Ginn & Company rose 40% from 1957 through 1961, net earnings per share more than doubled in the same period, from $.52 a share to $1.12. For 1962, per share net is projected at $1.20, with indicated dividend of $.48. Sole capitalization is 2,835,-475 common shares, listed on NYSE and now selling at 24. This equity is attractive for its reasonable price/earnings ratio and energetic growth rate.

Crowell-Collier Publishing Co.

This company has had a varied career, dating back to 1875. It started out selling books on installment, became a major factor in magazines (Collier's, Woman's Home Companion), discontinued magazines in 1956, and has concentrated, aggressively, in book publishing since. Collier's Encyclopedias have been sold door to door since 1951, and more recently, a 50 volume literary set called the Harvard Classics. In 1960, Crowell - Collier acquired The Macmillan Company, long a major factor in text books and trade books ("Gone With The Wind"). In 1961, it entered the paperback field, and, last year, acquired 96% of the stock of LaSalle Extension University, with annual sales of around $5 million; "Grade Teacher," an elementary school journal; Scientific Materials, Inc., a professional book club; and Brentano's chain of 16 book stores.

For 1962, sales of above $75 million are expected; and per share net on the 3,136,205 outstanding shares of about $1.55. Common is listed on NYSE, and currently sells at 18½ with a 4% dividend in stock. High (1962) was 42⅛. Crowell-Collier illustrates the trend toward growth by merger. At its present price, it appears to be an equity of interesting potentials.

We conclude that the prospects for continued growth in publishing are excellent, and that a number of company shares, after their substantial 1962 market deflation, may now prove rewarding commitments for 1963. Happy New Year!

Kidder, Peabody Admits Three

R. W. Anderson

John A. Hoff

Arthur D. Styles

Kidder, Peabody & Co, 20 Exchange Place, New York City, members of the New York Stock Exchange, announces that Robert W. Anderson, John A. Hoff, and Arthur D. Styles have been admitted to the firm as general partners, effective Jan. 1.

Mr. Hoff joined the firm's municipal department in 1937, leaving in 1941 for service in the U. S. Army. Returning in 1946, he filled in successive order the posts of municipal sales manager, general sales manager, New York Region.

Mr. Styles became associated with the Boston office of Kidder, Peabody & Co. in 1955 and was appointed Vice-President of Kidder, Peabody & Co., Inc. in 1960. He is a Director of Industrial Life Insurance Co., Quebec Ciy, Canada; Trans Canada Corp. Fund of Montreal and Midland-Guardian Co., Cincinnati.

Joining the firm last September, Mr. Anderson's responsibilities are concerned with its investment research and investment-advisory departments. In his former connections he was financial Vice-President and Director, Northwestern National Life Insurance Co., President, Continental Research Corp., and Investment Manager of Piedmont Financial Co.

Tax-Exempt Bond Market

BY DONALD D. MACKEY

Between Christmas and New Years 1962-1963 there has been less business transacted in tax-exempt bonds than is usually the case. There are rarely large new issue flotations scheduled during this period due to the imminence of the year-end and the closing out of records and statements and because dealers and investors are as much taken up with the spirit of the season as anyone else. But this year there was even less business potential due to the absence of security shifts for tax purposes.

Not Very Lucrative

Since the war years there has been a large annual volume of tax-exempt bond business, usually transacted late in the year and particularly during the month of December, for purposes of matching bond losses as against stock gains. During 1962 this situation no longer obtained in the volume that had prevailed for many years as bond prices reached new high levels and stock prices generally represented few gains of substantial proportions.

Tax-exempt bond dealers by and large did not have a particularly profitable year and the absence of this lucrative tax exchange business was a year-end blow.

It may seem strange to many that dealers generally fared rather poorly during 1962 in view of the year's extremely heavy volume of new issue business. With $8,500,000,000 of long-term financing, a record breaking volume, it would seem to logically follow that dealers would develop profits commensurately. For most of the year the market was in an uptrend and the year's fluctuation in prices was moderate; about five points according to the *Chronicle's* Index.

Impact of Regulation "Q"

The answer to this austere situation is quite easily discerned. The nation's commercial banks became a more dominant market factor than ever before with the advent of Regulation "Q" which granted them permission to pay up to 4% on time and savings deposits. This was an important factor in the absorption of the year's tremendous tax-exempt bond volume.

However, the competition generated by this wide spread voluminous bank interest created price pockets that frequently resulted in unprofitable underwriting, particularly for the smaller dealers. New issue business, therefore, was generally much less profitable than it might have been under normal competitive circumstances.

Fewer Negotiated Deals

Another important factor in the smaller margin of dealer profit has been the lowered volume of negotiated type revenue bond financing. During 1962 there was practically no volume underwriting in toll road revenue, toll bridge revenue and public utility revenue issues on a negotiated basis. This usually profitable business has been sadly missed by the dealers and we might also add that it has been at least, missed by many investors.

It may be said that although another record breaking year may be ahead in new issue volume generally, there seems little likelihood that the ingredient of attractive negotiated issues will be relatively any higher than it was in 1962.

Year's Price Highlights

Our *Commercial and Financial Chronicle* yield Index shows that 20-year high grade general obligation bonds are about unchanged from last week. The yields from 13 preselected offerings average out at 2.953% on Jan. 2, which is unchanged from a week ago. To recapitulate the high and low periods during 1962 we note that the market reached its high spot in early November when our Index stood at 2.903%. The market's lowest point was in early January when our Index was 3.265%.

Within the year the market topped out at 2.965% in early May, subsequently reacting to a 3.123% Index by middle August. The market then improved to the aforementioned November high when some correction set in through early December. Since then there has been a moderate improvement.

Dealers Required to Maintain Inventories

The inventory situation continues to be as favorable as it is likely to be under present market circumstances. As we have reported, it has been hovering in the $500,000,000 area for some weeks as judged by current *Blue List* state and municipal bond offerings. The *Blue List* total on Jan. 2 was $483,278,436.

The market has become so competitive during the past year that issues are rarely priced for quick acceptance by investors. Dealers have been forced to deliberately anticipate investor requirements rather than judge them on performance. This has required that dealers carry more bonds for longer periods of time. Added risk is involved and profits, if any, are thus accumulated the hard way.

However, the Federal Reserve, through its open market operations, has been helpful in moderating market fluctuation. The state and municipal bond market fluctuated less during 1962 than during any other year in our memory. The *Chronicle's* Index shows the high and the low separated by about five points.

Light Calendar Currently

Although a year of heavy new issue volume appears to be ahead, it would be difficult to substantiate the notion from the extent of presently advertised issues. Currently the calendar of sealed bid offerings totals something less than $325,000,000 through mid-March. Even when combined with the $194,200,000 Memphis, Tennessee Electric Revenue financing to be negotiated for offering on Jan. 12, the total is considerably less than normal for this period of the year.

A heavier schedule would do much to reduce the super-competitive attitude that prevails in the bidding for high grade new issues and which in the final analysis perfuses the entire market structure. Until heavy volume resumes our market seems likely to continue in a groove of quiet lethargy while seeming in spots to be strong.

Dollar Bonds Acquiring New Strength

The dollar quoted long-term toll road, toll bridge and public utility revenue issues have continued to be firm during the past week. This category of bonds still exudes a market spontaneity convincing to the extent that one might expect substantial carry through. *The Commercial and Financial Chronicle's* Revenue Bond Index averages at a 3.52% yield on Jan. 2. A week ago the Index stood at 3.54% which reflects a weekly gain of three-eighths of a point.

Dollar bonds showing a nice gain in the course of the week show up as follows: Chicago-Calumet Skyway 3⅜s at 74½ bid up one, Florida State Turnpike 4¾s at 108¼ bid up one, Indiana Toll Road 3½s at 89⅝ bid up 1⅛, Kansas Turnpike 3⅜s at 85⅛ bid up seven-eighths, Kentucky Turnpike 4.85s at 110⅝s bid up five-eighths, Delaware-Maryland Turnpike 4⅛s at 107½ bid up one-half, Oklahoma Turnpike 4¾s at 108 bid up one and Port of New York Authority 3.40s at 99½ bid up one-half.

Project Revenues Rising

Late fall reports from the toll roads and bridges are generally gratifying. Almost without exception net revenues have shown substantial improvement against comparable periods a year ago. The gains portrayed seem relatively better than gains that might be reflected in most of the particular segments of the economy. The gradual fulfillment of most of the traffic and revenue expectations although belated seems assured enough to presently conjecture that many of these issues are considerably behind the market.

He'll Be Missed

The year 1963 will differ from bygone years in one important respect within the municipal bond business. Announcement has just been made that Augustus W. Phelps has retired as a general partner of Phelps, Fenn & Co.

We, along with many others, are saddened that Gus Phelps is passing from the active scene. More than anyone else in recent times, he has personified the complete municipal bond man. His intelligence, industry, shrewdness, wit and personality combined to make Gus one of the industry's most memorable characters.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California, State	3½%	1982	3.25%	3.10%
Connecticut, State	3¾%	1981-1982	3.05%	2.90%
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	2.65%	2.50%
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	3.05%	2.90%
*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	3.20%	3.15%

January 2, 1963 Index=2.953%

*No apparent availability.

Larger Issues Scheduled For Sale

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

January 3 (Thursday)			
Port Arthur, Texas	3,250,000	1966-1994	11:00 a.m.
January 4 (Friday)			
Sylvania City Sch. Dist., Ohio	1,400,000	1964-1986	Noon
January 7 (Monday)			
Cinnaminson Township S. D., N. J.	1,215,000	1964-1983	8:00 p.m.
Coldwater Comm. Sch. Dist., Mich.	1,400,000	1964-1989	8:00 p.m.
King Co., Wash.	1,000,000	1965-1983	1:30 p.m.
January 8 (Tuesday)			
Auburn City S. D., N. Y.	1,560,000	1964-1983	2:00 p.m.
Caddo Par., Parish Wide S. D., La.	4,500,000	1964-1983	10:00 a.m.
Citrus Junior College Dist., Calif.	1,500,000	1965-1984	9:00 a.m.
Corpus Christi, Texas	2,000,000	1964-1983	11:00 a.m.
Fayette Co., Ky.	2,117,000	1963-1982	2:00 p.m.
Freeport, N. Y.	1,075,000	1964-1977	2:00 p.m.
Mesa, Ariz.	1,630,000	1969-1989	4:00 p.m.
Mobile Co. Bd. of Sch Comm., Ala.	2,500,000	1964-1983	11:00 a.m.
Oklahoma City, Okla.	15,350,000	1965-1988	11:00 a.m.
Philadelphia School District, Pa.	15,000,000	1965-1988	11:00 a.m.
January 9 (Wednesday)			
Barron Co., Wis.	1,210,000	1964-1977	11:30 a.m.
Grand Island, Neb.	1,500,000	1965-1993	--------
Jackson Township Local SD, Ohio	1,075,000	1964-1983	Noon
Louisiana (Baton Rouge)	15,000,000	1964-1988	10:00 a.m.
Maynard, Mass.	1,690,000	1963-1982	11:00 a.m.
Pa. State Public School Building Authority, Pa.	19,000,000	1963-2002	Noon
St. Mary Parish, La.	1,100,000	1964-1902	10:30 a.m.
Seneca Falls, N. Y.	1,205,000	1963-1987	2:00 p.m.
Terrebonne Parish, La.	1,500,000	1963-1982	7:00 p.m
January 10 (Thursday)			
Burlington, Vt.	3,260,000	1964-1984	2:00 p.m.
Huntington U. F. S. D. No. 1, N. Y.	3,540,000	1963-1990	11:00 a.m.
Memphis, Tenn.	194,200,000	--------	--------
[Expected to be underwritten by a syndicate managed by Lehman Brothers, Blyth & Co., Inc., Kuhn, Loeb & Co. and Equitable Securities Corp.]			
Oklahoma Lade Redevelopment Auth., Okla.	8,500,000	1965-2002	2:00 p.m.
Temple Ind. S. D., Tex.	3,000,000	1964-1994	--------
January 14 (Monday)			
Burlington Township, N. J.	1,800,000	1964-1983	8:00 p.m.
Hazel Park, Mich.	1,170,000	1964-1992	4:00 p.m.
Madison Co. Comm. Unit S. D., No. 7, Ill.	1,216,000	1964-1983	8:00 p.m.
Wayne Community S. Dist., Mich.	4,800,000	1966-1992	7:30 p.m.
January 15 (Tuesday)			
Aldine Indep. Sch. Dist., Texas	1,700,000	--------	7:00 p.m.
Antelope Valley Joint Union High School District, Calif.	1,500,000	1964-1983	9:00 a.m.
Columbus City Sch. Dist., Ohio	7,850,000	1964-1986	Noon
Ewing Township Sch. Dist., N. J.	3,303,000	1964-1989	8:00 p.m.
Montana State Bd. of Educ.	1,100,000	1964-2001	10:00 a.m.
Montgomery Co., Md.	15,000,000	1964-1988	11:00 a.m.
Phoenix, Ariz.	2,000,000	1986-1990	10:00 a.m.
Santa Barbara, Calif.	1,970,000	1964-1983	2:00 p.m.
Santa Monica, Calif.	1,000,000	1964-1973	10:00 a.m.
Suffolk County, Water Auth., N. Y.	5,500,000	1964-2001	Noon
West St. Paul Ind. SD #197, Minn.	1,190,000	1968-1986	1:00 p.m.
January 16 (Wednesday)			
Atherton Comm. S. D., Mich.	1,650,000	1963-1992	8:00 p.m.
Carmel Jr. H. S. Bldg. Corp., Ind.	1,900,000	1965-1987	2:00 p.m.
Greenville, S. C.	3,000,000	1964-1992	Noon
Huntsville, Ala.	5,000,000	1966-1993	2:00 p.m.
Johnstown City Sch. Dist., N. Y.	1,572,000	1964-1983	--------
St. Louis Sch. Dist., Mo.	10,740,000	1964-1983	3:00 p.m.
Stamford, Conn.	4,125,000	1964-1983	11:00 a.m.
January 17 (Thursday)			
Jefferson Par. Sewerage D. #8, La.	1,500,000	1964-1983	2:00 p.m.
Metropolitan Seattle, Wash.	15,000,000	1966-2002	11:00 a.m.
Pulaski Co. Spec. S. D., Ark.	1,250,000	1963-1975	2:00 p.m.
Wyoming, Mich.	2,325,000	1964-2001	--------
January 18 (Friday)			
University of Wash. (Seattle)	1,200,000	1964-2001	2:00 p.m.
January 21 (Monday)			
Cleveland City Sch. Dist., Ohio	10,000,000	1964-1083	1:00 p.m.
Gallatin County S. D. No. 7, Mont.	2,348,680	1963-1973	8:00 p.m.
Pomona, Calif.	1,100,000	--------	--------
January 22 (Tuesday)			
Oregon (State of)	25,000,000	1972-1978	10:00 a.m.
St. Petersburg, Fla.	5,000,000	--------	--------
White Bear Lake Ind. S. D. No. 624, Minnesota	1,500,000	1966-1987	8:00 p.m.

Growth of Municipal Bonds And Purchases by Banks

By P. A. Berquist,* *Vice-President, The First National Bank of Chicago, Chicago, Ill.*

Chicago banker's anticipation of a somewhat lower municipal market in the immediate months ahead does not overlook the possibility of a sharp corporate income tax cut leading to a sharp rise in interest rates. Paper describes tax-exempts' attractiveness to banks; sketches extent of their crash purchases by banks; and mentions rules followed guiding their selection by the author's bank.

Recently I had lunch with an out-of-town friend on the top floor of a Chicago hotel. It was a clear day and the view of Chicago was spectacular. I pointed out some of the particular points of interest, including the Northwest Expressway, the new South Expressway and McCormick Place. Had we had more time for sight-seeing, I would have enjoyed showing him some of the other public improvements in Chicago, including some of the schools. In the past ten years, we have built 172 new schools (including additions).

P. Alden Bergquist

These facilities which were built with the proceeds of Municipal Bonds (plus certain other funds) are typical of almost every area of our country. Like myself, almost everyone has pride in these improvements and doesn't need to be urged to point them out. I am also proud to be engaged in an occupation where the funds generated by our endeavor accomplish these wholesome signs of prosperity.

Municipal debt has skyrocketed in the past few years but not because we were on a spending binge.

The number one contributor to the rise in Municipal debt has been the increase in population. There are now 179 million people in our country, which is 28 million higher than the count of 1950. The increase between 1940 and 1950 was 19 million.

The increase has been almost entirely in urban areas (according to the Bureau of Census an urban area is a place with 2,500 or more people). Rural population showed a small loss over the past 10 years.

Almost as important as the rise in population has been the change in place of residence. People are moving to town. There are about 102,000 Governmental Units in the United States. Local School Districts make up half of this total. Between 1942 and 1957 Local School Districts decreased by over 52,000 and I am certain the decrease is continuing. This drop in the number of School Districts hasn't meant we are any less educated. It is quite the contrary. Because of consolidations, our schools are larger and better than ever.

Number of Governmental Units

	1957	1952	1942
U. S. Governments	1	1	1
States	48	48	48
Counties	3,047	3,049	3,050
Municipalities	17,183	16,778	16,220
Townships and Towns	17,198	17,202	18,919
School Districts	50,446	67,346	108,579
Special Districts	14,405	12,319	8,299
Total	102,328	116,743	155,116

Ownership of State and Municipal Bonds

U. S. Treasury Department Estimates as of June 30
(In millions)

	1951	Per Cent	1957	Per Cent	1961	Per Cent
Total Amount Outstanding Held By	$25,688		$52,081		$71,730	
*Individuals	10,100	38	22,000	42	28,300	39
Commercial Banks	8,600	32	13,400	26	18,800	26
Insurance Companies	2,500	9	7,400	14	12,300	17
State and Local Funds	3,700	14	5,800	11	7,400	10
Corporations	600	2	1,500	3	2,200	3
Miscellaneous Investors	600	2	1,000	2	1,600	2
Mutual Savings Banks	100	—	700	1	700	1
U. S. Government Investment Accounts	600	2	200	—	400	—

*Includes partnerships and personal trust accounts.

Concrete causes of the rise in Municipal debt are easy to define. However, it seems to me, we all *want* what Municipal debt pays for. Our schools are better, our roads are becoming almost fantastic. One can drive from Chicago to New York without a stop light or a cross road. Much of our water is filtered and all of it is pure. Our streets are better lighted and sewage is treated as never before. We will continue to have Municipal improvements as long as we vote for them and will probably always complain about our local taxes.

A note of encouragement at this point, I understand that grade school building is getting caught up. The school problem today is high school and university building construction including dormitories.

Volume of Municipal Financing

There were $8.3 billion of Municipal long term bonds sold in 1961 plus another $4.5 billion short term loans or a total of $12.8 billion borrowed by our state and local governments. This was an all time high. The record is almost certain to be broken this year. Municipal Bonds outstanding on June 30 this year amounted to $75 billion or an increase of $23 billion in five years. As recently as June of 1951 there were only $26.8 billion of Municipals outstanding.

During the year 1961 we at The First National Bank bid for $3.5 billion of new issues of general obligation Municipal Bonds, represented by 525 separate issues.

There are those who estimate total long-term Municipal financing by 1970 to be as high as $15 billion annually. For this to become a reality, there will need to be more positive action at the polls than has been exhibited the past two years.

Total Municipal Bonds Voted

	Billion
1956	$4.6
1957	2.7
1958	3.7
1959	2.7
1960	5.9
1961	2.5
*1962	2.0

*Through October

Of course, all Municipal Bonds need not be voted. Included in this group are Public Housing Authority and many Revenue Bonds.

Increased municipal debt has been accompanied by increased costs. Total outlays of state and local governments for all regular governmental functions during 1961 amounted to $56.2 billion. Education, the most costly of all state and local government functions accounted for nearly $21 billion or roughly one-third of the total expenditures.

Purchasers of Municipal Bonds

What has happened to all of these new issues of Municipal Bonds? I think we can give an answer to a good part of that question right from the horse's mouth. We, the commercial banks, have been buying them as never before and now hold about $23 billion compared to $18.5 billion a year ago. It is hard to estimate how many Municipals have been bought by commercial banks during that period. We are certain it is much more than the increase in holdings, as most banks have a higher percentage of run off than other investors. Assuming maturities of Municipal Bonds held by all commercial banks to be one to ten year maturities with even amounts due each year, at the beginning of last year, they would have had $1.8 billion due in one year. The increase in holdings over the year amounting to $4.5 billion plus another $1.8 billion bought to replace maturities would indicate that commercial banks purchased somewhere near $6.3 billion of Municipal Bonds for the year ending June 30, 1962. Total municipal holdings of all commercial banks in 1951 amounted to only $8.6 billion.

Banks have always been a factor in the Municipal market, particularly since the beginning of the 52% Federal Income Tax Levy on Corporations. However, the change in Regulation "Q", permitting higher rates on time deposits, caused an almost dramatic entry of banks into the Municipal market. Rates available on Municipals at the beginning of this year were favorable and the supply of high grade Municipals was plentiful.

Individuals and Trusts are still the largest holders of Municipals, but soon may be pushed for this honor if the present trend continues. Other categories of holders include Insurance Companies, State and Local Funds, Corporations and Miscellaneous Investors in that order.

Municipal Bonds for Commercial Bank Investment

For sound bank investment, Municipal Bonds rank second only to U. S. Government Securities. However, *they can't be purchased blindly*, especially today when the demands for municipal credit are heavier than ever before. Later I shall mention some of the rules we follow in determining whether or not we will buy a particular Municipal Bond. Right now, I would like to briefly mention a few of the reasons why I believe Municipal Bonds are suitable for bank investment.

First is their excellent record of prompt payment over a long period of years. During the depression of the 1930's, defaults or delays were few—probably less than 2% of the amounts outstanding, and of this 2%, with few exceptions, the defaults were cured within a year or two. I do not know of any general obligation Municipal Bonds that are in default today.

Second is marketability. While Municipal Bonds aren't traded with the delicate spread that usually prevails in U. S. Governments, the market in recent years has broadened considerably. There are more bonds outstanding, more bonds being issued and naturally more buyers.

Next is the fact that they are available in serial maturities suitable for banks. Arrangement of serial maturities to suit individual needs establishes a steady supply of available funds. There are considerable variations in the average life of Municipal holdings among banks. The cyclical nature of deposits and ratio of time to demand deposits should determine the

Continued on page 24

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Changing Investment Appraisals in 1962—Bulletin—David L. Babson and Company Incorporated, 89 Broad Street, Boston 10, Mass.

Cleveland Bank Stocks—Memorandum—Saunders, Stiver & Co., Terminal Tower Building, Cleveland 13, Ohio.

Closed End Investment Companies—Discussion in third quarter—December issue of the Exchange Magazine—The Exchange Magazine, 11 Wall Street, New York 5, N. Y., 20¢ a copy; $1.50 per year. Also in the same issue are data on **Emery Air Freight Corp., Stone Container Corp., Anken Chemical & Film Corp.,** and **Globe-Union Inc.**

Fourteen for 1963—Brochure with brief reports on **Abbott Laboratories, Emery Air Freight, Fairmont Foods, Great Northern Paper Co., Harris Intertype, International Business Machines, Lockheed Air Craft, Mack Trucks, Parke Davis, Phelps Dodge, Standard Oil of California, Taft Broadcasting, TransAmerica Corp.** and **Virginia Electric & Power Company**—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are reports on **Electric Utility Companies, Natural Gas Stocks, Railroads, California Savings and Loan Stocks, Gillette Company** and **King Seeley Thermos Co.**

Japanese Economy—Outlook, with comments on various industries—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y.

Japanese Economy—Report—Daiwa Securities Co., Ltd., 149 Broadway, New York 6, N. Y.

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

Mutual Fund Management Companies — Review — Wedbush & Company, 157 Santa Barbara Plaza, Los Angeles 8, Calif.

Outlook for Investments in 1963—Brochure—A. M. Kidder & Co. Inc., 1 Wall Street, New York 5, N. Y. Also available is an analysis of the **Bank of New York.**

Outlook for 1963—Discussion with selected issues in various categories—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, 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.

Overseas Markets—Bulletin—International Bond and Share, Inc., International Building, San Francisco 8, Calif.

Public Utility Common Stocks—Comparative figures—G. A. Saxton & Co., Inc., 52 Wall Street, New York 5, N. Y.

Savings & Loans—Report—McDonnell & Co. Incorporated, 120 Broadway, New York 5, N. Y.

Service Industry Opportunities—Report—Hemphill, Noyes & Co., 8 Hanover Street, New York 4, New York.

Stock Selections—Data on stocks in various categories which appear attractive—Emanuel, Deetjen & Co., 120 Broadway, New York 5, N. Y.

Upper Midwest Regional Growth Stocks—Comments on 10 issues—Continental Securities Inc., 607 Marquette Avenue, Minneapolis 2, Minn.

What's Ahead in 1963—Bulletin—Droulia & Co., 120 Broadway, New York 5, N. Y.

Year End Bond Survey—Bulletin—Halsey, Stuart & Co. Inc., 30 Broad Street, New York 4, N. Y.

Year End Review — Brochure — Hirsch & Co., 25 Broad Street, New York 4, N. Y. Also available are reviews of **Air Reduction, Marathon Oil** and **National Fuel Gas.**

* * *

Addressograph Multigraph—Memorandum—Sincere and Company, 208 South La Salle Street, Chicago 4, Ill.

Alco Chemical Corp.—Analysis—Chace, Whiteside & Winslow, Inc., 24 Federal Street, Boston 10, Mass.

American Biltrite Rubber Company—Analysis—New York Hanseatic Corporation, 60 Broad Street, New York 4, N. Y. Also available is a bulletin on **Treasury Yields.**

American Sterilizer Company — Analysis—Fulton, Reid & Co., Inc., East Ohio Building, Cleveland 14, Ohio.

American Sterilizer Co.—Detailed report—Glore, Forgan & Co., 45 Wall Street, New York 5, N. Y.

Arizona Public Service—Data—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y. Also available are comments on **General Precision Equipment** and **Swift & Co.**

B. V. D. Company—Comments—Herzfeld & Stern, 30 Broadway, New York 4, N. Y. Also available are comments on **Collins & Aikman, Consolidated Cigar Corp., Lockheed Aircraft** and **Montgomery Ward.**

Brown Company—Analysis—Colby & Company, Inc., 85 State Street, Boston 9, Mass. Also available are discussions of **Gillette** and **Stauffer Chemical.** (Firm asks enclosure of stamped addressed envelope when requesting reports).

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

Cincinnati Gas & Electric—Analysis—Westheimer and Company, 124 East Fourth Street, Cincinnati 2, Ohio.

Deere & Co.—Survey—Abraham & Co., 120 Broadway, New York 5, N. Y. Also available is a survey of **Seaboard Air Line.**

Fisher Foods—Memorandum—Suburban Securities Co., 732 East 200th Street, Cleveland 19, Ohio.

General Electric—Review—Vanden Broeck, Lieber & Co., 125 Maiden Lane, New York 38, N. Y. Also available are reviews of **Iowa Power & Light Company** and **Wisconsin Public Service Corporation.**

General Motors—Survey—Carreau & Company, 115 Broadway, New York 6, N. Y. Also available are surveys of **P. Lorillard, Celanese Corp.** and **First National Stores.**

General Railway Signal—Chart analysis— Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

Getty Oil Co.—Analysis—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Gunnar Mining Ltd. Proposal to Purchase McNamara Corp. Ltd.—Evaluation—Annett and Company, Limited, 220 Bay Street, Toronto 1, Ont., Canada.

Hyster Co.—Memorandum—First California Company, 300 Montgomery Street, San Francisco 20, Calif.

International Harvester—Analysis—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a memorandum on **Suburban Propane Gas.**

Iowa Southern Utilities Company—Analysis—A. G. Becker & Co., Incorporated, 60 Broad Street, New York 4, N. Y.

Kent Dry Cleaners, Inc.—Bulletin—Mid Town Securities Corporation, 30 East 60th Street, New York 5, N. Y.

Lear Siegler, Inc. — Analysis — Parrish & Co., 40 Wall Street, New York 5, N. Y. Also available is bulletin on **Selected Stocks.**

Litton Industries — Memorandum—Reuben Rose & Co., 115 Broadway, New York 6, N. Y.

Manpower Inc.—Review—Robert W. Baird & Co., 110 East Wisconsin Avenue, Milwaukee 1, Wis.

Micromatic Hone Corp.—Bulletin—De Witt Conklin Organization, Inc., 120 Broadway, New York 5, New York.

Microwave Electronics Corp.—Analysis—Hill Richards & Co., 621 South Spring Street, Los Angeles 14, Calif.

Norfolk & Western Railway—Memorandum—Bache & Co., 36 Wall Street, New York 5, N. Y. Also available are memoranda on **Champion Spark Plug, Freeport Sulphur** and **Continental Can.**

Packaging Corp. of America—Memorandum—Coffin & Burr, 141 Milk Street, Boston 9, Mass.

Pepsi Cola General Bottlers, Inc.—Analysis—Link, Gorman, Peck & Co., 208 South La Salle Street, Chicago 4, Ill.

Ronson Corp.—Data—Bregman, Cummings & Co., 4 Albany Street, New York 6, N. Y. Also available are data on **Western Air Lines.**

Standard Brands Paint—Memorandum—Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y. Also available is a memorandum on **Swingline.**

Sunray DX Oil—Memorandum—Pershing & Co., 120 Broadway, New York 5, N. Y. Also available is a memorandum on **Borg Warner.**

Universal Oil Products — Memorandum—Steiner, Rouse & Co., 19 Rector Street, New York 6, N. Y. Also available is a memorandum on **Avco.**

Van Raalte—Memorandum—Coggeshall & Hicks, 111 Broadway, New York 6, N. Y.

Warner Company—Analysis—Gerstley, Sunstein & Co., 211 South Broad Street, Philadelphia 7, Pennsylvania.

Wisconsin Electric Power—Memorandum—J. W. Sparks & Co., 120 Broadway, New York 5, N. Y. Also available is a memorandum on the **Drug Industry.**

Wyandotte Chemicals Corp. — Analysis—Evans & Co. Incorporated, 300 Park Avenue, New York 22, N. Y.

Yale Express System—Memorandum—Van Alstyne, Noel & Co., 40 Wall Street, New York 5, N. Y. Also available is a memorandum on **Vassar Corp.**

Kuhn, Loeb & Co. Elects Four New Officers

Kuhn, Loeb & Co., Inc., investment banking firm, announced the election of two Vice Presidents and two Assistant Vice Presidents.

Herbert A. Lisle

James H. Manges

Herbert A. Lisle and James H. Manges have been elected Vice Presidents, and Thomas E. Dewey, Jr., and Joseph F. Schwartz have been elected Assistant Vice Presidents.

Mr. Lisle, who is in the administrative department of the firm, became associated with Kuhn, Loeb & Co., Inc., in October, 1961, prior to which he was Secretary-Treasurer of Iselin-Jefferson Co., Inc., textile concern, and Vice President of Iselin-Jefferson Financial Co., Inc., factoring company.

Mr. Manges is in the buying department of the firm which he joined in 1954.

Mr. Dewey, a member of the buying department, has been with the firm since 1958.

Mr. Schwartz joined the firm in 1952 and is in the statistical division of the buying department.

H. Hentz & Co. Admit Partners

H. Hentz & Co., 72 Wall Street, New York City, members of the New York Stock Exchange and other leading exchanges, have announced that Frank J. McCormack, Manager of the syndicate department, and Herbert M. Spooner, resident in Boston, have been admitted to general partnership in the firm.

On the same date Murry D. Schonfeld and Elizabeth D. Fitzgerald became limited partners.

Quality Earnings Trend Portends Higher Stock Prices

By C. Frederic Meyer, *Vice-President and Director, FIF Management Corporation, Managers and Distributors Financial Industrial Fund, Inc., Denver, Colo.*

Investment research head explains why quality of corporate profits is improving. Moreover, this improving quality is seen eventually reflecting itself in actual quantitative increase in corporate profits commencing in either 1963 or no later than 1964. Taken into consideration are: (1) impending further reductions in corporate taxes; (2) that past overstated book value means return on subsequent book value periods will be understated; (3) that wage costs will increase at a lower rate; (4) that plant-equipment and R/D cost increases will level off; (5) under-reported foreign earnings; and (6) a return to normal operating profit margins and other factors equally as favorable. Mr. Meyer takes note of the probable impact of increased profits ultimately supporting higher stock prices.

Perhaps the most frustrating investment experience during recent years has been the failure of corporate profits to increase as fast as corporate sales. Although the rates of growth that had been projected for *unit* sales and, in many instances, even *dollar* sales were achieved by a majority of industrial corporations, both the old and new costs of doing business increased at a faster rate than either unit or dollar sales. It is important that we recognize that beginning shortly after World War II and with only minor interruptions up to the present, the *rate of increase* of previously existing expenses as well as the *rate of increase* of totally new kinds of expenses were larger than corporations had experienced in any previous period of history and larger than any of us shall probably witness again during our lifetimes.

C. Frederic Meyer

If we accept the validity of this thesis, we are at liberty to analyze the significance that a declining *rate of increase* of expenses may have on corporate profits, assuming that the historical growth of unit and dollar sales continues. Herein lies the answer to the frequent question "Why concern ourselves with the *quality* of earnings if the *quantity* of earnings does not increase?"

For a number of years, the average investor has been aware of the fact that reported corporate profits have shown little growth during a period when Gross National Product has almost doubled. However, there is no more reason to compare *present profits* with the profits of the immediate postwar period than there is to compare *present P-E Multiples* with those that existed for a number of years after the war. Hindsight tells us that the latter were historically low because investors were implicitly aware that *reported earnings* were substantially higher than *real earnings*. First, let us review three of the most easily recognized factors which have served to understate reported corporate earnings of recent years in relation to reported corporate earnings during the immediate postwar years:

1. Corporate Tax Rates Are Much Higher Today

In view of the fact that statisticians frequently use a 1947-49 base for many economic comparisons, it is important to remember that the corporate income tax rate was increased from 38% to 52% in 1950. This was a 27% increase in a single year and was accompanied by an excess profits tax specifically designed to siphon off any earnings resulting from an attempt to offset higher taxes through increased prices. In any event, the ultimate effect of this increase in basic corporate tax rates was a 23% decrease in corporate profits which some corporations have been unable to offset to this day. Looking toward the future, it is likely that corporate income tax rates will be reduced and the effect on corporate profits will be the reverse of that which has prevailed during the past decade. A reduction of five percentage points is equivalent to a 10% increase in after-tax profits.

2. Inventory Profits Overstated Real Corporate Earnings

In the period 1947 to 1950, net corporate inventory profits totaled $11.2 billion, equivalent to 15% of reported corporate earnings of $77.3 billion for those same years. Unfortunately, these inventory profits were taxed as if they were real earnings in spite of the fact that a corporation can go broke taking inventory profits almost as easily as it can taking inventory losses. In more recent years, partly the result of the adoption of Lifo accounting, inventory profits have been negligible, indicating that current reported corporate earnings are much more realistic than those earnings which corporations reported in earlier periods often use for purposes of comparison.

3. Unrealistically Low Depreciation Policies Understated Expenses

Liberalized depreciation allowed by the Internal Revenue Code of 1954 resulted in substantially higher pre-tax charges against corporate income in every succeeding year but the *rate of increase* has been declining. Although the revision of Bulletin F will almost certainly increase depreciation charges by substantial amounts in both 1962 and 1963, the impact is of a nonrecurring nature and is likely to be offset in large part by the investment credits authorized by the 1962 tax bill. By 1964 or 1965, it is estimated that depreciation will be increasing at a rate of 5% to 6% per annum versus the 10% to 12% rate of increase which prevailed from the early postwar years through 1961.

Many critics of our economic system point to the lack of growth of corporate earnings since 1957 which is often selected as the year that the deferred demands of the post World War II period were finally satisfied. However, while it is true that reported corporate earnings provide little evidence of growth since then, corporate cash flow *has* increased at a reasonably favorable rate and will increase substantially this year due to the combined effects of the revision of Bulletin F and the new investment credits. As a matter of some significance, it is estimated that 1962 will be the first year in which corporate cash flow less dividends will exceed corporate capital expenditures. Obviously, the adequacy of cash flow is not evenly distributed and many companies are still short of necessary capital while other companies have a surplus of funds. Nevertheless, without any attempt to oversimplify the problem, the fact remains that depreciation provides nontaxable cash for reinvestment which has just as much purchasing power as retained earnings or borrowed capital and its value to a corporation should never be minimized much less overlooked.

It is interesting to note that if both inventory profits and inadequate depreciation overstated real corporate earnings in the immediate postwar years, then, by definition, the increase in reported book value has been overstated as well. Moreover, while the significance of earnings is generally limited to the period for which earnings are reported, book value is a continuing element upon which both the accountant and the security analyst generally rely, either as an indication of absolute value or as part of a ratio. Accordingly, if book value has been overstated during any period then the return on book value for subsequent periods will be understated. Another interesting observation which may be made is that the unrealistic tax treatment of inventory profits and depreciation has resulted in just as much water in the capitalization of corporations as existed for entirely different reasons in early corporate history.

The factors discussed above are apt to be at least implicitly recognized when the quality of corporate earnings is discussed but it is less evident that the following factors have been equally significant in their influence on postwar earnings:

4. Wage Costs and Other Employment Benefits Have Increased At an Unprecedented Rate

While this factor may seem self-evident, it is important to understand the underlying reasons why this occurred and to attempt to apprise the possibility that this situation may already be changing. In the first place, from the standpoint of corporate profits, the fact that direct wages have increased substantially faster than productivity is less significant than the fact that gross income has been burdened with an entirely *new* series of costs that, in many cases, simply did not exist prior to the war. Although some corporations did provide nominal employee benefits such as small pension plans, the vast majority of benefits today which add so greatly to wage costs have been adopted or greatly expanded in recent years. Moreover, the vast majority of large corporations which have initiated expensive pension plans have usually been burdened in the first few years with the abnormal costs of funding past service benefits. This has been particularly costly to older corporations because of the large number of employees with longer terms of service. Furthermore, many corporations adopted profit sharing plans not only in lieu of but in addition to pension plans and these profit sharing plans may have the effect of reducing pre-tax profits by as much as 15% in the initial as well as subsequent years.

Other costs, though not large when considered individually, but often very significant when considered in the aggregate, include the expense of providing and administering life insurance programs, whether contributory or non-contributory health and accident or other major medical programs; more extensive Blue Cross-Blue Shield plans; longer vacations, including sabbaticals for permanent employees; sick leave and vacations for hourly workers; severence pay for displaced employees, and a myriad of other similar costs that had literally never been envisioned a few years ago. Meanwhile, social security taxes, workmen's compensation, and unemployment compensation costs have continued to impose constantly in-

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Canada Must Have Better Trade Relations With U. S.

By Hon. Robert W. Macaulay, Minister of Economics and Development, Province of Ontario, Canada*

Though Canada in 1962 enjoyed its best growth since 1956 it still, nevertheless, is unable to throw off the forces responsible for its devaluation last Spring. Adverse trade balance with the U. S. A. is singled out as the principal reason, and several blunt criticisms are directed at our trade practices including that said to be conducted by U. S. subsidiaries in Canada in compliance with parent company instructions. Mr. Macaulay makes clear that Canada is our biggest customer; is prepared "to give as good as we get and as much as we get" in seeking and making available more competitive opportunities; and is no longer able to continue buying from us on an adverse basis. Ontario's trade crusade and success is described.

In May 1962, a monetary crisis in Canada resulted in the sudden devaluation of the Canadian dollar from 100 to 92½% of the U. S. dollar.

Robert W. Macaulay

With the devaluation and the pegging of our dollar, Canada was forced to take a long and searching look at its economic position and its trading relationships with the rest of the world.

Canada is finishing a year of solid economic growth—the best since 1956. The problems which led to the devaluation of our dollar are similar to those which have, in recent years, put pressure on the American dollar. There are specific trade problems.

Canada's Long Term Problem

Canada's long-term problems arise mainly out of our trade with the United States. Our solutions are your solutions.

Since 1946, foreign countries, chiefly United States citizens and corporations, have added over $15 billion to their investments in Canada. You have built new factories, created new industries and developed our raw materials industry.

We in Canada appreciate your confidence in our future. We also recognize the commitments that we have made to you. No investment is made for love—interest, dividends and profits are the source of the passion. It is up to Canada to provide the money to pay dividends on your investment in our country.

Though it may come as a surprise to you, Canadians have an even larger stake in the United States than you have in Canada. Canadians have invested in the U. S. A. on a per capita basis twice as much as you have invested in Canada. On a gross national product basis, Canadians have invested three times as much in the U. S. A. as you have invested in Canada.

As a shareholder in the United States we would like to be heard in your country. Not as a beggar, not even as a neighbor but as an investor and as your largest customer.

When the Canadian dollar came into serious difficulty, the net result was an outflow of short-term capital from Canada. This forced the Federal Government to peg the Canadian dollar at a price which was related to the world demand for the dollar. In an effort to increase revenues the Government imposed special tariff surcharges, borrowed foreign exchange and raised interest rates through a tight money policy. In a very few months confidence was restored, our foreign exchange reserves were rebuilt and most of our borrowings repaid. Now, there is pressure to force the dollar above 92½% of the U. S. A. dollar.

Underlying Weaknesses Persist

Despite this, the forces underlying devaluation are still with us and the Canadian dollar could come under downward pressure again unless Canada succeeds in two fundamental steps:

(1) A massive drive to sell its own goods domestically and internationally;

(2) Reduces its consumption of foreign manufactured goods.

The cause of our problem has been and continues to be that we are not paying our own way out of earnings and sales.

What has this to do with the United States?

The answer is simple. Canada has a favorable balance of merchandise trade with all of our major trading partners except the United States. Canada buys $700,000,000 more from the U. S. A. a year than Canada sells to the U. S. A. On top of this we have a deficit of more than $1 billion on the so-called invisible items—travel, interest payments, royalties, dividends, etc.—going to the U. S. A. for the most part.

Canada buys more from you than any other nation in the world. Canada is your best customer, buying more than the U.K. and France together, which are your two next best customers. Canadian trade alone means jobs to almost 400,000 workers in the United States.

Ontario's Key Importance

Ontario buys more from the United States than any other country in the world. We in Ontario are the United States' best customer.

Illinois' exports in 1960 amounted to about a billion and one half dollars for whose manufactured goods Canada was the chief customer.

Ontario is concerned about Canada's economic future just as the City of Chicago and the State of Illinois are concerned about the future of the U.S.A. Ontario is the keystone of Canada's economic future. Ontario has ⅓ of Canada's population, employs over ⅓ of its labor and produces ½ of its manufactured goods.

In the last year or so the Canadian Minister of Trade & Commerce, Mr. Hees, has led an aggressive and important trade expansion program to narrow our export-import gap.

Ontario has an immense stake in Canada's future and Ontario people are determined to take an active part in Canada's expansion. But if we must share the rain, we want to take part in creating the sunshine. Constitutionally, this is not only our right but our duty.

Successful Trade Crusade

We have launched a Trade Crusade in Ontario to increase Ontario exports and to reduce our dependence on imports. We know that trade is a two-way street but we want both sides of the street to be equally travelled.

We do not propose tariffs or duties for we are convinced that these are not a long run solution.

We are convinced, however, that Canadian industry can and must do everything possible to out-produce and out-sell its competition and to expand its share of domestic and export markets.

We have been sending sales missions all over the world consisting of sales people from Ontario manufacturing companies. These salesmen have returned with full order books, mission after mission. A while ago a mission of ten men went to the Chicago area and returned with one million dollars of new business to be done in Ontario in the next few months. These businessmen made sales of Ontario manufactured goods because they were competitive.

We are in the process of holding Import Replacement Exhibitions throughout Ontario where Ontario manufacturers can exhibit parts now imported into Canada and where they can seek competitive Ontario bids. Our first show was an overwhelming success at which 90 large exhibitors displayed thousands of imported parts or products. More than 4,000 representatives of Canadian manufacturers attended the show and, so far, we estimate that this one show will produce $50,000,000 worth of new business annually for Ontario alone.

I am advised that the prices Canadian manufacturers offered were in some cases so attractive that U. S. A. buyers flew in from as far away as New York, Chicago and California.

May I put this picture to you in a nutshell.

U. S. A.'s Biggest Customer

Canada is the largest customer of the U. S. A. by far—twice as large as your next largest customer. Canada runs an immense merchandise deficit with you. Our deficit is $700,000,000 a year on merchandise and another $800,000,000 on payments out of dividends, interest, tourist account. The total is a deficit of about $1,500,000,000 a year. This cannot be allowed to go on.

We must balance our merchandise account with you and the following are five positive ways in which it can be done.

(1) Canada must sell more to the United States. But we can only sell if you are prepared to buy. Just as it takes two to tango, so it takes two to make a sale, a buyer and a seller.

(2) Americans can make extensive profits in Canada by entering into agreements with Canadian companies to manufacture in Canada under license, goods now imported into Canada from the U. S. A. Both Canada and Ontario have trade offices in Chicago and we are anxious to serve you if you are interested in making a profit, and in my experience I've never met a businessman who wasn't.

(3) American firms can participate in our Manufacturing Opportunities Shows—the next one is being held in London, Ontario on the 5th and 6th of February. These shows offer an excellent opportunity to make some profits in Ontario. Call our Chicago office if you are interested.

(4) We have offices here and in New York to help you explore the possibilities of establishing or extending a branch plant operation in Ontario. But a matter of great importance relating to branch plants is the question of obtaining export orders for these Ontario based branch plants.

Criticizes Instructions to Branch Plants

There has been considerable experience in the past where the branch plant in Ontario has found for itself excellent export orders out of Canada and then been told by the Head Office in the U. S. A. that the Canadian subsidiary could not fill the order but that it must be filled from the United States.

This has a tendency to destroy the initiative, effectiveness and capacity of these branch plants as well as to keep their unit prices higher than they need to be because of their low volume.

Quite apart from simply opening up the way to American subsidiaries to compete against the Home Office, may be the useful alternative of making arrangements between the Home Office and the subsidiary where each will specialize in a product or products which can be exported and this, in the long run, could produce a far greater profit to the mutual benefit of both companies as well as both countries.

(5) Americans have many manufcturing and assembly companies in Ontario. Many of these subsidiaries are forbidden to buy Canadian manufactured parts for their operation even though the Canadian parts can be purchased cheaper than the American parts. The American Head Office, by forcing the Canadian subsidiary to buy the more expensive American parts, is featherbedding its own operations. As well, they are not acting as good Canadian corporate citizens.

Fish or Cut Bait

We have heard in Canada recently a great deal about the American desire for lower tariffs and freer trade, and in fact you have given your President extensive powers to bring about freer world trade in the very near future.

It seems to us in the extreme, to be sucking and whistling in the same breath, to stand on the one hand as an avant-garde for free trade, and on the other hand, to be restricting it.

I am not here to ask you for special favors or subsidies. I ask you to remember that you have a great investment in our country as have we in yours and that we can trade to our mutual advantage. In this way we can both accomplish the highest aspirations of a powerful continent, a free society and an intelligent people by lifting them and our society to their highest destiny.

*An address by Mr. Macaulay on the occasion of launching Ontario's trade crusade, Chicago, Ill., Dec. 10, 1962.

Star Development Debens. Offered

Star Development Corp., is offering publicly, without underwriting, $300,000 of its 6½% convertible sinking fund debentures due 1972. The securities are being offered at par, in units of $100, $500, $1,000 or multiples thereof.

Net proceeds are to be used for repayment of debt, land acquisition and development, advertising, and working capital.

The company, whose address is 1601 East South Mountain Ave., Phoenix, Ariz., is engaged in real estate development and construction.

1963: Year for Rising Stocks And Exchange Stability

By Paul Einzig

Preview of 1963 foresees: (1) a respite from currency flights and attacks; (2) resumption of silver boom since the price of gold coins and other suitable hedging items have been discounted; (3) better business prospects predicated on governmental acceptance of creeping inflation resulting, in turn, in an upward stock market trend; and (4) improved international political outlook.

LONDON, England — Twelve months ago it was very difficult to forecast the prospects of world economy for 1962. The outlook for Foreign Exchanges was uncertain and so was the business outlook. Cost inflation and stagnation of demand were running concurrently in a great many countries, and it was impossible to foresee which trend would gain the upper hand. The international politicial outlook too was full of grave uncertainties.

Today the prospects for the next twelve months appear to be distinctly clearer, in spite of anxieties over increasing unemployment. The Foreign Exchange situation seems to have become consolidated, largely as a result of the improvement of the balance of payments of both United States and Britain which has removed anxiety about the two reserve currencies. The increase of international liquidity thanks to the expanded facilities of the International Monetary Fund and the network of mutual assistance arrangements between various monetary authorities is also a factor making for better prospects.

Admittedly the dollar is still subject to chronic pressure, owing to the high cost of foreign military and economic aid. Because of this, the gold reserve continues to decline, and, unless this problem is solved during 1963, the possibility of fresh dollar scares resulting from the decline in the gold reserve cannot be ruled out. But the speculative exaggeration of any such dollar scare can now be kept under control as a result of the additional facilities which are now available for that purpose, thanks to the arrangements referred to above.

Foresees No Currency Attacks

The decline of the British gold reserve has been brought to a halt and the balance of payments position is now under control. Whether the revival of inflation will cause a relapse into balance of payments crises depends on the degree of inflation in other industrial countries. So long as the rise in costs in Britain will not exceed the rise in costs in the U. S., West Germany, France, Italy and Japan, Britain will be able to inflate with impunity at any rate as far as its effects on the balance of payments, sterling and the gold reserve are concerned.

The outlook for the D. mark is now distinctly less favorable than it has been for the last ten years or so. The German authorities are determined, however, to keep inflation under control and, with Dr. Erhard's growing influence, they will be able to enforce unpopular measures to that end.

The solution of the Algerian problem and the consolidation of President de Gaulle's domestic political position augurs well for the prospects of the French franc. In this respect, too, the possibility of advancing inflation cannot be disregarded. Likewise, the Italian miracle may produce its delayed effect on costs in Italy, so that the lira may not necessarily retain the firmness it displayed in recent years.

What matters is that none of the major currencies seems to offer an obvious target for large-scale speculative operation during 1963, whether in the form of buying or selling. It is just possible that we may experience a whole year without any major currency scare, without any sweeping flights from or to any currency. This would mean also the absence of any "gold rush." On the other hand, the possibility of a resumption of the silver boom is well on the cards. There is a growing tendency to hedge against inflation or currency devaluation by holding silver, because the price of gold coins has already discounted such changes.

Better Business and Stock Market

Business prospects are distinctly better than they were twelve months ago, because many governments have abandoned, or are on the point of abandoning, resistance to the inflation. Intimidated by the prospects of a deflationary depression, they have come to the conclusion that creeping inflation is the smaller of the two evils and are expected to confine their efforts to maintaining inflation in a creeping state and preventing it from developing into galloping inflation. As a result of this change of policy, demand for both consumer goods and capital goods is likely to increase and profit margins are likely to benefit. This will mean an upward trend on the stock exchanges, even though investors may not lose their sense of proportion to the same extent they did before the slump of May, 1962. They are certain to remain more selective in this demand, for the time when they were in a position to pinpoint the winner is definitely over.

The resumption of inflation will tend to affect adversely the markets for Government Loans and other fixed interest bearing securities. This effect may be offset, however, by the abandonment of resistance to inflation primarily by means of high bank rate. In Britain in particular interest rates are likely to decline and remain considerably below the level at which they had been maintained almost without interruption during the last six years or so.

Higher Output and Wage Costs

The chances are that there will be an appreciable increase in the output as and when unused industrial capacity comes to be utilized in response to increased demand. The increase in the output of capital equipment may lag behind that of consumer goods, but it is likely to be well on its way by the end of 1963.

The labor outlook leaves much to be desired. It is true, in Britain and several other countries trade unions began at long last to show some signs of reasonableness during the second half of 1962. This change of attitude may not survive, however, the revival of demand for labor which is certain to be accompanied by stepped up wage demands and by the other symptoms that accompany scarcity of labor. Above all, the increase of unemployment in 1962 is likely to induce trade unions to use their stronger bargaining position in 1963 for obtaining reductions in working hours.

The politicial outlook is distinctly better than it was twelve months ago. The threat of an acute crisis over Cuba or over Berlin has abated considerably and the growing tension between Moscow and Peking seems to justify hopes of improved relations between the Communist Bloc and the Western World. It seems, therefore, reasonable to assume that Foreign Exchanges will not be disturbed by major political crises.

Eppler, Guerin & Turner Sponsor Investment Course

DALLAS, Texas—"Fundamentals of Investing" will be the subject of classes beginning Thursday evening Jan. 24, 1963 at the Park Cities-North Dallas YMCA. Ruppert Lovely, Director of adult activities at the Y announced.

Eppler, Guerin & Turner, Inc., members of the New York Stock Exchange, will sponsor the series of classes lasting eight weeks.

The practical investing course will help the beginning investor or those with some experience learn more about how to manage their own investment programs, according to David T. Gentry, Assistant Vice-President of Eppler, Guerin & Turner, who will instruct the course.

The course will continue the investor education program Eppler, Guerin & Turner and the various Y's have carried on in the Dallas area for several years.

Classes will be held on successive Thursday nights beginning Jan. 24, from 8 p.m. to 9:30 p.m. Cost of the course for non-members of the Y will be $10. Members will pay $8 for the course.

The State of TRADE and INDUSTRY

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

End of the year assessment of the economy's pace and direction by the First National City Bank of New York observed that "business enters 1963 on a note of sustained high-level activity." The Bank's well known publication, *Monthly Economic Letter* for January, 1963, stated that "fears of a business recession this winter, so widespread six months ago, have been largely dispelled, and hopes have been aroused that tax cuts can be worked out to revitalize our economic growth. The Department of Commerce has offered a tentative estimate that the gross national product showed a further moderate increase in the fourth quarter, raising the 1962 total to about $554 billion.

"Despite a scattering of strikes, and ominous threats of others of a more serious nature, total employment (including 2.7 million in the armed forces) has been holding at a seasonally adjusted annual rate of 70½ million. Christmas sales, when the figures are added up, evidently will compare favorably with the 1961 holiday season. The extra shopping day between Thanksgiving and Christmas helped offset the effects of unusually severe weather in the East and South and of newspaper strikes in New York and Cleveland. Sales of 1963 model cars, which started off so auspiciously in October and November, declined less than is normally expected in early December, supporting the industry's expectation of a second good year in a row. New truck sales have also been booming, with domestic deliveries in the first 11 months of 1962 greater than for any full year since 1955.

Industrial Activity on a Plateau

"Industrial production has moved along a high-level plateau since midyear. The Federal Reserve index (seasonally adjusted, 1957-59 = 100), which moved up into a range of 119 to 120 in July, held within this narrow band through November (119.5). Reports on new orders received by manufacturers and the relatively conservative level of inventories give promise of sustained industrial activity.

"Businessmen have been cautiously adding to previously planned capital expenditure programs. According to the November survey of the Department of Commerce and the Securities and Exchange Commission, outlays on new plant and equipment in the second half reached an annual rate of $38.4 billion (seasonally adjusted), $0.6 billion more than had been envisaged in the August survey. Outlays in the fourth quarter were expected to be about the same as in the third. Anticipations for the first quarter of 1963 indicate a modest decline, but actual outlays may well turn out to be higher, as was the case in the preceding three quarters. This is supported by the announcement, since the survey date, of a number of major investment projects, including Bethlehem's plan for a $250 million steel-finishing mill in northern Indiana.

Retrospect on 1962

"As we look back, 1962 was a good year although it left a feeling of disappointment. Many new records were set. The gross national product picked up nearly 7% over 1961. Total employment (including the armed forces) rose 1½ million and averaged more than 70 million persons for the first time. Industrial production increased 8%, and so did new plant and equipment expenditures, which finally pierced the old record that had stood since 1957. While results for the fourth quarter remain to be reported, estimates of the Department of Commerce indicate that corporate profits for the nine months were running at an annual rate 11% higher than in 1961.

"Nevertheless, the year was disappointing. The hopes of the Administration, shared by stock market investors, had been for an even more vigorous expansion. The highly optimistic forecasts of personal income and profits on which Federal revenue estimates had been based were quickly shown to be unjustified, and, since government spending was tailored to these expectations, another sizable deficit — officially estimated at $7.8 billion—is in the making for the fiscal year ending June 30.

"The economy weathered a sequence of disturbing events—the steel-price controversy in April, the subsequent nose-dive in the stock market, and, in October, the Cuban crisis. Active expansion took a rest in the second half. But business, right up to the year-end, showed no clear symptoms of slipping off into a new recession.

The President's Speech

"The problem confronting the Administration and the new Congress, meeting this month, is to put new thrust into the economy. The business community was heartened by the clear understanding of the problem displayed by President Kennedy in his speech on December 14 before the Economic Club of New York. The President spoke of the accumulated evidence of the last five years that our present tax system —developed hastily in wartime to meet emergency needs — siphons out of the private economy too large a share of personal and business purchasing power and reduces the financial incentives for personal effort, investment and risk-taking.

"Stressing this nation's capacity to do better, President Kennedy pointed out that 'the Federal Government's most useful role is not to rush into a program of excessive increases in public expenditures, but to expand the incentives and opportunities for private expenditures.'

"It is a welcome change to see emphasis given to economic stimulation by improving incentives to work and enterprise rather than by raising government expenditure totals. The President did not accept the view attributed to some of his advisers that the purpose of tax cuts should be simply to enlarge the deficit.

"Promising to put brakes on expenditures, but accepting the inevitability of a deficit in present circumstances, he said our practical choice is between two kinds of deficits: 'a chronic deficit of inertia, as the unwanted result of inadequate revenues and a restricted economy, or a temporary deficit of transition, resulting from a tax cut designed to boost the economy. . . . The first type of deficit is a sign of waste and weakness. The second reflects an investment in the future.'

"Mr. Kennedy reviewed other possibilities and found them wanting. To *raise* taxes in an effort to balance the budget would be self-defeating because 'it would provide a heavy deflationary effect' and 'move us into a recession at an accelerated rate.' Intensification of the Federal Reserve's easy money policy might not give much stimulation to the economy and would risk an outpouring of funds abroad—'a hemorrhage in our balance of payments.'

"The President's budget and tax messages are awaited with uncommon interest. Chairman Wilbur D. Mills of the House Ways and Means Committee, which must originate tax legislation, has set as his goal a personal income tax rate schedule running from 15 to 65% and a 47% corporate rate, but insists that achievement of such reforms must hang on appropriate limitation of expenditures and enlargement of the tax base.

"What is vital is getting started, reinspiring the business community and thereby moving the economy forward. As Mr. Kennedy said, 'we cannot afford to do nothing':

"'I do not underestimate the obstacles which the Congress will face in enacting such [tax] legislation. No one will be fully satisfied. Everyone will have his own approach. A high order of statesmanship and determination will be required if the possible is not to wait on the perfect.

"'. . . This nation can afford to reduce taxes — we can afford a temporary deficit—but we cannot afford to do nothing. For on the strength of our free economy rests the hope of all free men'."

Bank Clearings Increased 5.4% 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. 29, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 5.4% above those of the corresponding week last year. Our preliminary totals stand at $29,025,705,672 against $27,551,299,677 for the same week in 1961. Our comparative summary for some of the principal money centers follows:

Week End. Dec. 29—	(000s omitted) 1962	1961	%
New York	$16,387,520	$15,149,020	+ 8.2
Chicago	1,202,479	1,186,053	+ 1.4
Philadelphia	1,038,000	1,084,000	— 4.2
Boston	742,697	840,448	—11.6
Kansas City	478,255	468,650	+ 2.0

Steel Output Drops 8.5% in Sharp Week to Week Change and is Down 18.6% From Last Year

According to data compiled by the American Iron and Steel Institute, production for the week ended Dec. 29, 1962, was 1,715,000 tons (*92.1%), as against 1,874,000 tons (*100.6%) in the week ending Dec. 22. The week to week output had tumbled 8.5%.

Data for the latest week ended

Continued on page 38

Goldman, Sachs Admits Partners


Robert S. Danforth


Richard J. Fay


H. F. Krimendahl II


W. H. Montgomery


John H. Rhoades

Goldman, Sachs & Co., 20 Broad St., New York City, members of the New York Stock Exchange, have announced the admission of five new general partners: Robert S. Danforth, Richard J. Fay, H. Frederick Krimendahl II, William H. Montgomery and John H. Rhoades.

At the same time the investment firm announced that Howard J. Sachs, Robert V. Horton and Robert E. Anderson, Jr., general partners, have become limited partners.

Mr. Danforth, Manager of the Goldman, Sachs research department, joined the firm in 1948. He holds a B. A. degree from Oberlin College, Class of 1947, and a Master's degree in Business Administration from the University of Michigan Business School in August, 1948.

Mr. Fay, a graduate of Syracuse University and the Graduate School of Business Administration of New York University, became associated with Goldman, Sachs in 1952 in the corporate finance department.

A 1950 graduate of Ohio State University and of the Harvard Graduate School of Business Administration, Mr. Krimendahl joined Goldman, Sachs in the corporate finance department in 1953.

Mr. Montgomery has been with Goldman, Sachs since 1921, the last five years as Comptroller. He is a member of the committee of Brokers and Dealers on Taxation, and past President of the Bronx County, N. Y., Grand Jurors Association.

Mr. Rhoades became associated with Goldman, Sachs in Chicago in 1946, and moved to New York in 1960, continuing in the commercial paper department. He attended the University of Arizona, and Williams College from which institution he holds an A. B. degree.

Goldman, Sachs & Co., with headquarters at 20 Broad St., New York, are major underwriters and dealers in general market securities and in state and municipal bonds. The firm is also nationally known as a dealer in commercial paper. It maintains other offices in Boston, Chicago, Los Angeles, Philadelphia, St. Louis, Albany, N. Y., Baltimore, Buffalo and Detroit. The partnership presently comprises 23 general partners and four limited partners.

National S. E. Activity in '62

The nation's newest securities mart, the National Stock Exchange, New York City, reports that it had a total of 227,423 trades between its opening last March 7 and the year's end.

The National Stock Exchange's listed companies have 11,682 stockholders, and 6,455,423 shares with a value of $9,048,177. The Exchange opened with eight listed companies, suspended one and added two more, giving a total of nine companies whose securities are now listed for trading.

The membership roster of the National Stock Exchange is currently made up of 122 members, with 17 member firms that have 91 offices throughout the country.

During the year the National Stock Exchange expanded its coverage by adding the services of Ultronics System to its own ticker service.

The National Stock Exchange is located at 6 Harrison Street, New York 13, N. Y. Price and volume quotations are available by phoning the Exchange's monitor service number, WOrth 6-3232.

Hanley Promoted

BOSTON, Mass. — Smith, Barney & Co., investment bankers and members of the New York Stock Exchange, announced that Paul J. Hanley has been made Assistant Manager of the firm's Boston Office, at 125 High Street. He has been Manager of the office's municipal department since June, 1959.

Walston & Co.-Cruttenden, Podesta Complete Merger

Principals in the merger negotiations included (standing, left to right): D. J. Cullen, senior vice-president in charge of the West Coast division, Walston & Co., Inc.; C. R. Walston, vice-president; Walter W. Cruttenden, founder and general partner, Cruttenden, Podesta & Miller; Glenn R. Miller, general partner of CP&M; V. C. Walston, president of Walston & Co., Inc.; and (seated) Robert A. Podesta, managing partner of CP&M. The two firms merged, under the Walston name, on Jan. 1. Mr. Podesta will become a senior vice-president in charge of Walston's Midwest division, and a director and member of the firm's management committee. Messrs. Cruttenden, Miller and several other CP&M partners will be elected vice-presidents of Walston.

Walston & Co., Inc., has completed its merger with Cruttenden, Podesta & Miller, president V. C. Walston announced Jan. 2.

As approved by the New York Stock Exchange and other exchanges of which both firms are members, the merger became effective Jan. 1. Under its terms, an additional 18 CP&M offices are now operating under the Walston name. (Previously, in early November, Walston acquired 10 other CP&M offices — seven in Florida, and three in New Jersey.

With the current additions, Walston now has approximately 900 account executives, and a total of 93 offices in 31 states and overseas.

"The merger takes our firm into 13 cities and six states where we have not been represented heretofore," Mr. Walston said. "There is no more than a minimum of duplication — of either offices or management personnel —anywhere along the consolidation line.

"Beyond this far-reaching physical expansion, we are augmenting all levels of our management, national and local, with an in depth pool of executive and operating talent. We are also acquiring two ably managed departments, Underwriting, and Municipal Bond. In these areas, our firm is committed to a long-range program of broadening and strengthening our over-all effectiveness. And I am convinced, as I have been from the beginning of our negotiations, that this merger is the strongest, most positive step we can take toward that objective.

"I have been asked if, after this merger, we are 'still' growth-minded. Walston & Co., will always be interested in firm representation in key metropolitan areas that fit naturally into our continuing expansion program. To that extent, it's safe to say that we are still growth - minded — very much so."

The six states now added to Walston's operating area are Indiana, Iowa, Massachusetts, Minnesota, Missouri and Nebraska. The 18 newly acquired offices are located in Chicago, New York, San Francisco, Denver, St. Louis, St. Paul, Boston, Indianapolis, Fort Wayne, Elkhart, Gary, Omaha, Lincoln, Cedar Rapids, Grand Rapids, Muskegon, Milwaukee and Madison. Prior to the merger, Walston was already represented in five of those cities: Chicago, New York, San Francisco, Denver and Milwaukee.

"With the exception of New York and San Francisco, where some obvious and practical consolidations are in order, our present plan is to continue operating at least two offices in those cities where we have duplication," Mr. Walston said. "Our firm's evaluation of near-term prospects convinces us that we have both the volume of business and caliber of personnel to justify the dual operations."

Mr. Walston said that at the firm's annual stockholders' meeting, on Jan. 15, Robert A. Podesta will be elected a senior vice-president, director and member of the management committee. The former managing partner of Cruttenden, Podesta & Miller will be in charge of Walston's Midwest division.

W. D. Fleming, the firm's resident vice-president in Chicago since 1956, will continue in his present capacity, working with Podesta in unifying the consolidated operation and evaluating further expansion possibilities.

Nine former CP&M general partners will be elected vice-presidents of Walston & Co., Inc., as follows:

Walter W. Cruttenden, new business department.

Glenn R. Miller, in charge of the underwriting department.

Donald R. Boniwell, in charge of the municipal bond department.

William K. Boose, who is transferring to New York, to take charge of Walston's national research organization.

Ernest A. Mayer, in charge of sales (Midwest division).

Donald F. Cook, CP&M's "floor partner," becomes the fifth Walston vice-president on the floor of the New York Stock Exchange.

Alan H. Bede, assistant sales manager (New York), specializing in institutional business.

Richard E. Neal, resident vice-president, Indianapolis.

David S. Tucker, manager of the investment department, San Francisco.

CP&M's former general partner in charge of new business, Donald Wales, has been retained by the Walston organization as financial consultant. He will also serve several other corporations in that capacity, including those of which he is a director.

Gordon H. McCollum, manager of CP&M's institutional placement department, becomes Walston's director of private placements.

FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

Congressman Perkins Bass had a secure seat in the House from New Hampshire but he resigned to run for the Senate to succeed the late Styles Bridges. Because of a party fight he lost the election and now retires. He has written a letter to his constituents to constitute his swan song which is well worth reading. It is called; "How Great a Role Should the Federal Government Play in Your Lives and Mine?"

Mr. Bass is a recognized middle of the roader and an Eisenhower Republican. His message, therefore, should be taken to heart by members of the 88th Congress which convenes Jan. 9. It will be a session in which Mr. Kennedy will try to further increase the Federal Government's power over purely local affairs.

It touches on the coming fight to hamstring the control over legislation of the House Rules Committee and give the irresponsible members of the House greater control.

In his statement Mr. Bass frankly pointed out that our State and local governments "either cannot or will not meet the many pressing problems and needs facing the country." He continued:

"People seem to be turning to Washington for the solution of everything. Take the problems of education, for instance. Everybody knows how high our property taxes are in New Hampshire —mostly because of rising costs of our public school system. Our towns and cities must look to New Hampshire or Washington or both for help. But the pressures have been to look to Washington to meet this and other problems, not to the States.

"I have resisted this trend and have generally opposed new and expanded Federal programs unless the need was great and could not be met at home. For I firmly believe that bigger and bigger government in Washington—and more and more centralization of authority and power down there, bigger and bigger deficit spending all spells trouble. For it will eventually mean the end of our free enterprise system and our system of constitutional government as we know it, having in its place an all-powerful bureaucracy in Washington running every detail of our lives. It will mean the drying up and end of our State and local governments which are much closer and responsive to the people. We must meet these problems and needs but let us not let Washington take everything over. Whatever the problem may be—whether it be education, housing, water pollution, transportation, medicare or conservation, let's try to meet it all on the State and local level wherever possible, and turn to Washington only when we can't solve it at home."

In these bustling days of the atomic era, too many people would leave the solving of governmental problems to someone else—to their local governments, and, if they do not handle them, to their State governments, and, if they are unwilling to tackle them, then to Uncle Sam in Washington.

Many of the problems relate to public services, all costing money. Money means taxes. Mayors and governing bodies of cities shrink from tax increases. Governors of States, with a yen for re-election, avoid tax increases if they possibly can. So finally the buck passing reaches Washington.

And there it depends on whether you have an Administration that has the guts to tell the States they must assume their own responsibilities or an Administration which willingly accepts the idea that, after all, the Federal Government is the repository of all wisdom and it alone can deal with our many problems.

BANK AND INSURANCE STOCKS

This Week — Bank Stocks

FIRST NATIONAL BANK OF ATLANTA

Current Price	Dividend	Est. 1962 Earnings	Yield	Price Earnings Ratio
$53	$1.60	$3.10	3.07%	17.1x

Although the primary bank in a smaller Federal Reserve area is usually considered when one is investing in bank stocks, some consideration should be given to the secondary or second largest bank in a prime area. Former figures on population growth and anticipated deposit growth place the Atlanta Federal Reserve District as first in performance in this decade.

The First National Bank of Atlanta is the oldest bank in the Southeast which serves a major commercial and financial city. The bank has had broad coverage of the country through banking relationships and should continue to benefit from the growth in the South. During the year 1961 the bank installed a computer system to provide complete automation of check processing and bookkeeping. Although the increase in interest paid on time deposits has had an adverse effect on most bank earnings, the increase to 4% by the First National applies only to three-year deposits. During the past year there has been one new branch added and a drive-in window. This brings offices to 15 in the Atlanta area. Possible amelioration of branching in Georgia will undoubtedly be beneficial to the First National and will allow better competition. There is also the distinct possibility of growth in the loan portfolio.

For the nine months ending in September, earnings were $2.28 as compared to $2.22 for the same period of 1961. This performance obviously is favorable as compared with last year and based on earnings estimates for the full year the stock of this bank is reasonably priced relative to New York City bank stocks or growth bank stocks. Although the payout is high (over 50%) yield is reasonable and the number of shares (1,250,000 as of Dec. 31, 1961) is substantial. Over the long run dividend treatment should be favorable as capital increases.

Years Ended Dec. 31	Assets	Deposits	*Capital
		(Millions)	
1961	$532	$478	$41
1960	499	448	34
1959	485	431	33
1958	463	419	32
1957	430	386	30

*Excludes reserves.

Yrs. Ended Dec. 31	Loans & Discounts	% of Assets *Capital	Net Oper. Earnings
1961	$46.2	$7.7	$0.70
1960	45.9	6.9	0.74
1959	47.7	6.7	0.69
1958	42.1	6.8	0.61
1957	44.4	6.9	0.66

*Excludes reserves.

Years Ended Dec. 3	Per Capital Share† Book Value	Net Oper. Earnings	Dividends Paid	Price Range High	Low
1961	$32.66	$2.99	$1.56	63½	41½
1960	31.25	3.37	1.45	40⅜	35½
1959	29.60	2.89	1.45	38⅝	32¾
1958	28.65	2.55	1.45	33⅜	28¼
1957	26.95	2.48	1.42	30⅞	27¾

†Adjusted for stock splits and/or stock dividends of 10% or more.

W. Kennedy With John C. Legg Co.

John C. Legg & Co., 76 Beaver Street, New York City, members of the New York Stock Exchange and other leading Exchanges, have announced that Walter V. Kennedy has become associated with them as manager of the institutional department.

Walter V. Kennedy

Mr. Kennedy was formerly manager of institutional sales for H. Hentz & Co. and prior thereto was an officer of Coffin & Burr, Inc.

O'Connell With Ladenburg, Thalmann

Ladenburg, Thalmann & Co., 25 Broad Street, New York City, investment bankers and members of the New York Stock Exchange, have announced that Homer J. O'Connell has become associated with the firm.

Homer J. O'Connell

Mr. O'Connell, who has been in the investment business for many years, was formerly Executive Vice-President of Blair & Co., Inc., in charge of the syndicate and sales departments.

Frank Miller Retiring

Frank A. Miller, General Partner in Chicago of the nationwide investment firm of Francis I. du Pont & Co., is retiring after 58 years in the securities and commodities field. Mr. Miller, will remain a Special Partner with the firm.

Mr. Miller, nationally known as a dean in the commodity field, was an Illinois farm boy from Ottawa who started his investment career on Washington's Birthday, 1904, at $50 a month, with the former Thomas Bennett & Co., which became James E. Bennett & Co., before its merger with Francis I. du Pont & Co. in 1954.

He is credited with conceiving the idea of developing a cash grain business for his firm, in which it would buy grain direct from country elevators and sell it to processors and others on a purely commission basis. As the firm's business grew he grew with it, becoming a partner in 1917 and a senior partner in 1948.

Mr. Miller is also a member of the Kansas City Board of Trade, the Chicago Mercantile Exchange, the New York and New Orleans Cotton Exchanges, and the Milwaukee and Minneapolis Grain Exchanges.

LETTER TO THE EDITOR:

Why Gold-Demonetization Could Cause Lower Price

Editor, Commercial and Financial Chronicle:

Mr. Richard T. Hall, in his letter appearing in your Nov. 8 issue, asks why do I "assume" that gold could never get $35 an ounce if the law of supply and demand were operative here?[1] Answer: According to that "law" a reduction in demand should reduce the price of any commodity, everything else being equal. Certainly the demand for gold was decreased when we reduced the reserve requirement from 40% to 25%. At least, its demand as a factor in our monetary system was reduced. To justify the maintenance of its price, in spite of this, one must say its demand elsewhere increased enough to counteract this effect, or one can say that the law of supply and demand is not operative here. In fact, Mr. Hall agrees with the latter when he says "gold is a unique and rare commodity . . ." I can't deny its magic hold over men's minds.

But I do deny that in 1933, or ever, "we DEFINED the dollar as equal in buying power to one-thirty-fifth of an ounce of gold by 'fixing the price' of gold at $35 an ounce." Writing DEFINED in capital letters does not mitigate the absurdity of defining 35 dollars as an ounce of gold, and then conceiving the price of gold as $40 per ounce (as happened for a short time in 1960 in the London gold market). This would mean that one ounce of gold equals one-and-one-seventh ounces of gold, and that doesn't make sense.

The dollar was once defined as a unit of weight—the weight of gold or the weight of silver. Today it is nothing but a unit of debt. Prof. Edward S. Shaw (in *United States Monetary Policy*, Neil H. Jacoby, ed.—The American Assembly: Columbia University, December 1958) says: "The definition that strikes my fancy begins with the dictum 'A dollar is a dollar.' A unit of money bearing the price, or face value, of $1 today bears the same price tomorrow and next year. It discharges a debt of $1 anytime, and it always buys something else with a price tag of $1. No one haggles over money's price."

Mr. Hall says that gold is a "better store of value than dollars." Apparently most Americans don't know this, or how do you explain the fact that they do not insist on keeping their savings in the form of gold, rather than in dollars? Still, gold has from time immemorial had an aura about it. In Greek "aura" means breeze and in Latin "aurum" is gold.

Cites Prof. Milton Friedman

Prof. Milton Friedman (in *A Program for Monetary Stability*, The Millar Lectures No. 3, 1959, Fordham University Press, N. Y. C.) says: "Only a cultural lag leads us still to think of gold as the central element in our monetary system. A more accurate description of the role of gold in United States policy is that it is primarily a commodity whose price is supported, like wheat and other agricultural products, rather than the key to our monetary system."

It is a price support program in which we buy from both Americans and foreigners but sell only to foreigners. The reason we got the huge "surplus" of gold is that we were paying more for it all these years than it could get on the world market; that is, we have been paying a subsidy, according to Prof. Friedman. Prof. Friedman's is not a "Keynesian" position, but a "conservative" one, support for which can be found in Adam Smith's *Wealth of Nations*.

Prof. Friedman points out that we did not allow the vast inflow of gold to influence our domestic monetary policy, and there is no sound reason why the outflow of gold should do so.

Our dollar does not have to be "as good as gold;" its value is determined by what it can buy of the goods and services that people want. Who wants gold? What good is it?

Prof. Friedman says: "A major reason why foreigners and others wish to hold gold is because it is convertible into dollars at a fixed price. The real demand is for dollars." If the $35-an-ounce price were not guaranteed the price of gold might well decline. Who would suffer? The gold mining interests in our country, and the chief gold producing countries, South Africa, Canada, and the Soviet Union. There are better ways to give economic aid to these, if that is a desirable policy.

SIDNEY KORETZ

1350 Clifton Street, N. W.
Washington 9, D. C.

[1]Mr. Hall was replying to Mr. Koretz's letter of Sept. 20, 1962, p. 14.—ED.

Goodbody Admits Feeley, Keating

Goodbody & Co., 2 Broadway, New York City, members of the New York Stock Exchange and other leading exchanges, have announced the admission of Thomas E. Feeley and Laurence C. Keating to general partnership in the firm.

Thomas Feeley

Mr. Feeley is Manager of the Syndicate Department of Goodbody & Co. Mr. Keating is Manager of the institutional sales and corporate bond department.

Goodbody & Co., established in 1891, maintains offices in 41 cities.

Form Andreny Assoc. Financial Consultants

Andreny Associates, Inc. has been formed with offices at 50 Broadway, New York City, to act as corporate financial consultants and investment advisers, and handle financial public relations. Principals of the firm are Andre de Seleny and H. S. Linder.

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consecutive years of dividends

REGULAR AND SPECIAL DIVIDENDS

With its dividend payment in December, Standard Oil (Indiana) rounds out . . .

The 69th consecutive year in which it has paid dividends; the 50th straight year in which it has made four quarterly dividend payments; the 15th straight year in which it has also paid a special dividend in Standard Oil (New Jersey) stock. We acquired this stock in the early 30's in payment for properties we sold to the Jersey company (from whom we have been separated since 1911).

The special dividend this year is one share of Jersey stock for each 115 shares of Standard Oil (Indiana) stock. Together with the regular quarterly cash dividend of 45¢ a share, it was paid on December 10, 1962, to shareholders of record at the close of business October 31, 1962. Holdings or parts of holdings that did not qualify for a full share of Jersey stock received a cash payment of 45¢ a share. The value of the Jersey stock on the date of distribution was 49.8¢ a share of Indiana Standard stock.

In 1961, with the special in Jersey stock being valued on date of distribution, dividends were $2.248.

Our total dividends in 1962, including the value of the special dividend distributed in Jersey stock, amounted to $2.298 per share.

EARNINGS AND INCOME

Consolidated net earnings of Standard Oil Company (Indiana) for the first nine months of 1962 totaled $103,064,000, as compared with $112,025,000 for the same period in 1961.

Earnings per share came to $2.88, eight per cent less than the $3.13 per share earned in the first nine months of 1961 on a slightly smaller average number of shares.

Total income for the first three quarters was $1,608,013,000. In the first nine months of 1961 it was $1,524,093,000.

In September, refined product prices increased to nearly normal from the severely depressed levels existing east of the Rockies earlier in the year. Assuming reasonable price levels for the fourth quarter, particularly on gasoline, earnings for 1962 as a whole should equal or exceed those for 1961.

RECORD OPERATING RESULTS

Net production of crude oil and natural gas liquids averaged 369,000 barrels a day, 6 per cent higher than a year ago.

Sales of refined products here and abroad averaged 732,000 barrels a day, 9 per cent greater than last year. Our domestic product sales, up 7 per cent, substantially exceeded the growth in national demand, and were especially gratifying in view of the intense competition prevalent in the industry.

DIRECTORY

Standard Oil Company

(INDIANA)

Major Subsidiaries

AMERICAN OIL COMPANY, *headquartered in Chicago, manufactures, transports and sells petroleum products in the United States. In 15 Midwest states it markets through its Standard Oil division.*

PAN AMERICAN PETROLEUM CORPORATION, *Tulsa, finds and produces crude oil and natural gas in the United States and Canada.*

AMERICAN INTERNATIONAL OIL COMPANY, *New York City, finds and produces crude oil, and manufactures and markets products outside North America.*

AMOCO CHEMICALS CORPORATION, *Chicago, manufactures and markets chemicals from petroleum here and abroad.*

INDIANA OIL PURCHASING COMPANY, *Tulsa, buys, sells, and trades crude oil and natural gas liquids in the United States.*

SERVICE PIPE LINE COMPANY, *Tulsa, transports crude oil for our refineries and for others.*

TULOMA GAS PRODUCTS COMPANY, *Tulsa, markets liquefied petroleum gas, natural gasoline, anhydrous ammonia, and related products.*

STANDARD OIL COMPANY (INDIANA)
910 S. MICHIGAN AVENUE
CHICAGO 80, ILLINOIS

NEWS ABOUT BANKS AND BANKERS

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

The **First National City Bank, New York,** announced the appointments as vice-presidents of Raymond A. Kathe, Far East, Frank De C. Matthews, supervision of branches in Southern Asia, and William G. Nagle, European district. Appointed resident vice-presidents were Ellis E. Bradford, European district, Robert E. Grant, Bombay, George L. Magurder, London city.

* * *

Plans under which **Chemical Bank New York Trust Co., New York,** would acquire the **Bank of Rockville Centre Trust Co. of Rockville Centre, Long Island,** were announced Dec. 27 in a joint statement by Harold H. Helm, Chairman of Chemical Bank New York Trust Co., and Oscar Gast, President of the Bank of Rockville Centre Trust Co.

According to the most recent published figures, on Sept. 28, the Bank of Rockville Centre Trust Co. had total deposits of $37,685,000 and capital funds of $2,878,000. Under the terms of the proposal, that bank would receive 84,000 shares of Chemical Bank New York Trust Co. stock.

The acquisition is, of course subject to the approval of the State Superintendent of Banks and the Federal Reserve Board and is also subject to approval of the stockholders of the Bank of Rockville Centre Trust Co.

* * *

IRVING TRUST COMPANY, NEW YORK

	Dec. 31, '62	Sept. 30, '62
	$	$
Total resources	2,656,864,886	2,356,369,268
Deposits	2,354,058,849	2,083,375,635
Cash and due from banks	622,439,779	542,922,520
U. S. Govt. security holdgs.	470,529,124	439,313,018
Loans & discts.	1,268,182,697	1,115,707,711
Undivid. profits	38,615,082	36,551,685

* * *

THE MARINE MIDLAND TRUST CO. N. Y.

	Dec. 31,'62	Sept. 30,'62
	$	$
Total resources	923,472,695	805,112,068
Deposits	801,040,149	703,233,599
Cash and due from banks	276,273,113	207,259,333
U. S. Government security holdings	156,551,113	147,198,082
Loans & discounts	430,581,264	394,170,213
Undivided profits	22,190,776	21,629,664

* * *

Arthur F. Johnson, Vice-President of **The Dime Savings Bank of Brooklyn, N. Y.,** died suddenly Dec. 27. He was 53 years old.

From 1933 to 1941 he was associated with the **Brooklyn Trust Co.** In May 1941, Mr. Johnson joined The Dime Savings Bank of Brooklyn as Mortgage Administrator and attained officer rank as Assistant Secretary in 1952, was made Assistant Vice-President in 1954 and held the title of Vice-President since 1958.

* * *

The **Ridgewood Savings Bank, New York,** made Frank C. Ross a senior vice-president and a trustee. Edward Blaise, Jr., also was also made a vice-president.

* * *

John Carter has been elected to the Board of Directors of **Long Island Trust Co., Garden City, N. Y.**

* * *

The **Franklin National Bank, Amityville, New York,** made William J. Botto a vice-president.

* * *

The **Littlestown State Bank and Trust Company, Littlestown, Pa.,** and **The First National Bank of Gettysburg, Gettysburg, Pa.,** merged under the charter of the latter and title of **The Adams County National Bank,** with head office transferred to the former location of Littletown State Bank and Trust Company.

* * *

The **First National City Bank, New York,** Dec. 27 announced the appointments of Robert L. Hoguet, Jr., as Executive Vice-President and Norris O. Johnson as Senior Vice-President and Economist. The bank also appointed 12 Vice-Presidents and four resident Vice-Presidents.

R. L. Hoguet, Jr. Norris O. Johnson

Mr. Hoguet, formerly a Senior Vice-President, is head of the bank's trust division. Mr. Johnson, formerly a Vice-President, is in charge of the economics department which produces the "Monthly Economic Letter."

The following were promoted to Vice-Presidents — Conrad F. Ahrens, investment research department, trust division; E. Peter Corcoran, petroleum department, national division; Robert W. Deuchar, Broadway-40th St. branch; Roy H. Dickerson, aerospace and electronic department, national division; John L. Ivers, petroleum department, national division; Raymond A. Kathe, overseas division, Far East; Bernard J. Martin, Wall Street and financial institutions district; Frank De C. Matthews, overseas division, supervision of branches in Southern Asia; William G. Nagle, European district, overseas division; Leif H. Olsen, economics department; Philip J. Orsi, investment advisory department, trust division; Alan McK. Welty, 28th Street branch.

All of the above were promoted from Assistant Vice-President except for Mr. Matthews who formerly was a resident Vice-President.

The following Managers of overseas branches were appointed to resident vice-Presidents—Ellis E. Bradford, overseas division, European district; Robert E. Grant, Bombay, India; George L. Magruder, City branch, London; David B. Reid, Berkeley Square branch, London.

* * *

Robert P. Fechtel has been elected a Vice-President of **Sterling National Bank and Trust Company of New York,** it was announced.

Mr. Fechtel, who will be located at the 355 Lexington Avenue office, comes to Sterling after 14 years with The **Chase Manhattan Bank,** most recently as Assistant Vice-President.

* * *

The National Bank of Washington, D. C., elected Harry L. Curtis a Director.

* * *

James B. Husted, Vice-President of **The Philadelphia National Bank, Philadelphia, Pa.,** in charge of its Foreign Department, retired Dec. 31.

Mr. Husted entered banking back in 1917 and has spent his entire career with Philadelphia National.

Upon joining the bank, Mr. Husted was assigned to the Check Tellers and Transit Division. Two years later, he transferred to the Foreign Department. Made Assistant Manager of the department in 1943, he was named an Assistant Cashier in 1950. Two years later, he was appointed an Assistant Vice-President.

* * *

The **Philadelphia National Bank, Philadelphia, Pa.,** has announced the promotions to vice-presidents, effective Dec. 31 of John G. Keily, who is in charge of PNB's four Chester-area offices and J. Thomas Ligget, Jr., of the main office and a member of the Commercial Banking Department.

* * *

The Comptroller of the Currency James J. Saxon has approved the merger of the **Farmers & Mechanics Citizens National Bank of Frederick, Md.,** and the **Peoples National Bank of Brunswick, Md.**

* * *

The Bank of Virginia, Richmond, Va., announced that George R. Dupuy, Vice-President, will assume specialized duties in bank development and consumer lending. John J. White, Jr., Assistant Vice-President, was promoted to Vice-President and officer in charge of the bank in Petersburg. He joins Dupuy as a member of the bank's Petersburg board.

* * *

The Bank of Virginia, Richmond, Va., promoted Hampden F. Collier, to Vice-President; John T. McGrann, to Vice-President and Trust Officer and E. Warren Boyd to Trust Officer.

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The **Indiana National Bank, Indianapolis, Ind.,** promoted Frank W. Durgan, James M. Givens and Fred E. Shick to Senior Vice-Presidents.

* * *

The **First National Bank of Chicago, Ill.,** announced the retirement at the close of the year of Walter M. Heymann, Vice-Chairman of the Board.

Mr. Heymann left the presidency of the **Liberty National Bank of Chicago in 1926** to become associated with The First National Bank as a Vice-President. In 1947 he was promoted to General Vice-President and to the Board of Directors of the bank. In 1954, he was elected Executive Vice-President, and in 1960 he was elevated to Vice-Chairman of the Board.

Mr. Heymann will continue as a Director of the bank.

* * *

Three Vice-Presidents of **Harris Trust and Savings Bank Chicago, Illinois,** retiring on December 31 take with them a total of more than 170 years of service to the Bank.

Retiring at year-end are George Slight, Merwin Q. Lytle, and C. Francis Crist.

* * *

The Merchandise National Bank, Chicago, Illinois, elected Glen R. Reiman a Vice-President.

* * *

The **Old Orchard Bank & Trust Co., Skokie, Ill.,** elected Alva W. Phelps, Executive Committee Chairman. James Aldridge was also elected Vice-President and Cashier, and Robert C. Kraemer Vice-President.

* * *

The **First National Bank of Chicago, Illinois,** announced the retirement Dec. 31 of Clarence W. Weldon, Vice-President; Harold J. Schluter, Vice-President, Robert P. Keeth, Vice-President, Warren Smetters, Assistant Vice-President, Otto F. Hass, Assistant Vice-President and Arthur Gustafson, Assistant Cashier.

* * *

Robert E. Straus will become Chairamn of the Board and Chief Executive Officer and Allen P. Stults will be appointed President of **American National Bank and Trust Co., of Chicago,** it was announced Dec. 26. Lawrence F. Stern, incumbent Chairman of the Board, will remain active on the bank's management team as Chairman of the Executive Committee.

Robert E. Straus Allen P. Stults

The new appointments will be formally ratified at the Bank's Annual Meeting to be held Jan. 8.

* * *

Roblee B. Martin, was elected a Director of **The Detroit Bank and Trust Company, Detroit, Mich.**

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The Manufacturers National Bank, Detroit, Mich, made Kenneth Aird Vice-President and Comptroller. Also promoted to Vice-Presidents were Donald J. Buchanan, Dean E. Richardson, Max A. Schweizerhof and James E. Wibby.

* * *

The Michigan Bank, N. A. Detroit, Michigan, has elected H. Samuel Greenawalt, Jr. and Joseph A. Solsburg as Vice-Presidents. James J. Flom, Bruno D. Smoke and William R. Brunelle as Assistant Vice-Presidents.

* * *

The First Wisconsin National Bank, Milwaukee, Wisconsin, announced the appointment of Joseph W. Simpson, Jr., to succeed William G. Brumder as President who will continue as Chairman of the Board and Chief Executive Officer.

* * *

The Comptroller of the Currency James J. Saxon on Dec. 20 announced preliminary approval of an application to organize a new national Bank in Tulsa, Oklahoma.

The new bank will be located at 3147 East Fifty-first Street, Zone 5, Tulsa, and will operate under the title of **"Southern Hills National Bank."** Its initial capital structure will be $1,010,000.

* * *

The First National Bank in St. Louis, Mo. announced that Ira H. Green, and Martin J. Crowe were elected Assistant Vice-Presidents.

* * *

The Comptroller of the Currency James J. Saxon on Dec. 15 approved the application to merge **The First Union National Bank of North Carolina, Charlotte, N. C.** and **The Commercial Bank of Lexington, Lexington, N. C.** effective on or after June 2.

* * *

The Comptroller of the Currency James J. Saxon on Dec. 14 approved the application to merge **The First National Bank of Clover, Clover S. C.** into the **First National Bank of South Carolina, of Columbia, Columbia, S. C.** effective on or after Dec. 21.

* * *

Preliminary approval to organize a national Bank in Covington, Ga., was granted Dec. 20 by Comptroller of the Currency James J. Saxon.

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

* * *

The **Citizens & Southern National Bank, Atlanta, Ga.,** elected Harley Langdale, Jr. a Director.

* * *

The Comptroller of the Currency James J. Saxon on Dec. 14 announced preliminary approval of an application to organize a new national Bank in Cape Canaveral, Florida.

The new Bank will be located in the immediate vicinity of State Road 401 and Center Blvd. in Cape Canaveral, and will operate under the title of **"First National Bank of Cape Canaveral."** Its initial capital structure will be $600,000.

* * *

The Comptroller of the Currency James J. Saxon on Dec. 14 announced preliminary approval of an application to organize a new national Bank in Panama City, Florida.

The new national Bank will be located at Bayview Street and Beck Avenue in Panama City, and will operate under the title of **"The First National Bank of St. Andrews."** Its initial capital structure will be $400,000.

* * *

The Texas National Bank, Houston, Texas, elected Joseph Nalle Senior Vice-President.

* * *

The Valley National Bank, Phoenix, Ariz., promoted Richard A. Toth to a Vice-President.

* * *

The **Colorado National Bank, Denver, Colo.,** promoted F. R. Hitchcock, Eugene Hultman, Lester H. Jordan, and Charles K. Skinner, Jr., to Vice-Presidents.

* * *

The Bank of America, San Francisco, Calif. made Malcolm S. Kelley a Vice-President in trust investments, a new post, at the Bank's main office effective Jan. 1.

* * *

The Wells Fargo Bank, San Francisco, Calif., elected Robert L. Kemper, Controller and Herbert W. Faulkner, Vice-President.

* * *

The First National Bank of San Jose, San Jose, Calif. made M. D. Courson, Vice-President of planning.

* * *

Appointment of Charles D. White as Executive Vice-President of Commerce City Bank, **City of Commerce, Calif.,** has been announced.

Mr. White will be in active charge of operations at this first local bank in City of Commerce, now under construction at 2363 South Atlantic Boulevard and due to open in March.

COMMENTARY...

BY M. R. LEFKOE

On Christmas Eve, Fidel Castro released 1,113 prisoners captured at the abortive Bay of Pigs invasion in return for $53 million worth of food, medicine, and equipment.

While tens of thousands of Cuban exiles residing in Miami were jubilant over the return of their countryman, many of them had serious misgivings. One of them, Carlos Todd, a former columnist for the Havana *Times*, wrote an exclusive story for the Miami *Herald* in which he stated: "There are some deadly implications to the proposition. Castro will be receiving tremendous amounts of vitally needed food and medicines — and other unspecified merchandise, including certain instruments considered 'strategic' by their manufacturer —at a time when Cuba is bordering on chaos. . . .

". . . the shipment of millions of dollars worth of merchandise to Cuba can only serve to prolong the agony of the Cuban people, and of the unknown, unsung tens of thousands of Cuban underground heros who continue to languish in Castro's unspeakable dungeons."

The criticism made by Mr. Todd is but one of many which could be leveled against the Cuban ransom deal. It is particularly significant, however, because it is characteristic of our government's failure to recognize the disastrous consequences of American foreign aid and private economic trade with Communist and semi-Communist countries.

Financing Communism?

In "East Minus West=Zero," a book which demonstrates that Russia has survived only by looting the West of men and machines, Werner Keller sums up his case by stating: "Bolshevik-planned industry feeds on the industrial freedom of the rest of the world. . . It would have long ago died a natural death, had it not been for the repeated injections of fresh life-blood which are still being pumped into it."

And the country which has done most of the pumping is the United States.

Foreign aid dollars given (or loaned, with little chance of repayment) to Poland and Yugoslavia alone have totaled over $2.5 billion since the end of World War II. Brazil, which expropriated the telephone properties of International Telephone & Telegraph Corp., has received over $1.3 billion.

David Sentner, a Hearst Correspondent, wrote several months ago: "Honduras recently passed a measure in its Parliament for taking over all foreign properties with 'adequate' compensation. The bill awaits presidential signature.

"The gimmick between the lines is that 20 year bonds which might assumedly be used by the Honduras Government to compensate foreign business interests would not have much solid backing. In fact, the economy of Honduras is bulwarked by American foreign aid so that it might be argued that *our own foreign aid would be used to pay off the swallowing by Honduras of U. S. property.*" (Italics added.)

What has the United States Government done to protect property belonging to American citizens?

"Effective" Compensation

It has announced that as long as "effective" compensation (the amount determined, presumably, by the country doing the expropriating) is made, the United States upholds "the right of a government to expropriate the property belonging to nationals of other countries."

In other words, our government does not protest when other countries steal property from American citizens. It rewards them with foreign aid so that they can afford to compensate the companies from whom they have stolen property — forgetting, of course, that the foreign aid dollars were collected via taxation from those very same companies who have had property expropriated.

This same attitude has been carried over into the field of private economic trade. As long as "strategic" materials are not exported to Communist or semi-Communist countries, trade is not only sanctioned, but actually favored by our government.

Poland and Yugoslavia

Up until just a year ago, our government was making it easier for Communist nations—such as Poland and Yugoslavia—to export goods to the United States than many pro-West nations. In the Trade Expansion Act passed last year, however, Congress instructed President Kennedy to deny most-favored-nation status to these two countries. Countries placed in this status benefit by reciprocal tariff concessions which might by negotiated by the United States with any other country.

President Kennedy strongly opposed this provision excluding these two Communist satellites, and announced just recently that he will fight to have it deleted from the Trade Act during the forthcoming session of Congress. He argues that the money received from the sale of their merchandise in the United States is used to purchase American-made goods. The Administration, however, continues to ignore the question: How does it benefit the United States to export goods to a totalitarian country which could not survive without them?

In an article describing the growing private boycot of retail stores selling Iron Curtain products, *Business Week* reported recently: "Both the State and Commerce Departments have declared that non-military trade with Communist countries is in accord with U. S. policy, and President Kennedy recently stated that the campaign 'harasses merchants' but 'does not seem to me to be a great contribution to the fight against Communism'."

Tens of thousands of Americans, however, are aware that the purchase of Communist merchandise is only helping to perpetuate the totalitarian regime in power, and have therefore disregarded the President's contention.

The most concise explanation of how trade with dictatorships helps to perpetuate their power was made recently by M. L. Gunzburg, a columnist for the Los Angeles *Times*. He stated: "Deny Russia access to western machines and know-how and you strangle the Communist economy, cripple its military capacity, destroy its potential for aggression, and defeat the Communist plan for world conquest."

Russia's "Achilles Heel"

Mr. Gunzburg recommended, of course, a complete economic blockade of Soviet bloc countries, and went on to explain why such a blockade would eventually destroy the Communist economy.

"The Communist economy from the very beginning has been based on confiscation; that is, it achieves capital wealth primarily by take-over. Deny Communism the spoils of aggression and you destroy its momentum. It has no intention of creating its industrial might from scratch as did the West, but hopes to obtain economic supremacy the easy way, by absorbing the industrial complexes of Italy, West Germany, France, etc.

"Until that fateful day, it plans to satisfy its transitory industrial and military needs by the sale abroad of its vast raw resources, purchasing from the West, in return, ships, machinery, automated factories, etc.

"The Soviet's dependence on the West is her Achilles heel."

One can easily feel sympathy for the Cuban prisoners; one can wishfully dream that Yugoslavia and Poland will remain independent of Russia if they are supported economically and militarily by the United States; and one can validly wish to see a strong group of South American countries which will be able to help America if war with Russia ever comes.

But by paying Castro's ransom, by giving Communist countries tens of billions of dollars worth of foreign aid, and by encouraging economic trade with them, the United States Government is helping to perpetuate dictatorships and semi-dictatorships around the world. Without American help in one form or another, most of these totalitarian governments would have collapsed long ago, freeing the hundreds of millions of people now living in virtual slavery. And without American help, these same nations would never have reached a position of being able to threaten the lives, liberty and property of American citizens.

DeCoppet & Doremus Admit Partners

DeCoppet & Doremus, 72 Wall St., New York City, odd lot dealers on the New York Stock Exchange, have announced that R. Peter Rose, Seth H. Baker and H. Hanford Smith, Jr., all members of the Exchange, and John J. McNeary have been admitted as general partners.

At the same time it was announced that Else M. Nash has been made a limited partner.

Connolly to Join Golkin, Divine

Kenneth M. Connolly will acquire a membership in the New York Stock Exchange and on Jan. 10 will become associated with Golkin, Divine & Fishman, Inc., 67 Broad Street, New York City, members of the New York Stock Exchange.

The Market . . . And You

BY WALLACE STREETE

Wall Street has just come through one of its wildest years in history. In the first half, prices suffered their sharpest drop in more than a quarter-century. Then a recovery set in that saw half the losses restored. In the final 1962 session the Dow-Jones industrial average inched up 0.67-point, or 0.10%, to 652.10.

The Dec. 31 session was typical for the end of the year. Volume surged to 5,420,000 shares, the most since Dec. 5, and the stock ticker ran as much as 12 minutes late.

Tax Impact

There was a lot of churning and shifting, which continued into Wednesday. Dec. 31 was the last day one could take a tax loss on stocks for 1962 returns. Dec. 24 was the last day one could take a profit in a regular-way transaction.

News influences took the backseat to these tax considerations. Those who had losses sold, while those who felt prices of the depressed stocks warranted purchases, bought.

There was also a good deal of "window dressing" by institutional investors who completed changes for year-end reports.

Those who examined the market critically on Wednesday morning seemed to feel the next move by the market would be on the downside. There were too many uncertainties to contend with. At the same time the market since the October Cuban episode had experienced one of its swiftest advances in history.

Also supporting the bearish view were buy orders of brokers at price limits well below current levels. Then there continued to be a good deal of short selling in the market. Technicians pointed out this could limit downside penetration.

Although the bearish view seemed to dominate, few observers predicted any serious weakness. Some chart readers were of the opinion the market would show strength in January.

Number one on the list of uncertainties was the tax question. Will a tax cut be passed by Congress after it convenes Jan. 9, or will it not?

President Kennedy was reported on Wednesday to favor a $4,000,-000,000 combination cut and reform. The Administration sees a tax cut as a powerful means of reducing unemployment. Opponents of the cut, including Senate Finance Committee Chairman Harry Byrd, want no cut without a reduction in spending.

Priming Uncertainties

The death of Senator Robert S. Kerr on New Year's Day changes the outlook for a tax cut rather drastically, as well as for other New Frontier programs.

Senator Kerr supported New Frontier programs when the White House goals coincided with his own and also when the White House was willing to make certain concessions. The Administration had hoped to win him over on the tax issue and use his powerful support to push the measure through.

Wall Streeters, Wednesday morning, were taking the view that a tax cut would not be so easily achieved.

The continued profit squeeze and the rather confusing outlook for business were other factors on the list of uncertainties.

The big drop in the market in the spring quarter of 1962 was, in fact, a result in part of fears that the nation was heading into a recession.

These fears never materialized, but the best one could say about economic prospects at the start of the year is that business will continue to expand at a modest pace.

Nevertheless, at least one sour note was heard. The Bank of America in a year-end statement warned that a recession was a "possibility" by mid-1963 unless "substantial" tax cuts were made.

This is specifically what economists for the bank had to say:

"While total output will continue to grow in the first half of 1963, it is not likely that the expansion will be sufficient to keep unemployment from rising. The effect of rising unemployment on the growth of personal income, and thus on consumer expenditures . . . point to the possibility of a recession by mid-1963 unless counter measures are taken."

Industries' Outlook

In the key auto and steel industries expansion seems to be the major force at present. The auto and steel stocks are mirroring this.

Steel men in general expect their January shipments will be the greatest since last May. Auto production in the first quarter of the new year, meanwhile, promises to be near a record for the period. The auto industry continues to be the main support for steel.

Steel stocks were hit hard during 1962. Profits of the major companies declined sharply, and most of the majors were forced to cut their dividends. For U. S. Steel it was the first dividend cut since 1938.

Late in 1962 the steel stocks came back smartly. U. S. Steel last Monday closed at 43⅝s. Its low for the year was 37¾. Youngstown closed at 84⅝s. Its 1962 low was 65⅛.

Shares of the automakers, with the exception of Studebaker, which closed Monday at its low for the year of six, rose steadily but unspectacularly. General Motors closed at 58½. Its low for the year was 44½.

G.M. undoubtedly would have done better market wise had it not been for the tremendous number of its shares that hit the market as a result of the forced liquidation by E. I. du Pont de Nemours & Co. of its 23% G.M. interest.

Ford closed at 45⅛ on Monday. Its low for the year was 36⅛. Chrysler, with an active new management and what many considered to be its best product in years, was the star performer in the group, rising to 73⅜ from its low of 38½.

Rail stocks were also among the better performing groups. Rail mergers now pending are expected to provide great savings for the carriers. A powerful psychological boost to the entire merger trend was provided by the Interstate Commerce Commission earlier this week when it authorized the Chesapeake & Ohio to control the Baltimore & Ohio. Shares of the B. & O. rose 1½ to 28 in trading Monday. The low for the year was 18½.

Glamor in the Dog-House

Leading analysts were saying this week that they doubted the so-called "glamor" stock will get much market play unless the public showed a sudden reversal of sentiment. With troublesome economic factors in the background, these observers see little reason for a nervous public to become overenthusiastic about the more speculative common stocks.

"It'll be a long time before THAT hot one hits 87 again," one cynical observer commented the other day, pointing his finger at Minnesota Mining, the well-known "growth" stock which hit the skids back in mid-1962 well before 1962's May-June slide.

That seems to be the prevalent feeling on Wall Street. Though business and economic conditions are hardly as bleak as some nervous critics contend, the average broker admits he is having difficulty convincing the medium-sized investor to re-enter the equity market.

The most vulnerable spot in the investment spectrum has of course been the new issue market. Over-the-Counter securities of all kinds have definitely lost their enthusiastic following.

Going into an uncertain '63 Wall Street is, for a change, neither bullish or bearish—just cautious.

[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.]

Eugene E. Peroni Joins McDonnell

Eugene E. Peroni, one of Wall Street's leading technical market analysts and author of the "Peroni Letter" which is widely quoted in financial columns across the country, has joined the Research Department of McDonnell & Co., Inc., 120 Broadway, New York City, members of the New York Stock Exchange, effective Jan. 1, according to the announcement of T. Murray McDonnell, president.

Eugene E. Peroni

Mr. Peroni will continue to publish his fortnightly letter under the auspices of McDonnell & Co. He was formerly associated with Cruttenden, Podesta & Miller.

Phelps, Fenn Co. Partner Changes

Phelps, Fenn & Co., 39 Broadway, New York City, have announced that Augustus W. Phelps has retired as a general partner and will continue as a limited partner. The firm also announced that Walter F. Coss has been admitted as a general partner and Philip J. Curry, Jr. has been admitted as a limited partner.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Southeastern Public Service Company

Southeastern Public Service (not to be confused with Southwestern Public Service, also on the New York Stock Exchange, and Southwestern Electric Service, over-the-counter) is a holding company system with annual revenues of about $24 million. The company has followed a policy of wide diversification, both as to sales and areas served. It is not strictly a utility, since natural gas operations contribute only about 15% of revenues; but until recently it was a service organization. This year it made an entry into the manufacturing business, with the acquisition of a Hawaiian chemical and fertilizer enterprise.

System operations are now conducted in 15 States—California, Colorado, Florida, Idaho, Illinois, Kansas, Missouri, Montana, New Mexico, Ohio, Oklahoma, Tennessee, Texas, Utah and Hawaii. The subsidiaries manufacture ice and supply cold storage facilities in California, Texas and a number of other States; and retail liquefied petroleum gas to a number of cities in Florida, including Miami, Fort Lauderdale, Boca Raton, Orlando, Ocala, etc. Natural gas is also produced and sold under contract to pipeline systems (a small amount is retailed). The amount of revenues and net operating earnings from the various kinds of business for the fiscal years 1961-62 are shown in the accompanying table.

About two-thirds of the ice and cold storage revenues are from the manufacture of ice for sale to railroads, fishing fleets and growers and shippers of fruits and vegetables; and about one-third from cold storage and freezing facilities.

This year the company acquired 70 acres in a huge limestone cavern in Kansas (with an option on 50 additional acres) which is considered an ideal location for cold storage operations, and may eventually double this segment of the business.

Apparently the chemical plant in Hawaii is not yet on a very profitable basis, but this investment should in time add to the earning power. The annual report for the fiscal year ended September 30 states that "numerous changes in operating procedures and personnel have taken place since acquisition and it is anticipated that revenues and income in the forthcoming fiscal year will run substantially higher than in the recent past."

The system has expanded rapidly in the fiscal year ended September. In addition to a number of minor acquisitions and additions, and the Hawaiian and Kansas acquisitions described above, the company acquired in May from the Aluminum Company of America the natural gas property known as "South Section 28 Field" in Louisiana. The Field's estimated reserves are 57 billion cf and gas production is sold under a long-term contract to Southern Natural Gas Company. The company's drilling program in West Virginia was accelerated, five producing wells being completed with estimated reserves of nearly 2 billion cf. Total gas reserves are estimated at 144 billion cf, and purchase of a Texas property with 16 billion additional reserves is being negotiated.

These various acquisitions (which increased gross plant about one-quarter in fiscal 1962) required senior financing plus issuance of convertible notes, sinking fund debentures and promissory notes. However, no common stock financing was done, except for a negligible amount in connection with an acquisition. The equity ratio, which in 1961 approximated 47%, dropped to 40% as of Sept. 30, 1962 but would be increased if debentures are converted and warrants exercised. 1962 financing included sale to institutions of $2 million convertible debentures and recently (not included in the capitalization figures above) $3 million of preferred stock with warrants attached.

During earlier years of the past decade the company had a rather mediocre record: while earnings per share increased from 95c in 1952 to $1.27 in 1956, the next year showed a sharp decline to $1.00 followed by a recovery to $1.24 in 1960 and 1961. However, in the 1962 fiscal year the company made up for lost time with earnings of $1.70—a gain of 37% over 1961.

Revenues should show a further gain in fiscal 1963, due to acquisitions made in recent months, together with the growing demand for LP-gas. Expenses due to the integration of new acquisitions may be smaller. While it is difficult to forecast, net earnings for fiscal 1963 are expected to compare favorably with those for fiscal 1962.

The stock has been selling recently around 22½, to yield 4.4% based on the recently increased $1 dividend, which represents a payout of 58%. The approximate 1962 range has been 24-17 and in 1961 was 24-15. The price-earnings ratio is 13.2.

	Revenues (000)			Operating Inc. (000)		
	*1962	*1961	Inc.	*1962	*1961	Inc.
Ice, Cold Storage and Freezing	$10,489	$10,080	4%	$2,070	$1,858	11%
Liquefied Petroleum Gas	5,624	5,092	10	1,029	882	17
Natural Gas Production and Transmission	3,507	2,646	33	965	545	77
Industrial Sales	3,987	------	--	10**	--	--
Total	$23,607	$17,819	32%	$4,074	$3,286	24%

*Fiscal year ended September 30.
**"Other" operating income.

Tomorrow's Rising Costs

By Roger W. Babson

Citing recent study of total wage and salary cost rise of 120% and total fringe benefits of 325% over the past 15 years, Mr. Babson says it's no wonder we can be undersold by foreign goods produced by cheap labor. He is pessimistic about the direction of future direct and indirect total labor cost for time worked; deplores unwillingness to abide by Council of Economic Advisers productivity guidelines; and even anticipates drive for 35-hour week in 1963 with no change in take-home pay — viz., an increase in pay per hour.

No analysis of present conditions or prospects for the future should leave out the impact of labor costs on our manufacturing and services. Workers naturally think in terms of how much they are getting in today's pay envelope and how much they will get in tomorrow's. They do not often give much attention to the fact that employers must think always of how to hold employment up, how to meet rising labor costs, how to keep their businesses healthy, how to ensure fair profits, how to keep prices down, or how to put aside funds for modernization and expansion. Perhaps only an employer can really appreciate these problems.

Readers may ask: Just how much of an inroad have labor costs made? A recent survey indicates that total pay for time worked has soared 120% over the past 15 years. Far more spectacular is the fact that fringe benefits now cost management about 325% more than they did at the end of the Korean War. It is easy to see what overwhelming pressure this exerts on the price of American goods and services. Little wonder that cheap-labor foreign goods are underselling us along steadily broader fronts. Economists are justified in crying for a return to the law of supply and demand for labor rather than having to operate under the pay-price inflation that is so economically unrealistic.

Workers Lost Out

No sane observer wants to see the nation's workers deprived of their fair slice of the profits pie. But when wage and fringe costs become top-heavy, the workers lose their gains through skyrocketing living costs, a cutdown in working hours, and unemployment. Too many union leaders, however, act as though profits should be used only to swell payrolls. They give little or no regard to the necessity of distributing reasonable segments of profits to owners, investors, researchers, distributors, planners of future plant expansion — and most important of all, to the public in the form of lower prices all along the line.

When employers balk against exaggerated wage demands, unions frequently resort to schemes of taking less in actual cash in return for new or extended fringes. But workers should realize that fringes are just as expensive for the company as are dollars placed in pay envelopes. Fringes may be out of sight of the employes; but they are very much in view when company expenditures are totaled. They are just as inflationary as outsized wage hikes, if somewhat more subtle.

Government Guideline Ignored

The President's Council of Economic Advisers, in a move designed to curb the pay-price upspiral, decided some time ago that it would be all right for unions to negotiate raises as long as they did not go beyond the roughly 3% annual productivity guideline. Instead, consistently more than that has been asked for in straight pay boosts, and in calls for further additions to fringes.

Looking ahead, I foresee no change in labor's decision to bypass the government's productivity guideline. Labor leaders, in order to hold their own jobs, try to get all possible concessions in both straight raises and fringe benefits. It certainly looks now as if any reduction in union demands over the period ahead would stem from possible business weakness and the fear of layoffs.

Raises via Shorter Hours

Some union leaders have on their agenda another move that will result in still higher labor costs—and this is the drive for the 35-hour week. They want this concession with no change in take-home-pay, which would mean a 14% hike in basic hourly wage rates. Since they see little chance of getting Congress to grant such a boon, they hope to get it by fighting ahead company by company, industry by industry. I fear you may see more of this as 1963 works along.

F. L. Salomon to Admit Two

On Feb. 1, F. L. Salomon & Co., 29 Broadway, New York City, members of the New York Stock Exchange, will admit Burton W. Blank and Martin I. Fink to partnership.

Bliss Partners

Bliss & Co., 40 Central Park South, New York City, members of the New York Stock Exchange, on Jan. 10 will admit Dorothy L. Lieberman, Bernard H. Lowy and Harry P. Lowy, Jr. to limited partnership in the firm.

NY Analysts to Hear

Gerald L. Canfield, President of Altamil Corporation, will be guest speaker at the meeting of the New York Society of Security Analysts to be held Jan. 4 at 12:15 p.m. at the Society's headquarters, 15 William Street, New York City.

As We See It

Continued from page 1

public, or at least the more thoughtful elements in the population, are depending upon Congress to prevent foolish legislation, some of it very strongly urged by the Administration, from reaching the statute books; at the same time these legislators owe the country the duty to see to it that certain programs of a constructive nature are taken to the statute books. This latter task sometimes may require defiance of the Administration, and might at times even provoke a veto. It seems to us important, however, that at least a start be made in getting certain things done even if that start must consist of nothing more than the passage of legislation which is vetoed by the President.

It is not as yet possible to be wholly specific in listing the things this Congress should and should not do. The President and his aides have not as yet given chapter and verse of the legislation to be requested. Even the budget estimates are not yet available in any detail. Much has been said about tax reduction and mention has been made of tax reform, but precisely what the Administration wants and is prepared to demand of Congress is not yet known to the public. Much the same is to be said of proposals for agricultural legislation which is a must, at least some sort of legislation on the subject.

"Medicare" Again

The President has, ever since he took office, been endeavoring to obtain certain public health insurance legislation. The general nature of his proposals are, perhaps, well enough known though precise details, which may be important, are not. In any event the social security system is already loaded with liabilities, present and to come, probably well beyond the ability of the present tax system to carry—and possibly quite beyond the capacity of any tax system the people will approve in the future—and these future liabilities (we must not think of them as contingent because they are as certain to arise as anything in this uncertain world) are but one of many types of liability that have been loaded on the Treasury in recent years. Certainly Congress must look with great care and quite probably with hostile eyes upon any legislative proposal which tends to place an additional load upon this system — and that notwithstanding any increase that is made in the taxes laid to meet the liabilities.

It is not possible at this time to reach any critical opinion of specific tax proposals that the President may presently make to Congress. It is quite probable that the Chief Executive himself has not as yet reached final decisions in this matter. The tax reform needs of the country are, however, clear and definite, and, let it not be overlooked, they are as much the concern and responsibility of the Congress as they are of the President and his advisers. For our part, we are made uneasy by the emphasis upon tax reduction as against tax reform. True it is that the President the other day had some comforting generalities to make about reduction in non-essential outlays, but he would have to be an incorrigible optimist to summon much hope that there will be any real reduction in the deficits we have been running, or indeed that there will not be a substantial increase in them.

Deficits Cue Not Helpful

The Administration appears to be rather unconcerned about deficits. Indeed at times it appears to be very friendly to the idea of large and continuing deficits so long as there are "unemployed" capital or "unemployed" wage earners in the country. We cannot share any such unconcern. To us it is clear that in the absence of substantial reduction in outlays—which we do not expect, with deep regret be it said—we simply cannot afford to reduce our total tax take in any substantial way or for any substantial period of time. If by tax reduction is meant a net decline in the amount of money that is taken in taxes by the Federal Government, then we must admit to a good deal of skepticism about any and all plans for tax reduction. It is a good political catch word and therefore dangerous. These are some of the facts of life which must be kept constantly in mind, and which Congress must keep constantly in mind when the subject of changes in our tax system and tax rates are under consideration.

Equally evident, however, is the fact that there is ample room and urgent need for sweeping tax reform—changes which would remove as many of the impediments to business as possible from the tax system as it now stands. Any individual income tax system which calls upon the taxpayer to turn half of one's income over to Uncle Sam after a rather modest income level is reached and which takes 91% after what was once considered a rather moderate income for the really successful businessman is destructive of incentives. Any system which requires corporations to pay a half or more of their income in Federal taxes is also to be condemned. The people should be able to look to their Congress as well as to the Administration for constructive action in this area.

Attractive Investment Opportunities for 1963

Continued from page 3

that is not reflected in the averages.

Public confidence in the securities market has naturally been shaken by what has happened in most areas of the market last year, but the passage of time plus the continued vigorous growth of our economy may be expected to overcome any recent letdown which we look upon a being temporary. Along these lines it is interesting to note the recent comment made by the new President of Arthur D. Little, Inc., industrial reseach and management consultants, who said that the European common market and the space program of the United States are the two most significant developments in the world today. He described the opportunities of the common market and referred to it as the eighth wonder of the world.

The latest official count of shareholders in the U. S. A. came to around 17 million as compared with around 10 million, five or six years ago and about 5 million at the end of World War II. The rapid growth in Mutual Funds has recently slowed down but this is regarded as temporary while the investment needs stemming from Pension Funds and other types of institutions may be expected to grow in the future. The sharp decline in new security underwritings and a return to sanity in the pricing of Over-the-Counter issues are favorable signs and decided plus factors in helping to restore stronger underpinnings to the investment business.

With all this as a background, what are the most favorably situated industries and individual stocks to consider at this time for making profitable investments for the year 1963? The industries which we believe are the best situated at the present time from the standpoint of maintaining or improving earnings and possible dividends are as follows:—**Automobiles, Aerospace, Chemicals, Drugs, Electrical** and **Electronics, Oils, Public Utilities** and leading **Banks.** I have omitted from this select group a number of major industries for consideration at this time, including the **Airlines, Building, Foods, Railroads, Retail Trade** and **Tobacco** because we believe that with the exception of only a few companies in each group, their earnings will remain in a flat area over the foreseeable future and that most of the stocks involved are in neutral market territory. Such conclusions are always, controversial but our continuing research activities prompt us to adopt such opinions at the present time, always subject to revision at a later date should the facts warrant.

Following are brief discussions regarding recommended industries:

Automobiles

The prosperous automobile industry has been the key to the relatively good economic showisg in 1962 and could very well repeat this performance again in 1963. On the record so far, 1963 promises to be one of those rare years when everything clicks for Detroit —styling, mechanical quality and consumer inclinations. Latest October figures show auto sales running an astounding 27.6% ahead of last year. General Motors' sales were up 37% from the same time last year, Chrysler's 26% and Ford's 25%. Most industry authorities are estimating 1962 car sales at between 6.5 and 6.8 million units and some are becoming convinced that the industry is about to perform the remarkable feat of following last year's near record sales by possibly duplicating them in 1963. Such an accomplishment would be the first two back-to-back years of production in excess of 6 million cars since the war. Our choices in this group would be **General Motors,** representing a high-grade blue chip for income and long-term growth; **Chrysler,** an attractive businessman's speculation on its new hard hitting management's abilities to keep the breakeven point low and the expected success of its 1963 models which are regarded as much more acceptable than in recent years, and **American Motors** as a combination capital gain and income situation selling at attractive multiples and expected to retain its leadership in the compact field.

Aerospace

The aerospace industry is by far the fastest growing activity within the national economy and the sky is literally the limit. The aerospace industry can be defined to include scores of companies engaged in some phase of making aircraft, missiles, space vehicles and the electronic equipment needed for guidance and control. If the definition is narrowed to include companies primarily engaged in this field, there are sixty odd companies in this category. This encompasses some of America's giants and some fast rising smaller companies. However, big as this field is and growing as it is, it is not yet a very lucrative one. The earnings rate of the aerospace industry has been much lower than that for other manufacturing industries. Over recent years, the Aerospace industry's net earnings as a percentage of net worth have dropped sharply from 16.7% in 1957 to 9.2% in 1961. This reflects sharp competition, with average pre-tax profit margins well below industry norms. Production of military aircraft continues to decline as the aerospace industry continues to change from one producing mainly airplanes in quantity to a low volume output of diversified and complex flight devices. The value of aircraft production in the fiscal year ended June 30 was $6.5 billion and is expected to decline by about $1 billion in the current fiscal year. Spending on missiles is expected to rise from $3.5 billion in the last fiscal year to at least $6 billion within two years. These figures do not include more than $6 billion for research, development, testing and evaluation. The space field is growing rapidly. In fiscal 1959 NASA had a budget of only $340 million. It has now risen to $3.7 billion and will probably top $5 billion within a year or so. It has been estimated that by 1970 total spending on space—aside from aircraft and missiles—will be some $10 billion a year.

The aerospace issues have been outstanding market performers for most of 1962 and should continue to perform above average into 1963. Although much of this activity can be credited to our nation's space accomplishments throughout the year, many of the individual aerospace equities have been and are continuing to record new high levels of earning power. This, coupled with President Kennedy's emphasis on and enthusiasm for a manned space expedition to the moon by 1970, should continue to generate investor attention in this growth area. The recipients of new contracts, however, will not be as numerous as the dollars mentioned earlier. Fewer companies will be receiving larger contract awards as an increasing share of the military/space dollar is spent for research, development, testing and evaluation. The complexities of these new space and weapons systems demand increased emphasis on reliability and therefore require prime and subcontractors with above-average technical and financial resources. **North American Aviation** is unquestionably the industry leader and as NASA's leading contractor should be among the first companies to participate in commercial applications of space. North American's Project Apollo is the largest and most expensive single venture this nation has ever entered into. As President Kennedy has stated: "No single space project will be more exciting, or more impressive, or more important for the long-range exploration of space; none will be so difficult or expensive to accomplish." The total cost of this attempt to land a manned expedition successfully on the moon by 1970 has been estimated at between $20 and $40 billion. Other favored candidates are **Avco, Boeing, Lockheed** and **McDonnell.** A number of other companies with secondary interests in aerospace also stand to benefit from the high expenditures to be made in coming years including **Chrysler,** now a major producer of defense products, as well as **General Electric** and **Radio Corp. of America,** all considered currently attractive.

Chemicals

Sales of the chemical industry for 1962 are expected to rise 8% to 10% over the 1961 total of about

$30 billion. On this sales gain an earnings rise of about 10% is projected accompanied by a 3% increase of dividends which, in turn, equal slightly less than 50% of total earnings. The new year's outlook is for continued volume growth but continued pressure on margins from lower prices is likely as overcapacity in many areas gains and competition increases. However, an earnings increase is likely on the larger volume bolstered by internal cost cutting and the success of proprietary products on which established price levels can be maintained. Many of the stocks of the leading chemical producers appear attractive as conservative longer term holdings, based on prospects of some earnings improvemest in 1963. Those which we are currently recommending are **American Cyanamid, Dow Chemical, Monsanto Chemical, Olin Mathieson** and **Union Carbide.**

Drugs

Drug earnings, like the chemicals', for the first half of 1962 compared favorably with similar 1961 figures and should be impressive for the entire year. For 1963, a somewhat altered set of factors will play a major role in the industry's affairs. New drug legislation, which will considerably lengthen the time between initial testing and final F. D. A. approval, place those companies with the largest number of recently sanctioned products in the most favorable position. Research expenditures by the drug industry in 1962 are estimated by the Pharmaceutical Manufacturers Association at $268 million, or some 9.4% more than was spent is 1961. A number of new drugs are currently awaiting approval by the F. D. A., but more stringent Government regulations covering this industry are likely to delay their introduction to the public. Retail sales of cosmetics and toiletries increased about 8½% in the first half of 1962, aided by the trends of greater usage by women and teenagers and increased consumption abroad. These products enjoy better-than-average profit margins which will benefit a number of companies in both the ethical and proprietary fields. The companies which we believe to be the best situated to capitalize on future developments of this growth industry are **Bristol-Myers, Merck, Chas. Pfizer** and **Sterling Drug.**

Electrical and Electronics

The electronics industry is one of the major beneficiaries of the growing emphasis on research both by Government and private enterprise. In the past decade the electronics industry expanded 3½ times as fast as industrial production and electronics research and development increased tenfold. While this rate of growth may not be sustained, further significant expansion is in prospect. Authorities estimate that a minimum of 25% of both company sponsored and Government sponsored expenditures is in the electronics area. Included in this broad field are manufacturers of aerospace and military electronics, consumer and industrial electronics, along with basic electrical equipment.

The progress, problems and promise of the electronics industry is well known among seasoned investors, as is the fact that this is an exceptionally volatile group to select from for investment and speculative accounts. Thus, careful selection for investment here is very necessary as even the soundest investment program is subject to the serious and often very great risk stemming from the unique rate of technological change which characterizes the industry. The State of California, incidentally, has become the research and development center for many fine electronic companies and this area is now looked upon as the electronics capital of the Free World. We currently favor investment, primarily for long term capital gain accounts, in the following:—**Ampex, Beckman Instruments, Fairchild Camera, Litton Industries, Minneapolis-Honeywell, Radio Corp. of America** and **Varian Associates. Control Data** is particularly well liked in its specialized field as is **Xerox** in the office equipment field. For longer-term investment accounts, we also recommend **General Electric** and **IBM.** In the consumer electronic field we particularly favor **Zenith Radio** and **Magnavox.**

Oils

Demand for petroleum products in the United States during 1962 has displayed renewed vigor with an increase approximating 4%, the highest of any year since 1957. However, most of this increment has failed to show up in the earnings statements of major oil companies because of severely depressed levels of product prices throughout the spring and summer months of 1962. An attempt to bolster these prices through the temporary elimination of guaranteed margins to dealers has been successful to the extent that prices have not receded to the low levels of earlier last year. Most of the major domestic integrated companies are reporting nine-months earnings somewhat below 1961 levels, with a few exceptions such as Union Oil of California. As we enter the winter months, statistically the industry is in a fairly good position and should be able to capitalize on any increase in demand resulting from cold weather. Most of the securities of domestic integrated companies offer yields approximating or exceeding 5% and may be purchased for this reason as well as for gradual appreciation possibilities. These companies include **Atlantic Refining, Marathon Oil** (formerly Ohio Oil), **Standard Oil of Indiana** and **Sunray-D-X Oil.** In Western Europe demand is running approximately 10% above the comparable figure for 1961, and this increment is being reflected in the improved earnings reported by the international companies, despite continued weakness in product prices in several areas. Among this category of companies we favor **Royal Dutch, Standard Oil of California, Texaco** and **Standard Oil of New Jersey** for both satisfactory yields and for capital gains possibilities.

Public Utilities

The public utility industry is winding up another generally good year. The electric utility companies continue their established pattern of growth and, regardless of interim economic ups and downs, this trend will continue over the years ahead—accompanied by higher earnings and dividends. Many gas distribution companies we find are making exceptional progress and indications of greater stability in gas supply costs carry favorable implications. However, the gas transmission field, we continue to find, holds little investment attraction. The telephone industry not only continues to grow strongly, but expanding dial operations and automation are reflecting favorably on profit margins. We believe the following are attractive for investment under present conditions —**American Telephone & Telegraph Co., Cincinnati Gas & Electric, Consolidated Edison of New York, Pacific Gas & Electric, Southern California Edison, Pacific Lighting, Oklahoma Natural Gas** and **Western Power & Gas.**

Banks

Commercial banking today is a vital and stable industry. The shares of this industry are currently capitalized at about 15 times the latest 12 months net operating earnings and can be considered attractive defensive securities. Bank stocks offer excellent long-term investment value with secure dividends now affording an average yield of about 3¼%. Mainly due to increased interest being paid on savings deposits, we anticipate bank earnings on average will be down fractionally or 2%-3% for 1962. However, 1963 should show improved results, reflecting better economic conditions and the easing of Federal Reserve requirements on savings deposits. We do not anticipate any increase in the prime rate in the near future. However, this rate should remain at current levels and become a little firmer. This, plus the fact that the Federal Reserve has reduced its reserve requirements for commercial time and savings deposits from 5% to 4% thereby releasing some three-quarter billion dollars for investment purposes, should help stimulate 1963 bank earnings which could be ahead better than 5% in 1963. Stockholder owned savings and loan associations should continue to increase their share of total savings in 1963. Earnings for 1962 on the average, should be ahead of 1961 by very substantial amounts. Due to the change in the tax law which becomes effective in 1963, earnings for the associations will probably approximate 1962 results. However, this should be considered favorable, for on a comparable basis it would mean that 1963 earnings would be ahead by about 20%.

Our favored investment recommendations in the above two groups are as follows—California banks—**Bank of America, Security First National** and **Bank of California,** New York banks—**Bankers Trust, Manufacturers Hanover** and **Chase Manhattan;** Savings and Loan — **First Charter Financial.**

*From a talk by Mr. Stirling at the 15th annual 1963 Business Outlook Conference sponsored by the Los Angeles Chamber of Commerce of Los Angeles, Los Angeles, Calif.

C. J. Devine Co. Admits Meyerhoff

C. J. Devine & Co., 48 Wall Street, New York City, specialists in U. S. Government securities and state and municipal bonds, have announced that Robert H. Meyerhoff has been admitted to partnership in their firm.

Schweickart & Co. Will Admit Partner

Schweickart & Co., 29 Broadway, New York City, members of the New York Stock Exchange and other leading Exchanges, on Jan. 10 will admit Robert J. Hartman to partnership in the firm.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The money and capital markets are entering the new year pretty much in the same vein that they have been following in the last half of 1962. It was through the debt management policy of the Treasury, and the money and capital protecting program of the monetary authorities, that the short-term and long-term areas of the Government market had been kept on very much of an even keel in the year just closed. It is expected that these two same Government operations will continue to be carried on in the coming year so that no important changes are looked for in either the short-term or the long-term sectors of the Government market, unless there is a decline in the economy or the forces of inflation are revived.

The next development that the capital market is looking for is the public offering of long-term Government bonds for new money raising purposes. This $250,000,000 flotation is scheduled for Tuesday, Jan. 8.

Right Pricing Essential

It appears to be the opinion of quite a number of capital market specialists that the level of long-term interest rates as well as the yields of all fixed income bearing obligations during the coming year will be determined in no small measure by the amount of long-term Government bonds that are sold by the Treasury. As previously noted the Federal Government will be along soon with its first public offering of bonds in the amount of $250,000,000 under competitive bidding and the way in which this first new money raising operation is received will have an influence on what develops in the bond market during at least the early part of the year. It is evident that the impending offering of long-term Government bonds will have to be priced right, or in other words, will have to come along on a yield basis which make them competitive with corporate bonds as well as tax-exempt bonds. It is evident that investors who have funds to put into fixed income bearing obligations are not going to make commitments in Government bonds if they are able to make purchases of non-Federal obligations on a more favorable yield basis.

Non-Federal Bonds Must Be "Protected"

The total amount of long-term Government bonds that are sold during 1963 in order to get these securities into the hands of the ultimate investor so as to cut down or at least retard the fears of inflation will dictate the interest rate level for all other bonds. Although it is very desirable to get as many Government issues into the holdings of the ultimate investor as possible because of the need to finance the deficit without increasing the money supply and in this way adding to the purchasing power of the economy, it is not believed, however, that the Treasury will crowd the long-term bond market.

It would not be advisable to have interest rates go up to levels that might retard the offering of non-Federal obligations that are so important in obtaining the funds that are needed to keep the economy moving in the right direction.

Intermediate Bonds Highly Regarded

The intermediate sector of the Government market, in the opinion of some money market specialists, will also be used by the Government in its quest for new funds during 1963. It is believed that a Government bond with a not too long maturity would be very well received by certain investors who are not interested in making commitments in the long-term issues.

It is evident from the way in which the middle-term bonds were received in 1962 that there is a very important demand around for such an obligation or obligations.

Short-Term Yields to Remain Competitive

The short-term area of the Government market in the coming year will most likely be tailored to meet the rates that will be prevailing in other international monetary centers, mainly London. It is evident that we are going to protect the dollar to the fullest extent possible, as well as our gold holdings, and one of the ways in which this will be done is by keeping near-term rates at levels that make them competitive with those in other world money centers.

In this way there should be no important movement of funds from this country to London, particularly since the readily moveable monies will continue to stay here with a satisfactory rate on the most liquid obligations.

Inv. Corp. Names Nash

NORFOLK, Va. — Monroe Nash, Jr. has been elected an Assistant Vice-President of Investment Corp. of Virginia, 215 East Plume Street, members of the New York and Philadelphia-Baltimore-Washington Stock Exchanges.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Obtain Correct Information From Clients

Many people are unaware of the expense and delay involved in processing their business if incorrect information is furnished to a security salesman **when they place an order.** Often, this causes misunderstandings, creates unnecessary friction between the client and salesman, and much extra work for the cashier's department. This was very clearly illustrated by a case I had recently and shows that even the most sophisticated investor should be informed by a salesman when he takes an order from him that all details are correctly spelled out in advance.

I have a customer who has three accounts with my firm. He has been buying and selling securities for many years. The other day he telephoned me and gave me an order to sell some stock in the name of one of the accounts. I was of the opinion that he knew exactly which account owned this stock and, even though it was a cash trade and he held the securities, I didn't ask him if he was certain that I had his instructions properly written down when I took the order. So I proceeded to write up the order exactly as he had given it to me. The transaction was consummated and the Cashier's department sent him a confirmation. Two days later we received a letter telling us that his instructions to me were incorrect. The stock was partly in his name and the balance of the lot which we sold was in the name of his wife. He enclosed certificates and stock powers and asked us to reconfirm the trade according to the amounts owned by him and his wife (the lot was all sold at the same price).

Now just follow the superficial aspects of detail work that had to be accomplished. The first confirmation which stated he sold the stock in the wrong account had to be cancelled. Then two new confirmations were created and mailed to him. Entries in the book-keeping system had to be changed and replaced by corrections. Meanwhile, all this could have been avoided if I had made it clear to the customer that instructions given to a salesman when the original order is placed should always be as correct as possible — as to price, limit, and the proper stock intended to be sold. Today, record keeping in most investment firms is complicated. The rules and regulations have been made more complex—and when we add the burdens of additional government requests for the purpose of tax records that are now also adding to the work load of all security firms who deal with the public, everything a salesman can do to help his firm in this respect also helps his customers.

Many People Just Don't Know

It is difficult for anyone who is intimately connected with the investment business to realize that even people such as the man I have described, and who has a large fortune invested in securities, could attach nothing very important to the fact that he gave me an order to sell some securities in one account and then found out later he wanted them sold in two other accounts. He is a busy man. As far as he could see, what difference did it make to my firm? But it did cause delay for him and if you multiply this case by hundreds of others that could be avoided, the resulting saving for everyone and the better service is readily apparent.

Another sale was made from the account of a very sophisticated investor. He told the salesman to sell several hundred shares of stock in the name of one of his favorite charities. The salesman did so and reported the transaction to the customer. Several days later the charitable institution delivered the stock. It was endorsed by the donor customer and it was still in his name. They fully expected to be paid upon delivery of the stock. The broker had no written evidence that indicated he had the right to pay them. A letter from the client had to be secured stating that he had made a gift of the subject stock, the date of the gift, and the certificate properly identified. Yet, here was an experienced businessman who had made a valuable gift to a responsible charity—he no doubt had properly verified the gift by records in his office; yet he expected payment to be made on this transaction by his investment broker to this charitable institution on the basis of nothing more than a telephone call to his registered representative.

Much delay—wasted time—and customer inconvenience can often be avoided by the salesman if he makes a point of clarifying even such simple items as these—before the transaction takes place or when it is confirmed, rather than waiting until the settlement date to do so.

Flooding Nation With Money Will Not Solve Our Problems

Continued from page 1

tive problems exist for international reasons, and in these cases a strong enterprise economy expects the necessary adjustments to be made through the efforts of such industries themselves.

Even if our country did not suffer from an international payments deficit, our Government would still have to pursue the twin goals of orderly and vigorous economic growth and overall price stability. The payments deficit provides merely another circumstance that the Federal Reserve must consider if it is to make an effective contribution to the fulfillment of the goals set by the Employment Act.

International Role of The Dollar

In reaching our decisions on domestic monetary policy then, the Federal Reserve cannot ignore our international financial problems. There might be countries or times in which there could be enough leeway to do so. But the United States is not such a country and the present is not such a time.

The United States at present is the financial leader of the free world, and the U. S. dollar is the main international currency of the free world. As long as this leadership exists, we are obliged to keep our policies compatible with the maintenance of the existing international payments system.

The increase in the volume of world trade and finance since World War II has led to an unprecedented integration of the world economy. This economy has become ever more closely bound together by ties of trade, investment, communication, transport, science and literature. Financially, the world economy has become coordinated by an international payments system in which the dollar serves both as a major monetary reserve asset and as the most important international means of payment. And the reliance that the world has come to place on the dollar requires that the dollar be always convertible into all major currencies, without restriction and at stable rates, based on a fixed gold parity.

It is in the light of the special international role of the United States and its currency, and therefore of the responsibilities of the Federal Reserve, that a Federal Reserve concern with maintenance of our gold stock, our balance of payments, and stability of the dollar exchange rate must be understood.

Above all, we must always have in mind that the role of the dollar in the international payments system is founded upon freedom from exchange restrictions. Whatever temporary advantage might be gained for our payments deficit by controls over capital movement or other international transactions would be more than offset by the damage such controls would do to the use of the dollar internationally.

Role of the U. S. Gold Stock

A persistent decline in our gold stock is harmful to the U. S. economy for two reasons. First, it endangers our international liquidity position, i.e., our continuing ability to convert on demand any amount of dollars held either by foreigners or by U. S. residents into any other currency they may need to settle international transactions. Second, because of our long-established domestic reserve requirements, a declining gold stock fosters uneasiness about a curtailed Federal Reserve flexibility to pursue domestic monetary policies otherwise regarded as appropriate and desirable.

Sometimes it is suggested that the decline in our gold stock could be avoided if we gave up our policy of selling gold freely to foreign monetary authorities for monetary or international settlement purposes. But a decline in our gold stock stems from the deficit in our international payments rather than from our gold policy.

A payments deficit initially means an accumulation of dollars in the hands of foreigners, as virtually all of their commercial or financial transactions with residents of the United States are settled in dollars. If foreign corporations or individuals choose not to hold dollars, they convert them into their own or into other foreign currencies; in either case, the dollars fall eventually into the hands of one foreign central bank or another.

If in turn the foreign central bank acquiring dollars chose not to enlarge its dollar holdings, and if it could not convert its dollar receipts into gold, it would present dollars to us for redemption into its own currency. Once U. S. holdings of that currency, including credit availabilities, were exhausted, we could acquire the currency only by selling gold. If the U. S. declined to sell gold in such circumstances, foreign private recipients of dollars could no longer count on converting dollars at par into their own or other foreign currencies.

Thus, a gold embargo would terminate the convertibility of the dollar at fixed values, not just into gold, but into any foreign currency. This would obviously be the end of the dollar as a currency that bankers, merchants, or investors could freely use to settle their international obligations.

Since there is a statutory linkage between gold and our domestic money supply, through the minimum gold certificate reserve requirements of the Federal Reserve Act, consideration must also be given to the effect of changes in the U. S. gold stocks on the gold certificate reserve ratio of the Federal Reserve Banks. At present, this ratio still exceeds the required minimum of 25% both against Federal Reserve Bank deposits and against Federal Reserve notes. Should it fall below that minimum, the Board of Governors would have full authority to suspend the Reserve Bank gold certificate reserve requirements.

Some interest has been expressed in the mechanics of suspending these requirements. Let me summarize them at this point in briefest form. Upon action to suspend requirements, the Board of Governors would have to establish a tax on the Reserve Banks graduated upward with the size of their reserve deficiencies. The tax could be very small for as long as the reserve deficiencies were confined to the reserve against deposits and the first five percentage points of any deficiencies against Federal Reserve notes. If the reserve deficiencies should penetrate below 20% of Federal Reserve notes outstanding, the tax would undergo a fairly steep graduation in accordance with statutory specifications.

The Federal Reserve Act further specifies that, should the reserve deficiencies fall below the 25% requirement against notes, the amount of the tax must be added to Reserve Bank discount rates. But if the reserve deficiencies were confined to reserves against Reserve Bank deposits, the required penalty tax could be nominal and no addition to Reserve Bank discount rates would be necessary.

Balance of Payment Target—Shortfall

It is perhaps easier to talk about this subject just now when the gold stock has shown no change for two months. But our progress this year in rectifying our international payments disequilibrium has fallen short of our target, in part because of a rise in our imports of $\$1\frac{1}{2}$ billion. Hence, we must now intensify our efforts to re-establish payments balance. And until we have regained equilibrium, we shall have to be prepared to settle some part of any deficits experienced through sales of gold.

Nevertheless, any decline in our gold stock large enough to bring its level significantly below the gold certificate reserve requirement of the Federal Reserve could raise further questions about maintenance of dollar convertibility. And it could also lead to heavy pressures on the U. S. monetary authorities to take strong deflationary action that might be adverse to the domestic economy, or, alternatively, to pressures on Congress to devalue the dollar, a subject to which I return later. It is of utmost importance, therefore, to shorten as much as possible the period in which further large decline in our gold stock will occur and to hasten the arrival of a period in which our gold stock may from time to time increase.

The point I should like most to emphasize here is the following: No questions exists or can arise as to whether we shall pay for the debts or liabilities we have incurred in the form of foreign dollar holdings, for that we most certainly must do—down through the last bar of gold, if that be necessary. What is in question is how we best manage our affairs so that we shall not incur debts or liabilities that we could not pay.

Balance of Payments

To maintain the credit-worthiness of the United States, to support confidence in the dollar, to check the decline in our gold stock, to bring our international payments and receipts into balance without interfering with the convertibility of the dollar—these objectives are all synonymous one with another. We in the Federal Reserve are concerned about the balance of payments because it is vital that the full faith and credit of the United States not be questioned.

Our international payments deficit this year was less than one-half of one percent of our gross national product. That deficit did not represent a decline in our international wealth because the rise in our foreign assets exceeds the drop in our net monetary reserves. Yet the deficit was of vital concern in that it extended by one more a series of large deficits, a series that has now persisted for five years.

A payments deficit means either a decline in U. S. gold or foreign exchange reserves, or an increase in U. S. short-term liabilities to foreigners. In either case, it worsens the ratio of reserves to liabilities; in other words, it weakens the nation's international liquidity position.

The United States, as the free world's leading international banker, can fulfill its role only if it keeps the confidence of its depositors. No banker can suffer a continuous decline in his cash-deposit ratio without courting danger of a run.

The best method to combat a payments deficit is to improve the competitive position of our export industries and our industries competing with imports. This method can be effective only in the long run, but in the long run it is bound to be effective. And its accomplishment will have an expansive rather than contractive influence on our domestic economy as a whole.

Dollar Exchange Rate

Some economists have argued forcefully that as a general principle a country, suffering at the same time from external deficit and from domestic unemployment, should devalue its currency, either by a shift to a floating rate or by a change in its gold parity. But if there ever is any merit to that argument, say in the case of countries whose currencies are not extensively used in international transactions, it is not applicable to the United States. This is so because the United States, as the world's leading banker, is responsible for a large part of the monetary reserves of foreign countries, and for the great bulk of the international working balances of foreign bankers, traders, and investors. We have accepted these balances in good faith and as I said earlier, we must stand behind them.

Whatever other consequences would follow from a devaluation of the dollar, I am convinced that it would immediately spell the end of the dollar as an international currency and the beginning of a retreat from the present world role of the United States that would produce far-reaching political as well as economic effects. It would, in my judgment, invite the disintegration of existing relationships among the free nations that are essential for the maintenance and extension of world prosperity and even world peace.

It has sometimes been suggested that we could maintain the dollar as an interntional currency simply by giving a gold value guarantee to some or all foreign holders of liquid dollar assets. At first glance, it might seem a good idea for a foreign central bank or a foreign investor to own an asset that would be not only as good as, but actually better than gold: a kind of interest-bearing gold. But I do not think that the suggestion for a gold value guarantee is realistic.

First, if foreign holders of dollars did not trust our repeated assurance that we would not devalue the dollar, they would hardly trust our assurance that, if we devalued the dollar contrary to our previous assurance, we would do it in such a way that some or all foreign holders would be treated better than domestic holders.

Second, I do not think it would be possible to limit effectively a gold value guarantee to the dollars held by some or all foreign holders; and if it were possible to make an effective distinction between foreign and domestic holders, this would amount to unjustified discrimination against domestic holders. In my judgment, neither Congress nor public opinion would tolerate any such discrimination.

In spite of our international payments deficit, the United States has refrained from drastically cutting Government expenditures abroad for defense or for economic aid, and from curtailing the freedom of capital movements. To have done otherwise would have undermined our position of economic and political leadership of the free world. So would any failure on our part to maintain the established par value of the dollar.

Role of the Federal Reserve

Within the limitations set by the international role of the dollar, what can the Federal Reserve do to achieve its domestic policy goals together with contributing to the achievement of international balance?

My friends sometimes accuse me of being a chronic optimist. But I believe that we can find ways of furthering our domestic economic aims while, at the same time, we are making progress in overcoming our payments problem internationally. And I believe that these ways will contribute better to sustainable economic growth than would flooding the economy with money.

Indeed, my present feeling is that the domestic liquidity of our banks and our economy in general is now so high that still further monetary stimulus would do little if any good—and might do actual harm—even if we did not have to consider our payments situation at all. This means that if any additional governmental action is needed in the financial field in order to give fresh expansive impulse to the economy, it would probably have to come from the fiscal side. The part played by monetary policy, from both an internal and external point of view, would then be mainly supplementary and defensive.

In this context, monetary policy would have to be on guard against two dangers: first, the danger that too rapid domestic monetary expansion would eventually produce rising domestic costs and prices as well as unwise speculation and in this way curtail exports and over-stimulate imports; and, second, the danger that too easy domestic credit availability and too low borrowing costs would encourage capital outflows.

For the past few years, monetary policy has already contributed to the needed stability of the domestic price level, while prices in some other important industrial nations have been under steady upward pressure. In specific terms, Federal Reserve policy has been seeking to maintain a condition of credit availability that would be adequate for domestic needs while avoiding any serious deterioration of credit standards or any widespread speculative reliance on credit financing and at the same time limiting the spill-over of credit funds—short-term and long-term — into foreign markets.

Nevertheless, our monetary policy has remained easier through this economic cycle than during previous cycles because that has seemed to be needed in a domestic situation of lagging longer-term growth and a less-than-robust cyclical expansion. In balancing the scope and the limitations of our monetary policy, however, I am convinced that, within limits imposed by human imperfection, the Federal Reserve has paid neither too much nor too little attention to our international payments problem.

As I mentioned at the outset, criticism of our policy through this economic cycle hsa been about equally divided between two groups. The first complains that we have violated the classical principle of an international payments standard based on fixed exchange rates by failing to contract our money supply in the wake of a decline in our gold reserves. The second complains that we have neglected our duties to the domestic economy by permitting the decline in our monetary reserves to have some impact on our money markets, especially on short-term interest rates.

If all criticism had come from one side only, I would still believe it unjustified. But the very fact that criticism comes from both sides inclines me even more strongly to the comforting thought that we have been keeping to the golden mean.

Foreign Currency Operations

The Federal Reserve has not been content to limit its participation in solving the country's payments problem to its traditional tools of monetary policy. It has felt a particular need to set up defenses against speculative attacks on the dollar pending an orderly correction of our payments disequilibrium. And it has felt a more general need to cooperate directly with foreign central banks in efforts to reinforce the international payments structure. Recognition of these needs underlies the decision that we took just a year ago to participate on Federal Reserve account in foreign currency operations.

Since the Treasury also engages in similar operations, Federal Reserve activities have had to be, and will continue to be, conducted in cooperation with those of the Treasury. Smooth coordination has been facilitated by the fact that the instructions of both agencies are carried out through the same staff members of the Federal Reserve Bank of New York, headed by Mr. Charles A. Coombs, Vice-President in charge of the Foreign Department of that Bank and Special Manager for Foreign Currency Operations of the Federal Open Market Committee. At the same time, both the Board of Governors and the Federal Reserve Bank of New York have endeavored to maintain close contact with the central banks of foreign countries, bilaterally as well as through regular meetings of the Organization for Economic Cooperation and Development in Paris and the Bank for International Settlements in Basle.

The most important foreign currency activity of the System thus far has been the conclusion of reciprocal currency arrangements with leading foreign central banks and the Bank for International Settlements. Under these arrangements, the System acquires, or reaches agreement that it can acquire on call, specified amounts of foreign currencies against a resale contract, usually for three months. Concurrently, the foreign central bank acquires, or can acquire on call, an equivalent amount of dollars under resale contract for the same period.

In these contracts, both parties are protected during the active period of a swap arrangement against loss in terms of its own currency from any devaluation or revaluation of the other party's currency. These arrangements, of course, are subject to extension or renewal by agreement. Interest rates paid on the deposit or investment of funds acquired through swaps are set at equal levels for both parties, in the neighborhood of the current rate for U. S. Treasury bills, so that, as long as neither party utilizes any of its currency holdings, there is no gain or loss of income for either.

So far, agreements have involved a total approximating $1 billion. For the most part, they are stand-by arrangements. Only a small fraction of actual currency drawings has been utilized for market operations. And a large part of amounts so utilized has been reacquired, and used for repayment of the swap drawings.

In entering into swap arrangements, the Federal Reserve has had three needs in view. First, in the short run, swap arrangements can provide the System with foreign exchange that can be sold in the market to counter speculative attacks on the dollar or to cushion market disturbances that threaten to become disorderly.

Second, swap arrangements can provide the Federal Reserve with resources for avoiding undesired changes in our gold stock that may result when foreign central banks accumulate dollars in excess of the amounts they wish to hold, especially if these accumulations seem likely to reverse themselves in a foreseeable period.

Third, when the U. S. balance of payments has returned to equilibrium, swap arrangements with other central banks may be mutually advantageous as a supplement to outright foreign currency holdings in furthering a longer-run increase in world liquidity, should this be needed to accomodate future expansion of the volume of world trade and finance.

Concluding Remarks

As long as the U. S. balance of payments is in overall deficit, and we are therefore losing rather than gaining monetary reserves, on balance, the Federal Reserve cannot expect to accumulate outright large amounts of foreign exchange. Meanwhile, System holdings of foreign currencies will necessarily be limited to relatively small amounts, swollen on occasion by swaps.

But over the longer run, the System may find it useful to increase gradually its foreign currency holdings and operations. This development could be modified, of course, by further changes in the institutional framework of our international payments system. For this reason, the Board's staff, in cooperation with the staffs of the Treasury and other interested agencies of the Government, is carefully scrutinizing the various recent proposals designed to adapt, strengthen or reform this framework.

Whatever the fate of these reform proposals, it seems likely that Federal Reserve operations in the international field will need to be continued for the forseeable future. The Federal Reserve's involvement in foreign exchange problems is the inevitable consequence of its role as the central bank responsible for the stability of the world's leading currency. Such a responsibility necessarily carries with it the responsibility for helping to preserve and improve the existing international monetary system, thus to contribute to the stability and prosperity of the free world.

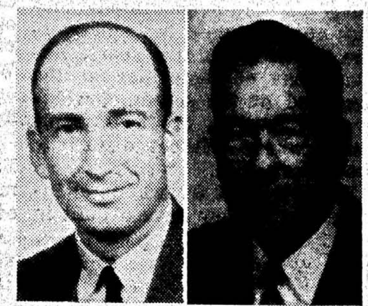
*An address by Mr. Martin at the Joint Luncheon Meeting of the American Economic Assn. and the American Finance Assn., Pittsburgh, Penn., Dec. 28.

Hemphill, Noyes To Admit Three

On Jan. 10, Hemphill, Noyes & Co., 8 Hanover Street, New York City, members of the New York Stock Exchange and other leading Exchanges will admit to partnership Joseph R. Carson, Milton J. Rusnak and Robert M. Wohlforth. Mr. Carlson is Co-Manager of the firm's Philadelphia office, 1401 Walnut Street.

Calvert Partner In Austin Firm

SAN ANTONIO, Tex. — Jonathan C. Calvert has been admitted to partnership in the firm of E. H.



Jonathan C. Calvert Edward H. Austin

Austin & Co., members of the Midwest Stock Exchange.

He joins Edward H. Austin and Elmer W. Dobbins in the firm which will be known as Austin, Dobbins & Calvert. Offices are in the National Bank of Commerce Bldg.

Mr. Calvert formerly was associated with Kidder, Peabody & Co. in their New York and Chicago offices and more recently was resident manager of the San Antonio office of King, Nelson & Calvert, Inc.

A graduate of Princeton, he served as a Marine Corps captain in Japan and Korea.

To Be V. P. of Cruttenden Co.

CHICAGO, Ill. — James R. Cruttenden has joined Cruttenden & Co., Inc., Los Angeles-based investment firm, as vice president in charge of Midwest operations, with offices at 120 South La Salle Street. He will conduct a general investment business and will represent Cruttenden & Co., Inc., as a specialist on the floor of the Midwest Stock Exchange.

James R. Cruttenden

Mr. Cruttenden, formerly a partner in the firm of Cruttenden, Podesta & Miller, represented that firm as specialist on the Midwest Stock Exchange the past three years.

Local area stocks in which Mr. Cruttenden specializes include: Brunswick Corp.; Container Corp. of America; Business Capital Corp.; Webcor, Inc.; Chicago, South Shore & South Bend R. R., and Stanray Corp.

The California-based firm of Cruttenden & Co., Inc.—underwriters, dealers and distributors of corporate securities—was formed in 1960 by Walter W. Cruttenden, Jr., a brother.

Wagner, Stott To Admit Partner

Wagner, Stott & Co., 20 Broad Street, New York City, members of the New York Stock Exchange, has admitted Donald B. Stott, a member of the Exchange, to partnership. Mr. Stott has been active as an individual floor broker.

Growth of Municipal Bonds And Purchases by Banks

Continued from page 7

length of a bond account. I believe that Municipal Bond holdings of most banks have an average life of about five years. Replacement of maturities at the long end of the schedule, whatever it may be, produces maximum income without disturbing the average life.

Being exempt from Federal Income Taxes, they have a built in value not found in any other security. In some states, such as Indiana, Pennsylvania and certain others, Municipal Bonds are exempt from local intangible taxes. While this is of no value to an outside holder, it does add to the market value of those issues.

The tax advantage of Municipal Bonds is quite evident in today's market as indicated in the following examples.

"A" Rated Municipals	Current Yield	Taxable Equivalent 52% Bracket	Taxable Equivalent 30% Bracket	Current Yield U. S. Govts.
1 year	1.60%	3.33%	2.29%	2.90%
5 years	2.10	4.38	3.57	3.60
10 years	2.50	5.21	3.57	3.73

Unless we can persuade ourselves that there is good prospect for materially lower taxes over the foreseeable future, the tax exempt feature of Municipals should continue to be very important.

Another built in value of Municipal Bonds is their scarcity value. This may seem odd, with the millions being sold, but there are many communities that seem to have a certain charm that attracts buyers of their bonds. There often develops a maturity shortage. A large order may develop for say five year or ten year "AA" rated bonds and they aren't to be found.

I believe that most banks are inclined to favor Municipal Bonds of their own communities. This is a normal tendency of all of us to favor investments we know most about. Financing our own Municipalities is as important as financing our own industries. They are also usually good depositors.

Marketability — Municipal Bonds

Not too long ago, the impression prevailed that all Municipal Bonds had limited marketability. It was also understood, and rightly so, that the spread between the bid and asked sides of the market was unusually wide. While Municipal Bonds aren't traded as actively as U. S. Governments, I believe that their marketability has become well established. This is particularly true for so-called general market names (issues of larger Municipalities). It is true that many smaller issues do have limited marketability. Usually the local demand consumes these smaller issues and the problem of marketability is not as great as it might seem. The most important factor of improved marketability is one of supply. The increased supply (now $75 billion outstanding) has increased trading activity much the same as it has with U. S. Governments. Daily trading in Municipals now averages about $30 million. This is in addition to an equal amount of new issues daily brought to market.

To handle the increased volume the industry has developed improved tools of trade. Municipal Bonds are now being issued in $5,000 denominations reducing handling by 80%. Legal opinions are printed on the bonds themselves. Dollar prices are carried only to the third decimal as compared to the former six places. Regular delivery is now the fourth day after the date of trade. Computers are used to figure tickets, greatly reducing errors. For many years the "Daily Bond Buyer" the trade publication of the industry, has carried news reports as well as Notices of Sale of the majority of all new Municipal issues. This paper has expanded its coverage to include pertinent data concerning financing other than Municipal which is helpful to the underwriter. They also supply financial reports on all large new issues of Municipals coming to market.

"The Blue List", published daily by the Blue List Publishing Company, New York, carries offerings of a majority of Municipal Bonds for sale in the market. This publication, started in 1935, now has a daily circulation of 3,600 copies. Subscribers are limited to registered security dealers, large banks, insurance companies and fraternal organizations. Total listings range between 250 and 600 million. The list provides an excellent quick reference to available offerings arranged according to states.

The activities of Municipal Bond brokers are additional evidence confirming the volume of Municipal trading that occurs in the secondary market. These firms are now numbering about a dozen, deal only with dealers and dealer banks. They carry no inventory, trading only on commission. These commissions range from one-sixteenth of 1% on short maturities, one-eighth of 1% on round amounts to one-fourth of 1% on odd lots. One of these firms has recently installed a private teletype wire system that solicits bids and shows offerings simultaneously to about 70 leading dealers and dealer banks. Hooked into the system is a high-speed tape recorder that transmits the output of the sixty words a minute teletypewriter machines to an outlet in the midwest at the rate of 1,600 words a minute.

The Municipal Bond market has few gyrations. Movement from day to day is gradual. Being traded on a yield basis, it is not uncommon for the yields to remain the same for weeks at a time on a given offering and have it still be at the market. They are also seldom refunded at maturity.

Municipal Credit Appraisal

As I mentioned earlier, Municipal Bonds should not be purchased blindly but with a reasonable set of rules. Ratings alone are not sufficient evidence that a bond enjoys broad marketability. We endeavor to make our own appraisals and consider the following points.

Most important is the soundness of the economy. Is the industry well diversified? If it is a residential area, how good are the homes? Fast growing communities may be over-indebted. Is this true? Are the public officials well regarded?

How heavy is the debt? Per capita direct debt for cities of the 100,000 population group should not be over $100.00 to $125.00 and, including overlapping debt not over $200.00 to $225.00 per capita. Smaller communities should have smaller per capita debts than large cities. What is the ratio of debt to assessed valuation? Smaller communities should not have debt ratios higher than about 5% of assessed valuation and larger communities not over 10%. Including overlapping debt, the ratio should not be over 10% in either case.

Per capita assessed valuation should not be below $1,500.00. The average would be somewhat higher than this, about $2,000.00 I believe. A statement of taxes levied and collected should be included in all offering circulars. Collections below 95% should be watched. A statement of receipts and expenditures is desirable. Are current operations in the black?

While we do not buy bonds on ratings alone, we recognize their value. Both "Moody's" and "Standard and Poor's" rate Municipal Bonds. Unless you are particularly adept at appraising Municipal credits, it would be advisable to use only rated bonds, except in your own community where the credit is well known.

The First National Bank of Chicago—What We Do About Municipal Bonds

Our bank has been interested in Municipal Bonds almost as long as we have been in existence. We deal in them actively in our Bond Department. We have also been steady investors in Municipals, maintaining a substantial portion of our Investment Account in this class of security. At the present time, we have over $300 million in Municipal Bonds. This is about 8% of our total assets. This ratio is about the average for the 100 largest banks in the country. The highest ratio I have seen for any of the 100 largest banks is near 20% of total assets. We have added over $150 million in Municipal Bonds to our Investment Account this year and have confined our purchases largely to general market names and general obligations. We hold very few Revenue Bonds. However, our local Tax Warrant holdings are usually substantial and might be included in the Revenue category. While we do not confine our purchases to any particular rating classification, it happens that 95% are rated "A" or higher by "Moody's." We also endeavor to diversify as much as possible. In checking our records, I find that we own bonds in 45 states. Historically, we have confined our purchases to maturities not over approximately 12 years, but with the recent increase in our total holdings, we have extended maturities somewhat.

Revenue Bonds

While most of my comments have been confined to general obligation bonds, I don't intend to ignore the importance of Revenue Bonds. We are not permitted to underwrite them for distribution to our customers, but recognize that certain public facilities would not exist without this type of financing. "Moody's Investors Service" classified them into three categories as follows:

(A) Utility:

(1) Bridge, Tunnel or Toll Highway
(2) Electric Light and Power
(3) Gas
(4) Public Transportation
(5) Off-street Parking Facilities
(6) Water
(7) Multiple purpose, the more common combinations being electric and water, water and sewer

(B) Quasi-Utility:

(1) Airport
(2) Dock and Terminal
(3) Hospital
(4) Public Market
(5) Public Garage

(C) Non-Utility:

(1) Gasoline Tax, Cigarette Tax, Beer Tax, Utility, Excise Tax, etc.
(2) Rentals of Public Buildings
  (a) To another governmental agency
  (b) To the public generally
    (1) Educational Facilities
    (2) Recreational Facilities
  (c) To private persons or corporations

The primary consideration in appraising a Revenue Bond is the nature of the project being financed. Is it a sound, well conceived project that will benefit a large segment of the population? The Utility type bonds of "Moody's" classification meet this requirement. Of course, a satisfactory record of earnings is mandatory.

Toll Road Bonds with few exceptions are not eligible for bank investment. However, their success is additional proof of the public's willingness to pay for luxuries in municipal services. Only 4 of the 39 separate major Toll facilities are failing to earn annual interest charges. There are about $5 billion in bonds outstanding which were issued by the major Toll Road and Bridge Authorities. There undoubtedly will be more of this type of Revenue financing in the years ahead.

Authorities are a relatively new vehicle used by many states to finance projects that normally would be undertaken by states or cities. The General State Authority of the Commonwealth of Pennsylvania, Indiana School Building Corporations and the nine Georgia Authorities are typical examples. The function of these Authorities is all about the same, that is to construct the facility to be used by the state or city on a rental basis. The Controller of the Currency has recently ruled that bonds of the Georgia Authorities are General Obligations of the State of Georgia and as such are eligible to be underwritten and sold by commercial banks.

Market Outlook

During the year 1962 the Municipal market fluctuated in a comfortably narrow range. The highest rates were at the beginning of the year and the lowest were in May. The range in long term yields was about three-eighths of 1%.

Looking ahead to 1963, we should weigh carefully factors that might influence prices, particularly in the next few months. Volume of new financing in 1963 should be equal to or possibly somewhat greater than 1962. It seems doubtful that commercial banks will repeat the crash program to add Municipals to their Portfolios in the volume that they did in 1962. However, the full impact of the change in Regulation "Q" has not been entirely absorbed and bank buying will undoubtedly be a continuing factor. Individuals and trusts, still the largest holders of Municipals, might become a more important factor in the Municipal market with the disappointing performance of the stock market this year.

Should there be a reduction in Corporate Income Tax rates, Municipal interest rates could rise sharply. A 10% reduction or from 52% to 47% would be a 9.44% change in yield. A reduction of 45% would be a 12.80% change in yield. Applied to a bond now selling to yield 3.00%, these changes would move the yield up to 3.28% and 3.38% respectively.

Whether or not there will be a change in income taxes we are uncertain, but we do know there has been considerable conversation on the subject.

Considering these factors, plus others almost equally important, it is my personal opinion that the Municipal market will be somewhat lower in the immediate months ahead.

The Bond Buyer 20 Year Bond Index in the past five years has ranged from 2.85% to 3.81%. It is now at 3.05%. I can never stray too far from a high grade marketable tax exempt security that pays 3% interest. The highest Bond Buyer 20 Year Bond Index was 5.69% reached on May 1, 1933, the year when most of those present in this room paid no income taxes.

Municipal Briefs

Number 1. What is meant by Bond Buyer 20 Bond Average? This is the average current market yield on 20 year maturities of the following 220 Municipal Bonds. Illinois, New Jersey, New York State, Public Housing Authorities, Baltimore, California, Cleveland, Los Angeles, Massachusetts, Memphis, St. Louis, Chicago, Detroit, Houston, Nassau County, Newark, New York City, Oklahoma City, Philadelphia and Boston.

Number 2. How do you compute the yield on bonds when only the price is known?

Problem—5-year 2¾% Bond at 106. What is yield?

Average amount invested for 5 years is $1,030 (when purchased $1,060, when due $1,000 average $1,030). Amortized income (coupon $27.50 less amortization $12,00, net $15.50 per year). $15.50 divided by average investment $1,030 equals yield of 1.50%.

Number 3. Municipal Bonds purchased at a discount and sold at a higher price or maturing at par are subject to a taxable gain. The exception to this rule is important. Municipal Bonds originally issued by a Municipality at a discount price would not be subject to taxable gains if sold or redeemed at a price not higher than what the amortized value of the bond would be on the date sold or redeemed. When buying discount bonds the issue price should be known.

A wise old gentleman once said to me: "You can only run **one** bank." He might have said: "What is sauce for the goose may **not** be sauce for the gander." Whether or not this old proverb applies to the subject of Municipal Bonds, I'm not quite certain, but I think he was trying to tell me that every man must decide what is best for his **own** bank.

*An address by Mr. Berquist at his bank's recent annual conference of bank correspondents, Chicago, Ill.

Stein Roe Admits Four

CHICAGO, Ill.—Stein Roe & Farnham, investment counsel, announced the admission of four new partners to the firm including James K. Hotchkiss, Alfred F. Kugel, Seth L. Szold and Anthony


J. K. Hotchkiss


Alfred F. Kugel


S. L. Szold


A. G. Zulfer Jr.

G. Zulfer, Jr. All four new partners are in the firm's Chicago office, 135 South La Salle Street.

Mr. Hotchkiss joined the firm in 1956 and was previously an economic analyst with United Airlines. He is a graduate of Dartmouth College and took his master's degree at the University of Chicago. He is also Assistant Secretary of the Stein Roe & Farnham Stock Fund.

Mr. Kugel joined the firm in 1953 and is a graduate of Washington University and holds a MBA degree from Harvard. He is a member of the Investment Analysts Society of Chicago and the American Petroleum Institute.

Mr. Szold originally joined Stein Roe & Farnham in 1937 and, after a period in the Navy and in investment banking and the chemical industry, returned to the firm in 1957. He holds a degree from the University of Chicago and serves as a member of the finance committee of the Girl Scouts of Chicago.

Mr. Zulfer joined the firm in 1953 and is Secretary of the Stein Roe & Farnham Stock Fund and Assistant Secretary of the Stein Roe & Farnham Balance Fund. He is a graduate of Amherst College and holds a master's degree from Harvard Business School.

Savings Banks Review Taxpayer Interest Data

Proceedings of a Conference on Taxpayer Account Numbering and Interest Reporting, conducted last month by the National Association of Mutual Savings Banks, were issued Dec. 31 in a 76-page book by the National Association.


Dr. Grover W. Ensley

Operational procedures and public relations aspects of obtaining taxpayer account numbers and reporting interest payments of $10 or more to the Treasury and to depositors, as required under the new tax law and regulations, were discussed at the all-day Conference, attended by more than 600 representatives from some 300 mutual savings banks.

The Proceedings comprise presentations by seven firms offering equipment and services to savings banks in their development of prodecures for complying efficiently with the new law. Members of the National Association's Committee on Savings Bank Internal Operations suggested operational procedures for both the larger and smaller savings banks. A wide range of specific questions raised from the floor were discussed by a panel of operational and tax experts drawn chiefly from the savings banking industry.

The Proceedings also include informal remarks made at the luncheon session by Edward P. Clark, Chairman of the National Association's Committee on Taxation. Mr. Clark is also President of the Arlington Five Cents Savings Bank, Mass., and is a Past President of the National Association.

In his foreword to the Proceedings, Dr. Grover W. Ensley, Executive Vice-President of the National Association, noted the great interest among savings banks in planning effective compliance with the new law and regulations. In so doing, Dr. Ensley noted, "savings banks can materially assist the Treasury in collecting all taxes due on interest and dividends by means short of withholding."

Heads Bank Division In Legal Aid Drive

William H. Miller, Senior Vice-President of the Manufacturers Hanover Trust Company, is heading the Commercial Banks Division of The Legal Aid Society's 1963 Campaign for funds.

He is in charge of the National Division with responsibility for commercial and correspondent bank business throughout the United States, outside of New York City. He is a Director of the Transcontinental Insurance Company of Hartford, Legal Aid Society, and a member of the Association of Reserve City Bankers, the Union League, Madison Square Garden, and The Economic Club.

This is the sixth consecutive year that Mr. Miller has raised funds for the Society, which provides legal services and court representation to New Yorkers who cannot pay a private lawyer. The work is supported by voluntary contributions, and an intensive drive is planned to raised $1,021,000 to cover greatly expanded services in 1963.

MUTUAL FUNDS

BY JOSEPH C. POTTER

In Perspective

The annual report of the Investment Company Institute, central organization of our mutual-fund trade, now is available. This 16-page study, covering the 21st year of activity by this service organization, provides highly interesting reading, especially since it follows the most trying year the funds have known.

On the very last page of this study is a quotation from remarks by Charles H. Schimpff, Chairman of I. C. I., which should give perspective to the role of this daddy of the growth fields. It was taken from Mr. Schimpff's address made to the opening of the 1962 general membership meeting of I. C. I. He said, simply and to the point:

". . . Ours is a service industry and there is no mysterious cause for its growth. We have evolved a satisfactory method of providing a service for which there is a growing demand and we perform this service at an economic price. It is just as simple as that: a satisfactory way of providing, at an economic price, a service for which there is a growing demand. . . . So long as we continue to justify the confidence of our shareholders we shall continue to grow. In the final analysis, our future lies with us."

Mr. Schimpff, in the report, does not gloss over the fact that this latest year was "occasionally trying" for the trade. He mentions, as examples, the wide fluctuations in the marketplace and growing Government scrutiny of the funds.

"I think we can be proud of the results of these tests to date," he comments, "because our industry once again has proven its basic soundness. In the face of the stock market decline our almost 3,000,000 shareholders demonstrated that they are generally fully aware of both the risks and the potential rewards of equity ownership and understand the long-term nature of an investment in mutual funds. As we in the business knew would be the case, there was no 'run' of redemptions. The market decline also demonstrated, as indicated by institute statistics, the value of the professional approach to investment management in times of market stress."

Turning to the Wharton School review of the mutual funds, Mr. Schimpff would seem to have struck the right note. Says he:

". . . The Wharton School Study, while controversial in some respects, also revealed the basic soundness of our industry. Among other things, it reports no evidence of any wrongdoing in our business and that the size individual companies is not now a problem."

"It is scarcely a secret that the funds are not entirely popular within the investment community. Some people see them as competitors. Others feel they could do a better job—and for less money—for the investor. Still others can scarcely conceal their irritation at not having moved into the field a long time ago.

Of course, the billions of dollars that investors have channeled into the fund field would have flowed elsewhere, some into the get-rich-quick speculative ventures familiar enough in this century and not wholly unknown in recent years. No man can say how useful the mutual funds have been in these postwar years when bull fever was rampant on more than one occasion.

If the men who got into the fund field early have done extremely well for themselves, there is no question that they have performed well for millions of investors, small and large. While purchasers of fund shares, humanly enough, have been known to complain that their investment ought to grow faster, no one has protested to date that he "went to the cleaners" by buying fund shares.

Surely, on serious reflection, everyone must be grateful that some $20 billion of investments were in the hands of skilled professional management during the Spring debacle in the stock market. It might well have been a different story for this country if anything like that sum had instead been held by highly emotional people, gripped by fears of another collapse.

As long as the leaders of the fund trade cling to the highest business standards, they need feel no shame about the record, whether the market rises or falls. If they will but do that, given their unique talents, we shall all be in their debt — investors, the financial community and, indeed, a whole nation.

The Funds Report

American Business Shares, Inc. reports that at the close of the fiscal year on Nov. 30 total net assets amounted to $26,233,749, equal to $4.36 a share. At the end of the previous fiscal year assets aggregated $29,088,942, or $4.98 per share.

* * *

Financial Industrial Fund, Inc. reports that at Nov. 30, marking end of the first quarter of its fiscal year, total net assets were $229,447,874, or $3.93 per share, compared with $262,667,837 of assets and $5.08 a share a year earlier. At the end of the last fiscal year on Aug. 31 assets amounted to $210,689,370, equal to $3.76 a share.

* * *

Loomis-Sayles Mutual Fund reports that at Oct. 31, end of the fiscal year, total net assets were $90,003,088, or $13.40 per share. This compares with $101,595,446 of assets and $16.52 per share at the end of the preceding fiscal year.

* * *

Massachusetts Investors Growth Stock Fund reports that at the end of the fiscal year on Nov. 30 total net assets amounted to $540,893,815, or $7.38 per share. This compares with assets of $582,008,992, or $9.37 a share, at the end of the preceding year.

During the final quarter of its year the company added Connecticut General Life Insurance and Varian Associates to the portfolio while eliminating its investments in American Home Products, American Photocopy Equipment, General Motors, Republic Natural Gas and Schering Corp.

Philip C. Smith has been elected a director of **National Securities & Research Corp.** He was elected Senior Vice-President in charge of sales last June.

* * *

Nation-Wide Securities Co., Inc. announces that at Nov. 30 total net assets were $46,404,487, or $20.89 a share, against $46,593,123 of assets and $23.49 a share a year earlier.

* * *

Chester D. Tripp, President of **Television-Electronics Fund, Inc.**, announces appointment of Harry C. DeMuth to the board. He fills the unexpired term of the late Richard E. Pritchard. Mr. DeMuth is President of DeMuth Steel Products Co. of Schiller Park, Ill.

* * *

Television Shares Management Corp. reports that for the fiscal year ended Oct. 31 net income totaled $569,752, or 56 cents per common share, compared with $804,333, or 79 cents a share, a year earlier.

* * *

Coleman W. Morton has been elected President of **The Investment Company of America.** The announcement was made by Johnathan B. Lovelace, who vacated the post to become Chairman. Mr. Morton also is President of International Resources Fund and Senior Vice-President of Capital Research & Management Co., which acts as investment adviser to both funds.

* * *

Wellington Management Co. reports that for the fiscal year ended Oct. 31 net income was a record $1,301,814, equal to $1.44 per share. This compares with net income of $1,169,565, or $1.29 per share, in the previous fiscal year.

Clark, Dodge Officers

Effective Jan. 1 Valentine Diat, Assistant Vice-President, became a Vice-President of Clark, Dodge & Co. Incorporated, 61 Wall Street, New York City, members of the New York Stock Exchange. As of the same date Angus Ivory became Assistant Vice-President, and John Ferguson, Jr., Richard H. McNiven, Robert L. Newton and Randolphe P. Swenson became Assistant Secretaries.

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. 29	1,715,000	1,874,000	1,876,000	2,106,000
Index of production based on average weekly production for 1957-1959	Dec. 29	92.1	100.6	100.7	113.0
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Dec. 21	7,340,110	7,340,710	7,378,210	7,312,510
Crude runs to stills—daily average (bbls.)	Dec. 21	8,436,000	8,423,000	8,178,000	8,307,000
Gasoline output (bbls.)	Dec. 21	30,606,000	30,456,000	30,087,000	29,801,000
Kerosene output (bbls.)	Dec. 21	3,713,000	3,368,000	3,543,000	3,126,000
Distillate fuel oil output (bbls.)	Dec. 21	13,940,000	14,071,000	13,187,000	13,795,000
Residual fuel oil output (bbls.)	Dec. 21	6,138,000	5,523,000	5,517,000	6,728,000
Stocks at refineries, bulk terminals, in transit, in pipe lines					
Finished gasoline (bbls.) at	Dec. 21	182,684,000	182,277,000	178,383,000	177,736,000
Kerosene (bbls.) at	Dec. 21	32,090,000	33,841,000	36,142,000	32,794,000
Distillate fuel oil (bbls.) at	Dec. 21	153,100,000	*164,599,000	174,733,000	155,575,000
Residual fuel oil (bbls.) at	Dec. 21	50,893,000	51,516,000	52,612,000	46,277,000
Unfinished Oils (bbls.) at	Dec. 21	85,284,000	84,803,000	85,323,000	80,930,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Dec. 22	512,038	501,033	484,257	520,972
Revenue freight received from connections (no. of cars)	Dec. 22	476,443	478,032	491,737	483,711
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Dec. 27	$249,000,000	$349,500,000	$391,100,000	$256,600,000
Private construction	Dec. 27	73,800,000	161,700,000	194,900,000	136,100,000
Public construction	Dec. 27	175,200,000	187,800,000	196,200,000	120,500,000
State and municipal	Dec. 27	151,600,000	177,800,000	151,200,000	104,200,000
Federal	Dec. 27	23,600,000	10,000,000	45,000,000	16,300,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Dec. 22	9,030,000	*7,755,000	7,370,000	8,826,000
Pennsylvania anthracite (tons)	Dec. 22	402,000	370,000	328,000	349,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100	Dec. 22	272	*247	137	259
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Dec. 29	(a)	17,560,000	16,699,000	15,738,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Dec. 27	143	249	322	222
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Dec. 21	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Dec. 21	$66.43	$66.43	$63.43	$66.44
Scrap steel (per gross ton)	Dec. 21	$25.83	$25.83	$23.83	$35.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Dec. 26	30.600c	30.600c	30.600c	30.600c
Export refinery at	Dec. 26	28.475c	28.500c	28.425c	No Quote
Lead (New York) at	Dec. 26	10.000c	10.000c	10.000c	10.250c
Lead (St. Louis) at	Dec. 26	9.800c	9.800c	9.800c	10.050c
‡Zinc (delivered) at	Dec. 26	12.000c	12.000c	12.000c	12.500c
Zinc (East St. Louis) at	Dec. 26	11.500c	11.500c	11.500c	12.000c
Aluminum (primary pig, 99.5%) at	Dec. 26	22.500c	22.500c	24.000c	24.000c
Straits tin (New York) at	Dec. 26	111.000c	111.250c	110.750c	120.250c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Jan. 1	90.02	90.48	90.06	86.06
Average corporate	Jan. 1	88.67	88.54	88.27	85.85
Aaa	Jan. 1	92.79	92.64	92.35	89.64
Aa	Jan. 1	90.63	90.48	90.34	87.86
A	Jan. 1	88.67	88.40	87.99	85.46
Baa	Jan. 1	83.15	83.28	83.03	81.05
Railroad Group	Jan. 1	85.72	85.33	84.81	83.15
Public Utilities Group	Jan. 1	90.34	90.20	89.92	87.18
Industrials Group	Jan. 1	90.20	90.20	90.34	87.45
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Jan. 1	3.72	3.67	3.71	4.12
Average corporate	Jan. 1	4.51	4.52	4.54	4.72
Aaa	Jan. 1	4.22	4.23	4.25	4.44
Aa	Jan. 1	4.37	4.38	4.39	4.57
A	Jan. 1	4.51	4.53	4.56	4.75
Baa	Jan. 1	4.93	4.92	4.94	5.10
Railroad Group	Jan. 1	4.73	4.76	4.80	4.93
Public Utilities Group	Jan. 1	4.39	4.40	4.42	4.62
Industrials Group	Jan. 1	4.40	4.40	4.39	4.60
MOODY'S COMMODITY INDEX	Jan. 1	369.7	370.7	364.5	372.6
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Dec. 22	286,610	313,136	306,950	291,340
Production (tons)	Dec. 22	350,697	344,373	331,113	241,356
Percentage of activity	Dec. 22	95	95	89	52
Unfilled orders (tons) at end of period	Dec. 22	361,907	426,310	436,409	444,764
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Dec. 28	123.46	123.19	118.68	113.83
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Dec. 7	3,493,300	3,809,070	2,555,620	3,242,400
Short sales	Dec. 7	653,900	800,400	622,830	470,440
Other sales	Dec. 7	2,677,820	2,939,600	1,824,080	2,577,270
Total sales	Dec. 7	3,331,720	3,740,000	2,446,910	3,047,710
Other transactions initiated off the floor—					
Total purchases	Dec. 7	622,040	766,190	592,450	441,530
Short sales	Dec. 7	68,600	83,200	79,900	19,900
Other sales	Dec. 7	541,380	589,410	485,120	409,990
Total sales	Dec. 7	609,980	672,610	565,020	429,890
Other transactions initiated on the floor—					
Total purchases	Dec. 7	1,175,540	1,448,250	1,109,080	1,019,783
Short sales	Dec. 7	178,700	185,880	173,910	138,520
Other sales	Dec. 7	1,194,894	1,340,873	906,215	1,017,535
Total sales	Dec. 7	1,373,594	1,526,753	1,080,125	1,156,055
Total round-lot transactions for account of members—					
Total purchases	Dec. 7	5,290,880	6,023,510	4,257,150	4,703,713
Short sales	Dec. 7	901,200	1,069,480	876,640	628,860
Other sales	Dec. 7	4,414,094	4,869,883	3,215,415	4,004,795
Total sales	Dec. 7	5,315,294	5,939,363	4,092,055	4,633,655
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	Dec. 7	1,582,008	1,869,787	1,223,556	2,150,384
Dollar value	Dec. 7	$75,329,790	$85,046,760	$55,631,395	$118,366,027
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Dec. 7	2,090,219	2,242,189	1,474,457	2,300,559
Customers' short sales	Dec. 7	22,640	34,719	41,674	10,968
Customers' other sales	Dec. 7	2,067,579	2,207,470	1,432,783	2,289,591
Dollar value	Dec. 7	$95,667,969	$100,124,217	$65,138,558	$114,386,705
Round-lot sales by dealers—					
Number of shares—Total sales	Dec. 7	845,920	489,080	546,410	741,720
Short sales	Dec. 7				
Other sales	Dec. 7	845,920	489,080	546,410	741,720
Round-lot purchases by dealers—Number of shares	Dec. 7	352,090	467,540	303,870	587,980
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	Dec. 7	1,256,710	1,653,970	1,412,420	755,410
Other sales	Dec. 7	23,265,700	26,951,350	16,665,090	20,855,200
Total sales	Dec. 7	24,522,410	28,605,320	18,077,510	21,610,610
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):					
Commodity Group—					
All commodities	Dec. 25	(a)	100.5	100.4	(a)
Farm products	Dec. 25	(a)	98.6	97.5	(a)
Processed foods	Dec. 25	(a)	100.8	100.8	(a)
Meats	Dec. 25	(a)	98.2	98.9	(a)
All commodities other than farm and foods	Dec. 25	(a)	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 GAS ASSOCIATION—			
For month of October:			
Total gas sales (M therms)	6,828,100	6,157,000	6,608,000
Natural gas sales (M therms)	6,700,200	6,057,800	6,498,700
Manufact'd & mixed gas sales (M therms)	127,900	99,200	109,300
AMERICAN HOME LAUNDRY MANUFACTURERS ASSOCIATION—Month of November:			
Total home laundry appliance factory unit sales (domestic)	457,482	521,679	427,154
Washers	292,085	336,988	286,164
Automatic and semi-automatic	242,203	276,635	229,939
Wringers and others	49,882	60,353	56,225
Combination washer-dryers	3,638	3,016	5,442
Dryers	161,759	181,675	135,548
Electric	106,746	113,606	87,987
Gas	55,013	68,069	47,561
BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES—Month of October (Millions of dollars):			
Manufacturing	$57,240	*$57,190	$54,780
Wholesale	14,060	*13,950	13,440
Retail	27,390	*27,240	26,400
Total	$98,700	*$98,380	$94,620
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS RECORD — Month of December (000's omitted):			
Total U. S. construction	$1,443,000	$2,144,000	$1,351,000
Private construction	608,000	1,111,000	688,000
Public construction	835,000	1,033,000	663,000
State and municipal	700,000	831,000	547,000
Federal	134,000	202,000	116,000
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of November:			
Cotton Seed—			
Received at mills (tons)	1,137,100	1,656,100	1,275,000
Crushed (tons)	770,200	746,300	767,200
Stocks (tons) November 30	2,276,500	1,909,700	2,332,900
Cake and Meal—			
Stocks (tons) November 30	99,200	*92,900	85,800
Produced (tons)	362,900	348,300	349,700
Shipped (tons)	356,600	*364,900	360,600
Hulls—			
Stocks (tons) November 30	52,400	60,900	105,000
Produced (tons)	171,900	163,200	175,800
Shipped (tons)	180,400	170,000	167,900
Linters—			
Stocks (bales) November 30	177,500	123,300	155,900
Produced (bales)	222,000	222,800	232,000
Shipped (bales)	167,800	206,400	226,100
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of November:			
All manufacturing (production workers)	12,545,000	*12,665,000	12,414,000
Durable goods	7,001,000	*7,028,000	6,883,000
Nondurable goods	5,544,000	*5,637,000	5,531,000
Payroll indexes (1957-59 average=100)—			
All manufacturing	115.2	*115.7	112.3
Estimated number of employees in manufacturing industries—			
All manufacturing	16,908,000	*17,024,000	16,658,000
Durable goods	9,537,000	*9,558,000	9,329,000
Nondurable goods	7,371,000	*7,466,000	7,329,000
FABRICATED STRUCTURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION)—Month of November:			
Contracts closed (tonnage)—estimated	323,631	301,369	332,538
Shipments (tonnage)—estimated	315,116	357,183	339,103
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS — INSTITUTE OF LIFE INSURANCE—Month of September:			
Death benefits	$300,400,000	$318,800,000	$287,200,000
Matured endowments	50,500,000	54,600,000	52,800,000
Disability payments	11,000,000	12,500,000	10,400,000
Annuity payments	75,300,000	61,700,000	59,900,000
Surrender values	156,700,000	142,900,000	132,000,000
Policy dividends	160,700,000	148,700,000	131,100,000
Total	$754,600,000	$739,200,000	$673,400,000
LIFE INSURANCE PURCHASES — INSTITUTE OF LIFE INSURANCE—Month of October (000's omitted):			
Ordinary	$4,891	$4,116	$4,777
Industrial	618	572	610
Group	1,484	1,269	1,511
Total	$6,993	$5,957	$6,898
MANUFACTURERS' INVENTORIES & SALES—Month of October (millions of dollars):			
Inventories—			
Durables	$32,790	*$32,740	$31,400
Nondurables	24,460	*24,440	23,380
Total	$57,240	*$57,190	$54,780
Sales	33,330	33,680	31,750
MONEY IN CIRCULATION—TREASURY DEPT. As of October 31 (000's omitted)	$34,100,000	$33,900,000	$32,800,000
NEW YORK STOCK EXCHANGE—			
As of November 30 (000's omitted):			
Member firms carrying margin accounts—			
Total customers net debit balances	$3,975,000	$3,889,000	$4,180,000
Credit extended to customers	24,000	25,000	39,000
Cash on hand and in banks in U. S.	385,000	397,000	422,000
Total of customers free credit balances	1,151,000	1,126,000	1,213,000
Market value of listed bonds	113,069,327	111,690,720	104,750,668
Market value of listed shares	341,136,631	309,225,978	387,345,290
Member borrowings of U. S. Govt. issues	810,000	766,000	672,000
Member borrowings on other collateral	2,678,000	2,739,000	2,894,000
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of November (in billions):			
Total personal income	$447.4	$445.6	$423.6
Wage and salary receipts, total	299.4	*298.5	283.6
Commodity producing industries	117.8	*117.8	113.1
Manufacturing only	94.0	*93.9	89.4
Distributing industries	76.8	76.9	73.6
Service industries	47.1	47.1	43.9
Government	57.7	56.7	53.0
Other labor income	12.5	12.5	11.5
Business and professional	37.2	37.1	35.6
Farm	13.3	*13.2	13.5
Rental income of persons	12.9	12.9	12.4
Dividends	16.2	*16.1	15.3
Personal interest income	30.6	30.4	27.9
Transfer payments	35.8	35.5	33.5
Less employees contribution for social insurance	10.5	10.5	9.8
Total nonagricultural incomes	430.0	*428.2	405.9
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS—Month of October (000's omitted):			
Exports	$1,673,700	$1,761,200	$1,889,800
Imports	1,438,900	1,342,300	1,358,600

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.

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.

● **Aerosystems Technology Corp. (1/21-25)**
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. (1/28-31)**
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 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. **Underwriter**—Reynolds & Co., Inc. **Note**—This registration was withdrawn.

● **American Finance Co., Inc. (1/15)**
April 21, 1961 filed $500,000 of 6% convertible subordinated debentures due 1972, 75,000 common, and 25,000 warrants, to be offered in units of one $200 debenture, 30 shares, and 10 warrants. **Price**—$500 per unit. **Business**—Company and its subsidiaries are primarily engaged in the automobile sale finance business. One additional subsidiary is a Maryland savings and loan association and two are automobile insurance brokers. **Proceeds**—For the retirement of debentures, and additional capital funds. **Office**—1472 Broadway, N. Y. **Underwriter**—Myron A. Lomasney & Co., New York.

● **American 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**—Walston & Co., New York. **Offering**—Indefinite.

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. **Note**—This registration will be withdrawn.

● **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. **Note**—This registration will be withdrawn.

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**—Indefinite.

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.

● **Aquariums Inc. (1/14-18)**
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**—Golkin, Divine & Fishman, Inc., N. Y.

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.

Associated Mortgage Co., Inc.
Dec. 21, 1962 filed 135,205 common, of which 100,000 are to be offered by company and 35,205 by stockholders. **Price**—By amendment (max. $10). **Business**—Originating, marketing and servicing of first mortgages and loans on real estate. **Proceeds**—For loan repayment, and working capital. **Office**—1120 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—Shields & Co., Inc., New York.

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.

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. **Offering**—Indefinite.

● **Belock Instrument Corp. (1/7-11)**
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**—332 Scarsdale Ave., Scarsdale, N. Y. **Underwriter**—P. J. Gruber & Co., Inc., N. Y. **Offering**—Expected in April.

● **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.

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plant expansion and working capital. **Office**—901 Florence Ave., Lima, Ohio. **Underwriter**—Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia. **Note**—This registration was withdrawn.

Brinkmann Instruments, Inc.
March 26, 1962 filed 100,000 common, of which 77,420 shares are to be offered by the company and 22,580 shares by stockholders. **Price** — By amendment (max. $7.75). **Business** — Importing and distribution of scientific instruments. **Proceeds**—For research and development; equipment, debt repayment and other corporate purposes. **Office**—115 Cutter Mill Rd., Great Neck, N. Y. **Underwriter**—D. B. Marron & Co., N. Y.

C-Thru Products, Inc.
Dec. 13, 1962 ("Reg. A") 90,000 common. **Price**—$1.50. **Business**—Design and manufacture of flexible re-usable vinyl packages. **Proceeds**—For debt repayment; sale promotion; equipment; research and development, and working capital. **Office** — 2401 Pacific St., Brooklyn, N. Y. **Underwriter**—Broadwall Securities, Inc., N. Y.

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. **Offering**—Expected in February.

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.

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. (1/28-31)**
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.

● **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**—Golkin, Divine & Fishman, Inc., Chicago. **Offering**—Indefinite.

Castle Hospitality Services, Inc.
Dec. 14, 1962 filed $500,000 of 8% debentures due 1969. **Price**—At par ($1,000). **Business**—Company plans to offer management and consultant services to motels and furnish them with equipment. **Proceeds**—For general corporate purposes. **Office**—1068 S. Ocean Blvd., Pompano Beach, Fla. **Underwriter**—None.

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.**
See Lewiston-Gorham Raceways, Inc.

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.
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**—$5. **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. **Offering**—Expected in early Feb.

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. (1/15)**
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. (1/9)
Sept. 21, 1962 filed $12,500,000 conv. subordinated debentures, due Jan. 1, 1963. **Price**—By amendment. **Business**—Design, development, and manufacture of specialized radio communications equipment, and aircraft and flight control devices. **Proceeds**—For repayment of bank loans. **Office**—5225 "C" Ave., N. E., Cedar Rapids, Iowa. **Underwriters**—Kidder, Peabody & Co., Inc., and White, Weld & Co., Inc., New York.

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.

NEW ISSUE CALENDAR

January 3 (Thursday)
Columbia Gas System, Inc.______**Debentures**
(Bids 11 a.m. EST) $25,000,000

January 7 (Monday)
Belock Instrument Corp.______**Debentures**
(Carl M. Loeb, Rhoades & Co.) $1,400,000
Atlantic Coast Line RR.______**Equip. Trust Ctfs.**
(Bids 12 noon EST) $3,900,000
New York Telephone Co.______**Bonds**
(Bids 11:30 a.m. EST) $70,000,000

January 8 (Tuesday)
General American Transportation Corp.______**Equip. Trust Ctfs.**
(Kuhn, Loeb & Co., Inc.) $35,000,000

January 9 (Wednesday)
Collins Radio Co.______**Debentures**
(Kidder, Peabody & Co., Inc., and White, Weld & Co., Inc.) $12,500,000
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 (Thursday)
Smith Kline & French Laboratories______**Common**
(Smith, Barney & Co., Inc. and Drexel & Co.) 200,000 shares

January 11 (Friday)
Natural Gas & Oil Producing Co.______**Class A**
(Peter Morgan & Co.) $900,000

January 14 (Monday)
Aquariums, Inc.______**Common**
(Golkin, Divine & Fishman, Inc.) 51,200 shares
Montreal (City of)______**Debentures**
(Bids 11 a.m. EST) $25,000,000
Servotronics, Inc.______**Cap. Shs.**
(General Securities Co., Inc.) $375,000
Tabach Industries, Inc.______**Common**
(Costello, Russotto & Co.) $250,000

January 15 (Tuesday)
American Finance Co., Inc.______**Units**
(Myron A. Lomasney & Co.) $1,250,000
Circle K Food Stores, Inc.______**Common**
(Eppler, Guerin & Turner, Inc.) 96,000 shares
Harrisonville Telephone Co.______**Preferred**
(McCourtney-Breckenridge & Co.) $296,800
Illinois Power Co.______**Bonds**
(Bids 10 a.m. CST) $35,000,000

January 16 (Wednesday)
Chicago, Burlington & Quincy RR.______**Equip. Trust Ctfs.**
(Bids 12 noon CST) $6,300,000

January 17 (Thursday)
Seaboard Air Line RR.______**Equip. Trust Ctfs.**
(Bids 12 noon EST) $6,360,000

January 21 (Monday)
Aerosystems Technology Corp.______**Common**
(Chase Securities Corp.) $495,000
Master Artists Corp.______**Capital Shares**
(Keon & Co.) $65,000

January 22 (Tuesday)
Chesapeake & Potomac Telephone Co. of Md.__**Debs.**
(Bids ot 11 a.m. EST) $50,000,000
Public Service Co. of Oklahoma______**Bonds**
(Bids to be received) $10,000,000

January 23 (Wednesday)
Southern Pacific Co.______**Equip. Trust Ctfs.**
(Bids 12 noon EST) $8,300,000

January 28 (Monday)
American Bolt & Screw Mfg. Corp.______**Units**
(S. D. Fuller & Co.) $900,000
Canaveral Hills Enterprises, Inc.______**Common**
(Willis E. Burnside & Co., Inc.) $500,000
Consolidated Leasing Corp. of America___**Common**
(Blair & Co.) 99,000 shares
Consolidated Leasing Corp. of America______**Debs.**
(Blair & Co.) $1,000,000
Data Corp. of America______**Common**
(A. D. Gilhart & Co., Inc.) $131,250
Dixie Lime & Stone Co.______**Common**
(Courts & Co.) 100,000 shares
Donmoor-Isaacson, Inc.______**Common**
(Goodbody & Co.) 150,000 shares
Lewis (Tillie) Foods, Inc.______**Debentures**
(Van Alstyne, Noel & Co.) $2,250,000
Logos Options, Ltd.______**Capital Stock**
(Fllor, Bullard & Smyth) 250,000 shares
Luck's Inc.______**Common**
(J. C. Wheat & Co and Allied Securities Corp.) 145,500 shares
Nippon Electric Co., Ltd.______**American Shs.**
(First Boston Corp. and Daiwa Securities Co., Ltd.) 400,000 A. D. S.
Sperti Products, Inc.______**Common**
(Blair & Co.) 230,000 shares
White Photo Offset, Inc.______**Common**
(K-Pac Securities Corp) $350,000
Zero Mountain, Inc.______**Common**
(Don D. Anderson & Co., Inc.) $300,000

January 29 (Tuesday)
Dallas Power & Light Co.______**Bonds**
(Bids 12 noon EST) $25,000,000

February 5 (Tuesday)
Bell Telephone Co. of Pennsylvania____**Debentures**
(Bids to be received) $50,000,000

February 6 (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

Februray 19 (Tuesday)
Texas Power & Light Co.______**Bonds**
(Bids 11 a.m. EST) $10,000,000

February 20 (Wednesday)
Arkansas Power & Light Co.______**Bonds**
(Bids to be received) $15,00,000

February 27 (Wednesday)
Brooklyn Union Gas Co.______**Bonds**
(Bids to be received) $12,000,000

March 5 (Tuesday)
Northwestern Bell Telephone Co.____**Debentures**
(Bids to be received) $40,000,000

March 11 (Monday)
Central Illinois Light Co.______**Bonds**
(Bids to be received) $9,375,000

March 25 (Monday)
Norfolk & Western Ry.______**Equip. Trust Ctfs.**
(Bids to be received) $5,475,000

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 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 (11 a.m. EST).

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.

• **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**—Indefinite.

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.

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**—Feb.

Consolidated Leasing Corp. of America (1/28-31)
April 27, 1962 filed $1,000,000 of 6½% subord. debentures due 1977 (with warrants), and 99,000 common. **Price**—For debentures, at par; for stock, by amendment (max. $9). **Business**—Renting of cars, trucks and equipment. **Proceeds**—For debt repayment, an acquisition and other corporate purposes. **Office** — 1012 Baltimore Ave., Kansas City, Mo. **Underwriter**—Blair & Co., N. Y.

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

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 Ave., Chicago. **Underwriter**—None.

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 February.

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 (1/28-31)**
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.

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.

• **De Troy Bergen, Inc.**
Dec. 20, 1962 filed 140,000 common. **Price**—$4. **Business**—Commercial printing. **Proceeds**—For debt repayment, and other corporate purposes. **Office** — 750 Hyler St., Teterboro, N. J. **Underwriter**—Van Alstyne Noel Corp., New York. **Offering**—Expected in late February.

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 capital. **Office**—77 Searing Ave., Mineola, N. Y. **Underwriter**—Magnus & Co., N. Y. **Note**—This registration was withdrawn.

• **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 March.

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. (1/28-31)
Sept. 27, 1962 filed 100,000 common. **Price**—By amendment (max. $6.75). **Business**—Mining and processing of crushed granite, lime rock, and agricultural limestone. **Proceeds**—For loan repayment, and working capital. **Office**—11 N. Main St., Ocala, Fla. **Underwriter**—Courts & Co., Atlanta, Ga.

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

Donmoor-Isaacson, Inc. (1/28-31)
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.

• **Duro-Test Corp.**
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. **Offering**—Indefinite.

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.

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**—M. L. Lee & Co., Inc., N. Y.

• **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**—Imminent.

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.

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

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type securities of Israeli companies. **Proceeds**—For investment. **Office**—141 Milk St., Boston. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston. **Offering**—Expected in February.

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.

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.
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. **Offering**—February.

General American Transportation Corp. (1/8)
Dec. 14, 1962 filed $35,000,000 of equipment trust certificates due Jan. 15, 1983 (series 60). **Price**—By amendment. **Business**—Supplying of railroad freight cars to railroads and shippers for their use. **Proceeds**—To reimburse company's treasury for freight car construction. **Office**—135 St. La Salle St., Chicago. **Underwriter**—Kuhn, Loeb & Co., Inc., N. Y.

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.

Genesco Inc. (1/9)
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.

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.

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 marketing 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. **Offering**—Expected in mid-February.

• 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. **Note**—This registration has been withdrawn.

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.

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.

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

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

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, advertising, research and development and working capital. **Office**—2176 Palou, San Francisco. **Underwriter**—L. H. Wright Co., Inc., N. Y.

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.

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.
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**—To be named. **Offering**—Indefinite.

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.

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.

Illinois Power Co. (1/15)
Dec. 20, 1962 filed $35,000,000 first mortgage bonds due 1993. **Proceeds**—For loan repayment, and construction. **Office**—500 South 27th St., Decatur, Ill. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; 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.

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.

Instrument Components, Inc.
June 11, 1962 ("Reg. A") 135,000 common. **Price** — $1. **Business** — Manufacture and distribution of electromechanical 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.

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.

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, electromechanical 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.

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.

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**—Imminent.

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.

● **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. **Offering**—Indefinite.

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).

● **Lewis (Tillie) Foods, Inc. (1/28-31)**
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.

● **Lewiston Gorham 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. **Note**—This company formerly was named Central Maine Raceways, Inc.

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.

● **Litton Industries, Inc.**
Dec. 18, 1962 filed 215,444 common. **Price**—By amendment (max. $70.) **Business**—Manufacture of electronic systems, business machines, nuclear powered submarines, and ships. **Proceeds**—For selling stockholders. **Office**—336 N. Foothill Rd., Beverly Hills, Calif. **Undewriters**—Lehman Brothers; Clark, Dodge & Co., and Goldman, Sachs & Co., New York. **Offering**—Imminent.

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. (1/28-31)**
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.

Luck's, Inc. (1/28-31)
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.

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. (1/21-25)**
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.

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.

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.

Montreal (City of) (1/14)
Dec. 21, 1962 filed $9,000,000 of sinking fund debentures for local improvements due Jan. 15, 1963 and $16,000,000 of sinking fund debentures for public works due Jan. 1, 1988. **Price**—By amendment. **Address**—Montreal, P. Q., Canada. **Underwriters**—(Competitive.) Probable bidders: Halsey, Stuart & Co. Inc.-Shields & Co.-Salomon Bros. & Hutzler-Morgan, Ostiguy & Hudson Ltd.; Lehman Brothers-L. G. Beaubien & Co. Ltd.-Credit Interprovincial Ltd.; Smith, Barney & Co.-Dominion Securities Corp. (jointly); **Bids**—Jan. 14 (11 a.m. EST) in Montreal.

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 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. **Ad-**

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dress—2632 McGee St., Kansas City, Mo. **Underwriter**—To be named.

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 was 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.**
Dec. 28, 1962 refiled $8,000,000 face amount certificates (series 20) and 300,000 common shares. **Price**—For certificates, $762; for stock, $1.15. **Business**—A mortgage loan company. **Proceeds**—For general 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.

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. (1/11)
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.

New York Telephone Co. (1/7)
Dec. 19, 1962 filed $70,000,000 refunding mortgage bonds, series N due Jan. 1, 2000. **Price**—By amendment (max. 103%). **Business**—Furnishes communication services in New York State. **Proceeds**—For debt repayment, construction, and other corporate purposes. **Office** — 140 West St., New York. **Underwriters** — (Competitive.) Probable bidders: Halsey, Stuart & Co. Inc., and Morgan Stanley & Co. **Bids** — Expected Jan. 7, 1963 (11:30 a.m. EST) in Room 1600, 140 West St., New York.

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.

● **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 in April.

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.

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. **Note**—This registration will be withdrawn.

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.

● **Orr (J. Herbert) Enterprises, Inc.**
May 1, 1962 filed 200,000 common. **Price**—$5.25. **Business**—The company and its subsidiaries manufacture and distribute cartridge type tape player recorders and programs therefor; sell at retail nationally known audio visual equipment; and manufacture men's and boy's dress trousers. **Proceeds** — For additional inventory, equipment, research, and working capital. **Address**—P. O. Box 27, Opelika, Ala. **Underwriter**—First Alabama Securities, Inc., Montgomery. **Offering**—Expected in March.

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**—Indefinitely postponed.

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.

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.

Petrolane Gas Service, Inc.
Dec. 18, 1962 filed 100,000 common. **Price**—By amendment (max. $30.) **Business**—Sale and distribution of liquified petroleum gas. **Proceeds**—To reimburse treasury for the acquisition of other companies, debt repayment, and working capital. **Office**—1696 E. Hill St., Signal Hill, Calif. **Underwriter**—Dean Witter & Co., Los Angeles.

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**—Golkin, Divine & Fishman, Inc., Chicago. **Offering**—Indefinite.

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.

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. **Note**—These debentures have been placed privately and the common will be withdrawn from registration.

● **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. **Underwriter**—To be named.

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.

● **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. **Offering**—Imminent.

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. **Note**—This registration was withdrawn.

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. **Offering**—Expected in February or March.

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. **Note**—This registration will be withdrawn.

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**—Indefinite.

● **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. **Note**—This registration will be withdrawn.

● **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. **Note**—This registration was withdrawn.

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).

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.

● **Servotronics, Inc. (1/14-18)**
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**—Indefinite.

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

Smith Kline & French Laboratories (1/10)
Dec. 21, 1962 filed 200,000 common. **Price**—By amendment (max. $64). **Business**—Development, manufacture and sale of pharmaceutical specialties. **Proceeds**—For selling stockholder. **Office** — 1500 Spring Garden St., Philadelphia. **Underwriters**—Smith, Barney & Co., N. Y., and Drexel & Co., Philadelphia.

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.

Soverign 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**—Indefinite.

Sperti Products, Inc. (1/28-31)
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.

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**—Imminent.

● **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. (1/14)**
March 29, 1962 ("Reg. A") 125,000 common. **Price**—$2. **Business**—Manufacture and sale of women's wear. **Proceeds**—For debt repayment, leasehold improvements and expansion. **Office**—217 E. Eight St., Los Angeles, Calif. **Underwriter** — Costello, Russotto & Co., 9301 Wilshire Blvd., Beverly Hills, Calif.

Tactair Fluid Controls, Corp.
March 29, 1962 filed 90,000 common. **Price**—By amendment (max. $7.50). **Business**—Manufacture of fluid control equipment used in missiles, helicopters and aircraft. **Proceeds**—For selling stockholders **Address**—Bridgeport, Conn. **Underwriters**—Stroud & Co., Inc. and Penington, Colket & Co., Philadelphia.

Teaching Systems, Inc.
June 1, 1962 ("Reg. A") 50,000 common. **Price**—$2. **Business**—Production and sale of educational audio-visual teaching aids. **Proceeds**—For equipment, promotion and advertising and working capital. **Office**—1650 Broadway, N. Y. **Underwriter**—Creative Ventures Corp., 733 Third Ave., N. Y.

Tenna Corp.
Sept. 28, 1962 filed 122,000 common. **Price**—By amendment (max. $11). **Business**—Manufacture of automobile antennas and radios. **Proceeds**—For repayment of bank loans and working capital. **Office**—19201 Cranwood Parkway, Warrensville Heights, Ohio. **Underwriters**—Westheimer & Co., Cincinnati, and Hartzmark & Co., Inc., Cleveland.

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 in late 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.

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**—To be named.

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.

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 Kalena St., Honolulu. **Underwriter**—Loyalty Enterprises, Ltd., 32 Merchant St., Honolulu.

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.

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.
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. **Offering**—Indefinitely postponed.

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.

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● 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. **Note**—This registration will be withdrawn.

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. (1/28-31)
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.

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**—To be named.

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. (1/28-31)
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.

Issues Filed With SEC This Week

★ Alaska Power & Telephone Co.
Dec. 26, 1962 filed $600,000 of 6% debentures due 1978, $240,000 common, and 180,000 10-year warrants to purchase a like number of common shares, to be offered in 600 units, each consisting of one $1,000 debenture, 400 common, and 300 warrants. **Price**—$1,000 per unit. **Business**—A public utility supplying electricity and telephone service to 4 Alaskan communities. **Proceeds**—Expansion of service, loan repayment, and working capital. **Office**—Fifth Ave., Skagway, Alaska. **Underwriter** — Jay W. Kaufmann & Co., New York.

★ Chemair Electronics Corp.
Dec. 28, 1962 filed $150,000 of 6% subordinated income debentures due 1973 and 30,000 common shares to be offered in units consisting of one $10 debenture and two common. **Price**—$12 per unit. **Business**—Production and sale of chemicals designed to control odors, bacterial growth and air pollutants; and development, production and sale of an electronic vaporizing unit for dispensing such chemicals. **Proceeds**—For debt repayment, equipment, sales promotion and working capital. **Office**—221 N. La Salle St., Chicago. **Underwriter**—Price Investing Co., New York.

★ Chesapeake & Potomac Telephone Co. of Md. (1/22)
Dec. 28, 1962 filed $50,000,000 of debentures due Jan. 1, 2002. **Proceeds**—To refund advances from parent, A. T. & T., and for construction. **Office**—320 St. Paul Place, Baltimore. **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**—Jan. 22 (11 a.m. EST) in Room 2313, 195 Broadway, New York.

★ Consultant's Mutual Investments, Inc.
Dec. 21, 1962 filed 500,000 common. **Price**—$10. (For an initial period the fund will also offer its shares in exchange for acceptable securities on the basis of one share for each $10 market value of securities). **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—211 S. Broad St., Philadelphia. **Underwriter**—Gerstley, Sunstein & Co., Philadelphia.

★ Continental Device Corp.
Dec. 26, 1962 filed 275,000 common. **Price**—By amendment (max. $6). **Business**—Company is engaged in research, development and manufacture of certain types of semiconductor products, and specialized test equipment. **Proceeds**—For loan repayment, equipment, and other corporate purposes. **Office**—12515 Chadron Ave., Hawthorne, Calif. **Underwriter**—Carl M. Loeb, Rhoades & Co., Inc., New York.

★ Greatamerica Corp.
Dec. 31, 1962 filed 2,500,000 common, of which 1,650,000 are to be offered by the company and 850,000 by a stockholder. **Price**—By amendment. **Business**—A holding company for four life insurance companies and a bank. **Proceeds**—For debt repayment. **Office**—Insurance Bldg., San Antonio, Texas. **Underwriters** — Goldman, Sachs & Co., and Lehman Brothers, New York. **Offering**—Expected in early February.

★ Harrisonville Telephone Co. (1/15)
Dec. 17, 1962 ("Reg. A") 5,600 shares of 6% cumulative preferred (par $50). **Price**—$53. **Proceeds**—To repay bank loans, for construction and working capital. **Address**—Waterloo, Ill. **Underwriter**—McCourtney-Breckenridge & Co., St. Louis.

★ Loyalty Financing Corp.
Dec. 19, 1962 ("Reg. A") 24,000 shares of 6½% cumulative convertible preferred and 60,000 common to be offered in units consisting of 20 preferred and 50 common shares. **Price**—$250 per unit. **Business**—A business finance company. **Proceeds**—For working capital. **Office**—5 W. Main St., Freehold, N. J. **Underwriter**—Friedman & Co., Inc., New York.

★ Madison Life Insurance Co.
Dec. 27, 1963 filed 219,000 capital shares. **Price** — $6. **Business** — Company plans to sell life, accident and health, group insurance and annuities in New York State. **Proceeds**—For organizational expenses, and investment. **Office**—1 Liberty St., New York. **Underwriter**—None.

★ Midwestern Indemnity Co.
Dec. 26, 1962 filed 25,495 common to be offered for subscription by stockholders on the basis of one share for each three held of record Dec. 31, 1962. **Price**—$19.50. **Business**—A multiple line insurance carrier. **Proceeds**—For additional capital and surplus. **Office**—6901 Wooster Pike, Cincinnati. **Underwriters**—W. D. Gradison & Co., Cincinnati, and Greene & Ladd, Dayton.

★ Pacific Southwest Airlines.
Dec. 26, 1962 filed 293,000 common, of which 80,000 are to be offered by company, and 213,000 by stockholders. **Price**—By amendment (max. $20). **Business**—Company operates a scheduled airline in California, providing daily service between San Diego, Los Angeles, and San Francisco. **Proceeds**—For prepayment of loans. **Office**—3100 Goddard Way, San Diego, Calif. **Underwriter**—E. F. Hutton & Co., Inc., Los Angeles.

★ Pioneer Telephone Co.
Dec. 28, 1962 filed 75,000 common, of which 44,416 are to be offered by company and 30,584 by stockholders. **Price**—By amendment (max. $20). **Proceeds**—For debt repayment, expansion and working capital. **Office**—40 S. Elm St., Waconia, Minn. **Underwriters**—Dean Witter & Co., San Francisco, and M. H. Bishop & Co., Minneapolis.

★ Roddy Recreation Products Inc.
Dec. 31, 1962 filed $1,000,000 of 6½% convertible subordinated debentures due 1978 and 50,000 common shares to be offered in units. **Price**—By amendment. **Business**—Manufacture and sale of fishing equipment, ammunition reloading devices and cord, tapes, etc. **Proceeds**—For debt repayment and working capital. **Office**—1526 W. 166th St., Gardena, Calif. **Underwriter**—Dempsey-Tegeler & Co., Inc., St. Louis.

★ Stars of New York, Inc.
Dec. 28, 1962 filed $450,000 of 15-year 8% debentures and 15,000 common shares to be offered in 300 units, each consisting of $1,500 of debentures and 50 shares. **Price**—$2,000 per unit. **Business**—Operation of discount department stores. **Proceeds**—For debt repayment and working capital. **Office**—North Colony Rd., Wallingford, Conn. **Underwriter**—None.

★ Tyson's Foods, Inc.
Dec. 26, 1962 filed 100,000 common. **Price**—By amendment (max. $12). **Business**—Company operates an integrated poultry business. **Proceeds** — For construction, equipment and working capital. **Office**—317 East Emma Ave., Springdale, Ark. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas.

Effective Registrations

The following registration statements were declared effective this week by the SEC. Offering details, where available, will be carried in the Monday issue of the "Chronicle."

Cambridge Mills, Inc.
110,000 common shares offered at $3.50 per share by Alskor Securities Co., New York.

Hallicrafters Co.
108,144 capital shares offered at $12.50 per share by Paine, Webber, Jackson & Curtis, New York and Chicago.

Red-O-Lier Corp.
50,000 class A common shares offered at $6.50 per share by Crosse & Co., Inc., New York.

Star Development Corp.
$300,000 of 6½% convertible sinking fund debentures due 1972, offered at par by the company, without underwrting. The company is headquartered at 1601 East South Mountain Ave., Phoenix, Ariz. (This issue, a "Reg. A", was not registered with the SEC.)

Prospective Offerings

★ Arkansas Power & Light Co. (2/20)
Jan. 2, 1963 it was reported that this subsidiary of Middle South Utilities, Inc., plans to sell $15,000,000 of first mortgage bonds in February. **Proceeds**—To refund outstanding 5⅝% first mortgage bonds due Dec. 1, 1989. **Address**—9th and Louisiana Sts., Little Rock, Ark. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Blyth & Co. Inc.-Dean Witter & Co. (jointly); Lehman Brothers-Stone & Webster Securities Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly). Bids—Expected Feb. 20.

Atlantic Coast Line RR (1/7)
Dec. 26, 1962 it was reported that this road plans to sell $3,900,000 of equipment trust certificates due Jan. 15, 1964-78. **Office**—220 E. 42nd St., N. Y. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Jan. 7, 1963 (12 noon EST) at above address.

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.

Brooklyn Union Gas Co. (2/27)
Dec. 26, 1962 it was reported that the company plans to offer $12,000,000 of 25-year first mortgage bonds in February. **Office** — 195 Montague St., Brooklyn, N. Y. **Underwriters**—(Competitive.) Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Blyth & Co., Inc.-Eastman Dillon, Union Securities & Co.-F. S. Moseley & Co. (jointly); Harriman Ripley & Co., Inc.-First Boston Corp. (jointly). **Bids**—Expected Feb. 27.

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. (3/11)
Jan. 2, 1963 it was reported that this utility plans to sell $9,375,000 of first mortgage bonds due 1993 in March. **Proceeds**—To refund a like amount of 3¼% bonds due April 1, 1963. **Office**—300 Liberty St., Peoria, Ill. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Stone & Webster Securities Corp. (jointly); Blyth & Co.-Lehman Brothers & Co.-Salomon Brothers & Hutzler (jointly). **Bids**—Expected March 11.

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).

Chicago, Burlington & Quincy RR (1/16)
Dec. 26, 1962 the company announced that it plans to sell $6,300,000 of equipment trust certificates in January. This will be the first of three or four installments totalling approximately $21,000,000. **Office** — 547 W. Jackson Blvd., Chicago. **Underwriters** — (Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Jan. 16 (12 noon CST) at above address.

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 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 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).

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.

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. **Information Meeting**—Jan. 31, 1963 (11 a.m.) at 16 Wall St., New York.

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 U. S. by March 31, 1963. 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.

Nippon Telegraph & Telephone Public Corp.
Dec. 19, 1962, it was reported that the company plans to sell $20,000,000 of bonds in the United States in the fiscal year April 1, 1963 to March 31, 1964. The financing program is subject to approval by the Japanese Diet. **Business** — Nippon Telegraph, wholly-owned by the Japanese Government, furnishes domestic telephone and telegraph services, without competition, in Japan. **Proceeds**—For expansion. **Office**—Tokyo, Japan. **Underwriters**—Dillon, Read & Co.; First Boston Corp., and Smith, Barney & Co., New York.

Norfolk & Western Ry. (3/25)
Dec. 26, 1962 it was reported that this road plans to sell about $5,475,000 of 1-15 year equipment trust certificates in March. **Office**—8 N. Jefferson St., Roanoke, Va. **Underwriters**—(Competitive.) Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids** — Expected March 25.

Northern Illinois Gas Co.
Dec. 20, 1962 the company stated that it plans to spend $40,000,000 on construction in 1963, an undetermined amount of which will be raised by sale of bonds. **Office**—615 Eastern Ave., Bellwood, Ill. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; 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.

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).

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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).

Public Service Co. of Oklahoma (1/22)
Dec. 17, 1963 it was reported that this subsidiary of Central & South West Corp., plans to sell $10,000,000 of bonds due 1993. **Proceeds**—To refund outstanding 5% bonds, series H. due Feb. 1, 1990. **Office**—600 S. Main, Tulsa, Okla. **Underwriters** — (Competitive). Probable bidders: Glore, Forgan & Co.; White, Weld & Co.-Shields & Co. (jointly); Blyth & Co. Inc.; Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); Halsey, Stuart & Co., Inc. **Bids**—Expected Jan. 22.

Seaboard Air Line RR (1/17)
Dec. 26, 1962 it was reported that this road plans to sell $6,360,000 of equipment trust certificates in January. This is the first installment of a total issue of $12,720,000 **Office**—3600 W. Broad St., Richmond, Va. **Underwriters** —(Competitive.) Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Jan. 17 (12 noon EST) at office of Willkie, Farr, Gallagher, Walton & Fitzgibbon, One Chase Manhattan Plaza, N. Y.

Seaboard Air Line RR
Dec. 26, 1962 it was reported that this company plans to sell $6,360,000 of equipment trust certificates in late February. This will be the second installment of a total issue of $12,720,000. **Office**—3600 W. Broad St., Richmond, Va. **Underwriters** — (Competitive.) Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler.

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.

★ **Southern Counties Gas Co. of Calif.**
Jan. 2, 1963 it was reported that this subsidiary of Pacific Lighting Corp., plans to sell $27,000,000 of first mortgage bonds in the fourth quarter. **Address**—P. O. Box 2736, Terminal Annex, Los Angeles 54, Calif. **Underwriters**—(Competitive) Probable bidders: White, Weld & Co.; Blyth & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Halsey, Stuart & Co. Inc.; First Boston Corp.

Southern Pacific Co. (1/23)
Dec. 26, 1962 it was reported that this company plans to sell $8,300,000 of equipment trust certificates in January. **Office**—165 Broadway, New York. **Underwriters**—(Competitive.) Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co., Inc. **Bids**—Jan. 23 (12 noon EST) at above address.

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: First Boston Corp.; 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 Power & Light Co. (2/19)**
Jan. 2, 1963 it was reported that this subsidiary of Texas Utilities Co., plans to sell $10,000,000 of first mortgage bonds due 1993. **Proceeds**—For construction. **Address**—Fidelity Union Life Bldg., Dallas. **Underwriters**—(Competitive). Probable bidders: Kuhn, Loeb & Co.-Blyth & Co., Inc.-Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc.(jointly); White, Weld & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler (jointly); Lehman Brothers; Halsey, Stuart & Co. Inc. **Bids**—Feb. 19 (11:30 a.m. EST) at Ebasco Services, Inc., 2 Rector St., New York. **Information Meeting**—Feb. 14 (11 a.m. EST) at some address.

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.

Businessman's BOOKSHELF

Advertising Management — Richard C. Lessler and Nugent Wedding—An analytical approach to advertising management problems —The Ronald Press, New York, $8.50.

Appointment Calendar and Vacational Schedule for 1963—20-page Brochure — Manpower, Inc., 820 North Plankinton Avenue, Milwaukee 1, Wis. (on request).

Assessed Values for Property Taxation—Preliminary Report No. 5 —Bureau of the Census, Washington 25, D. C. (paper), $1.

Automation Impact on Training of Present and Future Office Employees—Proceedings of a problem-solving seminar — National Office Management Association, Willow Grove, Pa. (paper), $5.

Chemical Industry Facts Book—Fifth Edition—Manufacturing Chemists' Association, Inc., 1825 Connecticut Avenue, Washington 9, D. C. (cloth).

Consent Decree: Its Formulation and Use—Milton S. Goldberg—Bureau of Business and Economic Research, Graduate School of Business Administration, Michigan State University, East Lansing, Mich. (paper), $1.

Corporate Reporting for the Professional Investor—Dr. Corliss D. Anderson—Financial Analyst Federation, 331 Auburndale Avenue, Auburndale 66, Mass. (paper), $5.

Dimensions of Soviet Economic Power—Part I: Policy Framework; Part II: Measure of Production—Prepared for the Joint Economic Committee of the Congress of the United States—U. S. Government Printing Office, Washington 25, D. C.

Economic Functions of Gold—Ian Shannon—F. W. Cheshire Publishers, 338 Little Collins Street, Melbourne, Cl., Australia (cloth), 21 shillings.

Education and Cultural Diplomacy 1961—Department of State Publication 7437—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 30¢.

Encyclopedia of Banking and Finance—Glenn G. Munn—Sixth edition complete revised by F. L. Garcia—Bankers Publishing Company, 89 Beach Street, Boston 11, Mass. (cloth), $25.

Essay on the Long-Term Value of Money—W. J. van de Woestijne De Twentsche Bank, N. V., Amsterdam, Holland (paper).

Exporter's Guide to Cargo Insurance—American Institute of Marine Underwriters, 99 John Street, New York 38, N. Y. (paper).

Factors Affecting the United States Balance of Payments—Long-Run Prospects for the U. S. Balance of Payments by Edward M. Bernstein; Private Capital Movements and the U. S. Balance of Payments Position, by Philip W. Bell; Recent Developments in Foreign Markets for Dollars and Other Currencies, and Canadian Markets for U. S. Dollars, by Oscar L. Altman—Superintendent of Documents, U. S. Government Printing Office, Washington 25, District of Columbia.

Fiber Facts—Guide including Federal Trade Commission fiber definitions, table of physical properties, and summary of characteristics and end-use applications—Product Information, Public Relations Department, American Viscose Corporation, 1617 Pennsylvania Boulevard, Philadelphia 3, Pa. (on request).

Financial Institutions: Their Role in the American Economy—Gilbert W. Cooke, Charles L. Prather, Frederick E. Case and Douglas H. Bellemore — A new college textbook in which traditional undergraduate materials in finance have been combined with more advanced, but closely related material on financial markets, organized from the viewpoint of the non-financial business firm—Simmons-Boardman Publishing Corp., 30 Church Street, New York 7, N. Y. (cloth), $10.50.

Focus: Soviet Union in World Affairs—November Issue on Africa—Information Center on Soviet Affairs, 30 East 42nd Street, New York 17, N. Y.

Freedom and Foreign Policy—Thomas J. Dodd—The Bookmailer Inc., Box 10, New York 16, N. Y. (flexible cloth), $4; (hard cloth), $5.50.

Freedom of the Mind—William O. Douglas—Public Affairs Pamphlets, 22 East 38th Street, New York 16, N. Y. (paper), 60¢ (quantity prices on request).

Highlights of the 1962 Seminar on How to Interview — Institute of Occupational Research, 104 Webster Avenue, Manhasset, N. Y. (on request).

How Fortunes Are Built With Life Insurance Stocks—Casey Brothers, 512 East Parkway, Talladega, Ala., $2.00.

How to Predict the Stock Market —Louis H. Bean—Study of trends and cycles of stock market prices related to general business conditions—David McKay Co., Inc., 119 West 40th Street, New York 18, N. Y. (cloth), $5.50.

Impact of Technological Change and Automation in the Pulp and Paper Industry—Bulletin No. 1347 of the U. S. Department of Labor —Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 50¢.

In and Out of Character—An Autobiography — Basil Rathbone —Doubleday & Company, Inc., 575 Madison Avenue, New York 22, N. Y. (cloth).

Industrial Production 1957-59 Base —Board of Governors of the Federal Reserve System, Washington 25, D. C. (paper), $1.

Insurance Rates and Regulation—Report of the Joint Legislative Committee of the State of New York—New York State Insurance Department, Albany, N. Y. (paper).

Inventory Fluctuations and Economic Stabilization—Hearings Before the Subcommittee on Economic Stabilization, Automation, and Energy Resources—Committee Room, G-207, New Senate Office Building, Washington 25, D. C. (paper).

Manufacturing in Ireland — Economic Features—Irish Industrial Development Authority, 420 Lexington Avenue, New York 17, N. Y. (paper).

Morphological Creativity: The Miracle of Your Hidden Brain Power—Prentice-Hall, Inc., Englewood Cliffs, N. J. (cloth), $4.95.

National Banks and the Future—Report of the Advisory Committee on Banking to the Comptroller of the Currency—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), $1.

Nationalization of Electric Power — Paul Sauriol — Harvest House Limited, Box 340, Postal Station Westmount, Montreal 6, Que., Canada (paper), $1.50.

New Approach to Stock Market Profits—A study of put and call options—L. R. Ross-Stanford Investment Management, Inc., 750 Welch Road, Stanford Professional Center, Palo Alto, Calif. (paper), $1.00.

New Tax Rules on Business Assets—Investment Credit — Depreciation — Gain on Sales — Commerce Clearing House, Inc., 4025 West Peterson Avenue, Chicago 46, Ill.—$3.

New York Stock Exchange Constitution and Rules—As of Sept. 1, 1962—Commerce Clearing House, 4025 West Peterson Avenue, Chicago 46, Ill. (paper).

New York Stock Exchange Director—Revised to July 2, 1962—Commerce Clearing House, Chicago 46, Ill. (paper), $3.

1963 U. S. Master Tax Guide—New Edition, explaining basic rules affecting personal and business income tax, and aides in tax planning—Commerce Clearing House, Inc., 4025 West Peterson Avenue, Chicago 46, Ill. (paper), $3.

Puerto Rico Aqueduct and Sewer Authority — Annual Report — Puerto Rico Aqueduct and Sewer Authority, San Juan, P. R.

Puerto Rican Securities — Quarterly Report to Investors— Government Development Bank for Puerto Rico, San Juan, Puerto Rico (paper).

Quality Earnings Trend Portends Higher Stock Prices

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creasing burdens on corporate profits. While there is little reason to believe that any of these costs may be expected to decline in an absolute sense, it is important to recognize the virtual certainty that they will increase at a substantially lower rate in the immediate future than they have in the recent past.

5. The Increase of Costs of Financing the Expansion of New Plant and Equipment Have Already Begun to Level Off

First, the excess capacity which exists today mitigates against the likelihood that the large expansion programs of the fifties will be repeated in the sixties, and since the sum of cash flow less anticipated dividend for 1962 will exceed capital expenditures, the relative need to raise new capital, while varying from industry to industry, is much less than that which existed throughout most of the last decade. In this connection, a substantial part of the capital raised in the 1950's was in the form of common stock and convertible securities which diluted the equity of the existing stockholders, and this is particularly meaningful when we recognize that a high percentage of this equity was sold at lower P/E multiples than exist today.

Second, although the issuance of straight preferred stock has not been much of a factor in capitalization ratios since prewar days, it is an almost negligible consideration today. Even electric utilities have begun to see the advantage of financing with subordinated debentures.

Third, the constant increase in corporate debt and fixed charges resulting from the inadequacy of depreciation reserves in relation to the higher costs of replacing plant and equipment is probably a thing of the past.

Fourth, increased dollar sales and inventories required more working capital, often obtained in the form of bank loans, with attendant borrowing costs. Greater corporate liquidity will minimize this factor in the future.

Fifth, the consistently increasing pattern of interest rates which affected both bonds and bank loans resulted in higher fixed charges, regardless of whether total debt was increased and, even though it seems reasonable to assume that interest rates may increase somewhat from present levels, the 50% rise which took place between 1950 and 1960 is unlikely to be repeated.

6. The Tremendous Growth of Research and Development

Although there is little reason to have any faith in the accuracy or comparability of R & D expenses reported by companies, most estimates made by economists indicate an increase from approximately $2 to $3 billion in the 1947-49 period to somewhere between $8 to $12 billion in 1962. This quadrupling of a significant item of expense during a period when corporate profits were marking time necessarily raises the question as to whether an increase of such magnitude may reasonably be anticipated in a subsequent period. Bearing in mind that many major American corporations are presently reevaluating both the nature and extent of their R & D programs and recognizing the impact that Federal Government expenditures have had in this area it is almost a foregone conclusion that the *rate of increase* of R & D expenses is even now turning down.

7. Foreign Earnings Have Been Growing Faster Than Domestic Earnings But the Unremitted Portion Is Often Unreported

Now that external convertibility has been attained by most of Western Europe and the likelihood of currency reevaluation losses appear to be diminishing for the economically mature countries, we should be able to evaluate foreign earnings of domestic corporations not too differently than we do domestic earnings.

In the past, many of the indirect costs of foreign sales, such as R & D, have been entirely expensed against domestic sales, thus understating domestic earnings and overstating foreign earnings. Furthermore, since foreign sales are not always consolidated and foreign earnings are usually not consolidated until they are remitted, the growth of world wide sales and earnings has been higher than corporate reports would suggest. While it is not likely that there will be a revolution in the accounting procedure of internationally oriented corporations, it is clear that the trend is toward a more liberal and realistic treatment of both foreign sales and earnings. To the extent that this proves true, it is probable that the investor will begin to capitalize the addition of both remitted and unremitted foreign earnings just as promptly as he capitalized the addition of flow-through to basic earnings in the case of electric utilities.

Although the expenses of developing foreign sales and building foreign plants will continue and may even accelerate, and the relationship of the United States to the Common Market can only be a subject of conjecture, it seems safe to conclude that foreign earnings can be expected to grow at a faster rate than domestic earnings, to become increasingly significant in relation to total corporate earnings, and to be more and more treated as a plus factor by the investor.

8. Inflation Has Hurt All Corporations But Particularly Those Which Have Not Been Able to Pass on Higher Costs

The continuing trend of higher capital investment required for each worker has diluted the increased productivity of the equipment particularly in those instances where most of the benefits have been siphoned off by labor. As a result, we find that in many instances both retained earnings and new capital have been invested in the tools of production without any incremental return to the investor in the form of higher profits (or any benefit to the consumer in the form of lower prices). Though it would be foolish to expect that the unions will be willing to settle for less than an *un*reasonable share of the benefits derived from new investment and increased productivity, it is likely that the *rate of increase* of both direct wages and fringe benefits will be less in the future than it has in the past. Moreover, because one man's cost is another man's price, an increase in wages has had the indirect effect of increasing the price of most of the materials and components that a corporation must purchase. Accordingly, any decline in the rate of increase in labor costs will ultimately be reflected in a decline in the rate of increase of materials purchased.

9. Operating Profit Margins Have Declined and Are Now Approaching Historical Norms

In the seller's markets that prevailed during the 1950's, operating profit margins of many very competitive industries rose to historically unsustainable levels. When classical economic laws began to assert themselves, capacity (supply) was eventually increased to a point where it exceeded demand and price competition began to make itself felt. However, one of the more significant factors that is often overlooked in an examination of this problem is that some of the new capacity and much of the pressure on price has come not from within the industry but from outside as large corporations in other industries were attracted by the substantially higher operating profit margins and returns on invested capital which were being realized in other areas. While this new competition and excess capacity caused operations to fall well below the optimum point, resulting in declining operating profit margins, decreasing returns on invested capital, and negative returns on incremental invested capital, the problem carried the seed of its own correction, i. e., in accordance with classical economic theory, the attraction for both insiders and outsiders to spend for further expansion began to decrease.

As a result, we have good reason to believe that, with certain exceptions, the capital spending plans of most industries are much more realistic today than they were a few years ago and it is likely that the declining operating profit margins which we have been witnessing will abate when conditions of excess capacity no longer force corporations to lower prices in an attempt to increase volume and spread fixed costs over a larger sales base.

10. Miscellaneous Factors That May Improve the Quality of Corporate Earnings

(a) Most corporations have specifically pointed out the large but nonrecurring costs that have been incurred during the year or two required to change over to electronic data processing. (b) The continuing trend toward the substitution of synthetic materials for their natural counterparts can be expected to decrease the volatility and risk of both the price and supply problems that have often existed in the past. (c) The problems of fluctuating demand due to excessive inventories in the hands of either wholesalers or retailers have improved to the extent that there has been a gradual shift of inventories to the manufacturer. Excess capacity, faster and more reliable transportation, computer technology and better management controls have made this possible. (d) While I am a severe critic of government bureaucracy, the fact remains that the information available to corporations from government sources is generally much more extensive and complete than they could afford to gather themselves and enables them to exercise better judgment and make better decisions.

No attempt has been made in this article to set forth some of the negative factors that may continue to impair the quality of corporate earnings such as state and local taxes which have increased 120% during the past decade (while Federal taxes have risen 40%) and which are almost certain to increase in the foreseeable future. The purpose of this article has been to show that much importance is still being given to the obviously flat trend of reported corporate profits while not enough significance has been attached to the fact that the quality of corporate profits is so much improved. More importantly, the improvement in the *quality* of corporate profits must eventually result in an improvement in the *quantity* of corporate profits and I believe that this improvement will make itself felt in 1963 and certainly not later than 1964. While the stock market appears to be reflecting this better quality in the form of higher P/E multiples it does not appear to reflect the probability of increased profits which will ultimately support higher stock prices.

Eaton & Howard Appointments

A. Dryden Eberhart

Steiner E. Hansen

Natalie V. Bolton

BOSTON, Mass.—Election of two new Vice-Presidents and an Assistant Vice-President, and appointment of seven regional representatives, has been announced by Charles F. Eaton, Jr., President of Eaton & Howard, Inc., 24 Federal St.

A. Dryden Eberhart was elected regional Vice-President, Midwest area. He had been Midwest regional representative for Eaton & Howard for the past 12 years and will continue to make his headquarters at Eaton & Howard's Chicago office at 208 South La Salle St.

Steiner E. Hansen was elected regional Vice-President Southern California, where he had been a regional representative for the past year. Prior to that, for 12 years, he was regional representative for the Rocky Mountain and North Central States areas. He will continue to be headquartered at 210 West 7th St., Los Angeles.

Natalie V. Bolton was elected Assistant Vice-President-research. She had previously been a research associate for Eaton & Howard, which she joined over 25 years ago on graduation from Wellesley College. Miss Bolton was one of the first women to enter the field of security analysis and is now among the best-known specialists in the business. She will continue to be based in the home office.

Appointed regional representatives were Kenneth W. Branz, with headquarters in the firm's Chicago office; Joseph E. Eaton, Brian McFadden and Francis C. Millspaugh, Jr., in the New York office; and Donald E. Furber, Willard Howard, and Andrew J. Lord, in the firm's home office in Boston.

New York City Banks Gained 5.5% in Deposits

Deposits held by New York City banks increased 5.5% in 1962, according to an analysis by the bank stock firm of M. A. Schapiro & Co., Inc.

Average daily net demand and time deposits of the 11 New York Clearing House Association banks rose to $30,243 million, surpassing the previous high in 1961 by $1,586 million.

Of this increase $1,561 million represents growth in domestic time and savings deposits. The 24.9% gain in this classification reflects the higher interest rates paid to savings depositors and the wider use by business of negotiable certificates of deposit.

Deposits at branches overseas also increased, averaging $2,621 million, or 6.9% ahead of 1961, the firm said. Domestic net demand deposits at $19,782 million are off $144 million, or 0.7%.

All the 11 banks show higher deposit totals with Irving Trust Company, Morgan Guaranty Trust Company, and Marine Midland Trust Company pacing the group with gains of 10.9%, 8.8%, and 8.4%, respectively.

According to the Schapiro analysis, the relative position of the banks in 1962 remained unchanged from the previous year with Chase Manhattan Bank once again edging out First National City Bank for number one position.

The State of TRADE and INDUSTRY

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Dec. 29, 1962 shows a production decline of 18.6% compared to last year's week output of 2,106,000 tons (*113.0%).

Production this year through Dec. 29 amounted to 98,144,000 tons (*101.3%), or 0.5% above the Jan. 1-Dec. 30, 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. 29 1962	Dec. 22 1962
North East Coast	76	90
Buffalo	96	102
Pittsburgh	81	87
Youngstown	55	83
Cleveland	85	91
Detroit	152	160
Chicago	111	112
Cincinnati	122	124
St. Louis	91	108
Southern	83	90
Western	97	103
Total Industry	92.1	100.6

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

1962 Metalworking Industry Sales Set Record

Metalworking industry sales hit a record $166 billion in 1962, 11% above 1961's $149.1 billion, *Steel* magazine said. The previous record: $149.6 billion in 1960.

But Walter J. Campbell, editor, pointed out that 1962 earnings were below what most managers believe is necessary to maintain facilities in efficient condition, give owners a fair return, and, perhaps most importantly, to enable the growth that would provide more jobs.

Against that background, Mr. Campbell noted a rising tide of confidence for 1963 and beyond among industrialists. He cited these developments:

. . . Economists who until two months ago were almost unanimous in predicting a recession in 1963 have reversed themselves.

. . . Steelmakers who in the autumn months saw ingot output limited to 94 million-95 million tons next year now expect to produce at least 100 million tons.

. . . New orders for durable goods have been rising since September.

. . . Business inventories are low and will be rebuilt after the new year begins.

. . . Consumer spending is proceeding at a high rate, and the belief grows that an increase in capital spending will follow.

"The total result is a rising wave of confidence among industrialists," Mr. Campbell noted, "that 1963 will be a better-than-expected year—that it may resemble 1955, a year that improved as it went along. Some believe 1963 will be the forerunner for the much-talked-about and long-delayed surge of the sixties."

Steel Producers Look for Stronger First Quarter Market

Steelmakers are starting 1963 with hopes for a stronger market, *Steel* reported.

First quarter output will be at least 24 million ingot tons, up from 23.8 million in the fourth quarter, 1962. If new car sales remain brisk, automakers may order enough steel to assure first quarter ingot production of 26 million tons.

Order entry at most mills has been slow in the last two weeks for three reasons: (1) Heavy snows and cold weather hampered construction activity. (2) Some users shut their plants for long holiday weekends. (3) Customers in states that tax year-end inventories wanted shipments deferred until after Jan. 1.

Despite the New Year holiday, steel output this week is expected to be higher than the 1,800,000 tons that *Steel* estimated the industry poured last week.

Some mills are keeping more of their finishing facilities going this year than they did last year even though steelmaking operations in December, 1961, were about 10 points higher. The most plausible explanation is that mills anticipate stronger finished steel demand early in 1963.

Year-end dullness has settled over the scrap market. *Steel's* price composite on No. 1 heavy melting stayed at $26 a gross ton last week for the third straight week.

Labor and Competition Drive Steel to Cut Cost

A bitter fight to cut or hold down costs will stand out in the steel industry throughout 1963, the *Iron Age* stated.

The goal will be to increase profits in a year in which revenues are not likely to make any major move from either greater production or significant price increases.

In the face of a sales and production year roughly similar to 1962, the steel industry is confronted by labor negotiations. These are sure to bring on demands that would add significantly to employment costs.

The battle to hold down costs will cut across the entire industry; from top management through the hourly-rated workers, from the cost of raw materials through the final production and shipping operations.

Some of these programs have been under way for some time. But they will be more intense this year.

In addition to the general belt tightening, the industry will continue to spend heavily for new equipment to lower production costs or bring out new and improved products.

The drive to improve and bring out new steel products reflects the steel industry's revitalized drive to win new markets and, in some cases, to hold or regain markets that are threatened by other materials.

Capital spending will be encouraged by new depreciation regulations and tax investment credits. These government moves will add to the cash flow and make it easier for the steelmakers to maintain a high rate of spending for new plants and equipment.

Costly Strike Could Be Ruinous

The net result could take an unforeseen turn for the worse if there should be a costly strike by the United Steelworkers of America.

Although a strike is always a possibility, a prolonged walkout is not now likely. Political and economic pressures appear too great to permit a strike that would threaten the economy.

However, the issues are tough, and the bargaining may be bitter. Again, it will be the industry's determination to resist any increase in labor costs matched against the USWA's drive for greater job protection.

The determination to hold down labor costs is forced by a low level of profits and price competition from foreign steel. With foreign steel consumption off, producers in Europe and Japan will intensify their drive to expand U. S. markets.

Against this background and tough price competition at home, the steel industry does not see its way clear to raise prices except for a very few selective increases.

Overall, the year will follow a pattern of ups and downs. The market is comparatively strong at the start of the year. Inventory building should start as early as March or April as a hedge against a possible strike. The third quarter should be somewhat depressed, followed by an upturn in the final months of the year.

December Auto Output Hits 7-Year High

Ward's Automotive Reports said Dec. 28 that production of passenger cars and trucks in the U. S. during the fourth quarter of this year, as of Dec. 29, reached the highest level in history.

The statistical agency said passenger car production since Oct. 1 passed the 2,000,000-unit mark this week for the first time such output has attained this level for any corresponding period. Truck production, meanwhile, totaled nearly 345,000 units for the same period—highest since like 1952, when military demand was at a peak.

Ward's estimated output for the statement week ending Dec. 29 at 114,463 cars and 20,772 trucks. Both figures reflect decline from 164,997 cars and 28,993 trucks made in the previous week because of holiday cutbacks in output. *For entire December, car output will scale a 7-year high and truck output will be at an 11-year peak.*

For entire 1962, *Ward's* has projected combined car and truck output of nearly 8.2 million units, exceeded only in 1955. The car making will be a high since that time and truck production will be above all years since 1952.

Of passenger cars being produced last week, General Motors accounted for about 51.2%; Ford Motor Co. 24.3%; Chrysler Corp. 17.7%; American Motors 5.7% and Studebaker Corp. 1.1%.

Rail Freight Gains Over Prior Week But Not Over Year-Ago Level

Loading of revenue freight in the week ended Dec. 22 totaled 512,038 cars, the Association of American Railroads announced. This was an increase of 11,005 cars or 2.2% above the preceding week.

The loadings represented a decrease of 8,934 cars or 1.7% below the corresponding week in 1961, but an increase of 42,072 cars or 8.9% above the corresponding week in 1960.

There were 14,164 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Dec. 15, 1962 (which were included in that week's overall total). This was an increase of 1,821 cars or 14.8% above the corresponding week of 1961 and 4,602 cars or 48.2% above the 1960 week.

Cumulative piggyback loadings for the first 50 weeks of 1962 totaled 684,388 cars or an increase of 113,065 cars or 19.8% above the corresponding period of 1961, and 147,962 cars or 27.6% 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 53 in the corresponding week in 1960.

Truck Tonnage Gains 7.7% Over Last Year

Intercity truck tonnage in the week ended Dec. 22 was 7.7% ahead of the volume in the corresponding week of 1961, the American Trucking Associations announced. Truck tonnage showed no change from that of the previous week of this year.

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 27 localities, with 6 points reflecting decreases from the 1961 level. One terminal city, Baltimore, showed no change from last year. Trucking terminals at Detroit and Dallas-Fort Worth reflected tonnage gains in excess of 20%, while six centers registered increases of more than 15%. An additional five areas showed gains of more than 10%, while only two centers reflected decreases in excess of 10%.

Compared with the immediately preceding week, 12 metropolitan areas registered increased tonnage, while 22 areas reported decreases.

Lumber Data Unavailable

Editor's Note: Weekly and yearly lumber production, shipment and new order data are unavailable this week.

Electric Output Up 5.6% Over Year Ago

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Dec. 22 was estimated at 17,560,000,000 kwh., according to the Edison Electric Institute. Output was 449,000,000 kwh. below that of the previous week's total of 18,009,000,000 kwh., and 930,000,000 kwh., or 5.6% above the total output of the comparable 1961 week.

Business Failures Off Sharply Christmas Week

Commercial and industrial failures dropped steeply to 143 in the holiday week ended Dec. 27 from 249 in the preceding week, reported Dun & Bradstreet, Inc. This was the lowest business toll in nine years and was down appreciably from 222 in the similar week last year and 276 in 1960. About one-fourth fewer concerns failed than in prewar 1939 when casualties numbered 190 in the comparable week of that year.

Among failures with liabilities in excess of $100,000, there was little change, 30 as against 35 a week earlier and 32 last year. On the other hand, the holiday downturn was sharp among casualties of smaller size, under $100,000, which plunged to 113 from 214 in the prior week and 190 in the corresponding week of 1961.

All industry and trade groups had lower tolls. Manufacturing failures fell to 29 from 45, retailing to 63 from 107, wholesaling to 12 from 23, construction to 28 from 51, and commercial service to 11 from 23. Only service casualties came close to last year's level; other lines showed strong declines from their 1961 tolls.

Geographically, failures dropped to about half their week-ago levels in five of the nine regions, while a mild decline prevailed in one other area and tolls held even in two, the West North Central and Mountain States, and increased little in the East South Central. Casualties in the Middle Atlantic Region fell to 38 from 66, in the East North Central to 20 from 41, and in the Pacific to 38 from 63. All areas suffered appreciably less business mortality than in the similar week a year ago.

In Canada, casualties were down to 13 from 28 in the preceding week but were not far short of the 17 occurring in the comparable week of 1961.

Wholesale Commodity Price Index Steady in Latest Week

Holding to a relatively even course, the general wholesale commodity price level edged to 270.39 this past Monday, reported Dun & Bradstreet, Inc. Increases in quotations at wholesale for hogs and tin helped to raise the index fractionally above the 270.35 recorded last Friday. Although remaining above the month-ago level, it continued down considerably from the comparable 1961 level.

The Daily Wholesale Commodity Price Index stood at 270.39 (1930-32=100) on Monday, Dec. 31. On the similar day a week earlier, most markets were closed. It compared with 268.31 on the corresponding day in the previous month and 274.22 a year ago.

Wholesale Food Price Index Inches Lower This Week

After two steady weeks, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., inched down to $5.90 on Monday from $5.92 a week earlier, reaching the lowest level since the end of October. Down from comparable year-ago levels for the fourth consecutive week, the index dipped 0.3% from $5.92 on the corresponding date last year.

Almost twice as many foodstuffs were priced lower as were priced higher during the week. Hogs, bellies and raisins moved down appreciably, while declines also were registered for flour, rye, hams, cottonseed oil, peanuts and steers. In contrast, higher quotations were noted at wholesale markets for corn, oats, eggs, potatoes and lambs.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meat 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.

Consumer Buying Data Unavailable

Editor's Note: Holiday-shortened Dun & Bradstreet work schedule and mail delays prevent compilation of this week's data.

Nationwide Department Store Sales Gain 5% Over Year-Ago Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported an overall gain of 5% for the week ended Dec. 22, compared with the like period in 1961. In the four-week period ended Dec. 22, 1962, sales gained 1% over the corresponding period in 1961.

According to the Federal Reserve System, department store sales in New York City for the week ended Dec. 22, were 7% more than the same period in 1961. The New York City newspapers strike by the printers' Big Six commenced 2 a.m. Saturday, Dec. 8, 1962, and despite it, retail sales in New York City department stores finally put in an impressive week.

THE SECURITY I LIKE BEST...

Continued from page 2

support equipment, anti-submarine warfare and control systems. Microwave technology is a strong binding force across many of these lines.

Current areas of systems development activity include:

(a) Space communications and spacecraft radar.

(b) FM radio altimeters (company personnel have been responsible for a majority of the patents issued in the FM altimeter field).

(c) Phased array radar—(Sanders has long been a leader in the new field of electronic beam forming and steering. The company was recently awarded the complex receiver network for the Air Force SPADATS (Space Detection and Tracking System) and has developed other phased array systems such as a pulse doppler mortar locator.)

(d) Lasers (being developed for use in a particular family of weapons systems).

As an outgrowth of weapons systems activities, the company has also developed a number of product lines, some with very important potentials. Included are microwave products such as antennas and printed microwave plumbing (Tri-Plate), flexible printed wiring (Flexprint), electrohydraulic servo valves, subminiature rate gyroscopes and blowers, accelerometers and instrumentation tape recorders.

Flexprint wiring appears to have a large potential in both military and commercial markets. This replacement for wire harnessing is being used in aircraft, missiles, computers, automobiles, switchboards and cameras. The company appears to be far ahead of competition in this area and profit margins are favorable. Increased mechanization of production established at Sanders and newer production techniques lend promise to a strong growth trend for this product from present levels of a few million dollars annually. A long-term goal of $25-50 million a year appears possible.

Sanders' growth has far outpaced that of the electronics industry itself. Operational results of the past few years are outlined below:

Fiscal Years Ending July 31st	Sales ($) Millions	Earnings Per Share
*1963	$60.0	$1.75
1962	41.0	1.40
1961	21.1	0.61
1960	17.2	0.34

*Estimate.

The earnings estimate for the current year could well prove to be conservative, depending partially on the pace of company sponsored research and development.

Military and space activities should continue to dominate operations for some time ahead.

While the company's present penetration of the military systems business is growing rapidly, it is still small in relation to the total available. Consequently, Sanders has an excellent opportunity to obtain a larger share of this market.

The military risk appears to be moderated somewhat by the defensive nature of most of the programs in which Sanders is engaged, many of which might survive or even be enlarged, in time, should disarmament be effected.

In addition, several current fields of endeavor hold longer term promise of translation into sizable commercial businesses. Flexprint may be one of the earlier ones.

In conclusion, although the stock enjoys a moderately liberal evaluation, the combination of Sanders' unusual technical talents, excellent operating prospects over the intermediate terms, and promising longer range potentials in the electronics field appear to warrant a favorable investment attitude.

The 1.5 million shares outstanding are traded in the Over-the-Counter Market.

Standard Oil Foundation Educational Grant

CHICAGO, Ill. — Standard Oil Foundation, financed by Standard Oil Company (Indiana), has announced an educational grant of $100,000 that will help generate $2.5 million of nationwide loan funds for deserving college students, through United Student Aid Funds.

J. E. Swearingen

The Standard Oil Foundation grant is the first by a corporate foundation to provide a national underwriting reserve for banks offering long-term bank credit under the new USA Funds student aid program.

United Student Aid Funds will use the $100,000 Standard Oil Foundation grant to match equivalent funds already deposited by colleges and universities. The resulting $200,000 reserve will underwrite a permanent pool of $2.5 million in low-cost bank loans to college and university students.

A. D. Marshall, President of USA Funds, who accepted the leadership grant, said: "This far-sighted contribution is a tremendously important landmark in the development of our student loan program. On a revolving basis, it will help nearly 5,000 needy students in each college generation to finance their college educations. More than that, we know that many corporations and foundations will follow Standard's lead and help us help thousands more."

In transmitting the grant, John E. Swearingen, who is President of the Standard Oil Foundation, said: "We have great confidence in this skillfully developed student loan program and are proud to be the first corporate foundation contributor to its national reserve. We have rarely seen an educational program with greater potential results from the dollars contributed to it. At the same time, the plan encourages a student's independence by making it possible for him to pay for his education without burdening others." Mr. Swearingen is President also of Standard Oil Company (Indiana).

Mr. Swearingen pointed out that individual banks provide the money for student loans under the program. USA Funds acts as endorser on these bank loans, maintaining an 8% reserve against the total loans. This permanent reserve provides substantial protection to banks against possible loss. He said individual banks in 41 states have already adopted the USA Funds program or similar plans. Banks in most of the remaining states are expected to cooperate in 1963, he added.

USA Funds' objective is to make it possible for any needy college student in the nation to borrow money at his neighborhood bank with no collateral except good character and a satisfactory academic record.

The reserve funds are created in part by deposits from colleges and universities and in part from matching contributions from foundations, corporations, and individuals. Each dollar placed in the USA Funds reserve underwrites $12.50 in bank loans to students.

Earlier this year, the three foundations financed by Standard Oil Company (Indiana) and two of its subsidiaries announced their intention to increase their educational grants through 1966 to a total of more than $4,000,000, to help private institutions of higher learning meet the sharper demands on them. Their contributions to education in 1962 are more than 60% greater than in 1961, Mr. Swearingen said.

In the 10 years since the foundation's program of aiding worthy causes was organized, Mr. Swearingen said, more than $9.4 million has been granted in aid to education, and in the areas of public welfare, health and medicine, and youth activities. In 1962 alone, some 570 colleges and universities are scheduled to receive funds from the three foundations.

Nat'l Secs. & Research Elects

Philip C. Smith has been elected a Director of National Securities & Research Corporation, 120 Broadway, New York City.

Philip C. Smith

Mr. Smith was elected Senior Vice-President—Sales in June of 1962. Previously he had been a regional Vice-President in the New York Metropolitan area and Chicago. Before joining National in 1954, he was an associated attorney with Satterlee, Warfield & Stephens.

Current News in the Field

These items are supplemental to similar notices appearing elsewhere in this issue

NEW FIRMS

BILLINGS, Mont. — **Burgan Investment & Securities,** 1120 Avenue D. Alfred E. Burgan is sole proprietor. He was formerly with J. M. Dain & Co. and was local manager for Wm. H. Tegtmeyer & Co.

BOSTON, Mass.—**David D. Lourie & Co.,** 40 Court St., successor to Lane, Lourie, Wolff & Co.

CORPUS CHRISTI, Tex.—**Olson Investments,** 4942 Gabriel. Stanley V. Olson is proprietor.

LOS ANGELES, Calif.—**J. Robinson and Company,** 760 South Parkview. John S. Robinson is sole proprietor.

NEW YORK CITY—**Bierregaard & Co., Inc.,** 124 East 40th Street. Richard O. Bierregaard is principal. The firm is successor to Stock Purchase Plan Inc.

NEW BRANCHES

ALBUQUERQUE, New Mexico—**Quinn & Co.,** First National Bank Building East. Stanley L. Gromek is manager.

BIRMINGHAM, Ala. — **Midland Securities Co., Inc.,** 2023 First Ave., North. Kenneth P. Long is manager.

BROOKLYN, N. Y.—**Herzfeld & Stern,** 965 Flatbush Ave. Morris Lamer is resident partner in charge.

CHICAGO, Ill.—**J. F. Reilly & Co., Inc.,** 208 South LaSalle St. Michael Cariоscia, formerly with Merrill Lynch, Pierce, Fenner & Smith Inc., will be associated with the new office.

GLEN COVE, N. Y. — **Edwards & Hanly,** members of the New York Stock Exchange, have announced expansion of the firm's Long Island network of offices with the acquisition of the Glen Cove office of H. N. Whitney, Goadby & Co.

The new Edwards and Hanly office, the 11th in the Long Island, New York City and New Jersey chain, is located at 5 Glen Street.

The Glen Cove office will be co-managed by Messrs. William and Edward Dayton. Existing personnel of the Whitney, Goadby office will be retained and supplemented by additional Edwards & Hanly representatives.

NEWARK, N. J.—**Lieberbaum & Co.,** members of the New York Stock Exchange and of the American Stock Exchange, have opened a branch office in the Academy Building, 25 Academy Street.

POWELL, Wyo.—**Amos C. Sudled & Co.,** First National Bank Bldg. R. S. Hede is manager.

PERSONNEL

GREENSBORO, N. C. — Julian Murphy has become associated with **Northstate Securities, McLean & Lybrook Corp.,** Southeastern Bldg. He was formerly with United Securities Co.

FANWOOD, N. J. — Charles W. Basham, Jr. is Vice-President and Treasurer of **Family Investors Co.,** 266 North Ave.

MINNEAPOLIS, Minn.—Leopold A. Hauser III, has joined the staff of **Piper, Jaffray & Hopwood,** 115 South Seventh St., members of the New York Stock Exchange.

MINNEAPOLIS, Minn. — Paul R. Krausch has been added to the staff of **J. M. Dain & Co., Inc.,** 110 South Sixth St., members of the New York Stock Exchange.

MINNEAPOLIS, Minn.—Roger D. Gabbert is now affiliated with **Francis I. du Pont & Co.,** Rand Tower.

CHARLOTTE, N. C. — Albert L. Ofstrom is now connected with **Thomson & McKinnon,** Liberty Life Building.

PORTLAND, Oregon — John F. Wear and Buford L. White are now with **Financial Security Corp.,** 3376 Northeast Sandy Blvd. Both were formerly with E. I. Hagen & Co.

LA CROSSE, Wis. — Richard J. McLoone and Joel E. Stokke have become associated with **Bell & Farrell, Inc.,** Exchange Building. Both were formerly with Cruttenden, Podesta & Miller.

MILWAUKEE, Wis. — Milton Sanderson has joined the staff of **Francis I. du Pont & Co.,** 605 North Broadway.

MILWAUKEE, Wis.—William B. Campbell is now affiliated with **Bache & Co.,** 740 North Water St. He was formerly with the Milwaukee Co.

WASHINGTON AND YOU

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

WASHINGTON, D. C.—Secretary of Commerce Luther H. Hodges was a successful business man before he got into politics.

Although only 64, he is the oldest Cabinet member in the New Frontier Administration, and is generally regarded in the Nation's Capital as the most conservative man in the Cabinet.

Secretary Hodges, who has traveled many thousands of miles the past five or six months talking with business groups and individuals at home and overseas, is thoroughly convinced that 1963 will be a significantly better year than 1962.

Obviously this is good news if it proves correct. In his "1963 Outlook and 1962 Year-End Economic Review," Secretary Hodges predicted that the economy would continue to rise in the New Year, but at a slower pace than 1962. Like President Kennedy and other members of the Cabinet, he feels there is a paramount need for a tax reduction in 1963 to spur the economy.

A spot check of five economists in the Government showed general agreement and belief that our economy will continue to edge up in 1963 even though there might not be a tax cut.

Government economists continue to point up the slow growth in our economic rate. Each acknowledges that we are faced with numerous challenges, such as selling more goods overseas.

The Key to a Virile Economy

Yet, there is one extremely important challenge that the economists and the politicos alike have failed to emphasize. The question of better cooperation between labor and management is extremely vital to the economy. Every section of the country the past several months has witnessed some bitterness between some of the big unions and business.

It is perhaps surprising to many but the labor unions have been losing members steadily in recent years. The loss has been among blue collar workers. As a result some of the labor chieftains have been tougher in their dealings in executing new contracts.

Automation and lack of all-out organization drives have been blamed for the decline in membership. Total AFL-CIO membership is currently placed at about 12,500,000, as compared with a peak of 15,000,000 in 1957.

Labor higherups in the Capital say plans have been drawn up for a change in membership drives. The plan is to concentrate on one geographic region at a time rather than a simultaneous nationwide drive. In the past, some of the most capable organizers of the country have been spread too thin in the union drives. The drives have been costly and the net membership gain has been lower than expected.

Although blue collar union membership has been declining, unions are intensifying their efforts to organize white collar workers. For the first six months of 1962, the unions won about 55% of their white collar elections. Nevertheless, they suffered some losses because of wholesale resignation of members in two or three large companies.

Profits Is Key to Virile Economy

With incomes rising in many countries, there is a growing feeling in Washington that the United States can share in those markets to a greater degree, if labor unions will cooperate and permit manufacturers to compete. The big problem is we have been unable to compete because of our much higher labor costs in comparison with some other countries.

Meantime, both businessmen and the Federal Government in Washington are keenly interested in higher profits. Even the State Department has begun to realize that the United States needs to step up its economy. Some of the career people at the State Department are now saying in private talks that we cannot continue to supply billions in foreign assistance unless our economy is sound and healthy.

President Kennedy will disclose his legislative program to the Nation in his State of the Union Message on or about January 11. His important budget message for the 1964 fiscal year in all probability will be submitted to the new Congress about January 16 or 17.

Tax Cut in Jeopardy

The tax reduction and tax reform proposals of the Administration unquestionably will face stiff opposition. Businessmen in the country want a tax cut, but they also want expenses cut to go along with the tax reduction.

The Chamber of Commerce of the United States, an organization of businessmen in the country, has dispatched a reminder to its membership that the tax cut proposal "faces hard sledding in Congress, unless businessmen rally around it."

Federal Aid to Education Again on Agenda

There is going to be a new drive to push through a Federal aid to education bill. This is a political bill. The educational organizations, State and National, are in favor of the measure. Educational associations are powerful lobbyists on both the State and National level.

Therefore, the politically explosive question will be facing the 88th Congress just as it did the 87th Congress before it was sidetracked.

With some exceptions the local school authorities in this country are adequately providing the educational needs of the community. If Federal aid comes it means, of course, Federal intervention. Many people have told Congress that they think the school system of the country should be directed from Washington on the theory the educational standards of the country would be raised.

Medicare Issue to Be Revived

Still another major controversial subject is the compulsory health care for the elderly. This legislation will evoke a great deal more of heated pro and con debate. Obviously, if the plan is approved it will mean higher social security taxes which have already begun to pinch, and pinch hard.

At this time it appears this proposal will not be enacted in 1963, but the picture could change in 1964, the big election year.

Despite its merit the proposal by Representative David T. Martin, Republican of Nebraska, that would bring to an end organized labor's immunity from the anti-trust laws, will have difficult sledding in the new Congress as it did in the 87th Congress of 1960-62.

[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.]

"What makes you think I haven't confidence in your market selections?"

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.

CHRONICLE's Special Pictorial Section Feb. 7.

Jan. 24, 1963 (Kansas City, Mo.)
Kansas City Security Traders Association Mid-Winter Party on the Roof Garden of the Hotel Continental.

March 29, 1963 (New York City)
New York Security Dealers Association 37th Annual Dinner at the Waldorf-Astoria Hotel.

April 3-4-5, 1963 (Dallas, Tex.)
Texas Group Investment Bankers Association Convention at the Statler Hilton Hotel.

CHRONICLE's Special Pictorial Section April 25.

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.

N. Y. Exchange Considers New Site

Keith Funston, President of the New York Stock Exchange, has issued the following statement concerning announcement by the New York City Housing and Redevelopment Board that it is recommending the Battery Park urban renewal area as the site for a new Stock Exchange building:

Keith Funston

"The New York Stock Exchange appreciates the interest shown by Mr. Mollen, Chairman of the Housing and Redevelopment Board, and other City officials with regard to the selection of a suitable site for a new Stock Exchange building.

"The site chosen for redevelopment would accommodate not only the greatly enlarged facilities now being planned but also further expansion of these facilities in future years. The Exchange's space requirements are unique, including a huge unobstructed trading floor, preferably in a low building, surrounded by areas providing ready access and service facilities, with a vast communications complex and office facilities for Exchange members and employees nearby. These factors—unique space needs and provisions for continued growth — were of major importance in our considerations. The Exchange is gratified by the City's recognition of these requirements.

"The Exchange, of course, expects to pay full value for the property. At the same time, the City's role in making this site available is of major significance in assuring the continuation and expansion of the Stock Exchange's historic role as a responsible and useful citizen of New York."