The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Off.

THE LEADING AND MOST INFORMATIVE PUBLICATION IN THE FINANCIAL FIELD . . . ESTABLISHED 1839

Volume 197 Number 6230 New York 7, N. Y., Thursday, January 17, 1963 Price 50 Cents a Copy

EDITORIAL

As We See It

It would hardly be fitting to talk about mountains laboring to bring forth mice when referring to the action of the House in deciding to keep the Rules Committee membership at the same size as last year, but it would be incorrect to assume that the consequences of that action will be very great. Certainly the record of the last session of Congress hardly supports the notion that there is particularly great significance in the size of the committee. It may be, though, that some measures will reach the floor this year which might otherwise have been buried in technicalities. Which bills these are likely to be and what their fate may be once they reach the floor is another and quite different question. In any event there is a possible aspect of all this which must not be overlooked—and which one may well hope will not be overlooked by members of the House of Representatives.

One can hope that members of that body in voting on the question of the size of this committee meant to declare themselves ready to face certain issues when they come to the floor of the House. It has long been common belief that the hesitation of the House to take action which might result in a larger part of New Frontier legislation reaching the floor stemmed from a desire to avoid going on record concerning legislation of which they disapproved but which they believed they could not afford politically to vote against. Now that such measures may come to a vote, members who made it possible for them to come up, should not wince and relent and refrain when it is their turn to stand up and be counted. If such proves to be the case, so far so good. It would be much better (Continued on page 22)

Investing Plans for an Improving Economic and Stock Trend Outlook

By Julian D. Weiss, President, First Investment Company, Inc., Los Angeles, Calif.*

Analyst states current market strength is not an intermediate rally in a bear market; predicts last half of 1963 will be higher than the first half; and expects bullish long-term stock trend. Future market gains are correlated to favorable earnings outlook; bond yields are seen rising slightly in 1963's second half; and slowly advancing total economic activity is expected to become more pronounced as the year progresses. Author assesses industries for equity portion of a balanced portfolio.

A year ago most economists and market students expressed great optimism for 1962. The reverse appears to be occurring this year—and probably again they will be proven incorrect by forthcoming trends. The economy can be expected to enjoy mild improvement in 1963, rather than the recession so freely predicted a few months ago. A "birds-eye" view of Gross National Product for 1963 and the components thereof, is summarized in table on page 24. My general conclusions in this area:

Julian D. Weiss

(1) Total economic activity and corporate profits will rise gradually throughout 1963 with the quarterly comparisons becoming more favorable as the year progresses. Corporate profits may well approximate $27 billion, an all time peak, and up from about $25½ billion of 1962.

(2) The Cuban crisis appears to have restored business and consumer confidence in the government. The Administration seems somewhat less antibusiness and there appears to be an important philosophical change towards stimulation of private demand plus continued emphasis on more government spending.

(3) The economies of the Free World appear to be firming somewhat, precluding a world recession.

(4) No important excesses have been built up this year and the present recovery has not been inventory inspired.

(5) The Cuban crisis could be a turning point in the Cold War, but long-range international problems will continue to be with us.

Personal income rose by $1.8 billion in November, 1962, to a record annual rate of $447.4 billion —6% above last year. Currency deposits and U. S. Government bond holdings have been building up for the past 18 months and reached a rate in the second quarter of 1962 higher than any since World War II. The latest quarterly survey by the Census Bureau indicates that plans to buy new automobiles and other household durables rose more from July to October than in either of the two preceding years. Consumer expenditures have been below expectations in relation to "ability to buy" as measured by disposable personal income which has moved up sharply. The recent improvement in consumer spending attitudes is evidenced by an increase in consumer installment debt totalling $382 billion in October, 1962, and $581 billion in November, 1962. The latter was the largest monthly increase in three years.

The gross private investment sector will show only a very modest improvement in '63. Inventories currently reflect cautious buying policies and thus should move up moder- (Continued on page 24)

ANNUAL REVIEW ISSUE NEXT WEEK—The CHRONICLE'S Annual Review and Outlook Issue will be published Jan. 24. Besides 1963 economic forecasts by leading bankers and industrialists, a separate Section showing monthly high and low prices of issues traded on NYSE in 1962 will be issued.

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

MITCHELL JAY BAYER

Manager, Investors' Service Dept. Federman, Stonehill & Co., New York City

Greyhound Corp.

Until several years ago, a long bus trip was usually an experience not easily forgotten and probably thought of as the least desirable method of travel. Not so today, for dual level cruisers, air conditioning, turnpike driving, and completely equipped restrooms on board have made bus travel rapid and pleasant. In 1961 Greyhound buses traveled more than 489 million miles and carried more than 103 million passengers. Significantly, both revenues per bus mile and revenues per passenger mile increased in 1961, continuing an upward trend. The average Greyhound bus increased its travel to over 97,000 miles during the year, indicating more intensive use of the equipment. The company is striving to modernize and recondition all its buses thereby improving its operating efficiency. A minor improvement in the mileage per gallon of so vast an operation can count importantly in final earnings. Heavy expenditures planned for new equipment should also aid future earnings both because of better efficiency and through tax savings realized under the investment tax credit legislation. Total revenues from the bus operation exceeded $270 million in 1961.

Other divisions of Greyhound also appear to be headed upward. The package express operation was created to utilize vacant space in the passenger luggage section, especially during mid-week when unused capacity is large. This field is considered highly profitable, as the additional cost to process the packages is small and available unused space is put to good use. Volume in package express was over $24 million last year. The Post House division operates 129 restaurants in terminals in 125 cities. Expansion into automatic vending of food, beverages, and newsstand items adds a great potential to this division whose sales in 1961 were almost $24 million. Household moving and storage provided an additional $8 million in revenues.

The newest Greyhound division is Boothe Leasing, acquired in March of 1962. Boothe operates nationally in leasing of industrial machinery and equipment. Still relatively small with only $3.5 million in revenues last year, Boothe could show dramatic and profitable growth now that Greyhound's large capital and credit are available for its operation.

Greyhound's earnings, at $1.61 per share in 1961, are forecast at the $2.00 level for the year just ended; for the nine months ended Sept. 30, 1962 earnings were at $1.58 per share increasing from $1.21 for the year earlier period. This affords ample coverage for the $1.10 dividend for a return of 3.2%. Cash dividends have been supplemented by stock dividends from time to time; a 5% stock dividend was declared last May.

After several years of stabilized earnings at current levels, Greyhound could be at a point where significant earnings gains are in the offing. Improving efficiency and utilization within the bus operation plus carefully developed growth in the other divisions lend an interesting investment potential to Greyhound common stock. From the technical point of view, the market action of the shares have been favorable. One needs only to observe the new daily highs seen so frequently over the past few months. Capitalization consists of $36.5 million in long term debt, 294,137 $2.25 ($50 par) convertible preferred shares, and 13,623,424 common shares. The shares are listed on the New York Stock Exchange.

HENRY WEISSENBACH

Resident Partner, Ball, Burge & Kraus, Columbus, Ohio

Members, New York Stock Exchange

Kennametal Inc.

Today, hard carbide alloys are recognized as basic, indispensable industrial materials not only for the machining and forming of metals but also wherever a material is required which has superior resistance to wear, corrosion, impact, deformation, deflection and high temperatures. Kennametal Inc. of Latrobe, Pa., is recognized as a dominant producer of these new materials, and its common stock is the only means for the investor to get a direct shot at a major member of the hard carbide industry.

New and larger volume uses for tungsten and other hard carbides have been developed by Kennametal, a pioneer in the industry, for specfiic applications in almost every branch of industry. These new uses, in terms of weight of hard carbides required, should in the near future overshadow the volume now consumed in metal-working tools and dies—the original, still growing and most important markets for these carbides in the past.

The business was started a scant twenty-five years ago by Philip M. McKenna, founder and President of Kennametal Inc., based on certain concepts, developments and patents which first made possible the sucessful, high-speed machining of steel with carbides. Under alert and inspiring leadership, the company has enjoyed outstanding growth and profits in its brief history. Starting from scratch in 1938, it built up sales to almost ten million dollars in its fiscal year ended June 30, 1945. During the next dozen years, sales fluctuated but trended upward to hit a new high in fiscal 1957. In that year, sales reached a respectable $24,374,335 and net income (after taxes) amounted to $2,440,309—a neat ten per cent of sales. During the next five years, sales averaged $22,493,700, and net income $1,439,888, or 6.4% of sales—figures which were sweetened considerably by the 1962 performance, when sales hit a new high of $29,041,951, and net income was $2,144,977, the best since fiscal 1957.

Taken alone these figures fail to reveal the improved potential capabilities and the broader base for future growth recently achieved by Kennametal. During these five years (1958-1962), $6,766,734 was expended for plant and equipment, and this on top of the $1,827,937 spent in fiscal 1957 adds up to a figure very close to the $8,758,730 balance in the property, plant and equipment account, net of depreciation, at the end of fiscal 1962.

Included in this program were the completion of new facilities at: Chestnut Ridge (near Latrobe, Pa.)—(2 Plants); Greensburg, Pa. (Research Laboratories); Orwell, Ohio (Kendex insert grinding); Mineral County, Nevada (Tungsten ore concentrator); Fallon, Nevada (Tungsten powder processing); as well as additions and betterments to existing capacity for improvement of efficiency and the attainment of high quality productive facilities.

In addition to becoming a vertically integrated company to an extent unique in the industry, with the ability to convert ores into finished carbides and to manufacture tools and other products in great volume, and obviously at competitive cost levels, the program has increased capacity considerably in all product categories. And not only has there been growth but also diversification, particularly in such growing product lines as tantalum powder and anodes and Kennertium heavy metal products, which I have not mentioned in the foregoing.

Through subsidiaries and affiliates, the company also enjoys a considerable participation in foreign markets, a field in which the company has been increasingly active throughout the recent period. A majority-owned subsidiary, located in Milan, Italy, manufactures Kennametal Tungsten carbide products for Italy and other Common Market countries, and the company reports it has had a very substantial acceptance and growth since it was established six years ago. Kennametal also has affiliates in England, Canada and South America.

Research and development expenditures, not separately reported by the company, increased steadily during the 1958-1962 period, perhaps reaching the equivalent of 3% or more of 1962 sales. This program has been matched and balanced by further strengthening of the technical sales staff and field service organization. The company's sales organization has always enjoyed an outstanding reputation in the industry, and its direct marketing methods, which involve close cooperation with customer users in detailed applications and in the development of special products, have undoubtedly contributed significantly to the company's success.

These vigorous efforts by management combined with the change in the basic economic factors following the discontinuance of the

Continued on page 11

(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.)

Monetary and Fiscal Policy Will Shape 1963 Outlook

By Beryl W. Sprinkel,* *Vice-President and Economist, Harris Trust and Savings Bank, Chicago, Ill.*

Chicago banker claims monetary policy can initiate significant increases in total spending and, thus, predicts monetary expansion and early enough sizable tax cuts "would brighten the business prospects for the remainder of 1963." The author says monetary policy was restrictive during the first eight months of 1962 and in September became expansive. States the Federal Reserve severely limited monetary growth despite the economy's slack because of our balance of payments imbalance; denies high interest rate imposed on a sluggish economy will bring about economic health, or that money growth will lower interest rates; and favors 1960's objective of molding an international monetary system inducing balance-of-payments equilibrium without forcing internal inflation and deflation. Should the economy continue sluggishly in the next several months and monetary policy remain expansive, Mr. Sprinkel foresees moderate downward pressure on interest rates. An improved economy, however, is held to bode well for corporate profits and equities, and interest rates are expected to stabilize and rise by the latter part of 1963.

The economy has resumed its upward trend after leveling off during the late summer and early fall. Substantial excess capacity persists in most industries and unemployment is burdensome. Projecting the probable future trend in the economy is more difficult this year than usual because economic results in 1963 depend to an unusual extent on economic policy decisions yet to be made. Unless the private sector of the economy receives a much needed demand stimulus in the next few months, it is very unlikely that enough forward impetus exists to move the economy upward through next year. The private sector is still nearly 80% of the total economy and trends therein will largely determine the health of the nation. For example, a large $6 billion or 6.5% increase in the Federal budget would provide less stimulus than a mere 2% rise in private spending. Therefore, a projection must be based on some assumption as to what will be done in fiscal and monetary areas to stimulate private demands.

Dr. B. W. Sprinkel

Business prospects for 1963 are good *provided:* (1) A permanent and sizable tax cut is accomplished in the first half of the year and (2) Monetary policy becomes expansive and causes a sizable increase in the money supply. Under these conditions GNP could easily average $575 to $580 billion. If neither of these policy changes occur the odds favor another recession. Therefore more than the usual attention should be devoted to analysis of economic policy decisions.

How Expensive Has Monetary Policy Been?

Let us consider monetary policy. Authorities not only disagree as to the effectiveness of monetary policy as a demand stimulant, but experience during the past year demonstrates they disagree as to whether an expansive or restrictive policy is being followed. Because free reserves, excess reserves of member banks minus borrowings from the Fed, have remained nearly constant at about the $450 million level and because interest rates have trended moderately downward during 1962, many observers have concluded that monetary policy has been expansive or "easy." On the basis of the evidence I believe to be relevant, I conclude that monetary policy was restrictive during the first 8 months of 1962 and that beginning in September policy became expansive. What evidence is relevant? In my opinion monetary policy should be measured by the trend in variables subject to control by the Federal Reserve Board. The Board does not control free reserves because the level of free reserves is influenced by the desires of commercial banks as to whether or not they prefer to borrow and how many reserve funds they prefer to maintain in addition to the amount required. Commercial bank decisions with respect to the amount of borrowing and the volume of excess reserves maintained are based largely on profit considerations. Clearly the Federal Reserve cannot control interest rates unless they stand willing to buy or sell in amounts dictated by the market at the prevailing price. Interest rates are influenced by demand forces on the one hand and supply forces on the other, including the rate of savings as well as the amount of new funds created by the Federal Reserve.

The Federal Reserve does have control over one important vari-

Continued on page 26

CONTENTS

Thursday, January 17, 1963

Articles and News

Regular Features

The COMMERCIAL and FINANCIAL CHRONICLE

Published Twice Weekly Reg. U. S. Patent Office

WILLIAM B. DANA COMPANY, PUBLISHER

25 Park Place, New York 7, N. Y. REctor 2-9570 to 9576

CLAUDE D. SEIBERT, President

WILLIAM DANA SEIBERT, Treasurer

GEORGE J. MORRISSEY, Editor

Thursday, January 17, 1963

Every Thursday (general news and advertising issue) and every Monday (complete statistical issue — market quotation records, corporation news, bank clearings, state and city news, etc.). Other Office: 135 South La Salle St., Chicago 3, Ill. (Phone STate 2-0613).

Second class postage paid at New York, N. Y.

SUBSCRIPTION RATES

MONDAY AND THURSDAY EDITIONS (104 issues per year)

In United States, U. S. Possessions and members of Pan American Union $80.00 per year; in Dominion of Canada $83.00 per year; other countries $87.00 per year.

THURSDAY EDITION ONLY (52 issues per year)

In United States, U. S. Possessions and members of Pan American Union $20.00 per year; in Dominion of Canada $21.50 per year; other countries $23.50 per year.

OTHER PUBLICATIONS

Bank and Quotation Record — Monthly, $45.00 per year (Foreign Postage extra).

Note—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

OBSERVATIONS...

BY A. WILFRED MAY

GRAND SCALE PRE-INVESTMENT OPERATIONS

Paul Hoffman's new volume on international aid is interesting, timely, and altogether invaluable to anyone interested in our foreign aid efforts. (**"World Without Want," by Paul G. Hoffman;** *N. Y. and Evanston; Harper & Row; 144 pp.; $3.50.)*

In a sense the volume comprises final conclusions, both philosophical and materialistic of the one-time automobile manufacturer turned leading AID authority since his stewardship of the epochal Marshall Plan initiated in 1947.

The volume's timeliness is of course enhanced by our widely spawning international development activities ranging from the $20 billion Alliance for Progress project for Latin America to the State expanding efforts in the educational field. The latter now includes the elaborate Educational Cultural Exchange Program under Assistant Secretary of State Lucius D. Battle; administrator of the Bureau of Educational and Cultural Affairs; and also related activities by AID (Agency for Industrial Development) as until recently administered by Fowler Hamilton the USIA (United States Information Agency) under Edward R. Murrow, and the rejuvenated Peace Corps under Sargent Shriver, the President's brother-in-law—all as permanentized by President Kennedy's revalidation of vast foreign expenditure in Monday's State of the Union Message.

Discussion of AID runs on galore — but all too often on ideological grounds. Mr. Hoffman quite uniquely treats the subject from practical business-like approaches, as manifested to both in the administration of his own United Nations Special Fund founded in May 1959 of which he is Managing Director; and in his individual reactions to the run of AID activities.

The Special Fund financed by annual voluntary contributions by UN members, operates principally via *pre-investment* activities, that is in investigation of the need and justification for governmental and private investment moneys that may be available.

Its pre-investment activities his Special Fund conducts on a far larger scale than those which are engaged in by other units in the UN's Technical Assistance programs, the World Bank and the International Finance Corporation, and by the United States bilaterally via AID.

In the first four years of its life, 1959-1962, the Special Fund approved 246 projects requested by 71 countries and territories. It thus ear-marked $210 million, against which the benefiting countries have put up $290 million.

Scientific and Technological Uses

Mr. Hoffman describes in detail the scientific means used in these exploratory functions.

Our author - administrator includes in his inventory of the Fund's exploratory uses of science and technology the fantastically advanced aerial photograph which reveals resources formerly concealed by precipitous mountain ranges, dense forests, desert sand, and even inaccessible mudflats.

The aerial cameras, supplemented by magnetometers, scintillation counters, and electromagnetic units, can even identify types of soil and 12 to 15 different minerals underneath it.

Mr. Hoffman relates how French planes thus discovered a likelihood of oil in the Sahara after camel-outfitted explorers had rejected the area as hopeless; all before the area's drilling proved it to have some of the world's richest deposits.

Mr. Hoffman also describes how the UN Special Fund is making eight airborne geophysical studies to investigate mineral resources in hitherto virtually inaccessible and unproductive parts of Chile, Surinam, Bolivia, Mexico, Togo, Uganda, Somalia, and North Borneo. It is also making 16 other "open-sky" surveys to study soil values, forests, and water resources. It is even exploring parts of Peru and Ecuador to find out whether they are suitable for human habitation.

Peaceful Uses of the Atom

Our author further cites his use of atomic energy, with radioactive isotopes enormously increasing the speed and accuracy of ground-water investigations; including the measurement of river speeds.

Realistic Criticism

Mr. Hoffman's realism, as with World Bank former President Eugene Black, spills over into broad policy making. Among the items wherein he foresakes the "do-gooders" for critical treatment are failure to realize that development cannot proceed without concentrating on an increase in human knowledge and skill; regarding aid as a temporary stopgap with year-to-year handling; considering foreign aid a tactical weapon in the Cold War, a system of buying allies, winning friends and influencing peoples—with the donors finding themselves in the guise of Cold War protagonists and of being played off against each via a blackmail process. ("If you don't come across, we'll 'go Cuba'.")

* * *

And so we find Mr. Hoffman's current volume satisfying alike to the veriest tyro and the veteran practitioner seeking information re-sharpening and re-inspiration.

TAX COLLECTING NOTES

The public correctly realizes that under the Internal Revenue's new rules, the taxpayer's expenses of clubs, resort homes, hunting lodges, boats, and the like, are no longer allowable unless these facilities are used more than 50% for business purposes. However, J. S. Seidman the tax authority points out, taxpayers are failing to appreciate the many exceptions to this rule.

Actually, business meals at any of these places are deductible if, all circumstances considered. the surroundings are conducive to a business discussion.

Business meetings of employees, stockholders, directors, or agents are likewise deductible no matter where held. The same applies to expenses for recreation and social purposes of employees other than top paid people, officers, or big stockholders. By the same token, Mr. Seidman explains that although the cost of maintaining any of these things may not be deductible, the *specific* cost of entertaining particular customers therewith is deductible.

On Supporting Expense Records

Likewise has there emerged confusion over the employer-or-employee responsibility for supporting expense records. Under the newly promulgated rules, the arrangements between the employer and employee control whose responsibility it is to have supporting records.

If the employee is reimbursed for his expenses, the employer must have the records. If the employer claims the payment as additional compensation to the employee, and the employee takes the expense in his own return, then it is up to the employee to have the required records.

The State of TRADE and INDUSTRY

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

Economic activity continued on a high plateau toward the close of 1962, commented the Federal Reserve Bank of New York in the January issue of its *Monthly Review.* Business sentiment continued to display an improved tone, although the major economic indicators were little changed after seasonal adjustment. Industrial production and employment remained steady in November. Available data for December suggest some rise in automobile and steel output, but new car sales and department store volume slackened off somewhat from November's high levels.

Among the "leading indicators," the latest surveys for the first quarter of 1963 indicate some decline in expenditures for new plant and equipment and in the rate of inventory accumulation by manufacturers. On the other hand, new orders for durable goods and private housing starts continued at November's high levels. "Of course," the Bank added, "discussion about the prospects of a tax cut continues to loom large in the business outlook."

Recent developments in the key demand sectors have been mixed and fail to indicate any clear trend. While retail sales set a record high in November, early indications in December pointed toward a lower-than-usual Christmas surge in department store volume. However, department store sales topped the year-ago level despite newspaper strikes in New York and Cleveland.

Business spending has not shown much buoyancy. A Commerce Department-SEC survey of late October and early November suggested that capital spending in the second half of 1962 may have exceeded earlier projections. Plans for the first quarter of 1963, however, called for a 2% decline in plant and equipment outlays from the fourth-quarter projected rate. Possibly this survey was taken too early to reflect fully the improved business sentiment that developed toward the end of October and investment plans that were developed more recently, including some of those stimulated by the new investment credits and higher depreciation rates. The impact of these factors might not be reflected in actual disbursements until later in 1963. Thus, even if a drop in capital outlays does develop in the current quarter, it does not necessarily preclude achievement of an increase in capital spending in 1963 as a whole.

Free Europe Moves Toward Monetary Relaxation

In a second article in its *Review,* the N. Y. Federal Reserve Bank notes that during the last four months of 1962 and in early 1963, a number of foreign industrial countries reduced discount rates and relaxed other monetary restraints. These actions generally reflected continued strengthening of the international positions of these countries.

In Belgium, a reduction in the discount rate in early December was aimed at bringing that country's rate closer into line with those of other Common Market countries, as well as to lower short-term rates relative to long-term rates, and thus provide increased resources for longer term investment. A discount rate cut in the Netherlands—the first in four years — similarly was designed to bring interest rates closer to Common Market levels. In Canada and in Japan, rises in official reserves permitted some easing of credit restraints that had been imposed earlier.

The Bank of England's release of the remaining special deposits held with it by the commercial banks, together with the ending of informal restraints on bank lending, apparently was an attempt to overcome the recent sluggishness of bank credit expansion while avoiding a downward influence on short-term rates. A reduction of the discount rate to 4% from 4½%, however, subsequently was made possible by a continuing favorable balance of payments position.

In Italy, a series of measures in late 1962 was aimed at increasing the liquidity of the banking system and aiding the development of a short-term money market. The measures included a new system of issuing Treasury bills, wherein 12-month bills will take the place of the old bills of 2-to-12 month maturities, to be issued in accordance with the Treasury's cash needs and primarily at monthly auctions. In addition to laying the groundwork for future open market operations by the Bank of Italy, the move is intended to redirect some funds into the capital market, since Treas-

Albert With Paine, Webber

CHICAGO, ILL.—Robert M. Albert has become associated with Paine, Webber, Jackson & Curtis, 209 So. LaSalle Street, Mr. Albert was formerly senior vice-president of Divine & Fishman, Inc. Prior thereto for many years he was with Hornblower & Weeks in Chicago.

ury bills will no longer be available, as in the past, in unlimited quantities at a fixed rate.

Pitfalls in Forecasting Recession Lies Ahead

Precedents of the postwar period indicating a general decline in activity need not necessarily follow a prolonged business plateau, reported the Federal Reserve Bank of Chicago in the January 1963 issue of *Business Conditions*.

Despite growing evidence of underlying strength in recent months, the belief that the next general movement in activity will be downward still persists in some quarters, the Bank noted. This pessimistic view is largely based on the fact that production and employment, after seasonal adjustment, rose little, if at all, in the second half of 1962.

On six occasions, from 1947 through 1960, industrial activity and employment remained at a high level for several months at a time. On three of these—in 1948, 1957 and 1960—a general business recession followed. But on three others—in 1947, 1951 and 1956—a considerable period of further expansion ensued.

Summarizing the postwar experience, the Reserve Bank said three of the four postwar business upswings consisted of two separate rounds of expansion connected by periods of over-all stability. The exception was the brief recovery which terminated in mid-1960.

The nature of the current economic upswing which began in early 1961 is yet to be established. Much will depend upon trends in business and consumer spending for durables and international developments, neither of which can be foreseen clearly.

Historical analysis of statistical data seldom provides observers of general business trends with a well marked chart of the road ahead. The situation in early 1963 is no exception.

Bank Clearings Increased 10.2% Above 1962 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, Jan. 12, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 10.2% above those of the corresponding week last year. Our preliminary totals stand at $34,209,136,976 against $30,946,935,702 for the same week in 1962. Our comparative summary for some of the principal money centers follows:

Week End. Jan. 12—	(000s omitted) 1963	1962	%
New York	$19,531,994	$17,232,302	+13.3
Chicago	1,481,611	1,373,055	+ 7.9
Philadelphia	1,177,000	1,185,000	— 0.7
Boston	881,583	848,328	+ 3.9
Kansas City	607,325	541,760	+12.1

* * *

Steel Output Gains 1.8% From Previous Week and is Down 16.6% from Last Year

According to data compiled by the American Iron and Steel Institute, production for the week ended Jan. 12 was 1,912,000 tons (*102.6%), as against 1,879,000 tons (*100.9%) in the week ending Jan. 5. The week to week output advanced 1.8%.

Data for the latest week ended Jan. 12 shows a production decline of 16.6% compared to last year's week output of 2,294,000 net tons (123.1%).

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 Jan. 12 1963	Jan. 5 1963
North East Coast	90	87
Buffalo	105	101
Pittsburgh	93	90
Youngstown	89	86
Cleveland	105	97
Detroit	155	161
Chicago	111	112
Cincinnati	132	131
St. Louis	115	107
Southern	90	89
Western	95	93
Total industry	102.6	100.9

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

Steelmakers Plan 28% Hike in 1963 Capital Outlays

Steelmakers plan to boost their spending for capital equipment 28% over 1962's even though the industry probably will not improve its rate of operations substantially, *Steel* magazine predicted this week.

They plan to spend about $1.4 billion compared with last year's estimated $1.1 billion.

Buying activity will center on steel melting facilities and related equipment—they were mentioned by nearly half the 28 steel company presidents taking part in the *Steel* survey. Material handling equipment placed second, followed closely by blooming and slabbing mill equipment and cleaning and coating equipment.

Steel output in the first quar-

Continued on page 37

Cigar Shaped Profits

By Dr. Ira U. Cobleigh, *Economist*

Comment on the vigor of the cigar industry, trends in cigar purchase and preference, and manufacturing efficiencies contributing to rising earning power. Comment, also, on four companies in field.

The cigar industry was dynamic in the 1920's, smoldered during the Depression decade, but, since 1950, has showed a steady growth pattern. In 1962, over 7 billion cigars were puffed down to assorted sized butts in America. This is about 32% higher than cigar consumption in 1950, and the figure is arrived at partly by the simple fact that more people are smoking lower priced cigars.

Moderation

A marketing research survey released last fall by duPont, based on representative sampling, indicated that moderation is a general characteristic of the cigar smoker. Of those cigar smokers queried, half averaged less than a cigar a day, 24% smoked one or two; 19% three to five, and only 6% more than five cigars a day. The survey further revealed a preference for multi-pack purchase, the most popular container being a five cigar pack. Further, the price of the cigar purchased seemed to be directly related to income, with those in the $5,000 a year or lower bracket buying cigars at 10c or less; and the more opulent living it up with costlier cigars. It's just as we thought—the quality of the cigar is still a significant status symbol; and, a 10c cigar is unthinkably plebian in the Jet Set, at a Director's meeting, or an association dinner.

The big demand swing, however, has been toward the lower priced cigars, and, today, the biggest sellers are in nickel or 6c cigars. Per capita consumption is on the rise. In 1950, annual per capita consumption among adult males (over 21) was 116; last year, the figure was over 136. Further, since, traditionally, cigar smokers do not inhale, the cigar industry has not been sensitive to concern about possible effects of habitual smoking on personal health.

Young Cigar Smokers

Because of the bumper baby crops in the 1940's, the age group of young men reaching adulthood is now a rapidly growing one, with an annual indicated increase of 1,500,000 in 1965, and probably 2 million in 1970. The cigar industry seems to be doing an excellent job, in this population segment, in increasing the percentage of young men who prefer cigars to cigarettes. In this sector, there is an obvious preference for low priced cigars (as income is lower) and for small cigars and cigarillos. All of which would suggest that the industry is broadening its total market rather than using low priced cigars to compete with costlier ones.

Production Efficiency

On the production side, a number of economies have been introduced, which, while substantially reducing costs, have not adversely affected product demand. Manufacturing plants have been consolidated near metropolitan centers, and a number of new low cost plants have been built in Puerto Rico. Technological improvements would include the homogenized or reconstructed filter, which may save as much as $3.50 per thousand cigars; the substitution of the manufactured sheet binder for natural leaf; and, most recently, the use of the manufactured sheet wrapper, which can create probably the most substantial reduction in manufacturing costs, since the introduction of the cigar making machine.

From the foregoing, we conclude that the cigar industry has long term attractiveness, and, if the field interests you, perhaps you'd like to investigate some of the companies we mention below.

Consolidated Cigar

This is the leader. Consolidated caters to the higher priced market, with cigars in the 10c to 25c range making up over 90% of sales. Its leading brands include Dutch Masters, El Producto, Muriel and Harvester. Earnings have been in a steady uptrend, reflecting efficient production in Puerto Rican plants, and considerable switching to the homogenized wrapper. Per share net was $2.08 in 1961, and should reach $2.75 for 1962. Stock sells at 50 (around 17 times 1962 per share net) pays a $1.20 dividend, plus extras.

General Cigar

This is the second largest in the industry, and has pioneered in research of the homogenized filler, in improving tobacco plants and development of a process for making homogenized wrappers. Royalties on patented processes bring in a significant revenue. General's brands cover a broad price range, and include Robert Burns, White Owl, William Penn and Van Dyck. Earnings, which were $2.06 per share in 1961, should show a moderate increase for 1962, and amply cover the $1.20 dividend. There are 1,390,000 common shares listed on NYSE currently selling at 31½ (less than 15 times earnings).

Bayuk Cigars, Inc.

This is the third company in the industry, and has been cited by a number of analysts, in recent weeks, as an issue of merit. There are 681,600 common shares outstanding, preceded by $9,658,533 in long term debt. Net income has risen impressively from $1,552,000 in 1961 to an estimated $2,350,000 in 1962; with net sales for 1962 at the $50 million level for the first time. Per share net for 1962 should also reach an all time high of $3.45, indicating the possibility of an increase in the $2.00 dividend.

For next year, the candy division and recently acquired Garcia Y Vega should help propel net earnings to new high ground of about $4.00 a share. The Mason candy division (candy bars) is expected to produce sales of around $7 million next year, and provide, perhaps one-seventh of corporate net earnings. Bayuk Cigars, at around 47, seems to be making friends in the market.

DWG Cigar Corporation

This company has enjoyed strong regional growth in the West and Middle West. Its leading brands are R.G. Dun, El Verso, San Felice, Santa Fe and El Trelles. Rise in gross sales, which showed a substantial upcurve in the 1950 decade (up 45%) has flattened out somewhat, but 1962 sales are expected at a new high level of around $20 million. The common stock (only 495,000 shares outstanding) has shown an average per share net of around $1.70 for the past three years. On this basis, the $.80 cash dividend (plus a stock extra) is well covered, and the stock sells at the lowest price/earnings ratio (around 11½) of any of the issues we've cited. At 20, the stock yields 4% on the cash dividend alone. Dividends have been regularly paid since 1934.

The above will provide background material for a more detailed analysis of cigar shares. The principal factors to observe are a steady, if not spectacular, rise in demand, excellent cost controls, a modest upcurve in net earnings, and a strong tendency to merge the many smaller regional companies into major national units. Dividends from cigar stocks may do much to promote contented puffing.

Tax-Exempt Bond Market

BY DONALD D. MACKEY

The state and municipal bond market has done better this week thus continuing the positive trend which dates back to early December. The market's technical factors have been maintained in favorable proportions and are but diminished, as against the December position, by a moderate increase in street tax-exempt bond inventory and the slightly higher price level. Since inventories continue to be relatively modest, and since the level of tax-exempt bond prices fully justifies some further rise against the current level of long-term government bond prices as well as against corporate bond prices, the market's upward trend may well proceed further.

Slight Price Rise

The Commercial and Financial Chronicle's high grade 20-year bond yield Index moved from a 2.943% basis as of a week back to 2.920% on Jan. 19. This means, in terms of dollars, that the offered side of the market moved up about three-eighths of a point in the course of the week. This improvement, although justified alone by favorable municipal market factors, has been further motivated by the progressively stronger market prevailing for U. S. Treasury long-term issues. The relative scarcity, in all categories, of long-term bond issues has lent considerably to the bond market's attainment of its present high level.

However, particular cooperation in the governmental sector from the Federal Reserve, involving the periodic support for a variety of issues, has been an important factor in the general bond market inspiration.

Enthusiastic Bidding Understandable But Unrealistic

Insofar as tax-exempts are concerned the scanty supply situation shows but little indication of alleviation. Through January the scheduled sealed bid issues as well as negotiated offerings presently total approximately $330,000,000. Through March the present calendar totals less than $525,000,000. For the usually active winter period, this low volume schedule in no way even satisfies the social proclivities of those syndicate men who thrive on price meetings. More importantly, so light a demand on the investment banking structure encourages extravagant bidding for new issues at a tempo that discourages and aborts the development of real investor interest.

At the present relatively high level of the market the desirable placement of issues is rendered almost impossible through the leap-frog method of pricing new issues ahead of largely unsold recent new issue balances. We are aware that a light volume and an over-competitive industry situation can scarcely lead to anything but underwriting excesses, but we are perennially hopeful that self-interest alone may compel dealers to more realistic bidding considerations. Even so, recent new issues have at least gone out of account at a fairly satisfactory rate.

In this vein it is important to note that during 1962, a year of record new issue volume and a year during which the market for tax-exempts fluctuated less than in our memory, New York's largest commercial banks increased their holdings of tax-exempt bonds to $3,463,462,000 as against $2,574,080,000 the previous year. This 34.5% increase dramatically points up the relatively limited market situation that has recently developed. By inference, the smaller dealers are to be harder pressed in the maelstrom of competition as margins are reduced along with yields.

"Much Ado About Nothing"?

Probably more has been written and read about the proposed Federal tax cut bill than any other financial subject during the past few weeks even with the news black-out in the New York area. We have nothing erudite or novel to add to this chatter. However, in our average viewpoint, we are aware that the total impact of this proposal is almost certain to be close to ineffectual. One important substantiation of this viewpoint is the level of the market for tax-exempts; its been doing better even in the face of potential record volume.

The compelling interest in the tax-exempt bond market is from sources that pay the corporation tax rate. To assume at this point that the corporate rate will be substantially reduced is wishful thinking. The municipal bond market seems trying to tell us this. It appears obvious that there is a more general accolade from divergent sectors, groups and interests for a tax slash. That this general attitude should obtain in the face of rising Federal, state and local government budgets attests to the prevailing frustration concerning the country's economy. It must be assumed that the vested interests generally are just willing to try anything. To assume that the projected deficits may be even close to overcome by a scattershot approach is as pathetic an attitude as the hope that direct fail solicitation might accrue business above and beyond the traditional rates of return.

Without a national tax convention, and policies at least tending toward debt reduction and governmental economies, our economy must be inevitably shackled. Our government seems headed toward a long shot policy with the result as assured as it might be at the race track. In the meantime, the Federal Reserve's job might appear to be getting more difficult.

Memphis Sales Topped Busy Week

This past week, there has been a total of $120,576,000 tax-exempt bonds offered for competitive bidding. In addition, the City of Memphis, Tenn. sold, through negotiation late Thursday, a combination of $193,300,000 TVA Lease Rental (1965-1985) bonds and Electric Distribution System Revenue (1964-1981) bonds to the nationwide syndicate headed jointly by *Lehman Brothers, Blyth & Co., Kuhn, Loeb & Co.* and *Equitable Securities Corp.* The net interest cost for the TVA bonds was 2.8459%. For the Electric Distribution bonds it was 2.9554%. The $104,630,000 TVA bonds were priced to yield from 1.75% to 3.00% and the $88,670,000 Electric Distribution bonds were priced to yield from 1.65% to 3.10%.

Demand for these highly rated bonds was quick in developing among banks, insurance companies, trust companies and individuals and the groups net sales amounted to $110,000,000. Additional group member orders totaled $70,000,000 and the balance in account as we go to press amounts to only $23,000,000. All of the Electric Revenue bonds were committed and the TVA bonds presently available mature from 1965 to 1972. Electric Distribution bonds of some maturities have traded at small premiums since initial offering.

Other Awards

The small number of issues publicly offered this week have been eagerly sought by underwriters with yields and profits reaching to new low levels. On Thursday, Jan. 10, two issues of note came to market. The Huntington, New York Union Free

Continued on page 39

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California, State	3½%	1982	3.20%	3.05%
Connecticut, State	3¾%	1981-1982	3.05%	2.90%
New Jersey Hwy. Auth., Gtd.	3%	1981-1982	3.00%	2.85%
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	3.25%	3.10%
Baltimore, Maryland	3¼%	1981	3.05%	2.90%
*Cincinnati, Ohio (U.T.)	3½%	1981	3.10%	2.90%
Philadelphia, Pennsylvania	3½%	1981	3.25%	3.10%
*Chicago, Illinois	3¼%	1981	3.25%	3.10%
New York, New York	3%	1980	3.09%	3.02%

January 16, 1963 Index=2.9207%

*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 17 (Thursday)			
Galion City S. D., Ohio	1,495,000	1964-1986	Noon
Irving, Texas	1,550,000	1964-1996	11:00 a.m.
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.
Wyoming, Mich.	2,325,000	1964-2001	8:00 p.m.
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.
Plainview, Waterworks & Sewer System Revenues	1,500,000	1964-1987	2:00 p.m.
Pomona, Calif.	1,100,000	1964-1993	8:00 p.m.
January 22 (Tuesday)			
Fla. State Bd. of Educ., Fla.	2,080,000	1965-1982	10:00 a.m.
Las Vegas Valley Water Dist., Nev.	6,000,000	1967-1995	2:00 p.m.
Milwaukee, Wis.	12,350,000	1964-1978	10:30 a.m.
Modesto High School District, Cal.	1,000,000	1964-1988	10:30 a.m.
Oregon (State of)	37,000,000	1968-1995	10:00 a.m.
Pueblo Water Works Board, Colo.	1,500,000	1964-1989	2:30 p.m.
Pulaski County Co. Spec. SD, Ark.	1,250,000	1963-1971	2:00 p.m.
Sauk Centre S. D. No. 743, Minn.	1,330,000	1965-1990	4:00 p.m.
Sumter, S. C.	1,000,000	1964-1990	Noon
White Bear Lake Ind. S. D. No. 624, Minnesota	1,500,000	1966-1987	8:00 p.m.
January 23 (Wednesday)			
East Carroll Parish Consolidated School District No. 1, La.	1,200,000	1965-1983	9:30 a.m.
Florence, Ala.	2,375,000	1963-1993	2:00 p.m.
Hampton, Va.	4,500,000	1964-1983	Noon
Los Angeles Dept. of Water & Power, Calif.	12,000,000	1964-1993	11:00 a.m.
Queensbury Union Free S. D. #2, New York	2,090,000	1963-1991	11:00 a.m.
January 24 (Thursday)			
Central Wayne County Sanitary Authority, Mich.	3,620,000	1967-1992	11:00 a.m.
Harris County, Texas	9,600,000	1966-1995	11:00 a.m.
Jefferson Parish Road District & Garbage District, La.	4,250,000	1964-1983	2:00 p.m.
Lafayette, Ind.	1,400,000	1964-1977	Noon
Lafayette Parish, La.	1,500,000	1965-1988	2:00 p.m.
Ysletta S. D., Texas	2,000,000	1963-1982	7:30 p.m.
January 28 (Monday)			
Central Wash. State College, Wash.	3,325,000	1963-2001	8:00 p.m.
Fla. Dev. Comm., (Talla.), Fla.	1,500,000	1963-1969	2:00 p.m.
Walled Lake Cons. S. D. #2, Mich.	2,100,000	1964-1988	8:00 p.m.
Wildwood, N. J.	1,089,000	1964-1993	8:00 p.m.
Will Co. S. D. No. 96, Ill.	1,490,000	1966-1983	8:00 p.m.
January 29 (Tuesday)			
Bi-State Dev. Agency Authority (Mo.-Ill.)	25,000,000	--------	--------
[Syndicate headed by John Nuveen & Co. and Stifel, Nicolaus & Co., Inc.]			
Cobb Co. S. D., Ga.	3,000,000	1964-1983	Noon
Colorado River Municipal Water District, Texas	2,750,000	1964-1969	2:00 p.m.
New York City	103,200,000	1964-1993	11:00 a.m.
Milwaukee County, Wis.	9,175,000	1964-1983	11:00 a.m.
Opelousas, La.	2,700,000	1964-1992	10:00 a.m.
Ottawa-Glandorf Local S. D., Ohio	1,245,000	1964-1986	Noon
St. Petersburg, Fla.	5,000,000	1965-1992	11:00 a.m.
Springfield, Ill.	6,000,000	1966-1991	10:00 a.m.
Winston-Salem, N. C.	6,000,000	1964-1987	--------
January 30 (Wednesday)			
Bowling Green State Univ., Ohio	5,500,000	1965-2002	Noon
Cook & Will Cos. Tp. H. S. D. #206, Illinois	3,750,000	1965-1981	7:30 p.m.
Western Ky. State Coll., Board of Regents	3,257,000	1964-2002	2:00 p.m.
Wickliffe City Sch. Dist., Ohio	1,800,000	1964-1983	Noon
January 31 (Thursday)			
Chester, Ill.	1,700,000	1964-2002	7:30 p.m.
Kane Co. Old Type S. D. #129, Ill.	2,875,000	--------	--------
February 1 (Friday)			
Calleguas Mun. Water Dist., Calif.	4,500,000	--------	--------
New Canaan, Conn.	1,800,000	--------	--------
February 4 (Monday)			
Cincinnati City Sch. Dist., Ohio	6,000,000	1964-1987	1:30 p.m.
South San Francisco, Sewage Trtmt & Disposal Plant, Calif.	1,893,000	--------	--------
February 5 (Tuesday)			
Boulder Co. S. D. No. RE-2, Colo.	6,000,000	1964-1983	2:00 p.m.
Fort Smith Spec. S. D., Ark.	2,500,000	1964-1988	10:00 a.m.
Lafayette, La.	15,545,000	1964-1987	10:00 a.m.
Orange County, Moulton Niguel Water Imp. Dist. No. 1, Calif.	1,750,000	--------	--------
Orange Co., Co. San. D. #12, Calif.	1,810,000	--------	--------
Richfield Ind. S. D. No. 230, Minn.	2,750,000	--------	8:00 p.m.

Current News in the Field

These items are supplemental to similar notices appearing elsewhere in this issue

NEW FIRMS

BILLINGS, MONT. — **The Parker House,** 1144 Henry Road. James R. Parker is a principal.

The firm also maintains a branch office at 1103 Dickerson Street, Bozeman, Mont. under the management of Lawrence F. Wilson.

NEW YORK CITY — **Leumi Securities Corporation,** 60 Wall St. Israel D. Frumkin is a principal of the firm.

NEW YORK CITY — **Stirling, Linder, Prigal & Bilotti, Inc.,** 50 Broadway; successor to Stirling, Linder & Prigal, Inc.

NEW BRANCHES

HONG KONG, B. C. C.—**Carl M. Loeb, Rhoades & Co.,** 77 Des Voeux Road Central. George K. Lee is representative.

MALDEN, Mass.—**Clayton Securities Corporation,** 27-29 Dartmouth Street. John McDonough is resident Manager.

MIAMI, Fla.—**Godfrey, Hamilton, Taylor & Co., Incorporated,** 561 Northeast 79th Street. Sheldon Leider is resident manager.

MILWAUKEE, Wis.—**Reynolds & Co.,** 710 North Water Street, under management of Robert F. Knopf.

SPRING CITY, Pa. — **Janney, Battles & E. W. Clark, Inc.,** 410 Arch Street. Ray D. Hottenstein is representative in charge.

PERSONNEL

BEVERLY HILLS, Calif.—Leo A. Goldberg has joined Kleiner, Bell & Co., 315 South Beverly Drive, members of the Pacific Coast Stock Exchange, as an account executive, it was announced by the firm.

In his new post, Mr. Goldberg will serve as financial consultant for firms planning private financing or public underwriting, as well as handle general brokerage business in listed and Over-the-Counter securities. Mr. Goldberg was formerly President of King Cole Markets, Inc. and for several years was Chairman of the Board of Golden Creme Farms.

NEW YORK CITY — Sanford Sacks has joined Francis I. du-Pont & Co. as manager of the firm's office at 342 Madison Avenue, it is announced by A. Rhett duPont, senior partner.

NEWARK, N. J. — Myron Ruby has been appointed co-manager of the Newark stock brokerage office of Hirsch & Co., 11 Commerce Street.

Mr. Ruby was a representative with the New York Stock Exchange firm of Halle and Stieglitz, Newark, from 1956 to the present date. From 1946 to 1956 he was Vice-President and Sales Manager of Sacks-Barlow Foundries, Inc.

ST. LOUIS, Mo. — **Distributors Group, Inc.,** sponsor of the Group Securities mutual funds, has announced the appointment of John T. Johnson of Clearwater, Fla., as wholesale representative for the south central states, comprising Alabama, Arkansas, Louisiana, Mississippi, and eastern Missouri. He will make his headquarters in St. Louis.

Prior to his new affiliation, Mr. Johnson was a wholesale representative for a major fund in the southeast and was a member of the Mutual Fund Committee of the Florida Securities Dealers Association and the Clearwater Rotary Club. Earlier he was a registered representative for Harris, Upham & Co. in Winston-Salem, North Carolina, and prior to that was with Investors Diversified Services. Before entering the securities business he was associated for eight years with Metropolitan Life Insurance Co.

Form C. S. Rzepski Inc.

PHILADELPHIA, Pa.—C. Stanley Rzepski Inc., has been formed with offices at 2066 East Allegheny Avenue, to engage in a securities business. Officers are Stanley C. Rzepski, President; B. S. Rzepski, Vice-President; Stanley S. Rzepski, Jr., Assistant Vice-President; E. M. Rzepski, Secretary and Treasurer; and B. A. Rzepski, Assistant Treasurer.

Form Real Estate Secs.

LOS ANGELES, Calif.—Real Estate Securities, Inc., is conducting a securities business from offices at 1010 Wilshire Blvd. Officers are Melvin L. Pierson, President; Jack E. Robert, Vice-President and Treasurer; and M. J. Valdez, Secretary.

Mr. Roberts was formerly with Harnack, Gardner & Co.

Oppenheimer Workshop

Oppenheimer & Co., members of the New York Stock Exchange, will sponsor an experimental "Shirt-Sleeve Workshop" for sales representatives of the New York Metropolitan area mutual fund dealer firms. The "Workshop" will be held Jan. 19 from 9:30 a.m. to 1 p.m. at the Hotel New Yorker. Silvio Smilovici, partner of Oppenheimer & Co., will be moderator.

Now Investment House

DAYTON, Ohio—The firm name of House Investments, Inc., 600 Grafton Ave., has been changed to The Investment House, Inc. Officers are A. T. House, President; Lynn H. Thomas, Vice-President and Treasurer; Murel G. Morningstar, Vice-President and Secretary, and Gerald P. Hickenbotham, Assistant Secretary.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Annual Review and Forecast — Bulletin—H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available is an analysis of the **Greyhound Corporation.**

Arizona—Bulletin—W. E. Hutton & Co., 14 Wall St., New York 5, N. Y. Also available are comments on **Arizona Public Service Co., A. J. Bayless Markets, Tuscon Gas, Electric Light & Power Co.,** and **Valley National Bank of Arizona.**

Automotive Parts and Equipment Manufacturers — Analysis — A. C. Allyn & Co., 122 South La Salle St., Chicago 3, Ill. Also available is a report on **Hewitt Robins Company.**

Banks Stocks — Memorandum — McDonnell & Co. Incorporated, 120 Broadway, New York 5, N. Y.

Bond—Seventh annual review and outlook, including a discussion of the tax-exempt market in 1962, a review and outlook of the corporate and general money markets; list of 24 obligations of major toll road and bridge facilities, and a discussion of the possibility of a tax cut and what it might mean to the tax-exempt market—Goodbody & Co., Dept. FC-10, 2 Broadway, New York 4, N. Y.

Canadian Business Review—Brochure—Royal Securities Corporation, Limited, 244 St. James St., West, Montreal 1, Que., Canada. Also available are analyses of **Consolidated Paper Corp. Ltd.** and **Dominion Textile Company.**

Canadian Mining-Petroleum-Industrial Market: data on 50 active traders—Canadian Forecaster, 238 Adelaide St., West, Toronto, Ont., Canada.

Convertible Securities — Report—Lubetkin, Regan & Kennedy, 44 Wall Street, New York 5, N. Y.

40 Common Stocks yielding 4.5% or more — List of stocks selected on the basis of yield, growth and position in the industry—Carl M. Loeb, Rhodes & Co., 42 Wall St., New York City, Dept. FC.

Gas Pipelines—Report A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available are comparative statistics on **Leading New York City Banks.**

Glass Companies—Report—David L. Babson and Company, Inc., 89 Broad Street, New York 10, N. Y. Also available is a report on the **"Personal Care" Products Industry.**

Good Quality Stocks for Income—Bulletin—Purcell & Co., 50 Broadway, New York 4, N. Y.

Japanese 1963 Economic Outlook —Report — The Fuji Bank Ltd., New York Agency, 1 Chase Manhattan Plaza, New York 15, N. Y.

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

Japanese Market — Review — Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are analyses of **Dai Nippon Spinning Co., Ltd.,** and **Toyo Spinning Co., Ltd.**

Market Outlook — Discussion — Ferris & Company, 611 Fifteenth Street, N. W., Washington 5, D. C. Also available are comments on **Avon Products, Beckman Instruments, International Business Machines** and **Xerox Corp.**

New York City Banks—Comparative analysis of 9 largest New York Banks—Bankers Trust Company, 16 Wall Street, New York 5, N. Y. Also available is an analysis of 15 largest **Banks in the United States.**

Outlook for Business Conditions in 1963 — Economic Letter — First National City Bank, 55 Wall St., New York 15, N. Y.

Outlook for 1963 — Comments — Stirling, Linder, Prigal & Bilotti, Inc., 50 Broadway, New York 4, N. Y. Also available are reviews of **Frigikar Corp., Farrington Manufacturing Corp., Chicago Musical Instrument Co., Georgia Pacific Corp., Haveg Industries** and **Standard & Poors Corp.**

Outlook for 1963 in the Intermountain Region—First Security Bank of Utah, N. A., Salt Lake City, Utah.

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.

San Juan, Puerto Rico — Special Report — Government Development Bank for Puerto Rico, San Juan, Puerto Rico.

Selected Stocks—Annual issue of booklet on the outlook for various industries with portfolio recommendations—Bache & Co., 36 Wall Street, New York 5, N. Y. Also available is an analysis of **Montana Dakota Utilities.**

Toy Industry — Memorandum — Singer, Deane & Scribner, Union Trust Building, Pittsburgh 19, Pa.

Treasure Chest in the Growing West—28 brochure giving facts about industrial opportunities in the area served—Utah Power & Light Co., Box 899 Dept. K, Salt Lake City 10, Utah.

Vienna Stock Exchange—Bulletin on Vienna Market—Curtis J. Hoxter, Inc., 527 Madison Avenue, New York 22, N. Y.

Year-End Review of recommended issues, with comments on 29 companies—F. S. Moseley & Co., 50 Congress Street, Boston 2, Mass.

* * *

Advance Mortgage—Memorandum —First of Michigan Corporation, Buhl Building, Detroit 26, Mich.

Alberto Culver—Bulletin—Wm. H. Tegtmeyer & Co., 105 South La Salle Street, Chicago 3, Ill.

American Sugar Refining Company — Report — Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are reports on **Schlumberger, Ltd., Scott, Foresman & Co.,** and **Wesco Financial,** and a memorandum on **Airwork Corp.**

American Sugar Refining — Discussion—Colby & Company, Inc., 85 State Street, Boston 9, Mass. Also available are data on **Champlin Oil & Refining** and **Kansas City Southern Industries.**

Briggs & Stratton Corporation—Analysis — Herzfeld & Stern, 30 Broad Street, New York 4, N. Y.

Clark Equipment Company—Report—Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y.

Collins & Aikman — Comments — Watling, Lerchen & Co., Ford Building, Detroit 26, Mich. Also available are comments on **Crown Cork & Seal, United Biscuit, Textron, King Seeley Thermos, Hoover Ball & Bearing Co.** and **Virginia Electric & Power.**

Columbia Broadcasting System—Memorandum — Coggeshall & Hicks, 111 Broadway, New York 6, N. Y.

Commonwealth Oil Refining Co.—Analysis—Mitchum, Jones & Templeton, Incorporated, 650 South Spring Street, Los Angeles 14, Cal.

Daimaru, Inc. — Memorandum — Daiwa Securities Co., 149 Broadway, New York 6, N. Y. Also available are memoranda on **Fujitsu Ltd., Fuji Electric Manufacturing Co., Oji Paper Co., Nippon Seiko Kabushiki Kaisha,** and **Yokohama Rubber Co.**

Dominion Stores—Memorandum—McLeod, Young, Weir & Company Limited, 50 King Street West, Toronto, Ont., Canada.

Eastern Gas & Fuel—Comments—Reuben Rose & Co., Inc., 115 Broadway, New York 6, N. Y.

Eli Lilly — Memorandum — Birr, Wilson & Co., Inc., 155 Sansome Street, San Francisco 4, Calif.

Falstaff Brewing—Memorandum—Penington, Colket & Co., 70 Pine Street, New York 5, N. Y.

Frito Lay—Memorandum—Hirsch & Co., 25 Broad Street, New York 4, N. Y.

General Development Corp. — Analysis—Peter P. McDermott & Co., 42 Broadway, New York 4, New York.

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

Greyhound Corp. — Memorandum —Chas. W. Scranton & Co., 209 Church Street, New Haven 7, Conn. Also available is a memorandum on **General Motors.**

Harbison Walker Refractories Co. — Analysis — Sartorius & Co., 39 Broadway, New York 6, N. Y.

International Nickel — Analysis — Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

International Telephone & Telegraph Corp.—Analysis—J. Barth & Co., 404 Montgomery Street, San Francisco 4, Calif.

Jefferson Stores, Inc.—Analysis—Bregman, Cummings & Co., 4 Albany Street, New York 6, N. Y. Also available is a bulletin on **Collins & Aikman.**

Lockheed Aircraft Corp.—Analysis—Brand, Grumet & Seigel, Inc., 67 Broad Street, New York 4, N. Y.

Mack Trucks — Bulletin — Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Magnavox — Discussion — L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Major Pool Equipment Corp. — Report — Hill, Thompson & Co. Inc., 70 Wall Street, New York 5, N. Y.

Melnor Industries, Inc.—Progress Report—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y.

Mining Corporation of Canada — Analysis—Hector M. Chisholm & Co. Ltd., 82 Richmond St., West, Toronto 1, Ont., Canada.

National Biscuit Company—Analysis—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

National Periodical Publications—Analysis — New York Hanseatic Corporation, 60 Broad Street, New York 4, N. Y.

Olin Mathieson — Memorandum—Orvis Brothers & Co., 30 Broad Street, New York 4, N. Y. Also available are memoranda on **Resistoflex** and **L. F. Poppel.**

Panacolor—Memorandum—Joseph Walker & Sons, 120 Broadway, New York 5, N. Y.

Portland General Electric Company—Analysis—Schwabacher & Co., 100 Montgomery Street, San Francisco 4, Calif.

Seagrave Corporation—Analysis—Hemphill, Noyes & Co., 8 Hanover Street, New York 4, N. Y. Also available is a review of the market.

Sprague Electric Company—Analysis — Evans & Co. Incorporated, 300 Park Avenue, New York 22, New York.

Vance, Sanders & Company Inc.—Analysis—Hill Richards & Co. Incorporated, 621 South Spring St., Los Angeles 14, Calif.

Howard B. Wolf, Inc.—Analysis—Eppler, Guerin & Turner, Inc., Fidelity Union Tower, Dallas 1, Tex.

Xerox Corporation — Analysis — Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y.

Yale Express System—Analysis—Van Alstyne, Noel & Co., 40 Wall Street, New York 5, N. Y.

N. Y. Security Dealers Elect

The New York Security Dealers Association at its annual meeting Jan. 15 elected Samuel Weinberg

Samuel Weinberg

President for his fourth consecutive term.

Mr. Weinberg is President of S. Weinberg, Grossman & Co., Inc.

Hettleman Co. 25th Anniversary

Hettleman & Co., 1 Wall Street, New York City, stock and bond brokers and dealers in securities, particularly special situations, have announced the 25th anniversary of the founding of the firm in 1938.

Phillip Hettleman is proprietor of the firm.

Connolly With Golkin, Divine

Golkin, Divine & Fishman, Inc., 67 Broad Street, New York City, members of the New York Stock Exchange, have announced that Kenenth M. Connolly has become a member of the New York Exchange, and a voting stockholder of the firm.

Tax Cut and Reform Is No Excuse for Fiscal Profligacy

By Hon. Thomas B. Curtis, Representative (R.—Mo.), United States Congress Senior Republican, Joint Economic Committee*

Congressman Curtis agrees with the general proposition of economically productive tax cuts and reforms, but vehemently disagrees with any continuation of more public debt and profligate spending. Stating we cannot enjoy high deficit spending as usual and less taxes to pay more for the whole battery of Federal programs, he advocates restructuring and reforming our taxes to stimulate incentive and capital formation kept within the bounds of fiscal responsibility and monetary prudence.

I have strong basic disagreements with others who have recently used New York forums to espouse economic and political views which I believe held danger for our nation.

Hon. T. B. Curtis

In the past three decades we had no program for debt retirement and we have none for the future—as citizens we are content to be prodigals.

As bad as these fiscal facts are, I feel that future events will pale our past experience to insignificance. Under the present Administration we have found that new spending authority has risen from $80 billion in fiscal year 1960 to $100 billion for fiscal year 1963.

In an inaugural speech of not too long ago we were encouraged if not reassured by a reiteration of the principle that individuals should concern themselves with what they can do for the state rather than being preoccupied with what the state can do for them. As recently as a few weeks ago we were told, "If government is to retain the confidence of the people, it must not spend more than can be justified on grounds of national need or spent with maximum efficiency. . . ." It seems paradoxical to me that such statements are made by a political leader who since taking office has sent to the Congress 262 different spending proposals which if they had been enacted by the Congress would in my judgment have done much to destroy private enterprise and individual liberty.

Regardless of the fact that our Federal Government is the biggest spender, the biggest employer, the biggest property owner, the biggest tenant, the biggest insurer, the biggest lender and the biggest borrower in all the world, we find a growing impatience on the part of many holding high office in our land to make government even bigger.

Lower Voting Age for A Tax Cut Ballot

Against this backdrop of debt, deficits, and declining gold supply, we are now told that the cure for virtually all our problems is to be found in a tax cut. This proposal makes me wonder whether this issue should be decided by the votes of those American citizens who are now of voting age or by the votes of those young people whose age does not now qualify them for voting status. Indeed, it is the latter group that we will be taxing to make up the deficit from the tax reduction that we give to ourselves. Americans have always felt strongly against the idea of taxation without representation; hence, my suggestion that Americans under age 21 should be allowed to ballot on the question of a tax cut at this time of needlessly high spending and uncontrolled deficits.

In short, I agree wholeheartedly with those who say tax reduction and reform are long overdue. I wholeheartedly disagree with those who say we can have high deficit spending as usual and still have lower tax burdens across-the-board. I disagree with those who believe that foolish outlays for untested and unwanted government programs can be continued even though we are going to tax less to pay more for those programs. In short, I support a major program of tax rate "restructuring" and reform to stimulate incentive and capital formation but only within the bounds of fiscal responsibility and monetary prudence.

Tax reduction should not be enacted at this time without a commitment from the Administration and a pledge by the Congress to hold spending over the next two or three years at a level that does not exceed the 1933 figure. Tax reduction should not be enacted unless it is designed to increase productive incentive and to enable the capital accumulation needed to undertake the entrepreneurial risks. Tax reduction should not be enacted if it is designed for a mere short-term stimulant that would not result in sustainable economic growth.

Thus, I think it can be generally agreed among businessmen that our tax reduction objective (1) must be sought under conditions of our regaining control over our spending activities, (2) must be directed toward the attainment of long-term economic progress, and (3) must have as its focal point the easing of tax burdens from these critical rates and substantive provisions that under present law make tax saving more important than taxable earnings. In short, we must free our tax structure from its inhibitants against growth and efficiency. How do we do this?

Suggests Guidelines for Tax Cut

First, we must realize that as long as we are spending for more government than we are willing to afford, we cannot have tax reduction solely for the sake of making the cost of government generally less on our citizens. Any tax reduction must be so planned and designed as to achieve maximum incentive benefit at minimum revenue loss. We must not have a tax reduction that seeks to solve our growth and full employment problems merely by increasing the size of the deficit that would have to be financed by added government borrowing and bank created funds.

Secondly, we must recognize that the economic progress from tax reduction at this time finds it key in the vigorous expansion in business investment in new plant and equipment and in the growth of small business. In our last two recessionary periods business capital investment has lagged and as a consequence we have had a recovery in each instance that fell short of expectation. This supports the view that our tax reform at this time and under present circumstances must emphasize easing the tax burdens on savings and investment.

Parenthetically on this **second** point I would observe this fact: anything we may do in the area of tax reform, revision, and reduction will be to no avail if our people do not have confidence in government administration and policies. Therefore, we must not repeat the self-defeating mixture of bad and good tax changes that comprised the Administration's tax package of the last Congress. We should avoid seeking through tax legislation the accomplishment of non-revenue objectives such as social reforms and curbs on foreign investment by American free enterprise. We should strengthen, not weaken, confidence in the integrity of government. We should base our tax reform on the hard realities of sound economics and competitive advancement and let the politics be damned.

A **third** factor that we must take into account as we seek tax reform conducive to growth and efficiency is our present undue reliance on taxes on earned income to produce our government revenues.

*From a talk by Congressman Curtis before the N. Y. Chamber of Commerce, Jan. 7, 1963, New York City.

Joins Elkins, Morris

PHILADELPHIA, Pa.—Elkins, Morris, Stokes & Co., Land Title Building, members of the New York Stock Exchange and other leading exchanges, announce that Newlin F. Davis is now associated with them.

Mr. Davis has been active in the investment securities business since 1931 and prior to joining Elkins, Morris, Stokes & Co. was associated with Blair & Co., Incorporated in Philadelphia.

Wm. Hough & Co. Admits Nielsen

ST. PETERSBURGH, Fla.—Effective Jan. 1, Soren D. Nielsen was admitted as a partner in William R. Hough & Co., First Federal Building. Mr. Nielsen has recently been local manager for Blair & Co. Incorporated. Prior thereto he was with Beil & Hough Inc.

Soren D. Nielsen

Other partners, in addition to Mr. Hough, include William E. Johnson, David J. Fischer and Frank J. Strahsmeier.

The firm founded April 13, 1962, specializes in Florida municipal bonds and, in addition, makes markets in Florida Over-the-Counter securities.

Serving Nation's Interest In the Petroleum Industry

By Hon. John M. Kelly, Assistant Secretary of the Interior for Mineral Resources, Department of the Interior, Washington, D. C.*

What the Government is doing to bolster its bonds with the petroleum industry is spelled out under these topics: (1) development and implementation of import controls; (2) plans to increase Federal oil and gas leases which may shortly involve the first lease sale off the coast of California; (3) research and development including plans for industry participation in proposed reactivation of oil and shale plant and mine at Rifle, Colo.; (4) participation in and development of foreign policy regarding oil; and (5) successful functioning of National Petroleum Council, Foreign Petroleum Supply Committee, and Emergency Advisory Committee for Natural Gas. Mr. Kelly charts the boundaries of mutual interest, and affirms primary goal of serving the nation's interest through guidance and regulation, in the use of oil.

A realistic appraisal of today's world leads us to the conclusion that the actions and policies of our government have an impact on business policies and planning in the United States which is at least as great as the impact of the competitive forces of the market place. Whether we like it or not, government has come to be in major degree the principal determinant of the nature of commerce and industry. Few American industries are more closely involved in relations with government than is the petroleum industry. In one way or another almost every element of local, state, and Federal Government has intimate ties with petroleum. This may be from the standpoint of taxation, from the standpoint of administration of lands, from the standpoint of community dependence on petroleum as a major contributor to economic welfare, or from many another standpoint. In all the vast establishment of the Federal Government, the agency most intimately related to the oil industry is the Department of the Interior.

John M. Kelly

This was not always true. When the Department of the Interior was formed in 1849 there was no thought that it ever would have a major role to play in connection with the medicinal "rock oil" that was gathered in small quantities from a few seeps in scattered parts of the nation.

One century ago—three years after Col. Drake's successful endeavor—a listing of the bureaus of the Interior Department would have disclosed no oil-related activities. The Secretary of the Interior had varied responsibilities over the public lands, the District of Columbia Penitentiary and Hospital for the Insane, the Census Bureau, the Patent Office, and the Pension Office—but no Office of Oil and Gas, no Bureau of Mines, no Geological Survey. Petroleum was unknown quantity to the government.

Today there have been some changes made. The Department of the Interior now is the preeminent natural resources conservation agency of the Federal Government. As such, we are intensely interested in your industry, and you are vitally concerned with our activities.

World War II Consolidation

More than 20 years ago, in May of 1941, President Franklin D. Roosevelt addressed a letter to Harold Ickes, then Secretary of the Interior, and it began as follows:

"Recent significant developments indicate the need of coordinating existing Federal authority over oil and gas and insuring that the supply of petroleum and its products will be accommodated to the needs of the nation and the national defense program. Government functions relating to petroleum problems are now divided among numerous officers and agencies of the Federal Government and the pricipal oil-producing states. The various phases of operation in the petroleum industry itself are numerous and complex. One of the essential requirements of the national defense program, which must be made the basis of our petroleum defense policy in the unlimited national emergency declared on May 27, 1941, is the development and utilization with maximum efficiency of our petroleum resources and our facilities, present and future, for making petroleum and petroleum products available, adequately and continuously, in the proper forms, at the proper places, and at reasonable prices to meet military and civilian needs."

Although more than 20 years have passed since these words were written, they have a striking relevance today. Once again the events of history have demonstrated the compelling need for strengthening the bonds between the petroleum industry and the Federal Government and once again the Department of the Interior stands ready to meet its responsibilities in this field.

The American nation has a happy facility—a resilience which permits it to meet emergency situations as they develop and then to relax back into a state of relative unconcern over some of our more fundamental problems. The speed with which we mobilized during World War II was matched only by the rapidity with which we returned to a state of business-as-usual when the emergency had subsided. The taking stock of the state of coordination of fundamental policy as it relates to petroleum during the past few months has given many of us who were involved in this problem cause for deep thought. We found that over the past few years there had been a certain degeneration of the close ties that linked government and the industry in past periods of stress. The industry, I am sure, is well aware of the steps that have been taken by the Department of the Interior to improve this situation. We found further that the clean-cut mandate to the Department of the Interior which had been placed upon it by President Roosevelt, and—following the war—restated by President Truman, had become obscured in the rush of events. We found that, whereas the Federal establishment and particularly the Department of the Interior were capable of continuing the day-by-day peacetime relationships of the government with your industry, there was a need, in fact an urgent requirement, for strengthening the fabric of future policy formation within the Executive Branch, and for bolstering our government - industry relationships. I believe that we are proceeding to meet these requirements of the times.

For example, in recent weeks we in the Department of the Interior were successful in obtaining a Department of Justice ruling which clarified the status of the National Petroleum Council. This clarification will permit the NPC to be of continued service to both the government and the industry. Its extensive and authoritative Soviet oil study is one excellent example of its work, and it is now embarked on other studies of importance.

Oil Import Policy

Also, we in the Administration recently completed a prolonged discussion of government policies as they relate to imports. One of the major contributions of the Department of the Interior in this searching examination of import policy was to provide a basic education to representatives of a number of departments and agencies in the underlying realities of today's world petroleum economy. There had been an attitude expressed that controls were unnecessary and that their effect was to place additional costs on consumers and thus vitiate the strength of the economy. Because at the moment we have sufficient capacity to meet most of the security requirements that might be placed upon us, there was a widespread view that import controls were simply unnecessary. As the discussion proceeded, Interior was able to demonstrate that this high state of preparedness was to no small degree a product of import controls, that the control program was a bulwark of stability in an unstable petroleum world, and that the ultimate costs, if any, to consumers are cheap insurance for national security and an adequate consumer supply. This review of import policy was a worthwhile expenditure of time and of energy; and I am sure that it now has proceeded to the point where practically all of the agencies involved are convinced that the Interior position favoring the contribution of import controls is wise national policy.

The development and implementation of oil import policy is only one of the many activities of the Department of the Interior that concern the day-to-day activities of your industry.

Federal Oil Leases

The Federal Government is the largest single land owner in the nation, having more than 770,000,000 acres of public land under its jurisdiction. As of March 31 of this year more than 100,000,000 acres of Federally controlled land were under oil and gas lease and an additional 2,000,000 acres were leased in the outer continental shelf off Louisiana and Texas. Now we are preparing for our first lease sale off the coast of California—a move that may play a significant part in quickening the tempo of West Coast oil activity.

One measure of the importance of Federal activity in this field is afforded by the fact that last year the total amount of royalties, rentals, and lease sale bonuses from Federal oil and gas leases was equal to nearly one-half of the annual budget of the Department of the Interior. The management of these vast Federal oil holdings raises major considerations of policy: They can be administered in a way which compliments the operation of your industry or in a way which impair those operations. Currently the total value of oil and gas production on all lands under the jurisdiction of the Department of the Interior is more than 10% of your total industry output per year.

In future years this percentage will grow as offshore areas are developed further. Here again Federal policy will play an overwhelmingly important role in the operations of the petroleum industry. Interior is conscious of this. The bureau of Land Management and the Geological Survey — the agencies within the Department which hold the principal responsibility in this field —are conscientiously applying the most advanced knowledge and the most constructive thinking to assure that public land policy will continue to make a positive contribution to the economy, a knowledge which I am sure is reassuring to the petroleum industry. Federal policy toward research, and in particular Interior's policy toward research on liquid fuels, similarly has important implications for the economy as a whole and for the oil industry in particular.

Bureaus of the Department of the Interior, principally the Geological Survey and the Bureau of Mines, have made substantial economic contributions to the technology on which the industry rests. As the cream has been skimmed from the potential for scientific advances in petroleum, there is increasing evidence that these scientific efforts on the part of Interior bureaus must be expanded as a matter of urgent and strengthened Federal policy. We are moving now to reinforce these research programs in basic and fundamental investigations which ultimately will contribute to the efficiency of the search for oil and tend to hold down costs of production. This will require more money and, in some cases, better forms of organization, but as a matter of policy we must continue to provide a climate within the Federal Government conducive to that basic research upon which all progress rests.

Reactivating Oil Shale Plant

Let me interpose here a bit about our plans to reactivate the oil shale plant and mine at Rifle, Colo. As you know, it has been on a standby basis since 1956. This year the Congress took action which enables us to open the door for resumption of activity at Rifle. We are inviting companies, institutions, organizations, and individuals to submit proposals for its use. Already, we have had a number of serious expressions of interest. To encourage the use of the Rifle facility for research, development, test evaluation, and demonstration work in oil shale, we seek proposals which will be most advantageous to the American public in advancing research and development work in oil shale —it may be that in numerous firms can be among those who will participate in this.

Foreign Policy and Our Allies

Of major importance is Interior's participation in the development of foreign policy as it relates to petroleum. Since entering the Department of the Interior, I have taken an active role in the field and have participated as the United States delegate to the oil committees of the Organization for European Cooperation and Development and the North Atlantic Treaty Organization. From the standpoint of national policy it is almost impossible to view petroleum as falling into domestic and international categories. In a broad sense, virtually every action which affects the domestic industry is reflected at some point in the industries outside the United States. The OECD forum enables the United States Government to discuss fully the national and international policies that affect petroleum. Through our representation in NATO we are able to assure that the United States oil industry is prepared to fulfill its duties when called upon in time of world crisis or war.

Thus, policy decisions relating to petroleum of necessity must be arrived at with a full awareness of all domestic and foreign considerations, both economic and military.

The Office of Oil and Gas in the Department of the Interior performs an extremely useful service in this field. It has facilities to draw together information relating to the entire spectrum of world events related to oil and provides invaluable advice in the policy formulation process to Interior, State, Treasury, and other agencies concerned with petroleum policy. The Office of Oil and Gas has yet another function that has taken on increasing importance in recent weeks. It is the focal point for developing mobilization policy for the oil and gas industry and, as such, is responsible for preparing plans for handling domestic petroleum and gas needs and for meeting supply and demand requirements in an emergency.

Two Important Committees

In the past 20 years the Department of the Interior has three times been called upon to provide leadership in assuring that sufficient supplies of petroleum were on hand to meet requirements when they developed and where they developed. This depth of experience in dealing with emergency problems will be called upon again in any future emergency. We are moving now to enhance this emergency capability of ours. I am sure that all are aware that the Department of Justice has agreed with Interior that the conflict of interest statutes would not apply to the Foreign Petroleum Supply Committee, its committees and subcommittees. This has cleared the way for our Department's utilization of this important industry plannng group.

In another step, appointments are being made to a new and needed group: An Emergency Advisory Committee for Natural Gas. This 29-man committee will be asked to recommend courses of action which would best assure an adequate supply of natural gas in the event of an attack upon the

United States or the involvement of our nation in a limited war or period of high international tension. Emergency operating plans, organizational arrangements, and staffing of the emergency organization all will fall within the purview of the committee. An initial meeting of this group will be convened shortly.

As we—the Department of the Interior—and—the petroleum industry — come together in the many interrelationships that I have outlined, we both fully recognize the basis for our mutual interests. The Department is not the handmaiden of the petroleum industry, and the industry is not the servant of Interior. Under the American system it is not the petroleum industry whose interests we in government must serve —our role is to serve the national interest through guidance and regulation in the use of our nation's heritage of natural resources—in this case, petroleum. The encouragement of its efficient production; the assurance of adequately developed oil and gas supplies for national security and economic growth; the maintenance of energy production capacity for our children and their children; the promotion of public benefit through proper development of nationally owned resources—these are our goals. The industry has worked together with us in attaining these goals in the past. The industry is working with us today. While other departments of the Federal Government has substantial and long-term associations with the petroleum industry, the most significant of government operations affecting the industry are those of the Department of the Interior. We serve as the point of liaison and coordination between the government and the industry, and I assure you that in the days and years ahead we will continue to meet our responsibilities in this vital field.

*An address by Mr. Kelly at the 42nd Annual Meeting of the American Petroleum Institute, Chicago, Ill.

Burke V.-P. of G. H. Walker Inc.

KANSAS CITY, Mo.—Paulen E. Burke, has been elected a Vice-President of G. H. Walker & Co., Inc. The announcement was made in New York by George Herbert Walker, Jr., Chairman of the Board.

Paulen E. Burke

Mr. Burke is associated with Howard H. Fitch in the management of the Kansas City office of G. H. Walker & Co. Prior to the opening of this office last October he was Vice-President of Barret, Fitch, North & Co. in Kansas City. He was previously President of the firm of Burke and MacDonald and Vice-President of Waddell and Reed, Inc.

He is a former chairman, Southwestern Group, of the Investment Bankers Association of America, and is now Chairman of the Education Committee of the IBA.

The Kansas City office of G. H. Walker & Co. is located at 912 Baltimore Avenue.

British Equities' Prospects After the Bank Rate Cut

By Paul Einzig

Failure of British equities to respond to U. K.'s "reflationary measures" is attributed to uncertainties surrounding admission to the European Common Market. The recent deterioration of British admission chances should, Dr. Einzig points out, have had a bullish effect upon equities since the short run consequences—unlike the long run—of ECM membership should be disadvantageous to British industry. In offering this conclusion, Dr. Einzig assumes stocks are more responsive to short than to long run factors. The economist believes the April budget statement will contain tax cut and other Keynesian budget unbalancing items. He comments on the unemployment situation which he attributes more to structural than to other reasons.

LONDON, England—In spite of the unfavorable balance of payments figures that became available in December, and notwithstanding the indications that wage inflation was gathering momentum, the British authorities took their courage in both hands at the beginning of the New Year and reduced the Bank rate to 4%. This was part of their systematic policy to encourage a business revival in order to reduce unemployment. Other recent reflationary measures included further drastic cuts in the Purchase Tax on a number of consumer durable goods, release of "special deposits" by the Treasury, the granting of 6% wage increases to various categories of employees of the public sector, and an increase of certain pensions.

Between them these measures together with the non-stop increase of wages in the private sector, ought to be more than enough to counteract the relatively moderate business recession. Yet there is as yet no sign of any revival. Nor indeed is there any anticipation of a revival, judging by the lack of response on the Stock Exchange to the Bank rate reduction. Equities failed to benefit by this measure, because investors and speculators are far from satisfied that profits, which showed sharp declines in 1962, would recover sufficiently in 1963 to warrant higher equity prices.

Tax Reductions Expected

The Budget statement in April is widely expected to contain tax reductions, aimed mainly at encouraging investment expenditure by the private sector, and increases of retirement pensions and other social benefit services. The result of such measures may well be a deliberate unbalancing of the Budget in accordance with the Keynesian principle of stimulating a business revival by means of a Budgetary deficit. Possibly, even before the Budget, another Keynesian device may be applied —interest rates on Saving Certificates and other popular forms of saving may be reduced, in order to discourage saving and thereby to encourage spending.

It seems doubtful, however, whether these and any other conceivable reflationary devices will bring about the desired degree of business revival so long as uncertainty about the prospects of joining the Common Market will continue. One of the results of the exaggerated official propaganda to popularize joining the Common Market is the development of widespread pessimism about the probable consequences of a failure to come to terms with the E. E. C. This pessimism has very little rational foundation. For it seems more than probable that the net effect of joining the Common Market would be a deterioration of the British balance of payments at any rate during the initial period. On balance increased Continental competition with Britain would more than offset the benefit derived by British industries from their easier access to the Continental markets.

Surprised There's No Bullish Effect

On the basis of this conclusion it seems that the recent worsening of the prospects of joining the Common Market should be regarded as a bull point rather than a bear point from the point of view of British equities. It is true, taking a long view, British industries may suffer disadvantages through their increasing exclusion from Western Europe. But Stock Exchange prices are more affected by short-run considerations than by long-run considerations, and from that point of view a failure of the Brussels talks would improve rather than worsen profit-earning prospects of British industrial firms during the next year or two.

Paradoxical as it may sound, the lack of response of British business conditions and of equity prices to the government's reflationary efforts is due not only to an anticipation of a failure of the Brussels talks but also to an anticipation of their success. As far as a number of industries are concerned there can be little doubt that they will be unfavorably affected by increased Continental competition. It is true, from their point of view the worsening of the prospects of an agreement with the "Six" should be regarded as a favorable point. No doubt it would be so regarded if and when it should be decided definitely to abandon the attempt to join the Common Market. In the meantime, however, the fluctuation of the prospects of an agreement maintains an atmosphere of uncertainty, amidst which neither the firms which stand to benefit by Britain's adhesion to the E. E. C. nor those who stand to lose by it, are very keen on committing themselves to expenditure on expanding their plant.

To a large degree the recent increase in British unemployment is due to structural causes. Industries are increasingly reluctant to expand in the north of England or in Scotland. The amount of reflation that would be sufficient to overcome this influence would be so high as to result in a high degree of inflation in the rest of the country. To avoid this the government is about to embark on a drive to cure local unemployment with the aid of local remedies. To the extent to which this drive will be successful it would obviate the need for further general reflationary measures.

The Security I Like Best

Continued from page 2

Government's stockpiling of tungsten in 1957, which has resulted in the free flow of tungsten to industry and a return in the price of ore to reasonable levels, are among the additional factors which have led to increased use of hard tungsten carbides and tungsten alloys and made such new applications economically feasible.

It became increasingly evident as the company reported on its quarterly operations during 1962 that Kennametal was entering a new phase in its growth. Record 12-month sales were first registered in the period ended March 31, 1962, and sales and earnings continued at a high level during the next two quarterly periods. As previously stated, sales for the fiscal year ended June 30, 1962 amounted to a record $29,641,951, a 31% increase over the preceding year, and net income was $2,144,977, 58% higher than fiscal 1961, equivalent to $1.76 per share on the basis of shares outstanding after the two-for-one split which took place in October, 1962.

Using management estimates of sales for the October-December quarter, sales for the calendar, year 1962 will approximate $33.5 million, and I estimate net income should set an all-time record at about $2,620,000, or $2.15 on the 1,216,902 shares outstanding, for this 12-month period. This would represent a 41% increase in sales volume and an 87% increase in income over calendar year 1961.

These facts are evident. Many new applications of Kennametal hard carbides have only recently been adopted by industry. Cost savings and technological advances for industry have resulted. Applications in still broader industry areas are developing rapidly and still others are in the laboratory.

In view of these, one can readily project a doubling of Kennametal's sales during the '60s with at least a proportionate increase in earnings. The modest present appraisal of these prospects by the market make the stock appear very attractive. The stock is traded in the Over-the-Counter Market.

Braun, Bosworth Appoints Kramer

Braun, Bosworth & Co., Incorporated have announced the appointment of John H. Kramer as manager of its New York office, 120 Broadway. Mr. Kramer has been in the investment business for 19 years, of which 13 were spent with Harriman Ripley & Co., Incorporated in their Chicago and New York offices.

Mr. Kramer will assume some of the duties of Clifton A. Hipkins who will continue his association with the firm as Senior Vice-President and director.

Economists See Modest Rise In 1963 Without a Tax Cut

Modest business expansion this year is expected by 15 leading economists participating in the National Industrial Conference Board's annual panel discussion on the economic outlook. The panelists at the private, non-profit research organization's forum agree that a tax cut would strengthen the expansion. Without it they forecast a $575-585 billion GNP for 1963 compared to $561 billion estimated for 1962; Federal Reserve physical production index starting out at 120 then dipping to 118 by end of first half and thence climbing to 122; unemployment remaining at 5.5% to 6%; and one percentage point increase in the CPI. In addition to contributing to the general outlook consensus, each participant offers a forecast for the sector he specializes in. Synopsized herewith are the individual and general forecasts as well as the background of the contributors.

Despite a small dip in industrial production in the opening months of 1963, the nation's Gross National Product is expected to increase by about 3% in the coming year, according to a panel of fifteen nationally-known economists who participated in the recently concluded National Industrial Conference Board's annual Economic Forum.

However, many of the problems adversely affecting national growth—especially the persistently high rate of unemployment—have yet to be resolved, according to the Forum members.

These economists foresaw a GNP of between $575 billion and $585 billion by the end of 1963. This compares with a current GNP of approximately $561 billion. Every participant in the Forum, which was established nearly two decades ago to provide an independent analysis of economic issues, believe the rate of total business activity will be higher a year from now. There are, however, marked differences as to the degree of expansion.

The anticipated decline in the industrial production index will be slow and gradual—from the current 120 to 119 in the first quarter and to 118 in the second quarter, according to the Forum consensus. A modest climb to 122 is expected by the end of 1963.

Unemployment is expected to hold fairly steady at a rate of between 5.5% and 6% of the labor force.

In releasing the transcript of the meeting, John S. Sinclair, NICB President, noted that: "In many ways, 1962 was perhaps as even more trying year for business economists than for the American businessman. Each found his expectations for smooth second year of recovery quickly challenged by a disturbing series of unanticipated events abroad as well as at home. The uncertainties these introduce undoubtedly contributed toward the hesitant and erratic course of the curve of economic activity throughout the year."

Expansion to Stem From Consumers, Government

The 1963 expansion is expected to stem mostly from increased outlays by consumer and government. Only a minority of the participants incorporated a tax cut in their projects for 1963, although the group stressed that such a cut would further bolster consumer demand, improve declining company profits, and contribute significantly to a faster rate of economic growth.

The major problems areas remain much the same as a year ago. The NICB Forum listed unemployment as perhaps the most stubborn domestic dilemma. "It has grown stickier with each new cyclical peak of the past decade," noted Martin R. Gainsbrugh, Vice-President and Chief Economist of The Conference Board, in summarizing the Forum's findings.

Other major problems areas: the country's balance-of-payments deficit, continuing resort to deficit financing by all units of government, and further government support for agricultural surpluses.

Among the bright spots: fewer excesses have been built into the current recovery than in any post-war recovery, and this could lead to one of the more prolonged periods of economic upswing.

Murray Shields, Chairman of the Board, MacKay-Shields Economics, Inc., was Chairman of the meeting, and Mr. Gainsbrugh summarized members' views at the conclusion of the session. Other participants in the Forum were:

Jules Backman, Reseach Professor of Economics, New York University.

Miles L. Colean, Consulting Economist.

Ira T. Ellis, Economist, E. I. du Pont de Nemours & Company.

Solomon Fabricant, Director of Research, National Bureau of Economic Research.

Edwin B. George, Consulting Economist.

George P. Hitchings, Vice-President — Economic Research and Financial Relations, American Airlines, Inc.

Nathan M. Koffsky, Administrator, Economic Research Service, U. S. Department of Agriculture.

Malcolm P. McNair, Lincoln Filene Professor of Retailing, Emeritus, Graduate School of Business Administration, Harvard University.

Louis J. Paradiso, Assistant Director — Chief Statistician, Office of Business Economics, U. S. Department of Commerce.

Howard S. Piquet, Senior Specialist in International Economics, Legislative Reference Service, The Library of Congress.

Roy L. Reierson, Senior Vice President, Bankers Trust Company.

Bradford B. Smith, Economist, United States Steel Corporation.

Donald B. Woodward, Managing Partner, A. W. Jones & Company.

Following are highlights of remarks by participants:

Mr. Shields on "The Business Outlook"

The year since we last met has witnessed some quite sensational events, such as the steel price episode, the debacle in the stock market, the election, the passage of the trade legislation, the enactment of a quite controversial tax measure, and finally the confrontation with the Communists in Cuba. But the interesting fact is that despite all these events business has moved along quite close to the forecast made a year ago by this group without specific foreknowledge of any such developments.

This raises a question as to whether we have built a business structure possessing some immunity for development in spheres formerly regarded as important in judging the outlook.

I must say that I expected a tax cut and other stimulating measures to help make 1963 another year of new all-time highs for the U. S. economy.

Mr. Fabricant on "The Cyclical Indicators"

As for the events up to now, it is clear that we have been in an expansion that began in February, 1961. The revival at that time came after a very brief contraction. Brief, because the contraction from May, 1960, the preceding peak, to February, 1961, was only nine months long. Its brevity helps to explain why we were able to regain the preceding peak levels so rapidly. It also helps to explain why the current expansion has not been as vigorous as the average in our economic history. We started from a higher trough, so to speak. If you compare the current expansion with others that followed mild recessions, the present one seems to be about average.

Indicators don't speak for themselves. One must read and interpret them. As I read them, and as I interpret them, I think it is reasonable to see in the indicators a drift in business that suggests a continuation of the expansion, at least for a while.

We must go beyond the indicators if we are really to express an opinion about the future. One important consideration to take into account is what government policy may be. The future depends in some part—indeed, probably in very large part—on what happens in the field of government policy. I'm setting aside the international political situation, which is always a factor that we have to worry about.

If there should be a tax cut, and if this tax cut were aimed at corporate taxes and upper-income tax rates as well as lower-income tax rates, I think we would have a great improvement in business confidence. This would be especially true if the expenditures of government were restrained. We would have better business. But also, depending upon the particular combination of governmental policies, perhaps some inflation.

Mr. McNair on "Consumption"

I am setting the disposable income figure for 1963 at $394 billion. The breakdown of this figure I should estimate as follows: for nondurable goods and services together $319 billion. . . . This is an increase of 3.2% over 1962. Consumer durables, which is in some respects the most optimistic part of my forecast, I am putting at the same figure as in 1962, namely, $47 billion, or 12% of the total. The reasons for a figure as high as $47 billion are the recent strength in the automobile market, the indication of strengthened consumer intentions to buy automobiles, higher used - car prices, and the fact that automobile debt increased by only $1.75 billion during the last year. All this leads me to believe that the automobile business might ring up sales of 6.8 to 6.9 million units for 1963. And I think these is a prospect for a 2.5% or 3% rise in other consumer durables. Thus the total consumer expenditures would be the $319 billion plus the $47 billion—that is $366 billion, which represents an increase of only $10 billion from 1962. Savings I put at the conventional 7% figure of about $28 billion.

Now, the breakdown of that $319 billion of nondurable goods and services is: nondurable goods, $166 billion, which is up only 2.5% over 1962, and services $153 billion, which is up about 4%, and represents a considerably smaller advance in services than for any recent year. The total goods figure thus would consist of the $166 billion nondurable goods plus $47 billion durable goods, or about $213 billion, which is an increase only from $209 billion in 1962, a very minor change. In other words, what I am expecting is essentially a flat trend for the total year 1963 as compared with 1962.

Mr. Ellis on "Soft Goods Industries"

Consumer expenditures for nondurable goods should rise about 2.7% in 1963 over 1962, to a total of $167 billion. The rise will be broadly distributed, with no outstanding gains. In fact, gains in spending in these areas will closely parallel the expected rise in personal income in 1963 over 1962. In short, consumer spending for nondurable goods is not a "leading indicator." Consumers will spend steadily if they have the income.

The expected increase of a little less than 3% in consumer spending for food next year reflects our forecast of a rise in food prices of 1% from this year's average, a rise of 1.5% in the population, and a rise of about 1% in the physical volume of food consumed per person.

We expect a rise of almost 1% in the prices of clothing and shoes from this year's average, and a rise of about 2% in the physical volume of purchases of clothing and shoes, compared with a rise of 5% from 1961 to 1962. The year 1962 was a good one for the retail clothing business, but I do not see this volume repeated in 1963.

Mr. Hitchings on "Services and Consumer Durables"

The outlook for consumer spending is inevitably intertwined with the general business outlook. Consumer willingness and ability to spend is influenced by the amount of employment and incomes generated by total business activity.

The projected 3% gain in GNP would generate about an equivalent 3% rise in personal income after taxes, unless there is a cut in income taxes. Consumer spending for total nondurable goods and services also would be likely to increase about 3%.

For 1963, the underlying factors in the auto market are conducive to another 7-million new car sales year, unless general economic conditions cause a postponement of buying. The years in which auto sales have fallen short were the years of softness in the general economy. The economy was not soft in those years because of autos; rather, auto sales declined because of softness in the economy.

In the consumer durables total, I assumed that the nonautomotive portion would be close to the 1962 volume, or slightly higher. Again, this is on the assumption that the economy in 1963 is about 3% higher in dollar terms, or 2% higher in physical volume terms.

Mr. Colean on "Construction"

I (foresee) a very mild increase in total construction expenditures for next year, so mild that it is certainly within the margin of statistical error. And of the 2.5% increase that I expect, probably half is in costs, so that actually the figure does no more than suggest that we will continue at about the same level as this year.

In the residential area I would say the chance of an increase in the number of private, nonfarm housing starts next year is very small. I forecast . . . about 1.4 million.

There is an important influence in this housing picture that I should like to mention. It is that there is no lack of funds available for mortgages. . . . The greatest pressure for funds is in the area where FHA and VA financing is generally used. . . . That pressure, as against the reluctance of builders and brokers to use the FHA and VA systems, in the present situation, is likely to bring about a continuation of the decline in the yield on those mortgages. In the conventional mortgage area where there is really no surplus of funds, we . . . are likely to see an increase in interest rates. . . .

There has . . . been no rise and possibly some decline in prices of existing houses. One of the reasons why we have had an increase in foreclosures is that there has been no ready escape by the inflationary route during the last two to three years. I think we are at a point where people are going to realize that property depreciation—at least in residential property—is something that must be considered.

Mr. Smith on "Steel"

Because of the peculiarity of my industry I would say there is a possibility that the production level in the early part of next year will be rather higher than it is at present, and that may again be followed by some subsidence. I call your attention to the fact that the steel wage agreement was negotiated in the early part of this year, and that come next May it is reopenable by either party. . . . Should our customers come to believe that the contract will be reopened and that there might be an interruption of supply or, possibly, if one dare say so, a price increase: Then the record of the past would indicate that they would protect themselves, as one would expect, in a competitive economy, by building up inventories. . . .

. . . I come to the conclusion that steel output for 1963 will not vary much from this year's total. This is based on the expectation, which seems to be general around the table, that industrial production in this country will not be greatly different in 1963 from that in 1962.

I estimate that the profit on sales for the steel industry for 1962 will be close to 4%, and this is a percentage which is lower than in any nonwar year clear back to the depression years of the 1930's.

Mr. Paradiso on "Capital Goods"

The major cause of the lag in capital outlays has been the overhanging large capacities that persist in most industries because of the large additions made to our stock of capital equipment in the postwar period. . . . This enlarged productive capability, however, has not been matched by a corresponding increase in demand. Also the deterioration of corporate profits relative to corporate gross product and sales may have

Continued on page 14

We Can Find Solutions To Our Plaguing Problems

By Harold H. Helm, *Chairman, Chemical Bank New York Trust Company, New York City*

Profound but to the point review of the past year's three shocks administered to the economy, and the several constructive steps taken to rectify errors made to solve our basic problems, is made by Chemical Bank N. Y. Trust Chairman. Though encouraged by the general recognition—long over-due—that taxes have been harmfully too high for too long, Mr. Helm hopes that steps taken toward tax reduction will temper, if not reduce, government spending programs so as to keep the debt as low as possible. Considering what we faced and overcame in 1962, Mr. Helm is confident we can successfully dispatch the three plagues of unemployment, fiscal deficit and imbalanced international payments.

A challenging and unusual year was 1962. Starting in an optimistic environment with general expectation of the continuation of the business recovery which had begun in February 1961, the economy's slow but steady advance was interrupted three times by extraordinary incidents, each of which seemed more critical than the preceding one.

Harold H. Helm

Three Extraordinary Incidents

The first of these was the steel pricing incident in early April. The labor contract of United States Steel Corp. was due to expire on June 30. Negotiations for a new contract were started early in the hope of avoiding a long and costly strike. A new contract was agreed upon in March. Shortly thereafter the steel corporation announced that it would raise the price of its products to offset partially the increased costs it had already assumed and the additional costs that would be incurred under the new contract. Several steel companies followed suit. Almost immediately the executive branch of the Federal Government raised strong objection, apparently fearing inflationary implications, and brought to bear strong forces in an effort to prevent any advance in prices. The proposed increases were in fact rescinded a few days later.

Business confidence was shaken severely by the incident. Business felt it was facing a new challenge from government. Fears were expressed that this action might mark the beginning of governmental price fixing which could well vitiate the economic effect of supply and demand in determining the price level of goods and services.

The episode served to dramatize vividly the importance of adequate corporate profits in the American economy and the relationship of profits to savings, growth, investment, employment, moderniaztion of facilities and ability to compete both at home and abroad.

Second and Third Episodes

The second shock to business confidence came in late May, in the form of a severe decline in the stock market, which many felt had advanced out of proportion with the outlook for corporate earnings. Beginning with nervousness resulting from the controversy over steel prices and aggravated by a reappraisal of the corporate profit situation, the market gave way precipitately, resulting in one of the sharpest declines in history. By June the Dow Jones Industrial Stock Index had declined 28% from the level of Dec. 31, 1961. Confidence waivered and there set in talk of a recession in business. It was felt that such a shrinkage in values on the exchanges would result in curtailed retail spending and then a reduction of business spending.

By the middle of October the stage was set for the third and most dramatic episode of the year, the announcement by the President that Russia had set up offensive missile bases in Cuba and that the United States was taking military measures to force the dismantling and removal of all offensive weapons from Cuba. The American people, and those of the entire Free World, recognizing the seriousness of the situation, felt relieved when a firm position was taken against both Cuba and Russia and public opinion was mobilized strongly in favor of the President's position. Russia promptly agreed to withdraw both missiles and bombers from Cuba as quickly as possible.

As soon as these steps were assured, business sentiment changed abruptly. Talk of a coming business recession began to die down. It was conceded that there would be a speed-up in military procurement and attention was again directed toward the business outlook instead being focused on international political crises.

Strangely enough, through these three critical incidents and continuing to the present, the statistical measures of business have remained relatively steady and firm. Industrial production, which started the year at 114.3 (January), rose slowly to 119.5 (November). Automobile production and sales, especially late in the year, did much to bolster the economy.

Several Constructive Steps

The crises mentioned above, particularly the steel incident, appear to have been instrumental in bringing about emphatic reassurances from Washington of the recognition of the importance of profits in our economic system, along with a number of specific affirmative actions towards that end.

Changes in the tariff law give indication that we will not try to hide behind a protective wall, but will meet head on the competition from outside sources. This is a constructive point of view, but the changes will need careful administration to be successful.

The adjustments in depreciation allowances apparently recognize the inadequacies of the old schedules in the light of the inflation which has taken place. They should tend to improve the quality of reported earnings of corporations and provide additional cash flow to help finance new and technically improved facilities. Further steps in this direction would be constructive.

The small tax incentive for new capital investment, while not an important dollar item in itself, is certainly a move in the right direction and will no doubt result in some improvement in the rate of capital investment which must be further increased if we are to solve the unemployment problem.

The Tax Question

The movement for the lowering of taxes, both corporate and personal, is belated recognition of the damage which can be done to a free economy by a poorly conceived program of taxation. It is unfortunate that this recognition comes at a time when the country is faced with one of the largest peacetime deficits in its domestic budget, as well as a large deficit in its balance of international payments.

The record has been clear for many years that two things are fundamentally wrong: (1) that aggregate taxes on production are too high and (2) the impact of taxes under the present provisions of the Revenue Act are such as to stultify the incentive for work or for constructive investment. The dependence upon taxes on income, both corporate and personal, for so large a proportion of total tax receipts cannot help but have a depressing effect. At the same time, it tends to accentuate the swings in government revenues resulting from changes in business activity. The United States is the only nation in the Free World that depends so heavily on taxes on income, and yet, as a nation, we place great stress on the virtues of individual initiative.

Congress will be faced with very difficult decisions, being aware of the need for both tax reduction and tax reforms. It will have to make an unhappy choice as to whether taxes should be reduced first, thus enlarging the domestic budget deficit, or whether it should keep taxes at the present unsatisfactory level and work to reduce total Federal expenditures until sufficient surplus has been developed to justify the tax reduction within the limits of a balanced budget. The history of the last 30 years would seem to lead to the conclusion that the latter procedure would mean no tax reduction for a long time.

It is significant and encouraging that there is finally a general recognition that certain taxes are too high and should be reduced and the entire tax structure overhauled. Both of these admissions constitute a big step forward. The knowledge that any tax reduction voted by Congress will result in a reduction of revenue, and thus increase at least temporarily the domestic deficit, should give Congress additional reason for voting against new spending programs and perhaps forcing some reduction in programs already in operation.

We earnestly hope that the much needed tax reduction will be accompanied by steps which over a period of time would tend to bring both our domestic budget and our international payments into balance. We are convinced that carefully planned and courageously taken steps in these matters could bring salutary results by reason of the stimulus they could provide to a fundamentally sound but presently hesitant economy.

We do not fail to recognize the importance and potential dangers of the yet unsolved problems of the domestic budget deficit, unemployment and imbalance of international payments. But an economy that can encounter and survive such incidents as 1962 produced can surely find solutions to these continuing problems if they are faced with realistic appraisal and resolute action.

With Lawrence Cook

CLEVELAND, Ohio — William Solomon is now with Lawrence Cook & Co., 1717 East Ninth St., members of the Midwest Stock Exchange. He was formerly with Gallagher-Roach & Co., Inc.

Economists See Modest Rise In 1963 Without a Tax Cut

Continued from page 12

been an added consideration in businessmen's reluctance to commit themselves to large investment outlays. However, insufficient demand has been the most dominant factor.

I think that plant and equipment expenditures next year are likely to register a 5% increase over this year's total, perhaps more. This implies that the 1963 total would be $2 billion above the $37.2 billion expected this year.

On the basis of recent surveys, it would be reasonable to project business fixed investment during the first half of next year at about the same as the present rate. . . . After the middle of next year, however, analysis of present factors suggests that a pickup in investment may be in the offing. Even so, this prospect is not an encouraging one since the contribution of plant and equipment expenditures to a life in GNP . . . in the second half would be only of very moderate proportions.

I do not expect that the recent government incentives will provide a substantial stimulus to investment programs. Prospective sales and profits will continue to be the dominant factors in investment determinations. Nevertheless, there would be some positive results forthcoming from the investment tax credit and liberalized depreciation provided by the government.

In summary, only moderate gains can be expected in plant and equipment outlays next year. The projected increase, in fact, would be far short of the amount needed to be consistent with a full employment GNP, estimated at some $610 billion in 1963. Such a GNP total would require a rise of 25% in plant and equipment expenditures instead of the expected 5%. I might add that substantial tax reductions on personal and corporate incomes, if enacted next year, should go a long way in bringing about a full employment economy by stimulating increases in consumer demands and in laying the basis for a much greater expansion in capital investment.

I would expect that in the first half of 1963 the inventory increase may average around $2 billion (annual rate)—a rate somewhat above that of the second half of this year. . . . For the year as a whole the total accumulation may be of the order of $2½ billion.

Mr. George on "Government Spending"

I have placed total Federal Government spending for goods and services in 1963 at $67.4 billion, as against $62.9 billion this year. It is an increase of 7.2% against an expected 3.5% increase in GNP. The rise in comparable Federal expenditures from '61 to '62 was $5.9 billion, or 10.4%; the rise in GNP in that period was 6.8%. I would add that these outlays, if realized, would also constitute 11.8% of estimated 1963 GNP, equaling the highest ratio reached in nine years.

For 1963, state and local expenditures will rise about $4.5 billion; 1962 purchases will have exceeded those of 1961 by about that amount. . . . An increase in tax receipts of 118% over a decade, in contrast with 39% for Federal receipts, has not been able to stem the tide. Increases in 1960 and 1959 were . . . about $3 billion each. I believe in 1961 the increase reached $3.9 billion on the way to the present level, which I think will be maintained. I could say something about the continuity of that in terms of the attitude of the voters in recent elections toward new proposals, but I will merely say in brief that while they rejected 43% of the borrowing proposals, these totaled only $130 million. But then they approved proposals totaling $1.7 billion.

State and local borrowing totaled $8.5 billion in 1961, or 10% above the previous high of 1959. That total may be higher this year . . . and may be exceeded again next year.

Mr. Koffsky on "Agriculture"

In 1962, realized net (farm) income is staying about the same as it was in 1961. There is an increase in gross income, roughly $600 million or so, about half from the market and half from the government. But, again, production expenses have increased, so that the net remains about the same.

I must say that 1963 looks about the same—gross up a little, primarily on account of increased government payments to farmers, but production expenses are also up again, although this time by a smaller amount. Again net income will hold steady.

In the last fiscal year, the value of agricultural exports reached a little over $5 billion. This level should be fairly well maintained in the current fiscal year. But the Common Market is a new force this year. We do export over $1 billion worth of agricultural commodities to the Common Market countries, and practically all are dollar exports. About one-third of those exports are in danger from the proposed policies of the Common Market. These are especially the grains and poultry. While this would probably have a relatively small effect on our total export picture next year it could possibly be a serious obstacle to maintaining farm exports to the Common Market if the current policies prevail.

Mr. Piquet on "The Balance of Payments"

United States industry is competitive with foreign manufactures, but not always in the same products. The strength of our individual enterprise system lies in its capacity to adjust to changing conditions. The important consideration is not whether there is a momentary balance between merchandise exports and merchandise imports, but whether U. S. industry has the resiliency to adjust to a rapidly changing world production and trade picture. The recent and prospective industrial growth of Western Europe, resulting from the formation of the European Economic Community, undoubtedly will result in increased trade between the United States and the six countries comprising the Community. In all probability, however, there will be important structural changes in that trade.

If the United States does not negotiate with the Common Market for the effective reduction of foreign trade barriers, a number of U. S. export industries will have to adjust to smaller markets. On the other hand, if the United States is to negotiate with Europe so as to hold those export markets, it will have to offer substantial concessions to European producers in lines of production that are competitive with U. S. production.

. . . We have been spending more money abroad than we have been earning abroad, but it is not due to foriegn aid, to high military expenditures, nor to the fact we are not holding our own in world markets. It is due to all these factors, considered together.

The most unpredictable item of all in the balance of payments is short-term capital. The really serious question in 1963, as in 1962 and the past few years is: "What is going to happen to international confidence in the dollar?" This is a psychological question. If people throughout the world, particularly speculators, get the idea that the United States is going to devalue the dollar in terms of gold, they can precipitate a balance of payments deficit. Speculation in gold can be a cause as well as a result of deficits in the balance of payments.

Mr. Reierson on "Finance"

The progressive tightening of credit and the advance of interest rates characteristic of other expensions since the end of World War II have this time been absent. The continuation of an easy credit policy by the Federal Reserve and a sharp rise in the flow of savings to institutional investors have permitted larger credit needs to be met without any sustained upward pressure on interest rates. Clearly, the current business expansion has been restrained neither by a shortage of credit nor by an increase in the cost of credit to individual or business borrowers.

Looking to 1963, the prospect is that credit will remain ample to finance the modestly higher level of economic activity that is generally anticipated. Assuredly, the development of a vigorous boom and a resurgence of inflationary expectations sparked by a substantial tax reduction or a worsening of the international position of the dollar could result in a firming of interest rates, even as an easing in economic activity could conceivably be accompanied by some reduction in the cost of credit. Perhaps the most reasonable expectation is that interest rates for some time ahead will continue to move within the comparatively narrow range established in 1962.

Mr. Woodward on "Securities"

A significant rise in stock market prices would look likely only if one could argue that stocks are presently undervalued or that reasonably identifiable developments would before long make them undervalued at present prices. I do not see either present cheapness nor events in the next year that will make present prices seem cheap.

I expect earnings on the Dow Jones Industrial Average in 1963 to be little changed from 1962. Dividends are likely to rise a little but not significantly. Competing investments should stay about the same in price and yield except for tax-exempts, which will have to adjust to the lesser value of tax exemption.

My conclusion as to where the market is likely to go is that for some time to come, we saw the high in 1961 and the low in 1962. Stock prices as measured by the Dow Jones Industrials seem likely for some time to move in a range below that high and above that low. To pick arbitrary numbers, this means a range of something like 550 to 700.

If, over the course of 1963, the economy should show evidence of major vigor, and the threats of recessions really diminish, the market might be expected to move to the upper part of that range and, conceivably, above it. But I do not see how the prudent investor can at present rest assured that such evidence, and thus such a move, is going to come. Operationally, it seems to me that investment on significant weakness would seem prudent, and any yielding to the powerful tendency to become more optimistic after considerable advances will, I think, prove quite imprudent.

Mr. Backman on "Prices and Wages"

Price cutting as a competitive device has been growing in importance, particularly in industries characterized by excess capacity. . . . It is probable that 1963 will witness a continuation of . . . price-cutting tendencies as companies seek to increase volume in their drive to overcome past increases in cost.

The fact that wage inflation is tapering off has not been widely recognized. Next year may witness the achievement of two widely desired goals, namely, little further pressure from increases in unit labor costs, and a smaller loss of jobs due to wage inflation.

I do not believe a balanced budget is in the cards in the immediate future. Nevertheless, I believe we need tax cuts and a cut in spending. We need bigger incentives, not bigger deficits. Ordinarily, large budgetary deficits create inflationary pressures when they are financed by bank credit and when they take place in an economy operating at close to capacity. A significant part of the prospective deficit probably wil be financed by the banks. However, the economy is operating at levels considerably short of capacity. . . .

The combination of these forces will make it unlikely that the budgetary deficit, even if financed by the banks, will be translated into significant changes in the level of prices. If there is a stimulating effect attending such budgetary deficits, the tendency will be to raise the level of operations closer to capacity at prevailing price levels rather than to push up prices.

The net result of this evaluation of the basic forces affecting prices suggests that 1963 again will be a year of unimportant changes in the level of prices.

Mr. Gainsbrugh — "Summary"

For the opening half of 1963, our collective view is for little, if any, growth in national output. Indeed, two participants expect a slight decline. By the third quarter, the rate of economic growth is more marked and we are as one in believing that the economy will be in an expanding phase a year from now. But there are marked differences as to the extent of next year's expansion, depending only in part upon whether a tax cut is assumed or not. For the first quarter of 1963, the average of expectations for GNP is virtually the same as for the fourth quarter, $562 billion, as compared with $561 billion. What is perhaps even more significant, of the 13 returns, 11 indicated increases. . . . Only two predict declines, both modest. . . .

In contrast to the pattern of stability, if not a token expansion in GNP in the first half of 1963 and then sharper growth in the second half, the prospect of contraction is clearly evident in the consensus on the course of the index of industrial production in early 1963. Eight of the 13 participants indicated a decline in the rate of industrial production, and two others had it unchanged in the opening months of 1963. For the group as a whole, the expected decline is not sharp. The second half should see a decided change in direction upward, but of more limited amplitude than in national output. The group average is only 122 as against 120 currently. . . . All agree that in the fourth quarter of 1963 the output of the nation's factories, mines and public utilities will be rising. . . .

Here briefly is the composition of our aggregate model for the fourth quarter of 1963. . . . First, the giant sector account of personal consumption expenditures: our experts thought that consumer outlays in the aggregate next year might rise by about 3%. Therefore, I entered about $370-$375 billion for total consumer outlays. For durables, $47-$48 billion; for nondurables, $170-$171 billion; services, $154-$156 billion. That is a rise of about $10 billion or so in 1963, or only half that of this year. Gross private domestic investment in the aggregate I set at around $80-$81 billion, as compared with $77-$78 billion that we may have currently. . . . I entered only $47 billion for total private new construction, assuming that the bulk of the rise in 1963 would come in public, not private building. . . . I'm willing to enter about $31 billion for that purpose. Louis Paradiso's figure of $2.5 billion inventory accumulation in the fourth quarter completes the entries for this key sector. For lack of a formal estimate, I've entered an excess of exports of around $2.5 billion, about the rate prevailing in the third quarter of 1962. Federal expenditures, including defense, would approximate $70 billion. State and local expenditures, too, would continue to outstrip national economic growth and rise to $60 billion.

I close on the same positives that gave us confidence in our appraisal of 1962. I think many of these can again be applied to the year 1963. We have built fewer excesses into this recovery, with nearly two years of it under our belts, than in any postwar recovery. . . . Despite our emphasis upon the disturbing agenda of unresolved economic problems 1963 will inherit, our consensus is that 1963 will be a good year, again better than 1962—but still not good enough to achieve this nation's true economic potential.

Murrie With Moseley

LA CROSSE, Wis. — Glenn S. Murrie has become associated with F. S. Moseley & Co., 125 No. Fourth St., Mr. Murrie, who has been in the investment business for many years, was formerly with Cruttenden, Podesta & Miller and Carter H. Harrison & Co.

FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

The House has already voted to restrict the powers of the House Rules Committee, thereby increasing the power of the President, but within a few days there will be a fight in the Senate to curb its practice of unlimited debate. And the President is being urged to step into it. The Senate has been pretty much of a rubber stamp for Mr. Kennedy as it is but, by changing the rules of that body, the President will be able to get most anything he asks for.

The filibuster is not a popular word but over the years it has saved the country much ill-advised legislation. And it cannot be recalled that any important legislation has ever been prevented by a filibuster. The argument put forward by the so-called liberals now is that it is needed to secure more civil rights legislation, but it would apply to any legislation.

It is a serious question. It raises a constitutional p r o b l e m. The legislative branch, the executive branch and the judicial branch of the United States Government are under the fundamental law, independent and each with its specific duties and responsibilities. The President may propose legislation but the Congress makes the laws. Indeed, important legislation in the past has originated on Capitol Hill rather than in the White House. But in these later days of the Republic a feeling has grown up that all important legislation is to come from the Chief Executive and his relatively small group of braintrusters; that they must have a list of "must" bills before Congress and that they should be put through both the House and Senate as quickly as possible, no matter what the minority may feel about these bills. All of this is marching toward one-man government. He does not have to be a man on a horse—just a man in the White House.

One move towards halting such advance in one-man power was the adoption of a constitutional amendment limiting a President to two consecutive terms of four years each. It was put through after one man—President Roosevelt—had been elected four terms as Chief Executive. Had his health been better there is no telling how long he would have served. This step was taken deliberately and neither President Eisenhower nor President Kennedy has urged its repeal although Eisenhower has stated once or twice that he didn't think it was wise. It is possible for a President who has served two terms to use his influence to select a successor as has been done two or three times.

The call for a change in the Senate rules relating to closing of debate comes from many so-called pressure groups which have special ends to be served. They believe they can get what they want from the Federal Government—legislation, money through appropriation and what have you—if they can put an end to the so-called unlimited debate in the Senate. This would make it easy for the majority to ride roughshod in the Senate and the checking of the power of the House Rules Committee makes it possible for a majority to run wild in the Lower House.

The fight in the Senate is to change the rules by either cutting off debate with a majority vote or by cutting it off with a three-fifths vote. It can now be cut off with a two-thirds vote and this was done once last session when the Senate was obviously annoyed by the tactics of a small group of members over a tax measure.

Any further limiting of debate would limit the power of each individual Senator.

If the majority cloture rule is adopted, the Senate will be a different body. It would become just another cog in the wheel of executive control.

To Be Rafkind Partner

On Feb. 1 Dorothy Rafkind will become a limited partner in Rafkind & Co., 5 Hanover Square, New York City, members of the New York Stock Exchange.

IBA Municipal Conference in June

George B. Wendt (Vice-President, The First National Bank of Chicago), Chairman of the IBA Municipal Securities Committee, and Mr. Russell M. Ergood, Jr. (Vice-President, Stroud and Company, Inc., Philadelphia), Chairman of the IBA Municipal Conference Sub-Committee announced that the second IBA Municipal Conference will be held in Chicago on June 19-21. They also announced the appointment of Mr. Arthur E. Kirtley (Vice-President, The First Boston Corporation, Chicago) as Chairman of the Sub-Committee on Arrangements and Mr. Donald C. Patterson (Vice-President, Chemical Bank New York Trust Company, New York) as Chairman of the Programs Sub-Committee.

Registration forms and details on the program will be mailed to all IBA members in about a month.

Chas. Plohn To Admit

As of Feb. 1 Elston J. Tribble will be admitted to limited partnership in Charles Plohn & Co., 4 Albany Street, New York City, members of the New York Stock Exchange.

President Seeks $13.5 Billion Tax Cut to Boost Economy

Chief Executive importunes Congress to cut individual income tax rates' range to 14% to 65%, and corporate rate to 47%, over a three year period. State of the Union Message includes these points: (1) estimates a $13.5 billion tax loss or $10 billion net assuming certain tax reforms; (2) avows the contemplated temporary increase in debt will ultimately end it; and (3) declares the budget will be kept below this year's level in all areas other than space, defense and interest rate charges.

President Kennedy's third State of the Union Message to Congress placed at the forefront of domestic problems facing the economy the need for tax reduction and tax reform.

Pres. J. F. Kennedy

In declaring the tax area to be our principal internal economic problem, Mr. Kennedy pointed out we have left the recession behind us and have had close to two years of uninterrupted economic recovery. He argued, however, that our economic growth pace is hindered by "our obsolete tax system" and is responsible for our persistent high unemployment and our gap between existing and full production capacity.

The President hopes to see Federal economies resulting from the substitution of private for public credit in several programs, from the postponement or reduction of many desirable programs and from more productive personnel procedures and other savings. He warns, however, that there are certain non-postponable nondefense measures we can only ignore at our peril encompassing our youth, health, civil rights, transportation, parks and recreation, and storage and stockpiling.

Supporting tax details of the President's blueprint of what he proposed in the way of tax reduction and reform are expected tentatively, on Jan. 24, a week from today.

That part of President Kennedy's State of the Union address of Jan. 14, 1963, to the joint session of the 88th Congress dealing with the domestic economy follows:

Little more than a hundred weeks ago I assumed the office of President. In seeking the help of the Congress and my countrymen, I pledged no easy answers. I pledged—and asked—only toil and dedication. These the Congress and the people have given in good measure. And today, having witnessed in recent months a heightened respect for our national purpose and power—having seen the courageous calm of a united people in a perilous hour—and having observed a steady improvement in the opportunities and well-being of our citizens—I can report to you that the state of this old but youthful Union, in the 175th year of its life, is good.

In the world beyond our borders, steady progress has been made in building a world of order. The people of West Berlin remain both free and secure. A settlement, though still precarious, has been reached in Laos. The spearpoint of aggression has been blunted in Viet Nam. The end of agony may be in sight in the Congo. The doctrine of troika is dead. And, while danger continues, a deadly threat has been removed from Cuba.

At home, the recession is behind us. Well over a million more men and women are working today than were working two years ago. The average factory work week is once again more than 40 hours; our industries are turning out more goods than ever before; and more than half of the manufacturing capacity that lay silent and wasted 100 weeks ago is humming with activity.

In short, both at home and abroad, there may now be a temptation to relax. For the road has been long, the burden heavy, and the pace consistently urgent.

But we cannot be satisfied to rest here. This is the side of the hill, not the top. The mere absence of war is not peace. The mere absence of recession is not growth. We have made a beginning—but we have only begun.

Now the time has come to make the most of our gains—to translate the renewal of our national strength into the achievement of our national purpose.

Terms Recovery Inadequate

America has enjoyed 22 months of uninterrupted economic recovery. But recovery is not enough. If we are to prevail in the long run, we must expand the long-run strength of our economy. We must move along the path to a higher rate of growth and full employment.

For this would mean tens of billions of dollars more each year in production, profits, wages and public revenues. It would mean an end to the persistent slack which has kept unemployment at or above 5% for 61 out of 62 months—and an end to the growing pressures for such restrictive measures as the 35 hour week, which alone could increase hourly labor costs by as much 14%, start a new wage-price spiral of inflation, and undercut our efforts to compete with other nations.

To achieve these greater gains, one step, above all, is essential—the enactment this year of a substantial reduction and revision in Federal income taxes.

For it is increasingly clear—to those in government, business and labor who are responsible for our economy's success—that our obsolete tax system exerts too heavy a drag on private purchasing power, profits and employment. Designed to check inflation in earlier years, it now checks growth instead. It discourages extra effort and risk. It distorts the use of resources. It invites recurrent recessions, depresses our Federal revenues, and causes chronic Budget deficits.

Now, when the inflationary pressures of the war and postwar years no longer threaten, and the dollar commands new respect—now, when no military crisis strains our resources—now is the time to act. We cannot afford to be timid or slow. For this is the most urgent task confronting the Congress in 1963.

Proposes $13.5 Billion Tax Cut Phased Over Three Years

In an early message, I shall propose a permanent reduction in taxes which will lower liabilities by $13.5 billion. Of this, $11 billion results from reducing individual tax rates, which now range between 20 and 91%, to a more sensible range of 14 to 65%, with a split in the present first bracket. Two and one-half billion dollars results from reducing corporate tax rates, from 52%—which gives the Government today a majority interest in profits—to the premanent pre-Korean level of 47%. This is in addition to the more than $2 billion cut in corporate tax liabilities resulting from last year's investment credit and depreciation reform.

To achieve this reduction within the limits of a manageable budgetary deficit, I urge: first, that these cuts be phased over three calendar years, beginning in 1963 with a cut of some $6 billion at annual rates; second, that these reductions be coupled with selected structural changes, beginning in 1964, which will broaden the tax base, end unfair or unnecessary preferences, remove or lighten certain hardships, and in the net offset some $3.5 billion of the revenues loss; and third, that budgetary receipts at the outset be increased by $1.5 billion a year, without any change in tax liabilities, by gradually shifting the tax payments of large corporations to a more current time schedule. This combined program, by increasing the amount of our national income, will in time result in still higher Federal revenues. It is a fiscally responsible program—the surest and soundest way of achieving in time a balanced budget in a balanced full employment economy.

This net reduction in tax liabilities of $10 billion will increase the purchasing power of American families and business enterprises in every tax bracket, with the greatest increase going to our low-income consumers. It will, in addition, encourage the initiative and risk-taking on which our free system depends—induce more investment, production, and capacity use—help provide the 2 million new jobs we need every year—and reinforce the American principle of additional reward for additional effort.

I do not say that a measure for tax reduction and reform is the only way to achieve these goals.

No doubt a massive increase in Federal spending could also create jobs and growth—but, in today's setting, private consumers, employers and investors should be given a full opportunity first.

No doubt a temporary tax cut could provide a spur to our economy — but a long-run problem compels a long-run solution.

No doubt a reduction in either individual or corporation taxes alone would be of great help—but corporations need customers and job seekers need jobs.

No doubt tax reduction without reform would sound simpler and more attractive to many—but our growth is also hampered by a host of tax inequities and special preferences which have distorted the flow of investment.

And, finally, there are no doubt some who would prefer to put off a tax cut in the hope that ultimately an end to the Cold War would make possible an equivalent cut in expenditures — but that end is not in view and to wait for it would be costly and self-defeating.

Budgetary Restraint

In submitting a tax program which will, of course, temporarily increase the deficit but can ultimately end it — and in recognition of the need to control expenditures—I will shortly submit a fiscal 1964 administrative budget which while allowing for needed rises in defense, space and fixed interest charges, holds total expenditures for all other purposes below this year's level.

This requires the reduction or postponement of many desirable programs — the absorption of a large part of last year's Federal pay raise through personnel and other economies—the termination of certain installations and projects—and the substitution in several programs of private for public credit. But I am convinced that the enactment this year of tax reduction and tax reform overshadows all other domestic problems in this Congress. For we cannot lead for long the cause of peace and freedom, if we ever cease to set the pace at home.

Tax reduction alone, however, is not enough to strengthen our society, to provide opportunities for the four million new Americans who are born every year, to improve the lives of the 32 million Americans who still live on the outskirts of poverty.

The quality of American life must keep pace with the quantity of American goods.

This country cannot afford to be materially rich and spiritually poor.

Other Nonpostponable Measures

Therefore, by holding down the budgetary cost of existing programs to keep within the limitations I have set, it is both possible and imperative to adopt other new measures that we cannot afford to postpone.

These measures are based on a series of fundamental premises, grouped under four related headings:

First, we need to strengthen our nation by investing in our youth.

The future of any country which is dependent on the will and wisdom of its citizens is damaged, and irreparably damaged, whenever any of its children is not educated to the fullest extent of his capacity, from grade school through graduate school. Today, an estimated 4 out every 10 students in the 5th grade will not even finish high school—and that is a waste we cannot afford.

In addition, there is no reason why one million young Americans, out of school and out of work should all remain unwanted and often untrained on our city streets when their energies can be put to good use.

Finally, the overseas success of our Peace Corps volunteers, most of them young men and women carrying skills and ideals to needy people, suggests the merit of a similar corps serving our own community needs: in mental hospitals, on Indian reservations, in centers for the aged or for young delinquents, in schools for the illiterate or the handicapped. As the idealism of our youth has served world peace, so can it serve the domestic tranquility.

Second, we need to strengthen our nation by safeguarding its health.

Our working men and women—instead of being forced to beg for help from public charity once they are old and ill—should start contributing now to their own retirement health program through the Social Security System.

Moreover, all our miracles of medical research will count for little if we cannot reverse the growing nation-wide shortage of doctors, dentists and nurses, and the widespread shortages of nursing homes and modern urban hospital facilities. Merely to keep the present ratio of doctors and dentists from declining any further, we must over the next 10 years increase the capacity of our medical schools by 50% and our dental schools by 100%.

Finally, and of deep concern, I believe that the abandonment of the mentally ill and the mentally retarded to the grim mercy of custodial institutions too often inflicts on them and on their families needless cruelty which this nation should not endure. The incidence of mental retardation in this country is three times as high as that of Sweden, for example —and that figure can and must be reduced.

Third, we need to strengthen our nation by protecting the basic rights of its citizens.

The right to competent counsel must be assured to every man accused of crime in Federal Court, regardless of his means.

And the most precious and powerful right in the world, the right to vote in a free American election, must not be denied to any citizen on grounds of his race or color. I wish that all qualified Americans permitted to vote were willing to vote — but surely, in this Centennial year of Emancipation, all those who are willing to vote should always be permitted.

Fourth, we need to strengthen our nation by making the best and the most economical use of its resources and facilities.

Our economic health depends on healthy transportation arteries; and I believe the way to a more modern, economical choice of national transportation service is through increased competition and decreased regulation. Local mass transit, faring even worse, is as essential a community service as hospitals and highways. Nearly three-fourths of our citizens live in urban areas, which occupy only 2% of our land—and if local transit is to survive and relieve the congestion of these cities, it needs Federal stimulation and assistance.

Next, this Government is in the storage and stockpile business to the melancholy tune of more than $16 billion. We must continue to support farm income, but we should not pile more farm surpluses on top of the $7.5 billion we already own. We must maintain a stockpile of strategic materials, but the $8.5 billion we have acquired—for reasons both good and bad—is much more than we need; and we should be empowered to dispose of the excess in ways which will not cause market disruption.

Finally, our already overcrowded national parks and recreation areas will have twice as many visitors 10 years from now. If we do not plan today for the future growth of these and other great natural assets — not only parks and forests but wildlife and wilderness preserves, and water projects of all kinds—our children and their children will be poorer in every sense of the word.

These are not domestic concerns alone. For upon our achievement of greater vitality and strength at home hang our fate and future in the world—our ability to sustain and supply the security of free men and nations—our ability to command their respect for our leadership—our ability to expand our trade without threat to our balance of payments—and our ability to adjust to the changing demands of Cold War competition and challenge.

We shall be judged more by what we do at home than what we preach abroad. Nothing we could do to help the developing countries would help them half as much as a booming U. S. economy. And nothing our opponents could do to encourage their own ambitions would encourage them half as much as a lagging U. S. economy. These domestic tasks do not divert energy from our security—they provide the very foundation for freedom's survival and success.

Eisele & King To Admit

Eisele & King, Libaire, Stout & Co., 50 Broadway, New York City, members of the New York Stock Exchange, on Jan. 24 will admit Muriel H. Lang to limited partnership.

The Market . . . And You

BY WALLACE STREETE

Good news continues to overshadow the bad news as far as Wall Streeters are concerned. Recovery remains the dominant sign of the stock market while optimistic predictions for the new year are still fresh in the minds of investors.

Although the advance appears to be slowing, each new surge marks another step in the road to new highs. An intra-day high of 680 established earlier this week illustrates how far we have come along this recovery road.

But it also points up the apparent underlying concern of many analysts that the time for profit-taking may be close at hand.

New Bull Market Ahead?

Meanwhile the evidence mounts that a new bull market could have a strong foundation.

Auto production shows few signs of slowing, especially when all members of the Big Three report increased sales for the first 10 days of January. Both Ford and Chevrolet note record retail marks for the first third of January.

Chrysler the Current Favorite

Chrysler's excellent showing has been recorded in the progress of its stock. It has surged past 85 to its highest for six years. Although its thin capitalization and volatility are well-known, even more indicative could be its first quarter projected volume.

Chrysler, formerly known as the poor relation of the Big Three, has scheduled output for the first quarter at a rate 82% higher than a year ago, according to a highly regarded motor industry analyst. This output hike would contrast sharply to the overall car industry's scheduled increase of 7% for the first three months of 1963.

The new models of Chrysler and the other major makers appear to have definitely caught on with the buying public. Their stocks have also ignited, but to a mixed degree. Chrysler, of course, is the undisputed champion of the board rooms. General Motors continues in strong favor, and Ford holds a large following. American Motors remains active although its fluctuations are relatively narrow.

Chrysler continues to be the favorite of the chart watchers. Its recovery from the lows of last year (38½) has signaled profit-taking but buyers appear to have the upper hand.

General Motors has proved less spectacular but continues to draw recommendations. Ford, also nudging its high for the year, seems less attractive in some quarters.

Steels Help

Meanwhile, the demand for more cars has strengthened the appeal for steels and other allied industries. Steel output continues to move ahead. Part of this gain is attributed to inventory building in anticipation of labor difficulties this summer. But it is also apparent that inventory erosion of last summer and fall has come to an end in most areas.

Production of nearly 2 million tons last week represented the third weekly increase in the last four weeks and pushed output nearly 2% higher to 61.5% of estimated capacity.

More significant is the report that steel prices should rise selectively within six months. The increases, expected before May 1, should also signal better profit margins for the industry.

Steels, one of the hardest hit segments of the stock market in the last five years, may experience a revival of investor interest this year. This revival, dependent in part on the course of the whole economy, is also linked to corporate tax cuts, and strong capital spending in the second half of 1963.

Wall Street appears buoyed by promises of a tax cut, but also counts on a general economic upsurge. Analysts who look for new highs in the Dow-Jones averages this year are definitely in a minority. The new highs, according to the concensus, await a relatively minor correction, possibly 80 points, but certainly no more than 100 points, or barely below the 600 mark.

The base for a new bull market would then be more solid. This new advance is termed the real start of the mid-sixties bull when most excess capacity will have been absorbed.

Evidence from Washington this week is stronger that Gross National Product and industrial production are making gains. Commerce Secretary Hodges, in reporting that the fourth quarter GNP rose $7 billion, added that 1963 could see an overall gain of 5%. This gain, while not startling, can be significant in certain stock areas.

Inconsistent Profits

But volume also points up the inconsistencies of profits. Two major industrial companies, Allied Chemical and United States Rubber, have both reported higher sales for 1962 but lower profits.

U. S. Rubber's experience illustrates why few analysts are currently recommending tire stocks. U. S. Rubber sales passed the $1 billion mark for the first time last year, but its earnings will probably show a decline of 5 to 7% from 1961.

Allied Chemical also boosted its sales in 1962, up nearly $30 million from $842 million in 1961. Meanwhile, its profits fell to $2.15 a share from $2.33 in the previous year.

Allied also plans to cut its capital outlays this year to $100 million from $112 million last year although it will raise its research and development spending slightly. Allied, like many other companies, expects to bring more post-tax dollars down to the profit line as a result of the newly revised depreciation allowances.

A Deflated Issue

Profits in many industries appear to be on the upturn for 1963. But profits for investors seem to hinge more and more on selectivity. Although the profit-earnings ratios look better on paper, old favorites could have rough sledding.

Consider Gillette, one of the former darlings of the Market letter-writers. Now around 30, barely half its 1962 high of 55, the Boston-based blade maker will have to prove its earnings ability anew rather than coast on old performance charts.

Gillette, like several other depressed issues, is encountering buy recommendations at today's prices. These other stocks include some airlines and electronics. Good quality rails and utilities continue to attract income-minded investors. Rails have slowed a bit on average but retain a strong following from those who feel 1963 will show a major earnings improvement.

Sentiment continues strong that the rails will also get more official backing for mergers following the Baltimore & Ohio and Chesapeake & Ohio control decision.

[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.]

To Head Group in Legal Aid Drive

Norman C. Ramsey, President and a trustee of Broadway Savings Bank will head the Savings Banks Division of The Legal Aid Society's 1963 Campaign.

Mr. Ramsey is immediate past President of the Savings Bank Mortgage and Real Estate Forum of New York and is presently a member of the Economic Surveys Committee of the New York Real Estate Board, a member of the Mortgage Committee of the New York Real Estate Board and Chairman of the Mortgage Committee, Savings Banks Association of the State of New York.

The Legal Aid Society, founded in 1876, provides legal advice and representation to persons in New York City who cannot afford to pay even a small fee to a lawyer in private practice. In 1962 the Society served more than 96,000 cilents.

NEWS ABOUT BANKS AND BANKERS

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

The election of Douglas C. Murphy as a Vice-President of the **Federation Bank and Trust Company, New York** was announced Jan. 16 by Pindar L. Roraback, President.

Douglas C. Murphy

Mr. Murphy has had extensive banking experience previously being associated with the **Chase Manhattan Bank**, the **Franklin National Bank**, and the **Bank of Commerce** in executive capacities. In his new post with Federation Bank and Trust, he will be in charge of the Bank's Coliseum Office at 10 Columbus Circle.

* * *

The Comptroller of the Currency James J. Saxon on Jan. 8 approved the application to merge **First National City Bank, New York, New York,** and **First National City Trust Company, New York, New York,** effective on or after Jan. 15.

* * *

The **Manufacturers Hanover Trust Co., New York,** elected Albert C. Christie and William J. Moller, Vice-Presidents.

* * *

Kenneth F. Foster and Emil C. Hamma have been elected Vice-Presidents of **Chemical Bank New York Trust Company, New York,** it was announced Jan. 10 by Chairman Harold H. Helm. Mr. Foster directs the Bank's Financial Systems Department at 20 Pine St. and Mr. Hamma is in charge of the Bank's Check Operations group, headquartered at 2 Broadway.

* * *

Alexander B. Lyon, Jr., and Clayton M. Nicholson, have been elected Vice-Presidents of **Chemical Bank New York Trust Company, N. Y.** Both are with the bank's Fiduciary Division, Mr. Lyon in the Trust Development Department at 20 Pine Street and Mr. Nicholson in the Corporate Trust Department at 770 Broadway.

* * *

The election of F. Leonard Bryant as a Director of **The Marine Midland Trust Company of New York** has been announced.

* * *

THE CORPORATION TRUST COMPANY, NEW YORK

	Dec. 28, '62	Sept. 28, '62
Total resources	$4,763,690	$6,078,181
Deposits	729,136	1,582,641
Cash and due from banks	2,317,311	3,813,977
U. S. Govt. security holdgs.	600,216	600,180
Undivid. profits	464,144	950,154

* * *

UNDERWRITERS TRUST CO., NEW YORK

	Dec. 28,'62	Sept. 28,'62
Total resources	$53,068,346	$60,619,886
Deposits	48,577,854	56,137,867
Cash and due from banks	5,888,274	6,307,841
U. S. Government security holdings	19,464,836	19,858,810
Loans & discounts	23,624,316	30,192,171
Undivided profits	918,325	887,045

* * *

The **Merchants Bank of New York** elected Andrew Ziegler executive Vice-President and cashier; Rudolf H. Hertz, Senior Vice-President; and Ralph Italie and Martin S. Weiss, Vice-Presidents. Mr. Italie also was elected a Director.

* * *

The Comptroller of the Currency James J. Saxon approved on Jan. 11 the application to merge the **Royal National Bank of New York, New York,** and **The Gotham Bank, New York,** under charter and title of the former, effective on or after Jan. 18.

* * *

Charles Roden has been elected a Director of the **Grace National Bank of New York.**

* * *

Directors of the **Federation Bank and Trust Company, New York** have approved the issuance and sale of 100,114 shares of additional capital stock, it was announced Jan. 14 by Pindar L. Roraback, President.

The new issue will be offered to stockholders in the ratio of one share for each seven shares now held. Stockholders of the Bank will be asked to vote on the new financing at their annual meeting to be held on Jan. 22.

The Federation Bank and Trust Company, currently has 700,802 shares of capital stock ($10 par value) outstanding.

* * *

The **East River Savings Bank, New York,** elected Joseph H. Duddy, Senior Vice-President and Secretary; John P. Henry and Alfred C. Middlebrook were elected Senior Vice-Presidents; Arthur E. Kroner and William L. Barton administrative Vice-Presidents, and William H. Summers Vice-President and Treasurer.

* * *

The **American Irving Savings Bank, New York** elected Richard J. Fisher a Vice-President.

* * *

The **Lincoln Savings Bank, Brooklyn, N. Y.** announced the promotion of Edward J. Puttre to Vice-President.

* * *

The **Meadow Brook National Bank, West Hempstead, N. Y.** elected Joseph R. McLees, Executive Vice-President, a Director, succeeding the late Emil J. Bejsovec.

* * *

Arthur M. Cromarty has been appointed to the Suffolk Advisory Board of **Long Island Trust Co., Garden City, N. Y.**

* * *

Stockholders of the **First National Bank of Southampton, L. I.,** voted approval of the proposed consolidation into **Security National Bank of Long Island, Huntington, L. I.**

Security National shareholders voted on the proposal at their annual meeting, Jan. 15.

The consolidation, subject to the approval of the Comptroller of the Currency, would combine the institutions under the name and charter of Security National Bank.

At year-end 1962, First National Bank, reported assets of over $15,000,000.

Security National Bank reported year-end assets of more than $264,000,000.

* * *

Stockholders of the **County Trust Company, White Plains, N. Y.,** at their annual meeting approved a proposal to increase the bank's capital stock by 93,485 shares to enable distribution of a 5% stock dividend.

The distribution was authorized later by the directors on the basis of one new share for every 20 now outstanding and will be made on Feb. 15, to stockholders of record at the close of business on Jan. 25.

Jackson Chambers and Gerard B. Slattengren were installed as new directors.

* * *

The **National Bank of Westchester, White Plains, N. Y.** reported that the 5% special stock dividend will be payable on or about Feb. 21, to shareholders of record on Jan. 25. This would increase the number of shares outstanding to 1,249,592 shares and capital stock to $6,247,960; subject to the approval of two-third's of the shareholders at the annual meeting, Jan. 17.

* * *

The **Ashuelot National Bank of Keene, New Hampshire,** elected John P. Wright, former President of the Bank to Chairman of the Board. Ross B. Warren, former Vice-President was elected as Vice-Chairman of the Board.

Also Clyde M. Davis, former Executive Vice-President and Cashier was elected President.

* * *

The **Concord National Bank, Concord, N. H.,** appointed Philip S. Dunlap, William W. Macurda and Frank B. Estes, Directors.

* * *

The **State Street Bank & Trust Co., Boston, Mass.** elected George B. Rockwell a Vice-President.

* * *

RHODE ISLAND HOSPITAL TRUST COMPANY, PROVIDENCE, R. I.

	Dec. 31, '62	June 30, '62
Total resources	$389,853,479	$359,511,100
Deposits	336,988,738	315,162,692
Cash and due from banks	66,401,058	53,783,535
U. S. Govt. security holdgs.	73,003,781	66,136,772
Loans & discts.	219,471,890	208,601,407
Undivid. profits	5,888,618	5,131,752

* * *

NEW JERSEY BANK AND TRUST CO. PATERSON, N. J.

	Dec. 31,'62 $	Dec. 31,'61 $
Total resources	332,022,694	304,409,563
Deposits	293,249,473	269,803,309
Cash and due from banks	54,427,667	51,998,180
U. S. Government security holdings	55,208,212	55,168,734
Loans & discounts	174,628,186	157,541,421
Undivided profits	5,368,542	5,064,205

* * *

The **National State Bank of Newark, N. J.** has promoted Frederick I. Wilson to the post of Senior Vice-President.

Promoted to Vice-President, investments, was Owen F. Riley.

Trust officers named were Clinton S. Cruse, and John S. Van Wickle.

Frederick M. Hunt, was appointed a trust tax officer, and Harry M. Vawter, Jr. was promoted to trust investment officer.

* * *

The **National State Bank of Newark, Newark, N. J.** elected Thomas T. Dunn a Director.

* * *

The **Central-Penn National Bank of Philadelphia, Pa.,** elected W. Wilson White and Harold F. Still, Jr., Directors.

* * *

Preliminary approval to organize a new National Bank in Roanoke, Virginia, was announced Jan. 8 by Comptroller of the Currency James J. Saxon.

Th new bank, to be known as **"Security National Bank of Roanoke,"** will have an initial capital structure of $1,530,000.

* * *

Charles H. Strayer, who recently retired as a Vice-President of the **National Bank of Toledo, Ohio** has been appointed Manager of the new Walbridge branch bank of the **Exchange Bank of Luckey, Ohio.**

The Walbridge bank is expected to have its quarters at 407 North Main St. ready to open late in February.

* * *

The **Indiana National Bank, Indianapolis, Ind.** elected J. Kurt Mahrdt President. He succeeds Wilson Mothershead, who has been elected Vice-Chairman, a new office. George B. Elliott, and Karl F. Johnson have been elected Directors.

* * *

The **State Bank & Trust Co., Evanston, Ill.** elected G. Preston Kendall and William S. Kerr, Directors.

* * *

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY, CHICAGO, ILL.

	Dec. 31, '62 $	June 30, '62 $
Total resources	4,045,325,172	3,644,444,590
Deposits	3,542,054,783	3,181,244,392
Cash and due from banks	767,470,614	698,068,066
U. S. Govt. security holdgs.	513,130,789	398,439,377
Loans & discts.	2,032,047,646	1,736,704,168
Undivid. profits	29,630,278	15,762,297

* * *

The **Michigan Avenue National Bank, Chicago, Ill.** elected Leonard W. Happ Vice-President and Harvey V. McNamara, a Director.

* * *

The **Central National Bank, Chicago, Ill.** elected Conrad F. Becker a Vice President.

* * *

The **American National Bank & Trust Co., Chicago, Ill.** elected Norman A. Stepelton, and Lawrence G. Maechtlen, Directors.

* * *

The **Main Street Bank, Chicago, Ill.** elected Paul Angell, Stanley D. Bock, and Frank Raidl, Directors.

* * *

The **State Trust and Savings Bank, West Chicago, Ill.** has converted into a national bank under the title of **The First National Bank of West Chicago,** effective Jan. 2.

* * *

The **Lake Shore National Bank, Chicago, Ill.** elected C. Laury Botthof a Director.

* * *

Berford Brittain, Jr., was elected Senior Vice-President in the commercial department of **Continental Illinois National Bank and Trust Company of Chicago, Ill.**

Brittain will be in charge of the national banking division, succeeding Fred M. Naber, who retired as Senior Vice-President in December.

Robert C. Suhr, Vice-President, will assume Brittain's former position as assistant administrator of the national division, and will continue heading the commercial banking group serving customers in eastern states.

* * *

The **First National Bank of Chicago, Ill.** announced the election of Austin T. Cushman, Harmon S. Eberhard, and Robert D. Stuart, as Directors.

* * *

The **La Salle National Bank, Chicago, Ill.,** elected Fred B. Mattingly, a Director.

* * *

BANK OF THE COMMONWEALTH, DETROIT, MICHIGAN

	Dec. 31, '62	Dec. 29, '61
Total resources	$504,714,842	$396,912,932
Deposits	468,294,548	362,424,765
Cash and due from banks	51,061,068	49,752,716
U. S. Govt. security holdgs.	220,748,159	126,464,961
Loans & discts.	184,805,636	187,051,927
Undivid. profits	7,766,334	6,192,587

The Comptroller of the Currency James J. Saxon announced, Jan. 8 that he has issued preliminary approval to organize a new National Bank in Brainerd, Minnesota.

The new bank will have an initial capital structure of $200,000 and will be operated under the title **"Brainerd National Bank."**

* * *

The **Northwestern National Bank, St. Paul, Minn.** elected Harvey M. Rice, George R. Bohrer, Robert W. Downing and E. R. Titcomb, Directors.

* * *

The **First National Bank, St. Paul, Minn.** elected Reuel Harmon a Director. Julian B. Baird retired as Chairman.

* * *

The **First National Bank, Minneapolis, Minn.** elected Donald S. Oren, George A. MacDonald and Clarence H. Kroning, Vice-Presidents.

* * *

The **First American National Bank, Duluth, Minn.** elected Emmons W. Collins, President. Succeeding Willis D. Wyard, who continues as a Director and on the executive and trust committees.

* * *

The **Valley Bank & Trust Co., Des Moines, Iowa,** elected Watson Powell, Jr. a Director.

* * *

The Comptroller of the Currency James J. Saxon announced Jan. 8 that he has issued preliminary approval to organize a new National Bank in Des Moines, Iowa.

The new bank will have an initial capital structure of $500,000 and will be operated under the title **"First National Bank of East Des Moines."**

* * *

The Comptroller of the Currency James J. Saxon announced Jan. 8 that he has issued preliminary approval to organize a new National Bank in Davenport, Iowa.

The new bank will have an initial capital structure of $400,000 and will be operated under the title **"First National Bank of Davenport."**

* * *

The **United States National Bank of Omaha, Neb.** made Dennis J. Cortney a Vice-President.

* * *

The **First National Bank & Trust Co., Oklahoma City, Okla.** elected C. Randolph Everest a Vice-President and Trust Officer and William M. Parker, Vice-President, was elected a Director.

* * *

The Comptroller of the Currency James J. Saxon announced Jan. 7 that he has issued preliminary approval to organize a new National Bank in Mountain Home, Arkansas.

The new bank will have an initial capital structure of $300,000 and will be operated under the title **"First National Bank & Trust Co. of Mountain Home."**

* * *

St. Louis Union Trust Company, St. Louis, Mo., named six new company officers at its meeting, it was announced by David R. Calhoun, Jr., President.

F. P. Boswell and J. Marion Engler were promoted to Vice-Presidents of the company.

W. R. Persons was also elected a member of the Board of Directors.

* * *

The **University Bank, Kansas**

City, Mo. elected Ira Rosenblum a Director.

* * *

The **Community State Bank, Kansas City, Mo.** elected R. L. Boyd a Vice President.

* * *

The **Empire State Bank, Kansas City, Mo.** elected Harry W. Chester, Executive Vice-President and W. T. Thompson, Vice-President and Cashier.

* * *

The **Missouri Bank & Trust Co., Kansas City, Mo.** elected Don M. Kennedy a Vice-President.

* * *

The **Mercantile Bank & Trust Co., Kansas City, Mo.** elected H. D. Larson and Murray H. Davis, Vice-Presidents. Louis Cumonow, and L. L. Martin were also elected Directors.

* * *

The **Commerce Trust Co., Kansas City, Mo.** elected Leslie Bowman, Norman R. Coperthwaits, E. B. Focannon, Harry F. Mayfield and William C. Thomson, Vice-Presidents.

* * *

The **First National Bank, Kansas City, Mo.** elected Robert Sunderland, a Director.

* * *

The **Leawood National Bank, Kansas City, Mo.** elected L. B. Martin a Vice-President.

* * *

The **Citizens & Southern National Bank, Atlanta, Ga.** elected Robert F. Adamson, Senior Vice-President; Howard S. Starks and Herbert J. Dickson, Executive Vice-Presidents; and George R. McKinnon, assistant to the President.

* * *

The **Texas National Bank of Houston, Texas,** has declared a stock dividend of one share for each 40 shares presently held. The bank is also offering to stockholders the right to subscribe to 80,000 new shares at the subscription price of $55 on the basis of one addiitonal share for each 10 shares now held.

Both the rights and the stock dividend are for shareholders of record Jan. 15. The rights are transferable and will expire Jan. 30.

All unsubscribed shares in this offering will be underwritten by an investment group managed by Merrill Lynch, Pierce, Fenner & Smith Incorporated.

To make both the dividend and the rights offering possible, stockholders at their annual meeting approved an increase in common stock from 800,000 to 820,000 shares by the issuance of 20,000 shares as a stock dividend. Shareholders then authorized an increase in the outstanding stock to 900,000 shares and the issuance and sale of the 80,000 additional shares. Stock offered in the current subscription rights will not be entitled to receive the stock dividend.

Upon completion of the current financing the bank's capital funds including reserves will total $32,808,428 comprised of $9,000,000 capital, $16,000,000 surplus, $5,058,102 undivided profits and $2,750,326 in reserves.

* * *

The Comptroller of the Currency James J. Saxon announced Jan. 7 that he has issued preliminary approval to organize a new National Bank in Kingsland, Tex.

The new bank will have an initial capital structure of $250,000 and will be operated under the title **"Highland Lakes National Bank, Kingsland."**

* * *

The Comptroller of the Currency James J. Saxon, Jan. 10 approved the conversion of **Hurst State Bank, Hurst, Texas,** into a national banking association. The bank will be operated by its present management under the title **"First National Bank of Hurst."**

* * *

Melvin T. Hooper of **The Bank of California, San Francisco, Calif.,** has retired.

Mr. Hooper on July 1, 1906, joined the staff of the old **San Francisco National Bank** as a messenger. Four years later, on Aug. 10, 1910, the San Francisco National Bank was merged into **The Bank of California.**

* * *

The **Crocker - Anglo National Bank, San Francisco, Calif.,** made Emerson D. Quick a Vice-President at the Sacramento office.

* * *

The **Pacific National Bank, San Francisco, Calif.,** elected Robert A. Lurie, a Director.

* * *

The **Crocker-Anglo National Bank, San Francisco, Calif.,** promoted Henry J. Thomas to a Vice-President.

* * *

Shareholders of **Security First National Bank, Los Angeles, Calif.** approved a 1-for-16½ share stock dividend.

The dividend, equal to 6.05842% on approval of the Comptroller of the Currency, to be issued Feb. 8, will bring to 7,600,000 the total shares outstanding.

Coincident withe the stock dividend approval, $4,573,275 will be transferred from undivided profits to the surplus account, bringing the combined capital and surplus to $210,000,000.

* * *

The **Union Bank, Los Angeles, Calif.,** elected Charles S. Laing, a Senior Vice-President, a Director, replacing Eugenio Cabrero, who resigned. H. Safford Nye was also elected an Executive Vice-President.

* * *

The Comptroller of the Currency James J. Saxon announced Jan. 7 that he has issued preliminary approval to organize a new National Bank in Walnut Creek, Calif.

The new bank will have an initial capital structure of $1,000,000 and will be operated under the title **"Security National Bank of Contra Costa."**

* * *

F. E. Case who has been appointed Deputy General Manager of the **Royal Bank of Canada, Montreal, Canada.** He will make his headquarters in Montreal.

REPORT OF CONDITION OF

THE CORPORATION TRUST COMPANY

of 120 Broadway, New York, New York, at the close of business on December 28, 1962, published in accordance with a call made by the Superintendent of Banks pursuant to the provisions of the Banking Law of the State of New York.

ASSETS	
Cash, balances with other banks, and cash items in process of collection	$2,317,311.16
United States Government obligations, direct and guaranteed	600,215.71
Corporate stocks	60,000.00
Leasehold improvements	161,937.91
Furniture and fixtures	466,267.37
Other assets	1,157,957.62
TOTAL ASSETS	$4,763,689.77
LIABILITIES	
Demand deposits of individuals, partnerships, and corporations	729,135.74
TOTAL DEPOSITS $729,135.74	
Other liabilities	2,745,410.03
TOTAL LIABILITIES	$3,474,545.77
CAPITAL ACCOUNTS	
Capital: Common stock, total par value	$500,000.00
Surplus fund	325,000.00
Undivided profits	464,144.00
TOTAL CAPITAL ACCOUNTS	$1,289,144.00
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	$4,763,689.77
MEMORANDA	
Assets pledged or assigned to secure liabilities and for other purposes	109,688.15
Securities as shown above are after deduction of reserves of	1,065.54

I, T. R. HOPKINS, Treasurer, of the above-named institution, hereby certify that this report of condition is true and correct to the best of my knowledge and belief.

T. R. HOPKINS

We, the undersigned directors attest the correctness of this report of condition and declare that it has been examined by us and to the best of our knowledge and belief is true and correct.

Correct—Attest:

O. L. THORNE
OAKLEIGH B. THORNE } Directors
G. F. LE PAGE

Nashville Dealers Spring Party

NASHVILLE, Tenn. — The Nashville Securities Dealers will hold their annual Spring party May 16 and 17.

Jones, Kreeger To Admit Partner

WASHINGTON, D. C. — Jones, Kreeger & Co., 1625 Eye Street, N. W., members of the New York Stock Exchange and other leading Exchanges, will admit Michael J. Metrinko to partnership as of Jan. 24. Mr. Metrinko will become a member of the New York Stock Exchange. He was formerly a partner in Reimer & Co.

Fidelity Bankers Life Insurance Common Offered

Lee Higginson Corp., and Shearson, Hammill & Co., have announced that they are managers of an underwriting group that is offering publicly 175,000 common shares of Fidelity Bankers Life Insurance Co., at $14.625 per share. The stock is not being offered for sale in New York State.

The shares being offered are presently outstanding; they were received by the selling stockholders in an exchange made by Fidelity Bankers in June 1961, for shares of American Fidelity & Casualty Co., Inc., of Richmond Va.

Fidelity Bankers, incorporated in 1953, is engaged in the writing of ordinary life, group life and credit life insurance in 18 states and the District of Columbia, as well as accident and health risks in connection with its group and credit life insurance, and on an individual basis.

Named Director

Donald Wales, former partner in the brokerage firm of Cruttenden, Podesta & Miller, and Leslie E. Mickle, President of Petroleum Associates Fund, Inc., have been elected directors of DK Manufacturing Company, suppliers to the aerospace industry with plants in Batavia and Chicago.

Mr. Wales began his securities career in 1936 in Chicago, and is well known in financial circles. He joined Cruttenden, Podesta in 1959, and in 1961 became the firm's partner in charge of new business. He is now retained by Walston & Co., Inc. and other firms as a financial consultant.

COMMENTARY...

BY M. R. LEFKOE

It is difficult to conceive of a more obscene act than that recently undertaken by the United Nations in Katanga. The attempt to reunite Katanga with the Congo Central Government by armed force can no more be justified on rational, moral, or legal grounds than Russia's wholesale massacre of thousands of Hungarians in 1956.

When a homicidal gangster like Hitler decided to "unite" the whole world under Germany's domination, he openly admitted his dream of conquest and his lust for power. This was his justification for slaughtering millions of innocent victims. But in the name of democracy and an economically sound and viable Congo, the U. N. has wantonly murdered innocent European settlers; has attempted to deceive the world about its actions and motives; has repeatedly betrayed the man it admits is indispensible to prevent chaos in Katanga; and has plundered a whole nation killing hundreds of its citizens.

One might very well find it difficult to pierce the thick smokescreen of contradictory U. N. press releases in order to learn just what the U. N. has offered as justification for laying siege to Katanga. Even a group of independent war correspondents has found it almost impossible to get accurate information regarding events in Katanga, accusing the U. N. of "censorship and duplicity" concerning its actions and goals in the Congo.

U.N.'s Story vs. the Real Facts

Nevertheless, it is possible to piece together from various sources the excuse which has been offered by those officials who are responsible for the U. N.'s policy in the Congo. It seems to be as follows: The Congo Central Government is bankrupt; Katanga is wealthy. Without the wealth of Katanga, the Central Government will collapse and the resulting state of chaos will invite communist domination of the whole Congo. If Katanga is reunited with the rest of the Congo, its income would result in a viable Congolese Government.

This is the story we have been given. Now let us look at the facts. The Central Government currently is runnning a deficit of about $150 million a year. It has, up to this point, incurred a total deficit of close to half a billion dollars, despite receiving almost $100 million in foreign aid from the United States. Katanga, on the other hand, receives about $40 million a year in taxes and royalties from Belgian and British mining companies in addition to almost $200 million annually in foreign exchange.

Even though the U. N. has asked Katanga to give up only half of its income and foreign exchange, simple arithmetic plainly shows that even with all of Katanga's income, the Central Government would still be running a deficit of over $100 million a year.

Going one step further, *U. S. News & World Report* recently commented: "It is the contention of Congolese politicians, and many in the U. N., that Katanga's minerals are vital to the Congo's economy. But economists on the scene report that Katanga happens to have an income larger than other places in the Congo only because its resources have been exploited more thoroughly. The other provinces, these experts say, are also rich in minerals — far richer when it comes to timber, agriculture and water power."

"Gross Stupidity"

In explaining why Katanga has developed its raw materials while the rest of the Congo has not, the article clearly indicates that gross stupidity should be added to the list of the U. N.'s other crimes. According to the experts, most areas in the Congo have failed to exploit their potential wealth primarily due to the lack of "a trained population for economic development and political stability." Since the trained population and political stability were a direct result of Belgian help, it behooves the U. N. to explain how the Congo's annexation of Katanga is going to help the Central Government now that all the Belgians have been forced to leave the country.

But, let us assume for the moment that, by some miracle, the reuniting of Katanga with the rest of the Congo will create sufficient income to save the government from bankruptcy. This premise leads us to the last and most grotesque part of the U. N.'s defense: The specter of communism.

A communist take over is not at all inconceivable. But by what monstrous inversion of justice does the U. N. use force to compel one group of people to give up its wealth to another group of people, establish all-encompassing economic controls, murder innocent Europeans settlers, plunder and pillage a whole nation, and slaughter hundreds of that country's citizens—in the name of saving them from communism? If Tshombe were to view what the "democratic" nations of the world were doing to his people, and were then to decide that he would rather risk communism, one would find it extremely difficult to condemn him or disagree with his reasoning.

It would be impossible for any civilized human being to condone the U. N.'s policy in the Congo if he knew the true story. But if the U. N. has failed to offer a rational defense for its monstrous role in the Congo, it has succeeded admirably — with a great deal of willing assistance from the U. S. State Department — in "censoring and distorting" the true story of its deceitful and treacherous course of action.

The 'Monstrous" Record

A book will have to be written to record every instance of such action, but just a short list of some of the more glaring examples should serve to spotlight the monstrous story.

(1) Almost immediately after the Congo was granted full independence by Belgium on June 30, 1960, Congolese soldiers went on a rampage, killing Europeans who had remained to help prepare the new nation for independence. The U. N. decided to take matters into its own hands and sent troops to restore order. Dag Hammarskjold, the U. N. Secretary General at the time, solemnly pledged that U. N. forces would not "in any way intervene in or be used to influence the outcome of internal conflict, constitutional or otherwise."

On Sept. 13, 1961, U. N. forces under the command of Conor O'Brian—who has since admitted that he was acting on Hammarskjold's direct orders — launched a surprise attack on Elizabethville.

(2) Following this first betrayal of Katanga's President, Moise Tshombe, Hammarskjold again promised to take a neutral position and pledged a policy of nonintervention.

The pledge was broken and Tshombe again was betrayed. On Dec. 5, 1961, U. N. forces sacked Elizabethville and followed up their attack with a military operation designed to take over the whole province. Despite repeated denials by the U. N. at the time, on-the-scene witnesses and photographs now testify that Red Cross ambulances were strafed by U N. planes, while women and children were brutally ravaged, many of them having limbs torn from their bodies by semi-civilized mercenaries wearing U. N. uniforms.

(3) On Dec. 28, 1962, fighting broke out between U. N. soldiers and Katangese gendarmes in Elizabethville, the capital of Katanga. U. N. Secretary General U Thant ordered his troops to take "all necessary action in self defense," and to neutralize the Katangese military positions. His orders, however, specifically prohibited U. N. forces from advancing beyond the immediate environs of Elizabethville.

If such were the actual orders (a questionable assumption, to say the least), the U. N. command in Katanga disregarded them and proceeded to move on past Elizabethville to Kipushi. Then, after U. N. headquarters in New York again assured Tshombe that their forces would make no further advances, U. N. troops moved into Jadotville, one of Katanga's vital mining centers.

The "Missing" Letter

According to a U. N. spokesman in New York, a "breakdown in . . . co-ordination was responsible for the U. N. massacre which resulted despite U Thant's pledge of nonaggression."

(4) The latest press release by the U. N. stated that Tshombe's major supporters—the eight principal tribal chiefs of South Katanga—had signed a letter renouncing him and calling for his prosecution as a traitor.

On his return from Katanga, however, U. N. Under Secretary for Political Affairs, Dr. Ralph J. Bunche, announced that he knew only of a carbon copy of the letter. Moreover, Dr. Bunche stated that despite his numerous talks with all of the major chiefs of Katanga, he hadn't met any of the eight letter-signers. Finally, the U. N. admitted that, while there was an original letter in existence someplace, it could not be found; it hadn't even been seen by Premier Adoula of the Central Congo Government, to whom it was addressed.

At this point the Katanga Information Service in New York announced that it had been in contact with three of the eight chiefs. Each of them, it reported, denied signing the letter. It is now rumored that one of the chiefs was responsible for signing the names of the other seven without their knowledge or consent.

Mr. Struelens and Our State Department

(5) With most of the truth being censored and the balance being distorted, President Tshombe decided to send Michael Struelens to America to make the true facts available to the press and the American public.

However, just as soon as he started to expose the U. N.'s deceit and to make the truth known, he was charged with bribery by several State Department officials who then tried to have him deported.

Asst. Secretary of State G. Mennen Williams and Deputy Asst. Secretary of State Carl T. Rowan, the two men primarily responsible for the charges leveled at Struelens, were called to testify before the Internal Security Subcommittee. According to the Committee's report, both men confessed that they had no proof whatsoever to substantiate their charges. Instead, they reiterated several times that the U. N. didn't want Struelens in this country, and cited a U. N. resolution to that effect.

In concluding its report on the matter—a report which described the tactics of the State and Justice Departments with words such as "harrassment," "deceit," "misinformation," "misrepresentations," "contradictory statements" — the Committee of five Democrats and four Republicans found the State Department guilty of "a particularly glaring example of the abuse of the visa privilege." In conclusion, it accused the State Department of "a performance unworthy of the Government of a great nation dedicated to the principle of freedom and justice."

Reunite West Berlin and East Germany?

With the people of Katanga being slaughtered in order to save them from communism, it is not inconceivable that the next episode in this grotesque spectacle will find Mr. Krushchev delivering a speech before the U. N. in which he will assert: If the job of the U. N. is to save bankrupt nations by uniting them with wealthy nations, Russia believes that the poor people of East Germany should be helped by forcing the wealthy "run-a-way province" of West Berlin to "reunite" with the East German Government.

At that same U. N. session, Mr. Khrushchev will probably be followed to the podium by the ambassador of one of the African tribes which has a seat at the U. N. He will demand—with the backing of the other African delegates—that the next time a race riot occurs in America, U. N. soldiers should be sent in to settle things—using force if necessary.

Whether in the end President Tshombe decides to surrender to the U. N.'s superior force or blow the economic wealth of Katanga to kingdom come is almost irrelevant at this point. The final result of the U. N.'s action in Katanga will not change the history books one bit. As one commentator put it: "I weep for the Katangese, but I weep even more for Old Glory, whose shining emblem the State Department be spattered before hauling it down and raising the skull-and-crossbones of the United Nations . . ."

I. F. C. Names Martin Mkt. Dir.

The International Finance Corp. has announced that George L. Martin, Director of Marketing of the World Bank, has been appointed Director of Marketing for the Corporation as well. Mr. Martin assumed this additional post on Jan. 1, 1963. Mr. Elliott Lee, who has been IFC Special Representative in the United States since 1960, retired at that time.

George L. Martin

Mr. Martin was appointed Director of Marketing of the World Bank on Nov. 1, 1950, and has headed its Marketing Department and New York Office since that date. Since Mr. Martin became Director of Marketing the Bank has sold 14 issues in the United States investment market, and has marketed the Bank's dollar and non-dollar issues in more than 40 other countries. Mr. Martin has also served as adviser on capital formation and the development of securities markets in a number of the Bank's member countries.

Before coming to the World Bank, Mr. Martin was active in the investment market in Chicago. From 1928 to 1934, he was manager of the Municipal Department of the Guaranty Co. of New York in Chicago, and from 1934 to 1940 he was Vice-President of Kelley, Richardson & Co. Immediately before his association with the Bank, he was President of the investment banking firm of Martin, Burns & Corbett, Inc., of Chicago.

Mr. Martin served three years as a governor of the Investment Bankers Association of America, and for two years as chairman of the Association's Municipal Committee. He is a past president of both the Municipal Bond Club of Chicago and the Bond Club of Chicago.

Rowles, Winston Elects Two V.-Ps.

HOUSTON, Texas—Rowles, Winston & Co., Bank of the Southwest Building, members of the Midwest Stock Exchange, have elected two new officers according to Russell R. Rowles, President. Jacques P. Adoue, Jr. and George E. Sledge, Jr. were named Vice-Presidents at the recent meeting of the firm's Board of Directors. Both men have been with Rowles, Winston & Co. for five years.

Acquires MJT Fund

LOS ANGELES, Calif.—California Investors has announced the acquisition of MJT Mutual Funds, Inc. from its parent company, Mitchum, Jones & Templeton.

The offices in Orange and Torrance will continue under their present resident managerships, and the representatives formerly located in the Los Angeles office have been transferred to California Investors home office, 3544 West Olympic Boulevard, Los Angeles.

OTC Securities Market Offers Encouraging Outlook

Study of OTC market behavior calls attention to the fact that many OTC specialists are encouraged about 1963 prospects for OTC stocks on the whole which are still lagging—as they want to do—behind listed stocks' recovery from their 1962 lows. Brief description points up OTC issues include well known companies with long, consistent dividends payment record as well as new, sound growth companies. Table provided summarizes and compares performance of OTC industrials to DJIA.

The following study of the OTC market's performance in 1962, plus other relevant data, was prepared by the OTC Market Information Bureau of the National Security Traders Association:

Historically, OTC stocks reflect and follow the movement of listed securities with OTC stock price averages reacting almost simultaneously with those of listed stocks in times of sharp declines. In rising markets OTC averages usually lag from days to a few months behind those of listed stocks, but subsequently rise to comparable peaks, which during the past 20 years have been proportionately higher than those of listed stock indexes.

OTC Performance in 1962

The performance of OTC stocks during 1962, as indicated by stock price averages, closely followed the pattern of previous years in their relation to the movements of listed stocks. So much so that many OTC specialists are much encouraged by immediate prospects in 1963 for those OTC stocks which are still lagging somewhat behind listed stocks in their recovery from 1962 lows.

At the close of 1962, the National Quotation Bureau's index of OTC industrial stocks was 120.03, approximately 15% below that for the 1961 year end. This compares with an 11% drop in the Dow-Jones industrial average and approximately 12% in Standard & Poor's composite average of 500 New York Stock Exchange stocks in the same period. The S&P indexes of OTC insurance stocks showed less decline over the year than the market as a whole with the life insurance, casualty insurance and fire insurance indexes 6%, 7% and 9% below the previous year end. The S&P bank stock indexes were approximately 17% below the 1961 close.

During the first half of 1962 the NQB-OTC industrial index posted an all-time high of 144.31 in March. This followed by four months the comparable all-time high of the Dow-Jones industrial average in November, 1961. OTC indexes for bank and insurance stocks also registered record highs the latter part of 1961.

By June 27 all OTC indexes had declined to 1962 lows almost simultaneously with comparable lows set by the Dow-Jones industrial average and Standard & Poor's composite average on June 25 and 26.

OTC Stocks vs. Dow-Jones Industrials

Contrary to a widely-held impression, OTC stocks as a whole, as indicated by averages, suffered no more in the May and June decline than listed stocks. Despite above average and highly publicized losses in some individual glamor issues, some traded in the OTC market and some on stock exchanges, the 1962 lows for OTC and listed industrial averages were both less than 30% below the 1961 year-end close and almost identical in degree. The decline of approximately 29% in the NQB-OTC industrial average to 100.23 compared with a decline of 28% in the Dow-Jones average for the same period. Standard & Poor's indexes of OTC bank and insurance stocks showed declines in the same period of: 24% for casualty insurance stocks; 28% for fire insurance stocks; 29% for N. Y. bank stocks; and 32% for life insurance stocks.

By the end of the year the OTC industrial average showed a recovery of approximately 20% from the 1962 low, less than the recovery of approximately 24% during the same period for the Dow-Jones average and about the same as the gain of approximately 21% in Standard & Poor's composite average. OTC bank and insurance stocks showed better recovery than the market as a whole according to S&P's indexes which show N. Y. and Outside N. Y. bank stocks up about 23% each, and casualty, fire and life insurance stock indexes up 23%, 26% and 38% each from 1962 lows.

A comparison of stock price indexes of OTC and listed securities over the past 20 years indicates that in practically every instance OTC stocks have reacted to sharp declines in indexes of listed securities in much the same manner as in 1962. In the rising markets which followed the sharp decline in stock prices in 1942, 1949, 1952, 1957 and 1960, OTC averages have consistently moved to higher peaks than those of listed securities. As the result, current OTC averages show substantial gains over year-end figures of 5, 10, and 20 years ago, and comparatively larger gains than the Dow-Jones industrial average.

At the December close, 1962, the NQB-OTC industrial average showed the following approximate percentage increases over previous year-end closing figures: 556% above 1942; 148% above 1952; and 66% above 1957. Comparable Dow-Jones industrial averages for the same period were: 446% above 1942; 123% above 1952; and 49% above 1957.

The Standard & Poor's indexes of bank and insurance company stocks also showed proportionately larger gains over the same periods than the stock market as a whole. Life insurance stocks more than 400% above 1952 and 120% above 1957; casualty insurance stocks over 300% above 1952 and 175% above 1957; fire insurance stocks 110% above 1952 and 90% above 1957; New York bank stocks 124% above 1952 and 84% above 1957; and outside N. Y. bank stocks 118% above 1952 and 88% above 1957.

OTC Stocks With Long Records of Dividend Payments

The great majority of companies with the longest records for consecutive dividend payments are traded in the OTC market. There are 34 OTC-traded companies which have paid consecutive dividends for more than 100 years, and 119 with a record of payments since 1900 according to the latest tabulation by the *Commercial and Financial Chronicle*. Leading the list is the Bank of New York and the First National Bank of Boston, each with records of 179 years of dividend payments.

Well-known OTC industrial stocks with long records include: American Express Co., 92 years; Stanley Works, 86 years; West Point Manufacturing Co., 75 years; Whitin Machine Works, 75 years. Among OTC insurance companies with long dividend records are Travelers Insurance Co., 96 years; Home Insurance Co., 90 years; and Connecticut General Life Insurance Co., 84 years. Longest dividend paying OTC utilities include Hartford Gas Company, 112 years; Springfield Gas Light Co., 110 years; and Holyoke Water Power Co., 92 years.

OTC Stocks Prominent in S&P's 200 Growth Stocks

During 1962, Standard & Poor's added 62 new stocks to their list of "200 Rapid Growth Stocks." Of these, 30 were OTC stocks. The latest issue, which is published as a supplement of S&P's Outlook Magazine, shows 89 of the stocks are traded in the OTC market, 82 are listed by the New York Stock Exchange and 29 by the American Stock Exchange. Newcomers in recent months include the following OTC stocks: International Flavors and Fragrances, G. D. Searle & Co., and A. C. Nielsen Co.

Comparable Highs and Lows in Industrial Averages 1942-62

A comparison of the National Quotation Bureau's average of 35 blue chip OTC industrial stocks and the Dow-Jones average of 30 NYSE industrial stocks. The NQB average has been adjusted to the same base as the D-J average.

	Dow-Jones Industrials	NQB-OTC Industrials
October, 1938	143.13	143.13 (Equivalent 17.59)
1942 low	92.9 (March)	137.01 (March)
1946 high	212.5 (May)	345.02 (May)
1949 low	161.6 (June)	226.17 (June)
1951 high	276.4 (October)	412.70 (September)
1952 low	256.4 (May)	366.57 (May)
1953 high	293.9 (January)	397.08 (February)
1953 low	255.5 (September)	361.28 (September)
1956 high	521.1 (August)	764.87 (August)
1956 low	470.2 (October)	641.76 (October)
1957 high	520.8 (July)	773.58 (July)
1957 low	419.8 (October)	583.79 (December)
1959 high	679.4 (December)	891.81 (December)
1960 low	556.1 (October)	777.49 (October)
1961–62 high	741.30 (November, 1961)	1174.25 (March, 1962)
1962 low	524.55 (June)	815.57 (June)
Dec. 31, 1962	652.10	976.68 (Equivalent 120.03)

* * * * *

Year-End Averages—	1942	1952	1957	1961	1962 low	Dec. 31, 1962
NQB-OTC Industrial	19.8	48.52	71.93	141.45	100.23	120.03
S&P Life Ins. (OTC)	9.84	51.21	113.2	281.1	190.53	264.36
S&P Casualty Ins. (OTC)	10.32	20.10	31.76	92.09	69.47	85.57
S&P NY Banks (OTC)	9.05	15.52	18.75	40.01	28.28	34.52
S&P Out. NY Banks (OTC)	9.41	31.06	36.06	81.91	55.06	68.07
S&P Fire Ins. (80% OTC)	9.05	21.73	24.01	49.97	35.82	45.20
Dow-Jones Indust. (NYSE)	119.3	291.90	435.69	731.14	624.55	652.10
S&P Composite (NYSE)	9.77	26.57	39.99	71.55	52.32	63.10

NOTE: Standard & Poor's OTC indexes: 10 OTC NY Banks; 16 OTC Banks Outside New York; 9 OTC Life Insurance Companies; 8 OTC Casualty Insurance Companies; 16 Fire Insurance Companies of which 13 are OTC-traded stocks.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

Because there are still no noticeable fears around that inflation is about to raise its ugly head again, investible funds are being put to work in large amounts in fixed income bearing obligations, with the Government list from the shortest most liquid ones to the most distant maturities getting a goodly share of this money. The corporate and tax-exempt issues, however, continue to give a better return than do the Government securities so that the former obligations are getting a larger share of the commitments that are being made in bonds.

The money and capital markets, according to opinions in the financial district, will be pretty much on the busy side in the early part of the year, taking care of maturing Government issues on the one hand, while on the other hand, efforts will be made to get more Treasury securities into the hand of the ultimate investor.

Successful Treasury Award Was Essential

The investment demand for fixed income bearing obligations at the start of the New Year is still sizable even though the current offering of Government bonds, the 4% due Feb. 15, 1988-1993 (offered at 100 to yield 4.00%) for new money raising purposes will fill at least a part of this demand because they were priced in line with outstanding non-Federal securities.

There is no reason why the best credit available in the investment market, namely Government bonds, should not be sold to the ultimate investor at yields that are in line with the return that is obtainable in corporate and tax-exempt bonds. It was important to the capital market to have this moderately sized new money flotation of the Treasury properly digested since it had a favorable influence on the rest of the fixed income obligations. If this flotation is followed by other successful ones with competitive bidding, it will continue the constructive influence on the long-term bond market even though there might have to be a minor advance in the yield for all bonds.

Future Successes Dependent On Yield

If, on the other hand, some of these new money raising bonds of the Government are put out at yields that are too low just because it is a very high grade obligation of the Treasury and it does not go, it will not have a good effect on the entire capital market. Investors in this country can be and still are selective in their purchases of bonds and when more favorable rates of return are obtainable in non-Federal securities they are not going to make commitments in an overpriced Government bond.

Because the initial offering of the Government for new money raising purposes will be followed by others as the year goes along, it was most certainly to the advantage of the Government in having this initial competitive flotation go over with a bang.

More Short-Term Financing Expected

Since the greater part of the deficit so far has been financed already, the money and capital markets will be faced during the first half of the year with the refunding of those obligations that were used by the Treasury during the last half of 1962 for new money raising purposes. Because there will be no surplus available to pay off these securities they will have to be refinanced by the Government.

Since no change in debt management is looked for, it is believed that the maturing issues will be mainly exchanged for other short-term obligations so that near-term interest rates will not be allowed to go down to levels that would make short-term rates here non-competitive with those in other free world money centers. This could result in an outflow of funds which would further aggravate our balance of payments problem.

Heavy Demand Prevails for Bonds

The capital market is also expected to remain on the constructive side with no appreciable upswing in yields indicated because there are very large amounts of funds seeking a haven in fixed income bearing obligations. This condition is expected to continue as long as the psychology of inflation is still in the background.

On the other hand, if we are going to have deficit after deficit with no prospects of the budget being balanced and the debt going to higher and higher levels, it will not be easy for the forces of inflation to be kept in check. The course of the budget in this and the next fiscal periods will have marked influences on the money and capital markets.

The long expected reduction in the British Bank rate from 4½% to 4% was a constructive international monetary development. It will tend to take some of the pressure off our short-term rates.

D. H. Blair To Admit

D. H. Blair & Company, 66 Beaver Street, New York City, members of the New York Stock Exchange will admit Joseph Berkowitz to limited partnership in the firm as of Feb. 1.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Tampa Electric Company

Tampa Electric is the smallest of the three major electric utility companies in Florida, with annual revenues of about $48 million. It serves the city of Tampa and some 45 other communities in Florida with electricity (no gas), total population in the area being about 500,000. Tampa is an important distribution center and has substantial import and export business. Growing and processing of fruits and vegetables, cattle raising, dairying, lumbering, fishing, naval stores and tourist business are important activities. However, phosphate mining and processing makes the largest contribution to revenues and cigar manufacturing is also important.

Revenues are about 42% residential, 24% commercial and 28% industrial (18% of which is from phosphate mines). The company is actively promoting electric space heating and at the end of 1961 there were 8,000 homes completely heated by electricity, including nearly 3,600 heat pumps. (There were also 1,400 commercial or other heat pumps).

Like other Florida utilities, the company has enjoyed very rapid growth. Revenues more than tripled in the decade ended 1961 and earnings per share have increased from 49 cents in 1951 to $1.46 in 1962 (after adjustment for two stock splits). The dividend has more than doubled and book value increased 125%. The price of the common stock advanced from around 6 in 1951 to a 1961-2 range of 51-29.

The company has been quite successful in recent years in reducing its fuel costs. The cost of oil per barrel rose from $1.98 in 1951 to $2.79 in 1957 and the company decided to switch to coal for which it paid $9.53 in 1957. The company arranged a special deal by which it was able to buy coal from West Kentucky Coal, bringing it down the Mississippi and through the Gulf to Tampa. By 1961 the cost was thus reduced to $7.59 a ton, while the price of oil per barrel has also dropped from $2.79 in 1957 to $2.32 in 1961. Thus the average fuel cost per million btu was reduced to 33c compared with 44c in 1957 and 32c in 1951.

During the decade the company was also able to increase the efficiency of its generating plants from 12,748 btus per net kwh to 10,893, so that production cost per net kwh dropped from 5.1 mills in 1951 to 4.4 mills in 1961. The annual load factor was increased from 52.5% to 58.3% and line losses were also reduced.

The company has had some litigation over its coal contract with West Kentucky Coal and sued that company for nearly $4 million damages. Early in 1961 the U. S. Supreme Court ruled that the company's contract was valid and Tampa then filed suit in the Circuit Court in Nashville, asking for about $4 million damages. A court decision is expected shortly.

The company's growth has been aided by an influx of new industries as well as gains in residential and commercial business. In 1961, 15 new major industries with a capital investment of over $10 million and payroll of $2 million came into the area. In 1962 the latest report indicated kwh sales gained nearly 13% in the first nine months despite the fact that housing starts were off 19%; the latter setback being offset by a sharp increase in commercial building. Also, the percentage of new all-electric homes (or those using large amounts of electricity) increased 50%. Important new industrial and commercial building continued, with National Gypsum opening a multi-million dollar wall-board plant and the State Farm Insurance Company moving into their new Winter Haven regional office with a $2 million payroll.

Over the longer range, the population of Florida is expected to double by 1971, which should insure rapid growth of residential sales, plus gains from industries using the available new labor supply.

The company is spending about $23 million in construction in 1963 vs. $21 million last year. A 200,000 kw unit will go into service next fall. 230 kv transmission lines (and sub-stations) are being extended to the east, west and south to enlarge the present grid wih Florida Power & Light and Florida Power Corp. This project will be completed around June, at which time it will be possible to exchange larger blocks of power between these utilities. It will also provide the Cape Canaveral area with another source of power. The three companies in the future will be able to plan their generating needs as a group and build larger and more efficient generating plants. Thus, plans for another unit at the Gannon plant will provide for sale of 100,000 kw from this unit to Florida Power Corp. during the first year of the units operations.

Tampa Electric compares with other Florida utilities as follows:

	Tampa Electric	Florida Pwr. Corp.	Florida Pwr. & Lt.
Recent price	*44	46	70
Approx. range 1961-62	*51-29	50-28	87-48
1962 earnings	$1.46	$1.59	†$2.30
1961 earnings	$1.19	$1.37	$2.11
Percent increase	23%	16%	9%
P/E ratio based on est. '62 earngs.	30.2	29	30.4

*On the American Exchange. †Estimated.

To Be Lester, Ryons Partner

LOS ANGELES, Calif.—On Jan. 24 Lester, Ryons & Co., 623 South Hope Street, members of the New York and Pacific Coast Stock Exchanges, will admit Marion C. Troster to limited partnership.

Bache Appoints

NEWARK, N. J.—The New York Stock Exchange firm of Bache & Co. has announced the appointment of Philip E. Lawrence as assistant manager of its Newark office, 10 Commerce Court.

Peter R. Newman is resident manager.

As We See It

Continued from page 1

to have undesirable legislation definitely rejected by a majority of the House than to have it choked off by a sort of intrigue on the part of those who disapprove it. But even on this basis, one finds it difficult to grow over-enthusiastic about the situation as it now stands. What serious students of public welfare who have not become bewitched by neo-Keynesian fallacies still find missing, sadly missing, is evidence of any systematic, organized effort to come up with a constructive line of action to take the place of New Frontier nonsense. Even if in the circumstances, there is little or no likelihood of Congress taking favorable action on really constructive measures at this session, or perhaps of this Congress taking such action at either of its sessions, it would be encouraging to see opposition beginning now to lay a basis for an appeal to the better sense of the voters. It would be encouraging even if it is necessary to wait a year or two—which might or might not be altogether necessary—for an opportunity to get an effective mandate from the people.

Let there be no mistake about it. There is ample need for such action and the program which the New Frontier is expected presently to begin to push will make the development of such a program doubly desirable. Let a few of the facts speak for themselves. Our acknowledged public debt (there is much more debt that is regarded as "contingent" but which in some instances is really quite definite) has been rising consistently even in the postwar years. It has now well passed the $300 billion mark, and must be a good deal larger by the end even of the current year. Yet the New Frontier people are coming up with plans for curtailing receipts and at the same time greatly expanding expenditures, the idea apparently being that the way to stimulate growth at home and confidence in us abroad is to inaugurate a truly Keynesian national deficit!

Those Expenditures

There have been some vague assurances of late about reducing outlays, that is expenditures other than those which have to do with our national defense. If any such course is inaugurated, and if it is to be more than trifling in magnitude, there are a number of sacred cows which must go by the board. Mere ducking and dodging the issue by postponement either of larger outlays or reduced tax receipts must be set down as trifling with the public welfare. Expenditures classified as non-defense by the Administration itself now are running at something of the magnitude of $36.7 billion which incidentally is some $10 billion above the figure for 1950. And they are rising. One of the major factors in this increase is, of course, interest on public debt, and it is customary to say that this increase reflects higher interest rates that now must be paid on the debt and that there is nothing at all that can be done about this element in expenditures. Of course, this is but a dodge. The main reason for that larger interest cost is found in the size of the debt.

Tax reform is certainly in order — and the opposition will miss a great opportunity if it does not press for real reform in that area—and possibly some tax reduction is in order, but we must not for a moment forget that nothing is more important in the fiscal area than a reduction in outlays. Agriculture is now costing us much more than the total of all expenditures when the New Deal took over. If the Administration were to submit a plan which would really and substantially reduce this drain upon us all—and promise to end it altogether within a reasonable time—then, of course, it is the duty of Congress to support the measure fully. If no such plan is suggested, then one must be formulated by the legislative branch—and if the Administration is too strong to permit of its adoption, the minority should nonetheless proceed to draw up and present such a proposal.

Non-Defense Outlays

Of course, there are many other items which need trimming or complete excision, and there should be no hesitancy on the part of members of Congress to proceed—quite regardless of what the New Frontiersmen do or say. Nondefense outlays are now running at a rate more than double that, say in 1946, and there is simply no reason or excuse for the fact. And it is a fact that there are important expenditures (or the assumption of liabilities which is about the same thing) which do not appear in budget figures at all. Indeed no one of late, so far as we recall, has even undertaken to estimate the volume of these outstanding commitments. Heretofore, it has been regarded sufficient at least by some legislators to have a committee somewhat which would stifle measures which would do serious damage to our fiscal situation. We wish we could hope for an end to this attitude.

Much more is required. Nothing short of a reversal of policy in several areas will suffice, and no such achievement can possibly come of mere committee action to smother measures thought undesirable. The House has now said in effect by its vote on the Rules Committee matter that it will accept responsibility for the direction of legislation. Let it stand by its word.

Phila. Inv. Ass'n to Hear Wm. Morris

PHILADELPHIA, Pa.—William S. Morris, a name that electrified the municipal bond industry in 1961 and 1962, will be guest speaker at a luncheon meeting of the Investment Association of Philadelphia to be held Friday, Jan. 25.

Mr. Morris' topic will be "A Better Understanding of Markets Through Mathematical Statistics."

The luncheon meeting will be held at the Engineers Club, 1317 Spruce Street. Samuel R. Roberts of Schmidt, Roberts & Parke, is in charge of arrangements.

MUTUAL FUNDS

BY JOSEPH C. POTTER

Everyone, Except Grant

It is a normal assumption that a field of endeavor that disposes over $20 billion of assets will have matching massive labor problems. But the managers of this country's mutual funds, whose combined assets surpass that of American Telephone & Telegraph, have never been directly concerned with such nagging issues as featherbedding, time study, guaranteed annual wage, seniority rights and union royalties.

That's because there is not yet a Local No. 6 of the Money-Growing Union, AFL-CIO. And, after all, the basic business of mutual funds is to plant money in industrial enterprises and hope that this seed money will bring forth capital gains and income.

Yet the trend of labor-management relations always has been a prime concern of investment leaders. A foremost consideration in analyzing any company, with a view to making a commitment, is its labor-cost factor. While the stock in trade of fundmen is capital, these are not people with an anti-labor bias. Indeed, a sizable portion of their wherewithal is labor's capital and, if the toiling men and women of this land had not set aside a part of their savings for investment in mutual funds, it would never have attained its present-day eminence.

It is scarcely an exaggeration to say that no people in the financial community are as close to laboring folks as fund people and no people have done more to take Wall Street away from Wall Street than fund people.

Thus, a fund salesman in New Jersey was upset the other day when he called on a middle-aged couple to whom he had sold a contractual plan. The husband, employed in a Harrison, N. J., plant that produces drawn wire, had been out on strike for three months. The man had been happy in his job and was unable to explain why the company had been struck.

A far bigger strike, involving the chronic money-losing newspapers of New York, whose white-collar and blue-collar employees are at the top rung of the land's economic ladder, was troubling fund people. Not that they were wasting any precious moments studying newspapers as investment mediums, but rather because they saw in this wasteful stoppage a sign of the times. The labor chieftain who touched off the strike summed up their misgivings when he said these disputes were won by the fellow with the biggest muscle.

It is this approach to labor-management disputes that troubles investment leaders. They have witnessed pretty much the same thing in the strike of the longtime gangster-ridden International Longshoremen's Association, which has tied up East Coast and Gulf ports since before Christmas. The labor boss said, as he called the men out, "We'll lick 'em fast." Of course, as we now know, the shippers did not knuckle under in a hurry.

Nor are the railroads inclined these days to continue accepting featherbedding as a way of life decreed from Mount Sinai. Chicago & North Western may not be the country's greatest carrier, but in Ben Heinemann it seems to have the mightiest spirit.

It is unfortunate that this spirit is absent from the White House, where edicts for a Roger Blough do not want for spontaneity but are significantly absent in dealing with a dock union that has strangled our foreign trade. It is true that the White House did ask the dockers' leaders to resume work while negotiating with the shippers. They ignored the polite request. Roger Blough and other steel leaders received no polite plea to rescind their price rise, but their combined votes would not elect an alderman in South Boston.

The troubles on the docks, newspapers, railroads and scattered factories may not have done serious damage to fund portfolios, but there is a growing feeling that here is the greatest domestic problem confronting the nation. And there is widespread conviction that too much power is lodged with a relative handful of men who are subject to neither checks nor balance, men who are giddy with power, men who have no feel for economics.

Finally, there is a belief that the whole system is out of whack and that politicians, being what they are, will not act to correct the imbalance until a good deal more damage is done to the economy. And, acting in that frame of mind, they well may compound the ills. A day of reckoning may not be near, but it will inevitably come. As one fund leader, who is alarmed, summed it up:

"Everyone can see Grant's Tomb —except Grant."

The Funds Report

Commonwealth Income Fund report that at the end of the fiscal year on Nov. 30 total net assets amounted to $29,382,235, equal to $9.18 per share. This compares with assets of $26,061,930 and $9.81 per share a year earlier.

* * *

Diversification Fund, Inc., reports that at Nov. 30 total net assets were $76,536,408, or $19.28 per share. On May 31, 1962, end of the last fiscal year, total net assets amounted to $75,466,773, equal to $18.75 a share.

* * *

Imperial Capital Fund reports that at the close of the fiscal year on Nov. 30 net assets totaled $19,744,681, or $7.23 a share, against $20,469,041, or $9.59 a share, at the end of the preceding year.

* * *

Imperial Fund announces election to the board of directors of Whitney MacMillan. He is a Vice-President and Assistant to the President of Cargill.

* * *

International Resources Fund, Inc., reports that at the end of the fiscal year on Nov. 30 total net assets amounted to $18,279,157, or $4.30 per share, compared with $20,737,293 and $5.37 per share at the end of the 1961 fiscal year.

* * *

Investors Elective Fund, Inc. reports that at the end of the fiscal year on Nov 30 total net assets were $32,593,725, equal to $10.17 a share, compared with $30,959,885, or $10.13 a share, at the end of the preceding year.

* * *

Investors Variable Payment Fund, Inc., reports that at Nov. 30, end of the fiscal year, total net assets were $269,838,924, or $6.02 per share. This compares with $275,955,704, or $7.65 per share, a year earlier.

* * *

Niagara Share Corp., reports that at Dec. 31 net assets totaled $66,343,276, or $21.05 a share. At the end of 1961 assets were $81,790,228, or $25.95 per share.

* * *

Oppenheimer & Co., national distributor of Oppenheimer Fund, Inc., will hold an experimental "shirt-sleeve workshop" for sales representatives of fund dealer firms on Saturday at the Hotel New Yorker, New York.

* * *

Donald J. Hurley of Boston has been elected a Trustee of **The Putnam Growth Fund.** He replaces Horace S. Ford.

* * *

Wellington Fund reports that at Nov. 30, end of the fiscal year, net assets amounted to $1,389,585,501, or $13.62 per share. This compares with $1,422,513,378, or $15.67 per share, a year earlier.

* * *

Winfield Fund reports that at the end of the fiscal year on Nov. 30 total net assets amounted to $7,420,793, equal to $6.69 per share. This compares with $8,099,659, or $8.06 a share, at Nov. 30, 1961.

Pace Offers Computer Ctf.

A Certificate in Electronic Digital Computer Programming will be awarded by Pace College, New York City, to students who successfully complete a series of four data processing courses beginning with the Spring '63 Semester, it was announced by Dr. Edward J. Mortola, President of the college.

Three courses in the series are being offered in Spring '63 classes, opening Thursday, Jan. 31:

Electronic Digital Computer Programming, a basic course designed to acquaint students with computer use and application.

William N. Elliott, methods analyst and computer programmer at Bankers Trust Company, will instruct classes meeting Monday and Wednesday evenings, beginning Feb. 4. Another class, to be instructed by Warren B. Davis, in charge of computer operations at Bankers, has been scheduled for Tuesday and Thursday evenings, beginning Jan. 31.

The second course, **Advanced Digital Computer Programming,** will cover the operation, potentialities and programming of the I. B. M. 1620 computer. Students will get hands-on experience with this computer in the college's Computer Center. Classes, to be instructed by Mr. Elliott, will meet Monday and Wednesday evenings, beginning Feb. 4.

Finally, the course in **Electronic Computer Systems,** under the direction of Michael A. D'Angelico, head of the Banking Methods Department of Bankers Trust Company, will cover concepts in the design of electronic computer systems.

Emphasis will be placed by Professor D'Angelico on the performance accuracy of both equipment and system. Classes will meet Tuesday and Thursday evenings, beginning Jan. 31.

The fourth course in the series, **Programming the I. B. M. 7070,** will be given in the Fall '63 semester.

According to Professor D'Angelico, "No special skills are required to begin the study of computer programming. However, a student must have a high school diploma and one year of college accounting to qualify for admission. A background in college mathematics is helpful but not essential."

Candidates for admission to the Certificate program who do not have the necessary academic background but who have some computer programming experience may qualify through a placement exam to be taken at the college, 41 Park Row, downtown Manhattan.

Professor D'Angelico points out that the certificate "establishes the academic qualifications of an individual to follow a career in electronic computer systems and programming."

Registration of students enrolling for the first time may be completed at any time before the beginning of classes. The Admissions Office is open daily from 9:00 a.m. to 7:00 p.m. and on Saturday from 9:00 a.m. to 1:00 p.m.

Elected Director

The election of Andrew N. Overby as a director of Commonwealth Oil Refining Co., Inc., has been announced. A Vice-President and director of The First Boston Corp., Mr. Overby served from January, 1952 to February, 1957 as Assistant Secretary of the Treasury. He was also U. S. Executive Director of the International Bank for Reconstruction and Development and a member of the National Security Council Planning Board.

Andrew N. Overby

Mr. Overby began his career in banking in 1930 with the Irving Trust Co., leaving to join the Federal Reserve Bank of New York in 1942. In 1946, he was granted a leave to become Special Assistant to the Secretary of the Treasury, and became United States Executive Director of the International Monetary Fund in 1947 and Deputy Managing Director of the Fund in February, 1949.

Mr. Overby joined First Boston in March of 1957. He is concerned with all aspects of the investment company's business with particular emphasis on international and monetary affairs.

Commonwealth Oil Refining operates an oil refinery at Guayanilla Bay, near Ponce, on the south coast of Puerto Rico.

Oppenheimer & Co. To Admit Two

Oppenheimer & Co., 5 Hanover Square, New York City, members of the New York Stock Exchange, on Feb. 1 will admit Paul C. O'Neill and Rodney L. White to partnership.

Investing for an Improving Economy and Stock Market

Continued from page 1

ately (approximately $2+ billion) reflecting increased sales. Home construction probably will be slightly lower at approximately 1,375,000 units compared with an estimated 1,425,000 units in 1962. Plant and equipment expenditures should enjoy a gain to about $39 billion compared with $37½ billion in 1962. These expenditures will be stimulated by the new liberalized depreciation guidelines and by the 7% investment tax credit. Of considerable significance is the projected increase in cash flow coupled with the strong current position of American corporations.

Government Expenditures

Perhaps the biggest single political factor influencing business decisions in 1963 will be the expected tax cut, its extent and timing. Despite considerable Congressional opposition, a tax cut appears likely, probably sometime the second half of 1963. Important business groups as well as labor organizations are strongly supporting tax reduction . . . and such reduction may well be around $7-10 billion, perhaps to take effect in two steps.

Lower taxes or not, more government spending is still very much with us. Defense outlays will rise by about $3 billion to above $53 billion—exceeded only during World War II. Space spending is expected to increase sharply and welfare programs continue to be on the increase — all tending to support the economy at a high level of activity and making for greater stability. Expenditures by states and municipalities will continue their steady uptrend of the past several years, and should approximate $59 billion (for goods and services), up $4 billion from 1962.

Bond Market Outlook

Bond prices and interest rates are likely to show little change over the next six months; but yields may increase slightly in the second half of 1963.

The Federal Reserve will continue its easy-money posture, but basically the money supply-demand equation suggests continued stability. On the supply side, corporate cash flow is high; current position is strong and consumers have ample savings. On the demand side, consumers are likely to increase their debt position. Corporations' demand for capital largely can be met out of cash flow.

The U. S. balance of payments deficit may continue to exert some pressure on our gold supply but close cooperation among leading central bankers, together with the recent gold pool arrangement, will probably neutralize the gold squeeze.

Stock Market Outlook

(A) *Shorter Term:* In light of the magnitude and rapidity of the market advance over the past few months, a period of consolidation is anticipated. The recent sharp rise has partially discounted an improving business outlook and any further significant improvement in the stock market during 1963 likely would be related to a further upturn in earnings.

(B) *Longer Term:* It is our opinion that the major trend of the market is upward, and that recent strength is not merely an intermediate rally in a bear market. We believe that a major bottom was made in late June at 525 on the DJIA and that it was successfully tested in October when the DJIA fell to 549. Over the longer term, we feel the market will move modereately higher and that the last half of 1963 will witness a better market than the first half of the year.

Reason for the Recent Rise

The period from late October to December has seen one of the swiftest rises in the history of the stock market on high volume. Major factors contributing to the rise include:

(1) Investor confidence, which was so shattered in the May-June market break, appears to have been resored by the strong leadership of the Kennedy Administration during the Cuban crisis and the improving business outlook for 1963.

(2) Belated awareness that the market decline did not induce an economic decline. A recent survey of past bear markets during the 1919-1960 period showed that, after the inception of major market declines, recession followed anywhere from immediately to seven months later. The DJIA began its decline from a Dec. 14, 1961 peak and already eleven months have passed without a recession. There was a major exception in 1946 and we believe that the 1962 period is similar to the 1946 experience; and further, that the economy will show modest gains in 1963.

(3) Some short covering by the largest short interest on record. Odd lot short selling has been abnormally high and traditionally this has been considered uninformed selling.

(4) In recent months there has been considerable foreign buying of equities.

(5) The large accumulation of cash by the institutional investors during the 1962 third quarter and the commitment of such funds during November and December led to a sharp rise in the demand for stocks. There was also a sharp reversal of institutional opinion towards the outlook for the stock market. (By way of contrast, purchases by small individual investors have not been of significant proportions.)

GROSS NATIONAL PRODUCT
(In Billions of Dollars)

	1963 Esti.	1962 Esti.	Percent Change
Gross National Product	$575	$555	+3.6%
Composed of:			
(1) Personal consumption expenditures	368	357	+3.1
(2) Gross private domestic investment	78	76	+2.6
(3) Government expenditures for goods and services	126½	118	+6.7
(4) Net exports of goods and services	2½	4	----

(6) The availability of better dividend yields on good quality investment stocks.

Intrinsic Value Factors

(1) *Level and Direction of Earnings:* Profits have been at record highs and continue to enjoy moderate further gains. First quarter 1962 profits were 29% above the first quarter of 1961; the second quarter was 15% higher and the third quarter was 10%. The year-to-year rate of improvement has been declining, primarily because last year each quarter showed earnings improvement in recovering from the recession that bottomed out in the early spring of 1961.

Net corporate profits for 1962 are estimated at slightly below $26 billion, an all time high. For 1963, we believe the earnings trend will see quarterly comparisons becoming *more favorable* as the year progresses, especially during the *last two quarters*. We foresee net corporation profits rising moderately to around $27 billion dollars, compared with $25½ billion, $23.3 billion and $22.7 billion in 1962, 1961 and 1960 respectively.

Sales volume for the year will be moderately higher, particularly in consumer goods and defense and research oriented industries. Little change is expected for the automobile and steel industries.

Easing Profits Squeeze

Recent studies indicate some easing of the profit margin squeeze. In large degree, this reflects:

(1) Raw material prices have remained essentially stable.

(2) The recent rise in productivity has lowered unit labor costs in relation to prices.

(3) Slowdown in the rise of facory wages.

(4) Idle capacity is being utilized, spreading fixed overhead costs.

(5) There is intensive cost cutting. A good example is the fact that the steel industry produced 400,000 more tons of steel during a mid-November 1962 week than in the like week a year ago, but with 21,000 fewer workers.

Thus, while competition will continue fierce because of excess capacity, profits should respond to increased volume during 1963. A recent Commerce Department study shows that since 1948, net profits have increased by only 64% while GNP has more than doubled. However, while total net profits have risen only from $20.5 billion in 1948 to an estimated $26 billion in 1962, "cash flow" over the same years has increased from $27 billion to $52.25 billion. Depreciation has risen from 5.5% of the value of corporate production in 1948 to 10.5% now, or from $7.7 billion to almost $28 billion.

The eventual tax reduction program decided upon will have an important bearing on the level of earnings for 1963. Prior tax reduction programs, as for example in 1948 and 1954, were followed by substantial market rises. We estimate earnings for the DJIA will approximate $38 in 1963 compared with an indicated $36 for 1962. A tax cut, if it materializes, would moderately increase this estimate. The effect of higher depreciation charges and social security taxes will tend to reduce reported earnings (of course, the higher depreciation charges will increase cash flow).

(2) *Improving Quality of Earnings:* Higher cash flow and research spending plus decreasing cyclicality of earnings are improving quality. Nineteen sixty-two was one of the few times in our corporate history when U. S. corporations generated sufficient funds from cash flow to cover both their capital outlays and dividends.

Cash Flow (Estimated 1962)
(Billions)

Depreciation	$28½
Net corporate profits	25½
Total cash flow	54
Less dividends	16
Avail. for capital outlays	38
Est. 1962 capital outlays	$37.4

We anticipate that the $39 billion capital outlays projected for 1963 will also be covered by internally generated funds.

Total spending for research and development is expected to rise $1 billion to $17 billion in 1963. Of considerable significance, the Battelle Memorial Institute estimates that industry research spending ($5 billion) will represent a substantial gain over a plateau of spending from 1960 through 1962 of about $4.5 billion annually. It is interesting to note that total R & D spending during the decade of the fifties was $68 billion, but during the decade of the sixties may total some $276 billion. Most important, R & D is growing much faster than the economy.

The third element that improves quality of earnings relates to stability of corporate earning power. The fluctuation in annual corporate earning power has greatly decreased since 1940. Earnings have achieved much greater stability during recent years. For example, between 1952 and 1961 earnings annually rose 13% in a recovery year and fell 9% in a recession year, compared with rises and declines of 42% and 52% respectively between 1934 and 1941. It is also noteworthy that annual percentage changes in market prices have been quite moderate since 1942, varying between 20-25% from low to high on the DJIA. Investors rightly appear willing to pay more for earnings if they don't have to fear a sharp decline.

(3) *Dividends:* Dividend payments have risen 111% since 1948. During the period 1920-1940 dividends were erratic. However, the past several years have witnessed steady growth in dividends. Total dividends are estimated at $16 billion for 1962 and $16.3 billion for 1963. The 1962 dividend payment was almost 25% above the $12¾ billion paid in 1959.

(4) *Bond/Stock Ratio:* (Relationship between bond yields and stock yields.) The bond/stock ratio has spread somewhat in favor of bonds again but it is more favorable than it has been over most of the past few years. The narrowing spread has been caused (a) by declining stock prices and rising dividends, and (b) higher bond prices (lower bond yields). The increased stability and the rising secular trend of dividends should be a sustaining factor for the stock market over the longer term.

Psychological and Supply and Demand Factors

The sharp 29% decline in the DJIA reflected basically an economic miscalculation (that recession was "just around the corner") coupled with a fear psychosis by many investors who liquidated stocks regardless of their individual merit or quality.

Investor Psychology

Investment psychology is gradually improving but it is still quite cautious and skeptical, which is a favorable factor for the longer term. The recent rise in the market has been sparked by institutions and professional investors buying rather than individuals. There has been substantial recent buying from abroad and the life insurance companies and pension and profit sharing funds have also recently increased their buying.

Mutual funds sales have moved up the past few months, following a four month decline which started shortly after the stock market break in May. The spread between sales and redemptions for the mutual funds had been diminishing for several months but this adverse trend reversed in October. While the rising spread is still not of large magnitude, it is favorable on balance because it indicates that the supply of funds seeking investment outlet is now rising. The huge supply of institutional funds awaiting reinvestment should prevent significant decline over the foreseeable future. Corporations enjoy strong current positions and such (coupled with big cash flow) tends to diminish the need for outside equity financing and thus reduces the supply of additional shares on the market.

The short interest is still large. The small uninformed investor is still skeptical and views the market's latest rise as a rally in a major bear market. November odd-lot sales on the NYSE were believed to have been the largest on record.

Stock margins were cut to 50% on July 10, 1962. Previous reductions in margin requirements to 50% historically have been followed by higher markets. Margins were cut to 50% in 1949, 1953 and 1958, the stock market responded with higher prices.

The aggregate new supply of common stock appears to be declining in relation to new demand. Leading investment banking firms have commented on the scarcity of good quality stocks that are in demand by the institutional investors. On an overall basis, during the first half of 1962, investment companies were net buyers of $1.2 billion of stocks and uninsured pension funds were net buyers of $1.1 billion. This combined figure was nearly four times the $600 million of new stocks that were offered in that period.

Recent governmental action appears to be resulting in an improvement in market psychology. Regardless of the motivations involved, the Administration appears to be becoming moderately less anti-business and if a tax reduction program can be passed by Congress, this would certainly bolster market psychology and improve corporate earnings. The revised depreciation guidelines and the investment tax credit are also favorable long term factors for the economy. The recent government estimate of a budget deficit of over $7.8 billion for the coming fiscal year, in contrast with the earlier estimate of a balanced budget, has reawakened fears of further inflation over the longer term. This may again result in "inflation hedge" purchasing of equities.

Bear Market Older Than Realized

The bear market is quite old, contrary to the popular market averages. A considerable number of common stocks appear to have been in a bear market for at least the past three years. A study made in November by a leading brokerage firm indicated that about one-third or more of the stocks listed on the NYSE were selling around or below their 1957-1958 lows. Various studies show that a large number of stocks have declined from 40-45% from their bull market highs compared with an average decline of about 28% on the DJIA, from high to low. Finally, the stock market is extremely broad and complex and there are a number of individual groups which have not yet fully participated in the October-December recovery but in which attractive investment values can be obtained. There are also a number of major stocks that are selling but a fraction of their former highs.

Most bear markets since 1946 have been of short duration and the bulk of the decline from the high to low has taken place in a relatively short period of time. For example, the majority of the 1946 decline was depressed in a short time span (from late August to the end of October); most of the 1957 bear market occurred in about a three month period; and the 1960 decline was from late summer to late October. The 1961-62 bear market has lasted somewhat longer but the evidence at hand indicates the bottom was made in late June, 1962, about six months after the December 1961 high.

Based on the DJ industrials, price earnings ratios have declined from a high of 23 in late 1961 to about 18 times currently. A p/e ratio of roughly 16 to 18 times appears to be in line. It should be noted that at its low point last year, the DJIA did not go below 15 times earnings. There appears to be a trend towards the acceptance of higher p/e multipliers. This probably reflects the better "quality of earnings," discussed above, relating to increase in cash flow, research and development spending, and the less cyclical character of earnings.

It should be noted that of 96 industry groups (as of early December, 1962) some 79 showed a price of less than 18 times estimated 1962 earnings, 20 groups showed a p/e ratio of 8-12 times earnings and 35 other groups, between 12 and 15 times earnings.

Conclusions and Applications to Investment Policies

A balanced portfolio approach appears advisable for the substantial investor. Reflecting the many uncertainties including taxes and the foreign situation, market psychology will have its ebb and flows in 1963. However the fundamentals of the situation indicate moderate market improvement for 1963. In the equity portion of the portfolio good utilities (both electric and telephone) should continue to be attractive because of limited downside risk, a fair rate of return, and moderate to good long term growth. The long suffering railroads should reap the benefit of merger economies in the course of the next five years. Selected stocks in this group are attractive for income and price appreciation. Some of the railroad bonds of weaker systems being merged into strong systems (example B & O—C & O) merit attention for income and price recovery.

Bank stocks, and also life insurance stocks, appear to merit inclusion in portfolios of patient investors interested in long term growth, combined with sound quality.

The consumer goods stocks, including food and beverage issues, should enjoy steady though moderate improvement.

The leading growth groups again are selling at high earnings multiplies, but their long term potentials render attractive selected stocks in the electronics group, science group, and service businesses. For the patient investor (willing to take a two or three year position) some of the depressed stocks in the "leisure time" group (bowling, etc.) in the vending machine group, and in some of the secondary mail order companies should prove rewarding.

*Based on author's "1963 Forecast-Outlook for Business and The Securities Markets" dated Dec. 21, 1962, and brought up to date by the author.

Treasury Offers New Bond For Retirement Plans

Following on the heels of its successful experimental competitive sale of 30-year 4% bonds, the Treasury announces another innovational bond to be sold only for retirement purposes to self-employed and for employees for whom they are bought. The bonds are to yield 3¾% annually, and are non-negotiable and non-redeemable until the owner reaches 59½ years of age unless disabled before the cut-off age.

The Secretary of the Treasury has announced the offering of United States Retirement Plan Bonds under the Self-Employed Individuals Tax Retirement Act of 1962. The department discussed the program, as follows:

"Applications for the bonds will be available at banks and other financial institutions during the week of Jan. 21. Bonds bought during January will bear interest from Jan. 1, 1963.

"Like Series H Savings Bonds, the new bonds may be purchased at any Federal Reserve Bank or branch, or direct from the Office of the Treasurer of the United States, the only authorized issuing agents. Banks and other financial institutions will take applications for issue and redemption of these bonds as they do for Series H Savings Bonds, for transmittal to the issuing agents. Like Savings Bonds, the bonds will bear interest from the first of the month in which the authorized issuing agent receives payment for them.

"The bonds will be sold at par in denominations of $50, $100, $500, and $1,000, and will provide an investment yield of 3¾% a year, compounded semi-annually. Interest, together with the principal, will be paid only upon redemption. The bonds will increase in redemption value at the end of each half-year period following their issue date. In accordance with the law and regulations contained in the Department's Circular Number 1-63, the bonds cannot be redeemed until their owners reach 59½ years of age, except upon the owner's death or disability. Interest on the bonds stops five years after the death of the person in whose name it is registered.

"The Retirement Bonds may only be registered in the names of natural persons in single ownership or beneficiary form. They may be purchased only in connection with bond purchase plans and pension and profit sharing plans as described in the 1962 Act. The new retirement bonds must be registered in the name of the self-employed person or the employee for whom they are bought.

"Bond purchase plans using the new retirement plan bonds and meeting the requirements of the new law will enjoy income tax advantages similar to those granted to pension and profit sharing plans. Self-employed persons can deduct from income subject to tax up to $1,250 annually for contributions to their own retirement. When a self-employed person redeems his bond he becomes liable, for income tax purposes, for the interest earned on the bond, and for the amount of the deduction when the bond was purchased. When an employee redeems his bonds he is subject to tax for the interest on the bonds and any amount contributed by his employer.

"Because the bonds represent a form of savings and have some features comparable to Series E and H Savings Bonds, their sales will be reflected in Savings Bonds reports. No yearly sales goal will be set for these bonds; nor will they be promoted within the framework of special Savings Bond campaigns. However, since Savings Bonds representatives work closely with banks and other financial institutions in promoting and servicing the Savings Bonds program, their assistance in this new area should materially aid in the understanding of the terms and conditions of the Retirement Bonds."

George Joining Midwest Exch.

CHICAGO, Ill.—Edward C. George, former Vice-President in charge of midwestern activities of Harriman Ripley & Co., Incorporated, has been retained by the Midwest Stock Exchange as consultant on new listings effective Feb. 1, 1963, according to an announcement from James E. Day, Exchange President.

Mr. George has been associated with Harriman Ripley since 1938.

He is a past president of the Bond Club of Chicago, a former governor of the Investment Bankers Association and has held several key posts within the National Association of Securities Dealers. He was National Chairman of NASD in 1954.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Your Own Attitude

Most sales are made in the mind of the salesman long before he talks with a customer or a prospect. Negative thoughts often will destroy constructive work; in many instances, the imagination and emotional approach of the salesman creates barriers for him that do not exist. After severe market breaks such as we had last spring the atmosphere is charged with defeatist thinking. Newspapers make headlines out of stock market declines. Stories and gossip among salesmen tend to the destructive side of this business. People engage in post-mortems. There are sympathetic conversations among investment men about the plight of their competitors, and there is much commiseration between salesmen as to their difficulties.

Incidentally, this is when experienced, enlightened, investors are picking up oversold and under-priced securities. It is also the time when the experienced and emotionally controlled security salesman is advising the purchase of securities and is working every day to the best of his ability. A salesman can follow the crowd too . . . this is the easy road for anyone. Or, he can eliminate barriers from his mind, go to work, and have faith in the future and his own ability.

The Barrier That Didn't Exist

A friend of mine told me this story last week. He had sold the president of a large financial institution some very sound investments for several years. About once every three months he would contact this man by telephone and occasionally he would obtain an order for some good "tax exempt" bonds, high grade preferreds, or local securities of high quality. Then one day this customer spoke with the salesman's employer at their club. He told him that he liked the salesman very much and he was well pleased with the quality of securities he had been offered. He also suggested that the salesman might show him a few speculative common stocks once in a while because he thought he would like to take some risk with a limited portion of his capital.

The message was relayed to the salesman by his employer, and from time to time he sold this customer a few hundred shares of low priced common stocks. Meanwhile, he also continued offering him good quality investments.

Many investors in the high tax brackets will assume a large risk with a small percentage of their investible funds for various reasons. With some people it is a matter of tax shelter on the loss side, and a large potential on the profit side that will induce them to buy this type of speculative security. Other men like a little "spice" in their activities and will take a flyer on the same basis as they might bet on a horse, or a ball game. Each case is different. This salesman told me that as business became much more active during the past few years he did not contact this particular customer as often as was the case in 1959 and one day he realized that one of the stocks he had recommended had practically ceased to exist. Several others were off about 25%, and one item had practically doubled in price.

But the stock that went "down the drain" began to grow on him every time he thought of calling this customer. He said he forgot that this was a wealthy man who probably wouldn't place too much importance on the loss of about eleven hundred dollars. He even lost sight of the fact that one stock he had sold the client had doubled. He didn't take into consideration that this customer had asked his boss to tell him to offer speculative stocks in the first place and that this wasn't his responsibility since the customer wanted it this way. He even forgot that he had sold him quite a few sound investment bonds and other securities. He just looked at that bankrupt one hundred shares, and he "froze" every time he picked up the telephone to call the customer.

During the month of December the salesman received a telephone call from the customer's secretary and she asked him if he would write a letter stating that the company had gone into receivership, and that there was no "bid" for the stock. It apparently was worthless. He admitted to me that if his mental attitude had not been completely negative he would have used this incident to call his customer—take the initiative—and renew the contact. This was an opportunity to render a service, discuss the OTHER SECURITIES in the account, and at least, he would have had nothing to lose and possibly much to gain. But all he could think about was that 100 shares that had become worthless, so once again, he wrote the requested letter and said nothing.

But the story has a happy ending—and as always, a lesson to teach us in many different aspects of our lives. Shortly after the first of the year his telephone rang and a cheerful voice said, "Hi, Joe, I haven't heard from you in a long while. Happy New Year, and how are you?" It was his customer. He hadn't given that 100 shares of worthless stock one single thought; he had no ill-will toward the salesman. Apparently he bought it; it went to "pot"; he was a wealthy man; the other securities the salesman sold him had performed well. He never mentioned it. Instead he said, "I've got about $20,000 for some good tax exempt bonds. You used to call me more often but since I didn't hear from you I noticed several bonds on the mailing list you send to me once in a while that sort of appeal to me. How about them?"

Fortunately this salesman didn't allow his negative thinking to prompt him to cease mailing literature to the client. But as he said to me, it is often the negative thoughts in our own minds that create barriers for us. And this is true every day of our lives.

NYSE's New Program for Check-Up of Member Firms

Keith Funston, President of the New York Stock Exchange, has announced a new Exchange program for spot-checking the quality of management, supervision and sales activities at member firm offices throughout the country. Developed through field tests over the past 2½ years, the system has now gone into operation. Mr. Funston described the new program as one of education and self-regulation, tested since mid-1960 with the cooperation of member firms in different parts of the country.


Keith Funston

It will involve periodic review of sales activities through interrepresentatives and others at member firms' main and branch offices. All member firm offices where the public is served will be visited periodically. For many years, Exchange examiners have visited member firms' main offices and accounting centers annually to spot-check books and records.

Points covered in visits, Mr. Funston said, will be generally similar to those raised in a notable cautionary statement issued by the Exchange in the spring of 1959, suggesting "A Self-Appraisal of Member Firm Activities."

Experiments with spot checks of member firm sales activities were conducted in that year, and a study was begun to find a workable method for a more complete and regular program of checking the sales performance of all firms doing business with the public.

In 1961 the Exchange explored the use of customer interviews as the primary approach to checking sales activities. Some 877 customers were interviewed that year in a major research project conducted by the Exchange staff with the aid of two professional interviewing and research agencies. The conclusion was that customer interviews could be a valuable part of a program to spot check sales activities but were not effective as a primary tool. Consequently, the present system was developed during 1962 to inspect supervisory and customer service practices within individual firms, supplemented by customer interviews.

Mr. Funston noted that several conferences on training and management already conducted by the Exchange fit into the educational part of the new program. He also noted that it is tied closely to steps taken by the Exchange in recent years to upgrade standards for selection, training, testing and continuing education of member firm personnel who handle the public's securities business.

A new "Guide to the Supervision and Management of Registered Representatives and Customer Accounts"—now being issued to member firms dealing with the public—will be an important educational tool useful in the program.

The Guide was prepared with Exchange personnel by a Committee of eight management experts from small, medium and large-sized member firms. It is possible, Mr. Funston noted, "only because many member firms over the years have themselves devised effective management techniques and have been willing to share them." He continued:

"This Guide does not contain new rules or policies. It is rather the effort of an industry Committee to review the areas of supervision and management which the Committee believes should exist in any brokerage office doing business with the public, regardless of size or nature of business. Methods of supervision discussed in this Guide have been adjudged by the Committee to be reasonable and practical and are, in fact, presently being used by some firms."

The Committee, in its report, noted that no single supervisory system can fit every firm's circumstances, just as no single formula fits all investment programs.

"We have, however, attempted to suggest practical methods for handling a sales force and accounts to prevent customer unhappiness, rule violations and monetary loss," the Committee said.

In their visits to member firm offices, Exchange personnel will inquire into methods by which managers and partners or officers of member organizations supervise and control actvities of registered representatives. Specific areas for checks on procedures include:

Steps followed in opening new accounts and obtaining adequate information about customers and their investment objectives.

Systems for review of active accounts and margin accounts.

Methods for checking correspondence and other contacts with customers.

Checks on practices relating to receipt of securities and money payments.

"Such checks, while helpful to all firms, may provide another means of discovering potential problem areas so that preventive steps may be taken," Mr. Funston said.

He noted that the nation's shareowner growth in the last decade—from 6½ to 17 million persons—has been accompanied by a roughly proportionate increase in member firm offices and registered representatives. The total number of registered representatives has grown from 12,800 to some 32,000 and member firm offices have increased from about 1,790 to 3,300 since 1952.

"This growth has required development by member organizations of new techniques of communication and control," Mr. Funston added. "These practices can be shared through this new program of education and enforcement."

Monetary and Fiscal Policy Will Shape 1963 Outlook

Continued from page 3

able—total reserves available to commercial banks. One step removed, the Board has nearly complete control over the money supply since the amount of bank reserves is the main determinant of the ability of commercial banks to loan or invest funds and hence create new money. From the end of 1961 through August of 1962 both the money supply (demand deposits and currency) and seasonally adjusted reserves of commercial banks trended moderately downward. Since August both series have risen significantly. Free reserves have remained essentially unchanged during the October-November, 1962, months since the reserve funds provided to the banking system were promptly loaned or invested and consequently were used neither for reducing the modest volume of borrowing from the Fed nor for building up excess reserves which yield no return.

Says Money Supply Changes Cause Spending Changes

Is monetary policy capable of initiating significant increases in total spending or rather is it, to quote the often used analogy, "like pushing on a string?" This question cannot be answered on a priori grounds since a logical case can be made for the proposition that more money will result in more spending and alternatively that more money will merely result in more idle cash hoards. But the facts can provide an answer. Careful research conducted largely by Professor Milton Friedman and colleagues at the University of Chicago has established beyond reasonable doubt that there is a very close causal link between monetary change and spending change. These studies support the view that the quantity of money matters because: (1) Changes in the quantity of money has in the past resulted in substantial changes in incomes, prices and employment, (2) The relationships between the quantity of money and other assets and income are relatively stable and therefore, the effects of changes in the stock of money are to a significant extent predictable and finally (3) The quantity of money can be controlled accurately within narrow limits by monetary policy.

Not only does evidence in the U. S. support the causal link between money and spending but data based on international comparisons point to the same conclusion. Comparison (see accompanying table) of rank order of monetary expansion in the seven most advanced industrial countries of the world from 1955 through 1960 with the rank order of Gross National Product (spending on currently produced goods and services) increases shows high rank correlation. Only the order of France and Italy was transposed in the GNP series as compared to the rank order of countries by monetary growth.

It is frequently assumed that more rapid monetary growth will lead to low interest rates. Yet the evidence contradicts this proposition. If monetary growth does in fact stimulate total spending, it is conceivable that the consequent higher rate of spending will generate strong demand for money

Compound Annual Rates of Increase (1955-1960)

Money Supply		Gross National Product	
Japan	13.7%	Japan	11.3%
Italy	10.5	France	10.8
Germany	10.2	Germany	9.2
France	9.9	Italy	7.6
Canada	3.4	Canada	5.8
United Kingdom	2.1	United Kingdom	5.7
United States	0.9	United States	4.9

pressures and therefore result in higher rather than lower interest rates. Comparison of average interest rates for the countries listed above indicates that countries that tended to have high rates of monetary growth also had high, rather than low, interest rates. Thus, interest rates appear to be primarily a result of economic activity rather than a cause. I am forced to conclude on the basis of the evidence, as contrasted to much of the arm-chair philosophizing that frequently masquerades under the title of economic analysis, that monetary policy is more nearly analogous to "pushing on a ramrod" rather than "pushing on a string."

Money Growth Limited Due to Balance of Payments

It is generally agreed that one of the basic difficulties with our economy during recent years was inadequate demand to absorb all the goods and services the economy was capable of producing at existing prices. Why then did the compound annual rate of expansion in the money supply average only 1.2% from 1956 to 1961 and amount to approximately zero so far this year? First, it must be candidly admitted that not everyone interprets the data as I have. But of more direct relevance in recent years, has been the restraint imposed by the deficit in the balance of payments. Monetary and fiscal authorities have feared that a more rapid monetary expansion would depress short-term interest rates and accelerate the gold outflow. Consequently, the Federal Reserve has severely limited monetary growth even though much slack existed in the economy. Many European bankers and economists have encouraged U. S. officials to impose an even tighter monetary policy for the purpose of raising interest rates and slowing gold outflows. They cite their own high interest rate structures but fail to point out their monetary policies have been much more expansive than in the U. S. It is true that high interest rates are frequently symptomatic of a rigorous economy but it is not true that high interest rates imposed on a sluggish economy by a restrictive monetary policy will bring economic health. The Treasury has aided the short-term rate propping operation by substantially increasing the volume of short-term Government securities. Unfortunately, these joint efforts have neither solved the balance of payments difficulties nor created sufficient demand in the private sector of the economy to restore full employment of resources.

Although the balance of payments was in a deficit position throughout most of the past decade, little attention was paid to the problem until the late 1950's. The peak deficit of nearly $4 billion was reached in 1960 and the deficit has declined gradually over the past three years. But the continuation of a net excess of payments abroad has involved further gold losses and further increases in liquid U. S. liabilities to the rest of the world. The deficit for all of 1961 totaled $2.5 billion and for the first nine months of this year the annual rate of deficit averaged nearly $1.9. It would have been larger had not France and Italy sent funds to the U. S. as advance payments on loans.

The U. S. Government has adopted a variety of measures to reduce the payments deficit and it is this Administration's avowed goal to eliminate the deficit by the end of 1963. Direct measures taken to stem the deficit include action to limit Government spending abroad, the tieing of loan funds to purchases of only U. S. products, promotion of exports, and reduction of tax incentives for American investment in developed foreign countries. Another factor relieving some of the pressure on our deficit is the more rapid rate of rise in costs and prices abroad than in the U. S. To the extent we are successful in convincing foreign nations to reduce import restrictions on U. S. products and to share more fully in economic aid programs to less developed countries as well as military expenditures abroad, further progress can be made.

But most of these measures require direct action by the U. S. Government rather than the operation of a self-equilibrating system. Under the old gold standard there was a built-in regulator that tended to restore balance of payments equilibrium by forcing internal change upon employment, incomes and prices. Some argue that such action is the proper solution to our present dilemma even though it would be at a substantial cost in terms of many billions of dollars of lost income as well as further widespread unemployment. No major nation is willing to completely follow the rigors and dictates of the gold standard, but as indicated previously, we are tending in that direction.

International Monetary System Without Forcing Domestic Inflation or Deflation

After World War II an international monetary mechanism was built which maintained fixed exchange rates without an adjustment mechanism but accompanied by a system of loans through the International Monetary Fund. It should not be surprising that this fixed exchange rate system between countries of differing growth rates and varying rates of inflation allows persistent balance of payments disequilibrium. In the early post-war years the dollar was in short supply, indicating it was priced too cheaply in terms of other world currencies. Just as many observers became convinced the dollar shortage would be a permanent problem, the opposite problem evolved; namely a surplus of dollars. A major objective of the 1960's should be the molding of an international monetary system capable of achieving and maintaining balance-of-payments equilibrium without at the same time forcing internal inflation and deflation. Although direct actions discussed previously may temporarily reduce our payments deficit, it does not promise a long-term solution since there exists no equilibrating mechanism.

What are the implications of current and prospective economic changes for the financial markets. If the economy continues somewhat sluggish over the next several months as I expect and monetary policy remains expansive, moderate downward pressure on interest rates is to be expected. However, a sizable tax cut accompanied by continued monetary expansion would brighten the business prospects for the remainder of 1963. Under such conditions improved economic conditions and good corporate profits would bode well for the equity market and interest rates would tend to stabilize and possibly rise by the latter part of the year. If the fiscal and monetary policy changes I have assumed do not materialize, all bets are off for 1963.

*An address by Mr. Sprinkel at the Executive Program Club Luncheon, University of Chicago, Chicago, Ill.

City of Montreal Debens. Offered

A total of $25,000,000 The City of Montreal 5% sinking fund debentures is being publicly offered by an investment group jointly managed by White, Weld & Co.; Eastman Dillon, Union Securities & Co.; Blyth & Co., Inc.; Nesbitt, Thomson & Co., Inc., New York and Belanger Inc., Montreal.

The offering consists of $9,000,000 debentures for local improvements, due Jan. 15, 1983, priced at 101.265% and accrued interest, to yield 4.90%; and $16,000,000 debentures for public works, due Jan. 1, 1988, priced at 101.432% and accrued interest, to yield 4.90%.

Principal and interest on the two issues are payable in United States funds.

The group won the award Jan. 14, on a bid of 100.18% for the combined maturities, setting an annual net interest cost of 4.98%.

The debentures are direct and unconditional obligations of the City of Montreal.

Net proceeds from the sale of the Local Improvement Debentures will be used to repay borrowings incurred in the temporary financing of the cost of property condemnations for the purpose of opening, extending and widening streets and the cost of other improvements such as sewers, pavements and sidewalks. The proceeds of the Public Works Debentures will be applied toward the cost of road and highway construction, public garages, parking grounds, construction of a civic center and concert hall, and other improvements.

The sinking funds of the issues begin in 1964 and are calculated to retire approximately 94% of each issue prior to maturity at a redemption price of 100% and accrued interest. The debentures are not reedeemable, other than for the sinking fund, prior to Jan. 1, 1973, on and after which date they will be optionally redeemable at prices ranging from 103% down to par, plus accrued interest.

Amos Sudler Adds

DENVER, Colo.—Albert J. Gould and S. Stanton Gould have joined the staff of Amos C. Sudler & Co., American National Bank Building. Both were formerly with Insurance Stocks, Inc.

NSTA NOTES

NATIONAL SECURITY TRADERS ASSOCIATION

The annual winter meeting of the National Security Traders Association will be held at the Drake Hotel, Chicago, on Jan. 20 and 21. NSTA President, Earl L. Hagensieker, of Reinholdt & Gardner, St. Louis, will preside at the business sessions which will be attended by the officers and delegates from 34 affiliated regional associations.

National delegates will attend the annual dinner of the Security Traders Association of Chicago on Monday evening, Jan. 21, at the Drake Hotel.

BOSTON SECURITIES TRADERS ASSOCIATION

The Boston Securities Traders Association will hold its 39th Annual Dinner on Feb. 8 at the Statler Hilton Hotel. The dinner to be held at 7:30 p.m. will be preceded by a cocktail party at 5:30. Tariff is $18.

Clive B. Fazioli

Warren A. Lewis

The usual luncheon for out-of-town guests will be held at 12:15 p.m. the same day at the Hawthorne Room of the Parker House.

Warren Lewis of Weeden & Co. is General Chairman of the Dinner Committee.

Clive Fazioli, White, Weld & Co., is President of the Boston Securities Traders Association.

INVESTMENT TRADERS ASSOCIATION OF PHILADELPHIA

The Investment Traders Association of Philadelphia will hold its Annual Winter Dinner at the Bellevue Stratford Hotel on Feb. 21.

On Feb. 20, the Annual Bowling Tournament between the Security Traders Association of New York bowling team and the Philadelphia keglers will be held at the 30th Street Alleys in Philadelphia.

WASHINGTON SECURITY TRADERS ASSOCIATION

The Washington Security Traders Association has been formally installed as an affiliate of the National Security Traders Association.

The President of the Washington association is John May, of Johnston, Lemon & Co.

GEORGIA SECURITY DEALERS ASSOCIATION

The new officers of the Georgia Security Dealers Association for the year 1963 are as follows:

Frank J. Myers

Joseph E. Lay

President: Frank J. Myers, J. H. Hilsman & Co., Inc.

Vice-President: Joseph E. Lay, Robinson-Humphrey Company.

Secretary-Treasurer: Allen Crawford, Jr., Johnson, Lane, Space & Co., Inc.

Executive Committee: John B. Ellis, Courts & Co.; Paul E. Manners, First National Bank of Atlanta; N. Barnard Murphy, Jr., Goodbody & Co.; Samuel W. Preston, Wyatt, Neal & Waggoner.

SECURITY TRADERS ASSOCIATION OF NEW YORK

The Security Traders Association of New York will hold its annual dinner on Friday April 26 in the Grand Ballroom of the Waldorf-Astoria. Michael J. Heaney, Michael J. Heaney & Co., is chairman of the dinner committee.

Westheimer Adds

CINCINNATI, Ohio—Richard D. Longacre has become connected with Westheimer & Co., 124 East Fourth Street, members of the New York and Cincinnati Stock Exchanges. Mr. Longacre was previously with Paine, Webber, Jackson & Curtis.

Joins BUO Corp.

COLORADO SPRINGS, Colo. — Theodore B. Gazarian has become affiliated with BUO Corporation, 415 North Tejon. Mr. Gazarian was formerly with Copley and Company and prior thereto was an officer of Gazarian, Essendrop & Co.

BANK AND INSURANCE STOCKS

This Week — Bank Stocks

THE FIRST NATIONAL BANK IN DALLAS

Price	Dividend	Earnings (1962)	Yield	P-E Ratio
$63.00	$1.36	$2.74	2.16%	23x

The earnings figures for the First National Bank in Dallas have just been released and amounted to $2.74 per share as compared to $2.62 in 1961. This increase is impressive—particularly in a period when most commercial bank earnings are expected to be reported at the level of the previous year. Also, this experience speaks well for the First National in view of anticipated earnings of major Texas banks which, for the most part, are not expected to show improvement for 1962.

According to reports from the management, loan demand remains strong and for the first time deposits exceeded one billion dollars which places the bank in competing position with the largest Texas bank. It is also reported that 1963 should produce favorable earnings. Work is progressing on the new 50-story office building which is expected to be completed in the latter part of 1964. Approximately half of the space in the new building is to be leased.

The First National Bank may attribute much of its recent growth in both earnings and deposits to a young and aggressive management team. Under this management many new services have been developed, including an automatic monthly savings plan and a professional loan plan for the medical profession. A new electronic data processing system has been installed and much of the bank's operations are being converted to these machines. In addition to new services is the development of a large and active municipal bond department. This has not only contributed to earnings of the bank but also has created an awareness of the need for tax-exempt bonds at an early date—the obvious result being substantial gains in this section of the portfolio.

The bank has two wholly owned affiliates, the First National Securities Company and the First Dallas Capital Corporation. The former began operation in 1930 and was used to provide participation in two area banks. The latter corporation was formed as a Small Business Investment Company. In order for banks to grow to their full potential and develop complete consumer services, branch banking is almost essential. Although Texas laws do not provide for branching, it is a distinct possibility that the existing situation will be changed.

Naturally, the First National has had to resort to capital stock subscription to keep capital growth in line with deposits. In spite of this action, earnings growth has still been favorable. Also, the dividend has declined as a percent of earnings which allows for a reasonable plough-back. This in turn should mean less future need for stock sales. The current price earnings ratio of this bank stock is high but has been higher at several times in any of the past nine years.

Earnings, Dividends, Prices, Price/Earnings Ratios, and Book Value

Year	NOE Per Share	Divid.	Divid. as % of Earngs.	Price Range High	Price Range Low	Price/Earnings High	Price/Earnings Low	Book Value
1962	$2.74	$1.36	49%	$69	$42	26.3x	16.0x	$26.60
1961	2.62	1.31	50	75	35	28.5	13.3	24.13
1960	2.29	1.31	57	37	30	16.2	13.1	23.23
1959	1.97	1.31	66	38	28	19.3	14.2	22.33
1958	2.08	1.22	59	31	27	14.9	13.0	21.94
1957	1.79	1.22	68	30	27	16.8	15.1	21.25
1956	1.47	1.16	79	30	25	20.4	17.0	20.71

Assets, Deposits, Loans, and Earnings

Year	Total Assets*	Total Deposits*	Total Loans*	Net Oper. Earnings†
1962	$1,172	$1,054	$624	$8,754
1961	1,111	972	572	7,302
1960	966	871	485	6,802
1959	907	806	479	5,865
1958	968	885	446	5,479
1957	821	735	387	4,714

*In millions of dollars; †In thousands of dollars.

Ulmer & Joseph With Weil, Roth, Irving

CINCINNATI, Ohio—Ann Ulmer and Leon H. Joseph have become associated with Weil, Roth & Irving Co., Dixie Terminal Building, members of the Cincinnati Stock Exchange. Both were formerly partners in Ulmer-Joseph Co.

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.

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. (1/28-31)
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.

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.

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.
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. **Offering**—Indefinite.

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

• American Gas Co. (2/4-8)
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.

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.

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. (1/28-31)
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 was 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.
Nov. 23, 1962 filed $752,400 of 6% conv. subord. debentures due 1975 (Series B) and 150,480 common shares being offered for subscription by stockholders in units (7,524) consisting of $100 of debentures and 20 shares on the basis of one unit for each 130 common held of record Jan. 8. Rights will expire Jan. 22. **Price**—$200 per unit. **Business** — Design, development, and manufacture of mechanical, electromechanical and electronic precision equipment for U. S. armed forces. **Proceeds**—For prepayment of loans. **Office**—112-03 14th Ave., College Point, N. Y. **Underwriter**—None.

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

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

• 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 **Underwriter**—D. B. Marron & Co., N. Y. **Note** — This registration was withdrawn.

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**—To be named. **Note**—This registration was withdrawn. Assets of the company have been sold to Colonial Corp. of America.

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

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**—Indefinite.

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.

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.

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.

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 2315, 195 Broadway, New York.

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**—Indefinite.

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.

● **Circle K Food Stores, Inc. (1/22)**
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. **Note**—This registration was withdrawn.

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.

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

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

● **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. **Offering**—Indefinite.

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.

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.

● **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, re-

Continued on page 30

NEW ISSUE CALENDAR

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

January 18 (Friday)
Olympia Record Industries, Inc.__________Common
(Mid-Town Secuities Corp.) $265,000

January 22 (Tuesday)
Chesapeake & Potomac Telephone Co. of Md.__Debs.
(Bids 11 a.m. EST) $50,000,000
Circle K Food Stores, Inc.__________Common
(Eppler, Guerin & Turner, Inc.) 96,000 shares
Luck's Inc.__________Common
(J. C. Wheat & Co. and Allied Securities Corp.) 145,500 shares
Pioneer Telephone Co.__________Common
(Dean Witter & Co. and M. H. Bishop & Co.) 75,000 shares
Tennessee Gas Transmission Co.__________Bonds
(Stone & Webster Securities Corp.; White, Weld & Co.; Halsey, Stuart & Co., Inc.) $50,000,000

January 23 (Wednesday)
Duro-Test Corp.__________Common
(Auchincloss, Parker & Redpath) 150,000 shares
Petrolane Gas Service, Inc.__________Common
(Dean Witter & Co.) 100,000 shares
Public Service Co. of Oklahoma__________Bonds
(Bids 10:30 a.m. CST) $10,000,000
Southern Pacific Co.__________Equip. Trust Ctfs.
(Bids 12 noon EST) $8,400,000

January 28 (Monday)
Aerosystems Technology Corp.__________Common
(Chase Securities Corp.) $495,000
Aquariums, Inc.__________Common
(Golkin, Divine & Fishman, Inc.) 51,200 shares
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
Electro-Nucleonics, Inc.__________Common
(M. L. Lee & Co., Inc.) $147,625
Nippon Electric Co., Ltd.__________American Shs.
(First Boston Corp. and Daiwa Securities Co., Ltd.) 400,000 A. D. S.

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

February 4 (Monday)
American Gas Co.__________Debentures
(Walston & Co.) $1,685,000
American Gas Co.__________Common
(Walston & Co.) 275,000 shares
Florida Bancgrowth, Inc.__________Common
(Dempsey-Tegeler & Co., Inc.) 250,000 shares
Great Eastern Insurance Co.__________Common
(Emanuel, Deetjen & Co. and Zuckerman Smith & Co.) $1,908,000
Pacific Southwest Airlines__________Common
(E. F. Hutton & Co., Inc.) 293,000 shares
United Camera Exchange, Inc.__________Common
(Ingram, Lambert & Stephen, Inc.) $300,000
Zero Mountain, Inc.__________Common
(Don D. Anderson & Co., Inc.) $300,000

February 5 (Tuesday)
Bell Telephone Co. of Pennsylvania__________Debentures
(Bids 11 a.m. EST) $50,000,000

February 6 (Wednesday)
Japan Development Bank__________Bonds
(First Boston Corp.; Dillon, Read & Co. Inc.; and Smith, Barney & Co., Inc.) $17,500,000
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

February 11 (Monday)
Roddy Recreation Products Inc.__________Units
(Dempsey-Tegler & Co., Inc.) $1,300,000

February 15 (Thursday)
Natural Gas & Oil Producing Co.__________Class A
(Peter Morgan & Co.) $900,000

February 18 (Monday)
Atlantic Coast Line RR.__________Equip. Trust Ctfs.
(Bids 12 noon EST) $3,600,000
Texas Power & Light Co.__________Bonds
(Bids 11:30 a.m. EST) $10,000,000

February 19 (Tuesday)
Potomac Electric Power Co.__________Bonds
(Bids 10 a.m. EST) $50,000,000

February 20 (Wednesday)
Arkansas Power & Light Co.__________Bonds
(Bids to be received) $15,000,000

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 12 (Tuesday)
Oklahoma Gas & Electric Co.__________Bonds
(Bids 11 a.m. EST) $15,000,000

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

May 14 (Tuesday)
Virginia Electric & Power Co.__________Bonds
(Bids to be received) $30,000,000

Continued from page 29

search, inventory, advertising and working capital. **Office**—360 Main St. E., Rochester, N. Y. **Underwriter**—John J. DeGolger Co., Inc., Rochester, N. Y. **Offering**—Indefinite.

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

● **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. **N. B.**—This registration was withdrawn.

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

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.

● **Dallas Power & Light Co.** (1/29)
Jan. 2, 1963 filed $25,000,000 of first mortgage bonds due 1993. **Proceeds**—To redeem $20,000,000 of 5¼% bonds due 1989, repay advances from Texas Utilities Co., parent, finance construction, etc. **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., Inc.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); First Boston Corp.; Lehman Brothers. **Bids**—Jan. 29, 1963 (12 noon EST). **Information Meeting**—Jan. 25 (11 a.m. EST) at 2 Rector Street, New York.

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 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** — Consolidated Financial Program (same address). **Offering**—Indefinite.

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

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

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

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

● **Duro-Test Corp.** (1/23)
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.

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.** (1/28-31)
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**—Indefinite.

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.

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

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

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

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

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

● **Florida Bancgrowth, Inc.** (2/4-8)
March 16, 1962 filed 250,000 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.

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.

Freoplex, Inc.
Jan. 2, 1963 ("Reg. A") $200,000 of 7% convertible subordinated debentures due March 1, 1975. **Price**—At par. **Business**—Operation of retail meat supermarkets. **Proceeds**—For debt repayment and working capital. **Address**—Route 18, Tices Lane, East Brunswick, N. J. **Underwriter**—Alessandrini & Co., Inc., N. Y.

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 Design Corp.
April 25, 1962 ("Reg. A") 65,000 common. **Price**—$3. **Business**—Design and development of new products for various industries. **Proceeds**—For debt repayment,

equipment and working capital. **Office**—1252 W. Peachtree St., N. W., Atlanta, Ga. **Underwriter** — Robert M. Harris & Co., Inc., Philadelphia. **Note**—The SEC has issued an order temporarily suspending this issue.

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

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-March.

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. (2/4-8)**
April 13, 1962 filed 381,600 common. **Price**—$5. **Business**—Company plans to write certain types of fire and casualty insurance. **Proceeds** — For general corporate purposes. **Office**—116 John St., New York. **Underwriters**—Emanuel, Deetjen & Co., and Zuckerman Smith & Co., 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 (max. $19). **Business**—A holding company for four life insurance companies and a bank. **Proceeds**—For debt repayment. **Office**—311 So. Akard St., Dallas. **Underwriters**—Goldman, Sachs & Co., and Lehman Brothers, New York. **Offering**—Expected in early February.

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

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, advetrising, 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 (S. V.) & Sons
March 30, 1962 filed $1,300,000 of convertible subordinated debentures due 1977 and 200,000 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.

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**—Indefinite.

● **Jayark Films Corp. (1/29)**
Aug. 24, 1961 filed 85,000 common. **Price**—By amendment. (Approx. $5). **Business**—Company is engaged in distribution of motion picture films for television. **Proceeds** — For financing of production costs of films, for sales and promotion, debt repayment, and general corporate purposes. **Office**—733 Third Ave., New York. **Underwriter**—Pacific Coast Securities Co., San Francisco.

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.

Continued on page 32

Continued from page 31

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.**
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., New York. Offering—Indefinite.

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.

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.**
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. Offering—Indefinite.

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.

● **Luck's, Inc. (1/22)**
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.

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.

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.

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.

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.

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.

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. Offering—Imminent.

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.

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

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 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 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.
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 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 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. (2/15)
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.

Nippon Electric Co. Ltd. (1/28-31)
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 March.

Nordon Corp., Ltd.
March 29, 1962 filed 375,000 capital shares, of which 100,000 are to be offered by company and 275,000 by stockholders. Price—By amendment (max. $6). Business—Acquisition and development of oil and natural gas properties. Proceeds—For drilling expenses and working capital. Office — 5455 Wilshire Blvd., Los Angeles. Underwriter—Gregory-Massari, Inc., Beverly Hills, Calif.

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.

● **Olympia Record Industries, Inc. (1/18)**
May 29, 1962 filed 53,000 class A common. **Price** — $5. **Business**—Company is engaged in wholesale distribution of phonograph records and albums. **Proceeds**—For loan repayment, inventories, new products, and working capital. **Office**—614 West 51st St., New York. **Underwriter**—Mid-Town Securities Corp., New York.

● **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**—Indefinite.

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.

● **Pacific Southwest Airlines. (2/4)**
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.

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. (1/23)**
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.

● **Pioneer Telephone Co. (1/22)**
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.

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.

Public Service Co. of Oklahoma (1/23)
Dec. 31, 1962 filed $10,000,000 of first mortgage 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. 23 (10:30 a.m. CST) in Chicago.

Publishers Co., Inc.
Aug. 29, 1962 filed 25,000 outstanding common shares to be sold by stockholders. **Price**—By amendment (max. $10). **Business**—Book publishing. **Office**—1106 Connecticut Ave., Washington, D. C. **Underwriter**—Roth & Co., Inc., Philadelphia. **Note**—This registration will be withdrawn.

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**—Indef.

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.

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**—Indefinite.

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.

Roddy Recreation Products Inc. (2/11)
Dec. 31, 1962 filed $1,000,000 of 6½% convertible subordinated debentures due 1978 and 50,000 common shares to be offered in units of one $500 debenture and 25 shares. **Price**—$650 per unit. **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.

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.

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.**
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., New York. **Offering**—Imminent.

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**—

Continued on page 34

Continued from page 33

For debt repayment, equipment and working capital. **Office**—1933 Heck Ave., Neptune, N. J. **Underwriter**—Milton D. Blauner & Co., N. Y. **Offering**—Postponed.

Southeastern Towing & Transportation Co., Inc.
Nov. 29, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Construction and operation of towing boats. **Proceeds**—For debt repayment, conversion of a boat, and working capital. **Office**—3300 N. W. North River Drive, Miami, Fla. **Underwriter**—Irwin Karp & Co., Inc., 68 William St., N. Y.

Sovereign Life Insurance of California
Nov. 28, 1962 filed 800 capital shares. **Price**—$2,500. **Business**—Company plans to engage in writing life and disability insurance in California. **Proceeds**—For capital and surplus. **Office**—510 S. Spring St., Los Angeles. **Underwriter**—McDonnell & Co., Inc., New York. **Offering**—Indefinite.

● **Sperti Products, Inc.**
Nov. 29, 1961 filed 230,000 common of which 200,000 are to be offered by the company and 30,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of drug and food products, electrical and electronic devices and precision machinery. **Proceeds**—For the purchase of certain patents, repayment of debt, and working capital. **Office**—730 Grand St., Hoboken, N. J. **Underwriter**—Blair & Co., New York. **Note**—This registration will be withdrawn.

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.

Sterling Copper Corp.
Aug. 2, 1962 filed 850,000 common. **Price**—$1. **Business**—Company plans to operate a non-ferrous rod and tube mill. **Proceeds**—For plant and equipment, working capital and other corporate purposes. **Office**—300 Horn Rd., Pinconning, Mich. **Underwriter**—None.

Stratford Financial Corp.
March 29, 1962 filed 315,000 class A shares of which 218,000 are to be offered by the company and 97,000 by the stockholders. **Price**—$6. **Business**—Commercial finance company. **Proceeds**—For debt repayment. **Office**—95 Madison Ave., N. Y. **Underwriter**—Mortimer B. Burnside & Co., Inc., N. Y.

Stratton Fund, Inc.
March 20, 1962 filed 500,000 common. **Price**—$20. **Business**—A new mutual fund which plans to offer investors the opportunity of exchanging their individual securities for shares of the Fund without incurring Federal income tax liability. **Office**—15 William St., New York. **Dealer-Manager**—J. R. Williston & Beane, N. Y. **Note**—This company formerly was named Stratton Realty & Construction Fund, Inc.. **Offering**—Indefinite.

Superior Commercial Corp.
Nov. 15, 1962 filed 200,000 class A common, of which 100,000 are to be offered by the company and 100,000 by stockholders. **Price**—$1.50. **Business**—Company buys and holds second mortgages. **Proceeds**—For general corporate purposes. **Office**—9 Maiden Lane, New York. **Underwriter**—S. C. Burns & Co., Inc., New York. **Offering**—Expected in February.

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.

Ten-Tex, Inc.
Dec. 31, 1962 ("Reg. A") 3,000 units each consisting of one 6½% 10-year debenture, 25 common shares and purchase warrants for 100 common shares to be offered for subscription by stockholders of Ten-Tex Corp., parent, of record Feb. 1, 1963 on the basis of one unit for each 150 common shares held. **Price**—$100. **Business**—Sale and lease of machinery for production of tufted textile products. **Proceeds** — For debt repayment and working capital. **Office**—3814 Tennessee Ave., Chattanooga, Tenn. **Underwriter**—Irving J. Rice & Co., Inc., St. Paul.

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. (1/22)
Oct. 11, 1962 filed $50,000,000 of first mortgage pipe line bonds due March 1, 1983. **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.

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

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.

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.

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. (2/4-8)**
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 Ualena 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.

● **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 was 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.**
July 13, 1962 filed 100,000 common. **Price**—$3.50. **Business**—Photo-offset printing. **Proceeds** — For debt repayment, equipment and working capital. **Office**—142 W. 26th St., N. Y. **Underwriter** — K-Pac Securities Corp., New York. **Offering**—In late February.

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. **Offering**—February.

● **Zero Mountain Inc. (2/4-8)**
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

★ **American Mortgage Insurance Co.**
Jan. 10, 1963 filed 31,070 common to be offered for subscription by stockholders on the basis of one share for each five shares held. **Price**—$18. **Business**—A mortgage insurance company. **Proceeds** — For investments. **Office**—300 S. Salisbury St., Raleigh, N. C. **Underwriter**—None.

★ **Arkansas Power & Light Co. (2/20)**
Jan. 10, 1963 filed $15,000,000 of first mortgage bonds due 1993. **Proceeds**—To refund outstanding 5⅝% first mortgage bonds due Dec. 1, 1989. **Address** — Ninth 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.

★ Barclay Associates
Jan. 14, 1963 ("Reg. A") $170,000 of limited partnership interests. **Price** — $1,770.83 each. **Business** — Company plans to acquire the leasehold interest in a building "Barclay House." **Proceeds**—For general corporate purposes. **Office**—65 Princeton Ave., Yonkers, N. Y. **Underwriter**—None.

★ Bell Telephone Co. of Pennsylvania (2/5)
Jan. 15, 1963 filed $50,000,000 of debentures due Feb. 1, 2003. **Proceeds** — To repay advances from A. T. & T., parent, for construction and other corporate purposes. **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** — Feb. 5, 1963 (11 a.m. EST) in Room 2315, 195 Broadway, New York.

★ Byrd (William) Press, Inc.
Dec. 31, 1962 ("Reg. A") $300,000 of 6% 20-year subordinated debentures to be offered for subscription by stockholders. **Price**—$100 per unit. **Business**—A general printing business. **Proceeds**—For general corporate purposes. **Office**—1407 Sherwood Ave., Richmond, Va. **Underwriter**—None.

★ Community Investment Corp.
Dec. 31, 1963 ("Reg. A") $250,000 of 8% (series B) subordinated debentures due 1978. **Price** — $500 per unit. **Business** — Management of small loan and finance companies. **Proceeds** — For working capital. **Office** — 31 Hampshire St., Lawrence, Mass. **Underwriter**—None.

★ Cosmic, Inc.
Jan. 7, 1963 ("Reg. A") 2,948 common. **Price**—$14. **Business**—A research and engineering company, engaged in the fields of energy conversion and space propulsion. **Proceeds** — For debt repayment, equipment, leasehold improvements and working capital. **Office**—3206 Grace St., N. W., Washington, D. C. **Underwriter**—None.

★ Datamark, Inc.
Jan. 9, 1963 ("Reg. A") 50,000 common. **Price** — By amendment. **Business**—Design, development and production of high-speed printers and related electronic data-processing equipment. **Proceeds** — For debt repayment, equipment, sales promotion, working capital and other corporate purposes. **Office** — 26 Broadway, New York. **Underwriter**—None.

★ Delta Management Corp.
Dec. 26, 1962 ("Reg. A") 29,000 class B common. **Price**—$10. **Business**—An investment advisor to Technical Fund, Inc., a mutual fund. **Proceeds**—For sales promotion, investment and working capital. **Office** — 33 Broad St., Boston. **Underwriter**—None.

★ Elk Exploration, Inc.
Jan. 7, 1963 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Drilling of oil and gas wells. **Proceeds**—For general corporate purposes. **Office**—111 W. Telegraph St., Carson City, Nev. **Underwriter**—None.

★ Emtec Inc.
Jan. 4, 1963 ("Reg. A") $300,000 of 6% convertible subordinated debentures due 1968. **Price**—At par ($500). **Business** — Design and manufacture of miniature and subminiature metal products for electronic, appliance and automotive industries. **Proceeds**—For equipment, debt repayment and working capital. **Office** — 140 S. Olive St., Elyria, Ohio. **Underwriter**—Fulton, Reid & Co., Inc., Cleveland.

★ Japan Development Bank (2/6)
Jan. 14, 1963 filed $17,500,000 of 6% guaranteed external loan bonds due Feb. 1, 1978. **Price**—By amendment. **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. **Proceeds** — To make loans to leading private electric power companies in Japan. **Office**—Tokyo, Japan. **Underwriters**—First Boston Corp.; Dillon, Read & Co. Inc.; Smith, Barney & Co. Inc.

★ Professional Men's Association, Inc.
Jan. 8, 1963 filed 40,000 common. **Price**—$5. **Business**—Company specializes in financial consulting, and servicing patients' accounts of member hospitals, physicians and dentists. **Proceeds**—For debt repayment and working capital. **Address**—100 W. Tenth St., Wilmington, Del. **Underwriter**—None.

★ Southwest Forest Industries, Inc.
Jan. 11, 1963 filed 638,237 common to be offered for subscription by stockholders on the basis of three new shares for each five held. **Price**—By amendment (max. $7). **Business**—Company manufactures lumber and wood products, and converts, processes and distributes paper products. **Proceeds**—For working capital and debt repayment. **Office** — 444 First National Bank Building, Phoenix. **Underwriter**—None.

★ Standard of the Southwest Life Insurance Co.
Jan. 7, 1963 ("Reg. A") 120,000 common. **Price** — $2.50. **Business**—Sale of life insurance in New Mexico. **Proceeds**—For organizational expenses and other corporate purposes. **Address** — Suite 1207, First National Bank Bldg., East, Albuquerque. **Underwriter**—None.

★ Wallace (William) Co.
Jan. 9, 1963 filed $2,500,000 of subordinate debentures due 1981 (with attached warrants) to be offered in units consisting of one $1,000 debenture and one warrant to purchase 55 common shares. **Price** — By amendment. **Business**—Manufacture of double wall gas vent systems, prefabricated chimneys, roof drainage equipment, stove pipe, and fittings. **Proceeds** — For loan repayment and working capital. **Address** — 230 Park Ave., New York. **Underwriters**—Reynolds & Co., Inc., and P. W. Brooks & Co., Inc., New York.

★ Wallace & Tierman Inc.
Jan. 16, 1963 filed 256,000 common. **Price**—By amendment. **Business** — Manufacture of chemicals, equipment and pharmaceuticals. **Proceeds**—For selling stockholders. **Office**—25 Main St., Belleville, N. J. **Underwriters**—White, Weld & Co. and Cyrus J. Lawrence & Sons, N. Y. **Offering**—Expected in mid-February.

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."

Fidelity Bankers Life Insurance Co.
175,000 outstanding common shares offered at $14.625 per share by Lee Higginson Corp., and Shearson, Hammill & Co.

Illinois Power Co.
$35,000,000 of 4¼% first mortgage bonds due Jan. 1, 1993 offered at 100.848% plus accrued interest to yield 4.20%, by White, Weld & Co., and Merrill Lynch Pierce, Fenner & Smith Inc., New York.

Litton Industries Inc.
215,426 outstanding common shares offered at $67.25 per share by Lehman Brothers, Clark, Dodge & Co., Inc., and Goldman, Sachs & Co., New York.

Montreal (City of)
$9,000,000 of 5% sinking fund debentures for local improvements due Jan. 15, 1983 priced at 101.265%, to yield 4.90%; and $16,000,000 of 5% sinking fund debentures for public works due Jan. 1, 1988 priced at 101.43% and accrued interest, to yield 4.90%, offered by White, Weld & Co., Eastman Dillon, Union Securities & Co., Blyth & Co., Inc., Nesbitt, Thomson & Co., Inc., New York, and Belanger Inc., Montreal.

Prospective Offerings

★ Atlantic Coast Line RR (2/18)
Jan. 15, 1963 it was reported that this road plans to sell about $3,600,000 of 1-15 year equipment trust certificates. **Office**—220 E. 42nd St., New York. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Feb. 18 (12 noon EST) at above address.

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.

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. **Information Meeting**—Mar. 8 (11 a.m.) at 16 Wall St. (2nd fl.), New York.

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
Jan. 16, 1963, following the sale of $6,300,000 of equipment trust certificates, it was reported that $14,700,000 of certificates remain to be sold in 1963, in two or more instalments. **Office** — 547 W. Jackson Blvd., Chicago. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc.

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.
Jan. 16, 1963 it was reported that this company plans to sell $8,000,000 of first mortgage bonds in June 1963. **Office**—408 W. 7th Street, 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.
Jan. 16, 1963 it was reported that the company plans to sell $40,000,000 of bonds in the second half of 1963, or in 1964. **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.

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.

Continued on page 36

Continued from page 35

● Interstate Power Co.
Jan. 16, 1963 it was reported that this company plans to sell $7,000,000 of first mortgage bonds and $3,000,000 of common stock in May 1963. **Office**—1000 Main Street, 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 Power & Light Co.
Jan. 16, 1962 it was reported that the company plans to sell $10,000,000 of bonds in the fourth quarter. **Office**—823 Walnut St., Des Moines. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; White, Weld & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Lehman Brothers; Blyth & 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.

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.

★ Massachusetts Electric Co.
Jan. 16, 1963 it was reported that this company plans to sell $10,000,000 of bonds in the fourth quarter. **Office**—441 Stuart St., Boston. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co.; Blyth & Co.-White, Weld & Co. (jointly).

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.

★ New England Power Co.
Jan. 16, 1963 it was reported that this utility plans to sell $10,000,000 of bonds and $10,000,000 of preferred stock in the fourth quarter. **Office**—441 Stuart St., Boston. **Underwriters** — (Competitive). Probable bidders: (Bonds) Halsey, Stuart & Co. Inc.; Lehman Brothers-Equitable Securities Corp. (jointly); Kuhn, Loeb & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co.-White, Weld & Co. (jointly); First Boston Corp. (Preferred) First Boston Corp.; Dean Witter & Co.-Smith, Barney & Co.-Wertheim & Co. (jointly); Equitable Securities Corp.-Kidder, Peabody & Co.-Lee Higginson Corp.-White, Weld & Co. (jointly); Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith, Inc.

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.
Jan. 16, 1963 it was reported that this company plans to sell $30,000,000 of debt securities sometime in 1963 or 1964. **Office**—2223 Dodge St., Omaha, Neb. **Underwriter**—To be named. The last sale of debentures on Nov. 16, 1960 was handled on a negotiated basis by Blyth & Co., Inc., N. Y.

★ Northern States Power Co. (Minn.)
Jan. 11, 1963, it was reported that this company plans to sell $25,000,000 of first mortgage bonds due 1993 in the first half of the year. **Proceeds** — For construction. **Office**—15 South Fifth St., Minneapolis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.-Blyth & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co.-White, Weld & Co. (jointly); Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers-Riter & Co. (jointly).

Northwestern Bell Telephone Co. (3/5)
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. (3/12)
Jan. 8, 1963 it was reported that this company plans to sell $15,000,000 of first mortgage bonds due 1993. **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. **Bids**—March 12 (11 a.m. EST) at First National City Bank, 55 Wall St., New York.

★ Otter Tail Power Co.
Jan. 16, 1963 it was reported that this company plans to sell $10,000,000 of bonds in the fourth quarter. **Office**—215 South Cascade St., Fergus Falls, Minn. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. Inc.; Glore, Forgan & Co.-Kalman & Co. (jointly); White, Weld & Co.

Pacific Power & Light Co.
Nov. 28, 1962 it was reported that the company plans to issue $30,000,000 of first mortgage bonds in June 1963. **Proceeds**—To repay outstanding loans. **Office**—920 S. W. Sixth Ave., Portland, Ore. **Underwriters**—(Competitive). Probable bidders: Lehman Brothers-Bear, Stearns & Co.-Salomon Brothers & Hutzler (jointly); Halsey, Stuart & Co. Inc.; Blyth & Co.-White, Weld & Co. (jointly); Eastman Dillon, Union Securities & Co.-Kidder, Peabody & Co. (jointly).

Pennsylvania Power & Light Co.
Feb. 20, 1962. Jack K. Busby, President and C. E. Oakes, Chairman, stated that the company will require about $93,000,000 in debt financing in the period 1962 to 1970. **Proceeds**—For construction and the retirement of $17,000,000 of maturing bonds. **Office**—9th and Hamilton Sts., Allentown, Pa. **Underwriters**—To be named. The last sale of bonds on Nov. 29, 1961 was won at competitive bidding by White, Weld & Co., and Kidder, Peabody & Co. Other bidders were Halsey, Stuart & Co. Inc.; First Boston Corp.-Drexel & Co. (jointly).

Potomac Electric Power Co. (2/19)
Jan. 8, 1963, it was reported that this utility plans to sell $50,000,000 of first mortgage bonds. **Office**—929 E St., N. W., Washington, D. C. **Underwriters**—(Competitive). Probable bidders: Dillon, Read & Co., Inc.-Lehman Brothers-Eastman Dillon, Union Securities & Co.-Stone & Webster Securities Corp.-Johnston, Lemon & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.; Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co.-Salomon Brothers & Hutzler (jointly). **Bids**—Feb. 19 (10 a.m. EST) at above address.

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 in 35 major cities. **Proceeds**—For expansion. **Office**—1530 Chestnut St., Philadelphia. **Underwriter**—To be named.

★ Southern California Edison Co.
Jan. 16, 1963 it was reported that this company plans to sell $60,000,000 of bonds later this year or in 1964. **Office**—601 West Fifth St., Los Angeles. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp., and Dean Witter & Co. (jointly).

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 $8,400,000 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.
Jan. 15, 1963 stockholders authorized 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). **Bids**—Expected in late February.

★ Southern Railway Co. (2/14)
Jan. 16, 1963 it was reported that the company plans to sell $4,020,000 of equipment trust certificates in February. A second instalment, also of $4,020,000, will be sold later in the year. **Office**—70 Pine St., New York. **Underwriters** — (Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Feb. 14 (12 noon EST) at above address.

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.
Jan. 16, 1963 it was reported that this company plans to sell $30,000,000 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 National Bank of Houston
Jan. 15, 1963, it was reported that the bank is offering its stockholders the right to subscribe for an additional 80,000 common on the basis of one new share for each 10 held of record Jan. 15, with rights to expire Jan. 30. **Price**—$55. **Proceeds**—To increase capital and surplus. **Address**—1300 Main St., Houston. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

● Texas Power & Light Co. (2/18)
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. 18 (11:30 a.m. EST) at Ebasco Services, Inc., 2 Rector St., New York. **Information Meeting**—Feb. 14 (11 a.m. EST) at same 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.

★ Virginia Electric & Power Co. (5/14)
Jan. 16, 1963 the company announced plans to sell $30,000,000 of first mortgage bonds due 1993. **Proceeds**—For construction. **Address**—7th and Franklin Sts., Richmond. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; White, Weld & Co.; Eastman Dillon, Union Securities & Co.; Salomon Brothers & Hutzler. **Bids**—Expected May 14.

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.

★ Wisconsin Public Service Corp.
Jan. 16, 1963 it was reported that this company plans to sell $15,000,000 of bonds later this year or in 1964. **Office**—1029 North Marshall St., Milwaukee. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler (jointly); First Boston Corp.; White, Weld & Co.; Kidder, Peabody & Co.

The State of TRADE and INDUSTRY

Continued from page 5

ter will be close to 26 million ingot tons, up 10% from the 23.7 million tons poured in the quarter just ended, *Steel* said.

Although consumption may be a little lower than it was in the fourth quarter, demand for steel will be greater. Reason: Users have done about all the inventory cutting they can do.

Cold weather in the South, which threatened considerable losses to citrus fruit crops, has spurred demand for tin plate. Packers are seeking to save as much of the frozen fruit as possible by quickly processing it.

From now until the end of February, market conditions will undergo little change. Steelmakers who expected the year to start with a bang are disappointed with the market's sluggishness but are still confident of eventual improvement.

Ingot production this week will be about the same as the 1,875,000 tons *Steel* estimates the industry poured last week.

Scrap dealers say business is slow. *Steel's* price composite on No. 1 heavy melting grade held at $26.33 a gross ton last week.

Nonferrous Price Changes

Nonferrous price movements were noted by *Steel* this week.

Observers are still predicting the price of refined silver will reach the statutory limit of $1.29 an ounce. Last week, it was above $1.22. A new method of quoting the silver price has been adopted to simplify data process coding, billing, and record keeping. The quotation will be in cents and tenths of a cent per troy ounce instead of eighths of a cent as formerly.

A tight supply situation has forced some cadmium producers and distributors to boost base prices for the metal 5 to 10 cents a pound. Cadmium is used mainly in the electroplating of metal products and in pigments and chemicals.

More weaknesses are being reported in aluminum prices. No change was made in December mill products prices, but a few products are selling at under list prices.

Strikes here and abroad and the Congo fighting are troubling nonferrous metalworkers, but observers are hopeful facilities will not be down too long.

Steel Strike Hedge Ordering Seen Increasing

The expected steel inventory buildup is getting under way, but in a pattern that varies from previous steel labor years, *Iron Age* magazine reported.

Looking ahead to a possible May 1 notice of reopening of the steel labor contract, steel users will build stocks as a protection against a potential strike. But the extent and timing of the buildup may not follow traditional lines.

Iron Age listed these reasons for a change in strike-hedge strategy:

(1) Although the contract may be reopened with 90 days prior notice, on May 1, at the earliest, the Steelworkers union could delay notice of reopening until later in the year, or postpone reopening indefinitely.

(2) Condition of the steel market and the ability of mills to produce and deliver tend to encourage hesitation on the part of steel users. Many believe they can wait virtually until the 90-day notice is given before plunging into inventory building.

(3) Mills themselves want to avoid a last minute rush. This would force them into costly practices to meet rush ordering. As one alternative, mills may build considerable stocks earlier in the year to avoid costly crash practices later.

(4) There is wishful thinking that, in one form or another, the industry, the union, or the government will give assurances that a strike is not likely. This is based on indications that all factors in the steel labor picture (and that includes the Administration) would like to avoid both a market-dislocating inventory buildup and a costly steel strike.

But even in the face of these factors, a buildup is inevitable. In the lead are the automakers. As these consuming giants make commitments for advance tonnages, others will be drawn into the stream, reluctantly or not.

In fact, this has resulted in more advance ordering now and lengthening of backlogs. Steel users who have been ordering on short lead times are now placing orders for delivery in April and even further. This is to protect their position on the mill books for the period in which inventory buying will reach its peak, and when books may be loaded.

Although automakers have not made firm commitments, there is no reason to discount earlier plans. Some automakers and parts divisions have indicated they will take 30% more steel in March and 25% more in April and subsequent months until a full buildup is reached or the labor issues are resolved.

Automakers are currently working on 15 days supply and would go out to 60 days if there is no change in the labor climate.

The feeling in the industry is that automakers will make their plans known this week or soon after; then appliance makers and other big users will follow.

Meanwhile, the day-to-day steel market continues with little change. The rate of orders placed in January has been disappointing to some extent. Although there is more forward buying, January tonnage is not likely to show expected gains over December. However, this varies geographically and from mill to mill, making a definite pattern difficult to assess.

Auto Output Tops Year-Ago Level by 11.9%

Ending holiday cutbacks, U. S. auto makers last week have scheduled passenger assemblies 40% above output for the first week of the New Year, *Ward's Automotive Reports* said.

The statistical agency said operations last week yielded 160,124 units, compared with 114,025 cars made during the holiday week's abbreviated production session. Last week's output came to about 11.9% above the 143,041 cars made in the corresponding period of a year ago.

Ward's said upwards of 680,000 cars are scheduled by the industry this month, compared with 628,227 turned out in January of 1962 and vying closely with the all-time high for the month of 688,690 set in post-steel strike 1960.

Overtime Saturday schedules in the assembly plants during January, however, will be moderated from the average of 20 plants working the extra day each week during the record 2,090,000-unit fourth quarter of 1962.

Production of 1963 model cars, leading all other model years to date, was estimated by *Ward's* last week at 2,830,000, compared with 2,589,000 cars made in the 1962 model run to the same date.

Of cars being made last week, General Motors was expected to produce 52.8%; Ford Motor Co. 26.4%; Chrysler Corp. 13.1%; American Motors 6.9% and Studebaker Corp. 0.8%.

Holidays Distort Rail Loading Comparisons

Loading of revenue freight in the week ended Jan. 5 totaled 422,196 cars, the Association of American Railroads announced. This was an increase of 64,979 cars or 18.2% above the preceding week, which included the Christmas holiday.

The loadings represented a decrease of 47,545 cars or 10.1% below the corresponding week in 1962, and a decrease of 16,997 cars or 3.9% below the corresponding week in 1961. New Year's Day Holiday fell in each of these weeks.

There were 8,860 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Dec. 29, 1962 (which were included in that week's over-all total). This was a decrease of 139 cars or 1.5% below the corresponding week of 1961 but an increase of 715 cars or 8.8% above the 1960 week.

Piggyback loadings for the year 1962 totaled 706,441. This was an increase of 115,195 cars or 19.5% compared with 1961, and 152,326 cars or 27.5% above 1960. There were 61 class I U. S. railroad systems originating this type traffic in the current week compared with 58 one year ago and 54 in the corresponding week in 1960.

Year-to-Year Truck Tonnage Declines 7.5%

Intercity truck tonnage in the week ended Jan. 5 was 7.5% below the volume in the corresponding week of 1962, the American Trucking Associations announced. Truck tonnage was 17.9% ahead of the volume for the previous week of this year. This week-to-week gain from the week of the Christmas holiday to that of New Year's is consistent with the pattern in previous years.

The year-to-year decline can be attributed, in part, in the dock strike which depressed traffic going to Eastern and Gulf ports.

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 nine localities, with 25 points reflecting decreases from the 1962 level.

Compared with the immediately preceding week, 33 metropolitan areas registered increased tonnage. One trucking center, Houston, showed a decrease from the earlier week. Wide variations in tonnage changes for the week seemed to be related to holiday observances.

Lumber Data Unavailable

Editor's Note: Weekly and yearly lumber production, shipment and new order data are unavailable this week.

Electric Output Up 3.0% Over Last Year

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Jan. 12, was estimated at 17,467,000,000 kwh., according to the Edison Electric Institute. Output was 1,032,000,000 kwh. more than the previous week's total of 16,435,000,000 kwh., and 510,000,000 kwh., or 3.0% above the total output of the comparable 1962 week.

Business Failures at Six-Week High

Continuing to recover from the holiday lows, commercial and industrial failures rose to 315 in the week ended Jan. 19 from 241 in the preceding week, reports Dun & Bradstreet, Inc. This increase lifted casualties to the highest level since Nov. 29 and brought them about even with last year's toll of 319 in the similar week. However, they remained slightly lower than the 335 in 1961 and were off 17% from the pre-war level of 380 in 1939.

Big failures with liabilities in excess of $100,000 more than doubled during the week, climbing to 66 from 31 in the prior week and 39 a year ago. The rise among casualties with losses under $100,000 was more moderate, with their toll up to 249 from 210 a week earlier but still short of the 280 of this size in the comparable week last year.

An increasing number of concerns failed in all lines of industry and trade except service where casualties held nearly steady at 21 as against 19 in the previous week. The toll among wholesalers jumped to 42 from 18, while moderate climbs occurred in manufacturing, up to 63 from 47, in construction up to 57 from 38, and in retailing, up to 132 from 119. Considerably more manufacturers and wholesalers succumbed than last year. However, the construction toll held about even with its 1962 levels and declines from a year ago prevailed in both retailing and service.

Five geographic regions reported heavier casualties in the latest week, with the largest increases concentrated in the East North Central States where the toll climbed to 72 from 32 and the Pacific States, up to 64 from 48. More moderate increases lifted Middle Atlantic failures to 87 from 72 and South Atlantic to 48 from 35. Little change occurred in three regions and two reported

Continued on page 39

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)	Jan. 12	1,912,000	1,879,000	1,832,000	2,300,000
Index of production based on average weekly production for 1957-1959	Jan. 12	102.6	100.9	98.3	123.5
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Jan. 4	7,280,410	7,361,760	7,334,860	7,371,060
Crude runs to stills—daily average (bbls.)	Jan. 4	8,543,000	8,741,000	8,401,000	8,508,000
Gasoline output (bbls.)	Jan. 4	30,687,000	31,701,000	30,894,000	31,018,000
Kerosene output (bbls.)	Jan. 4	3,524,000	3,729,000	3,244,000	3,085,000
Distillate fuel oil output (bbls.)	Jan. 4	15,621,000	14,960,000	14,202,000	14,866,000
Residual fuel oil output (bbls.)	Jan. 4	6,427,000	6,104,000	5,407,000	6,743,000
Stocks at refineries, bulk terminals, in transit, in pipe lines					
Finished gasoline (bbls.) at	Jan. 4	189,729,000	187,876,000	181,747,000	187,787,000
Kerosene (bbls.) at	Jan. 4	31,379,000	32,164,000	35,094,000	31,358,000
Distillate fuel oil (bbls.) at	Jan. 4	143,652,000	149,376,000	166,401,000	147,269,000
Residual fuel oil (bbls.) at	Jan. 4	49,520,000	50,660,000	51,919,000	45,053,000
Unfinished Oils (bbls.) at	Jan. 4	83,388,000	85,458,000	86,632,000	79,372,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Jan. 5	422,196	357,217	537,392	469,741
Revenue freight received from connections (no. of cars)	Jan. 5	404,212	405,436	508,847	438,313
CIVIL ENGINEERING PLANNING—ENGINEERING NEWS-RECORD—NEW SERIES:					
Total advance planning by ownership	Jan. 10	$476,000,000	$156,800,000	------	$599,400,000
Private	Jan. 10	186,300,000	61,400,000	------	167,600,000
Public	Jan. 10	289,700,000	95,400,000	------	431,800,000
State and Municipal	Jan. 10	273,400,000	95,400,000	------	426,700,000
Federal	Jan. 10	16,300,000	------	------	5,100,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Jan. 5	7,100,000	*6,190,000	7,690,000	7,275,000
Pennsylvania anthracite (tons)	Jan. 5	242,000	272,000	405,000	319,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100	Jan. 5	92	*121	213	83
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Jan. 12	17,467,000	16,874,000	18,009,000	16,957,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Jan. 10	315	241	252	319
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Jan. 7	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Jan. 7	$63.43	$63.43	$63.43	$66.44
Scrap steel (per gross ton)	Jan. 7	$26.50	$26.50	$25.50	$37.83
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Jan. 11	30.600c	30.600c	30.600c	30.600c
Export refinery at	Jan. 11	28.525c	28.425c	28.520c	27.975c
Lead (New York) at	Jan. 11	10.000c	10.000c	10.000c	10.000c
Lead (St. Louis) at	Jan. 11	9.800c	9.800c	9.800c	9.800c
‡Zinc (delivered) at	Jan. 11	12.000c	12.000c	12.000c	12.500c
Zinc (East St. Louis) at	Jan. 11	11.500c	11.500c	11.500c	12.000c
Aluminum (primary pig, 99.5%) at	Jan. 11	22.500c	22.500c	22.500c	24.000c
Straits tin (New York) at	Jan. 11	111.500c	111.125c	109.250c	119.875c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Jan. 15	90.64	90.29	90.05	86.10
Average corporate	Jan. 15	88.95	88.81	88.54	86.11
Aaa	Jan. 15	93.08	92.79	92.50	89.92
Aa	Jan. 15	90.63	90.63	90.48	88.27
A	Jan. 15	89.23	88.95	88.27	85.59
Baa	Jan. 15	83.28	83.28	83.28	81.29
Railroad Group	Jan. 15	85.72	85.72	85.33	83.40
Public Utilities Group	Jan. 15	90.48	90.48	90.06	87.32
Industrials Group	Jan. 15	90.48	90.34	90.20	87.86
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Jan. 15	3.66	3.69	3.71	4.12
Average corporate	Jan. 15	4.49	4.50	4.52	4.70
Aaa	Jan. 15	4.20	4.22	4.24	4.42
Aa	Jan. 15	4.37	4.37	4.38	4.54
A	Jan. 15	4.47	4.49	4.54	4.74
Baa	Jan. 15	4.92	4.92	4.92	5.08
Railroad Group	Jan. 15	4.73	4.73	4.76	4.91
Public Utilities Group	Jan. 15	4.38	4.38	4.41	4.61
Industrials Group	Jan. 15	4.38	4.39	4.40	4.57
MOODY'S COMMODITY INDEX	Jan. 15	371.8	369.0	370.0	376.2
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Jan. 5	168,338	313,358	362,148	216,099
Production (tons)	Jan. 5	120,651	265,486	354,714	162,543
Percentage of activity	Jan. 5	69	46	96	73
Unfilled orders (tons) at end of period	Jan. 5	458,616	413,806	456,670	493,023
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Jan. 11	122.71	123.95	122.82	116.75
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Dec. 21	2,397,840	2,619,560	2,570,100	2,748,360
Short sales	Dec. 21	375,600	515,430	573,760	332,000
Other sales	Dec. 21	1,791,710	1,940,180	1,878,670	2,241,890
Total sales	Dec. 21	2,167,310	2,455,610	2,452,430	2,573,890
Other transactions initiated off the floor—					
Total purchases	Dec. 21	392,270	397,680	573,980	315,900
Short sales	Dec. 21	29,700	43,250	106,600	21,200
Other sales	Dec. 21	282,230	400,750	440,160	338,870
Total sales	Dec. 21	311,930	444,000	546,760	360,070
Other transactions initiated on the floor—					
Total purchases	Dec. 21	996,567	874,485	1,080,355	975,445
Short sales	Dec. 21	113,020	130,300	129,615	87,850
Other sales	Dec. 21	831,874	866,230	809,834	979,030
Total sales	Dec. 21	944,894	996,530	939,449	1,066,880
Total round-lot transactions for account of members—					
Total purchases	Dec. 21	3,786,677	3,891,725	4,224,435	4,039,705
Short sales	Dec. 21	518,320	688,980	809,975	441,050
Other sales	Dec. 21	2,905,814	3,207,160	3,128,664	3,559,790
Total sales	Dec. 21	3,424,134	3,896,140	3,938,639	4,000,840
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. 21	1,248,846	1,242,682	1,240,210	1,745,386
Dollar value	Dec. 21	$58,782,515	$59,847,835	$58,445,650	$94,277,057
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Dec. 21	1,990,740	1,769,299	1,564,527	1,889,420
Customers' short sales	Dec. 21	13,616	16,237	24,599	7,249
Customers' other sales	Dec. 21	1,977,124	1,753,062	1,539,928	1,882,171
Dollar value	Dec. 21	$85,193,525	$79,230,271	$69,581,830	$95,232,244
Round-lot sales by dealers—					
Number of shares—Total sales	Dec. 21	913,280	777,980	591,270	653,520
Short sales	Dec. 21	------	------	------	------
Other sales	Dec. 21	913,280	777,980	591,270	653,520
Round-lot purchases by dealers—Number of shares	Dec. 21	200,230	231,190	285,250	491,730
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. 21	740,610	930,940	1,215,700	544,530
Other sales	Dec. 21	18,703,680	17,906,830	18,072,590	18,037,740
Total sales	Dec. 21	19,444,290	18,837,770	19,288,290	18,582,270
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):					
Commodity Group—					
All commodities	Jan. 8	100.4	100.6	100.4	a
Farm products	Jan. 8	97.9	*99.1	97.5	a
Processed foods	Jan. 8	100.5	100.8	101.0	a
Meats	Jan. 8	96.4	97.2	98.5	a
All commodities other than farm and foods	Jan. 8	100.7	100.7	100.7	a

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

	Latest Month	Previous Month	Year Ago
AMERICAN IRON AND STEEL INSTITUTE—			
Steel ingots and steel for castings produced (net tons)—Month of November	7,845,000	*8,780,538	8,745,966
Shipments of steel products (net tons)—Month of November	5,499,405	5,579,309	5,787,455
AMERICAN ZINC INSTITUTE, INC.—Month of December:			
Slab zinc smelter output all grades (tons of 2,000 pounds)	79,890	76,192	85,261
Shipments (tons of 2,000 pounds)	84,467	81,489	80,453
Stocks at end of period (tons)	149,554	154,151	151,189
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in million as of November 30:			
Total consumer credit	$61,473	$59,744	$55,451
Instalment credit	47,274	46,029	42,419
Automobile	19,307	18,657	16,960
Other consumer credit	12,186	11,831	11,215
Repairs and modernization loans	3,302	3,245	3,192
Personal loans	12,479	12,296	11,052
Noninstalment credit	14,199	13,715	13,032
Single payment loans	5,526	5,245	4,880
Charge accounts	4,825	4,805	4,684
Service credit	3,848	3,665	3,468
COTTON AND LINTERS—DEPARTMENT OF COMMERCE—RUNNING BALES:			
Consumed, month of November	667,192	823,270	875,443
In consuming establishments as of Dec. 1	1,418,984	1,256,661	1,711,864
In public storage as of Dec. 1	13,073,648	11,736,787	10,730,610
Linters—Consumed month of November	100,740	125,363	130,127
Stocks—December 1	695,642	614,147	518,821
Cotton spindles active as of Dec. 1	16,395,000	16,495,000	17,507,000
COTTON SPINNING (DEPT. OF COMMERCE):			
Spinning spindles in place on Dec. 1	19,542,000	19,609,000	19,951,000
Spinning spindles active on Dec. 1	16,395,000	16,495,000	17,507,000
Active spindle hours (000's omitted) Dec. 1	8,035,000	10,134,000	8,178,000
Active spindle hours for spindles in place December 1	401.8	405.4	408.9
CROP PRODUCTION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—Crop as of Dec. 1, final (in thousands):			
Corn, grain (bushels)	3,643,615	3,590,238	3,625,530
Corn, silage (tons)	74,046	------	65,110
Wheat, all (bushels)	1,091,787	1,095,225	1,234,743
Winter (bushels)	816,379	815,028	1,075,005
All spring (bushels)	275,408	280,197	159,738
Durum (bushels)	71,809	67,252	21,185
Other spring (bushels)	203,599	212,945	138,553
Oats (bushels)	1,031,743	1,027,959	1,011,398
Soybeans for beans (bushels)	675,197	668,830	679,566
Barley (bushels)	429,495	430,794	395,669
Rye (bushels)	41,175	38,926	27,476
Buckwheat (bushels)	729	------	864
Flaxseed (bushels)	31,952	31,603	22,178
Rice (bags)	64,458	63,622	54,198
Popcorn (pounds)	438,155	------	500,490
Sorghum grain (bushels)	509,137	490,258	479,751
Sorghum forage (tons)	4,019	------	3,413
Sorghum silage (tons)	12,443	------	12,996
Cotton, lint (bales)	14,723	14,533	14,318
Cottonseed (tons)	6,140	------	5,978
Hay, all (tons)	121,034	117,488	116,819
Hay, wild (tons)	10,899	10,737	8,335
Alfalfa seed (pounds)	118,777	------	126,115
Red clover seed (pounds)	69,753	------	65,275
Alsike clover seed (pounds)	928	------	1,966
Sweetclover seed (pounds)	18,268	------	17,885
Lespedeza seed (pounds)	80,120	------	81,920
Timothy seed (pounds)	23,261	------	25,825
Beans, dry (bags)	18,827	18,102	20,287
Peas, dry (bags)	4,947	4,954	3,543
Cowpeas for peas (bushels)	1,100	------	1,299
Peanuts picked and threshed (pounds)	1,811,330	1,786,425	1,742,960
Velvetbeans (tons)	34	------	47
Potatoes, winter (cwt.)	4,160	4,395	4,967
Early spring (cwt.)	3,433	3,443	4,640
Late spring (cwt.)	21,690	20,652	27,753
Early summer (cwt.)	12,620	12,537	15,496
Late summer (cwt.)	33,805	32,791	36,106
Fall (cwt.)	192,572	191,059	204,632
Total (cwt.)	268,280	264,877	293,594
Sweetpotatoes (cwt.)	18,451	17,229	15,213
Tobacco (pounds)	2,261,243	2,200,340	2,060,992
Sugarcane for sugar and seed (tons)	11,188	11,082	9,991
Sugarcane syrup (gallons)	2,716	------	3,425
Sugar beets (tons)	18,169	18,439	17,704
Maple syrup (gallons)	1,446	------	1,520
Broomcorn (tons)	26	23	25
Hops (pounds)	44,231	43,907	35,454
Apples, winter crop (bushels)	121,390	121,255	126,710
Peaches (bushels)	76,351	75,806	77,895
Pears (bushels)	29,102	28,802	27,080
Grapes (tons)	3,148	3,098	3,092
Cherries (tons)	288	290	267
Plums (tons)	88	------	95
Prunes, dried (tons)	146	------	142
Prunes, other than dried (tons)	73	------	58
Cranberries (barrels)	1,335	1,335	1,236
Apricots (tons)	169	158	191
Avocados (tons)	49	------	56
Dates (tons)	22	------	21
Figs (tons)	64	------	63
Nectarines (tons)	50	------	54
Olives, California (tons)	50	------	44
Oranges (boxes)	149,645	------	138,095
Grapefruit (boxes)	42,500	------	42,910
Lemons (boxes)	14,000	------	16,740
Limes (boxes)	400	------	340
Tangelos (boxes)	800	------	1,000
Tangerines (boxes)	4,300	------	4,000
Tung nuts (tons)	22	------	112
Almonds (tons)	48	------	66
Filberts (tons)	8	------	12
Pecans (pounds)	69,300	79,800	246,750
Walnuts (tons)	81	------	68
Commercial vegetables—			
For fresh market (tons)	10,654	------	10,700
For processing (tons)	9,263	------	8,176
MOODY'S WEIGHTED AVERAGE YIELD—100 COMMON STOCKS—Month of December:			
Industrials (125)	3.41	3.45	2.92
Railroads (25)	5.03	5.03	4.86
Utilities (not incl. Amer. Tel. & Tel.) (24)	3.18	3.29	2.88
Banks (15)	3.27	3.36	2.75
Insurance (10)	2.53	2.44	2.10
Average (200)	3.37	3.41	2.91
MOTOR VEHICLE FACTORY SALES FROM PLANTS IN U. S. AUTOMOBILE MANUFACTURERS' ASSN.—Month of December:			
Total number of vehicles	759,599	801,317	736,916
Number of passenger cars	648,904	687,949	627,301
Number of trucks and motor coaches	110,695	113,368	109,615
RYE CONDITION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—			
As of December 1	92%	------	89%

The State of TRADE and INDUSTRY

Continued from page 37

declines during the week. Fewer concerns failed than last year in six of the nine regions.

Canadian failures rebounded to 49 from 20 a week ago but did not reach the 64 recorded in the corresponding week of 1962.

Wholesale Commodity Price Index Continues to Edge Down

Dipping through most of last week, the general wholesale commodity price level last Friday hit its lowest point since November but by this Monday had inched up slightly, reported Dun & Bradstreet, Inc. However, it remained below both month-ago and year-ago levels for the comparable date. Most livestock and grains were quoted lower at wholesale markets, outweighing the increases registered in a few commodities, notably silver which showed a sustained climb.

The Daily Wholesale Commodity Price Index edged down to 268.86 (1930-32 = 100) on Monday, Jan. 14, from 269.66 in the prior week and dropped considerably below the 275.66 recorded on the corresponding day of 1962.

Retail Purchases Make Post-Holiday Headway

Consumer buying held to a good pace in the week ended Wednesday, Jan. 9, with special promotions and clearance sales gaining full momentum. Although newspaper strikes naturally hampered special sales in the New York and Cleveland areas, and snow hurt the Mountain States, over-all retail activity forged far past the year-ago level for the corresponding week when volume sagged considerably in heavy snows in many areas. Both women's and men's apparel got off to a flying start in the New Year, although some slowing appeared in children's merchandise. A good beginning was also chalked up in White Sales. Home furnishings moved moderately well, running above last year but by a smaller margin than apparel. Purchases of hardware were even with a year earlier, while slight gains appeared in building materials. The call for new cars continued strong.

The total dollar volume of retail trade in the reported week ranged from 5 to 9% higher than last year, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1962 levels by the following percentages: Mountain −3 to +1; West North Central 0 to +4; New England and East South Central +1 to +5; Middle Atlantic and West South Central +3 to +7; Pacific +5 to +9; South Atlantic +7 to +11; East North Central +10 to +14.

Nationwide Department Store Sales Rise 11% Over Last Year's Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported an overall gain of 11% for the week ended Jan. 5, compared with the like period in 1962.

In the four-week period ended Jan. 5, 1963, sales gained 9% over the corresponding period in 1962.

According to the Federal Reserve System, department store sales in New York City for the week ended Jan. 5, were 4% more than the same period in 1962. 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. One can only speculate as to how much higher sales would have been in the absence of the strike. Even though the strike has spread to Cleveland, the four-week average totalled 9% more than a year ago for the country's 12 principal retail centers.

TAX-EXEMPT BOND MARKET

Continued from page 6

School District No. 1 awarded $3,540,000 (1963-1990) bonds to the syndicate headed jointly by the *Chase Manhattan Bank, Chemical Bank New York Trust Co.* and *Spencer Trask & Co.* on its bid of 100.7799 for 3.20s. The runner-up bid, 100.53 also for a 3.20% coupon, was made by the Franklin National Bank of Long Island and Eastman Dillon, Union Securities & Co.

Other major members of the winning syndicate include Geo. B. Gibbons & Co., Inc., Bacon, Stevenson & Co., Charles E. Weigold & Co., Inc. and Halle & Stieglitz. Scaled to yield from 1.70% to 3.30%, the present balance in syndicate is $1,085,000.

Burlington, Vermont, an infrequent borrower enjoying the highest credit rating, awarded $3,260,000 School and Sewage Disposal (1964-1984) bonds to the account consisting of *The First Boston Corp.* and *The Northern Trust Co.* on a bid of 100.6599 for a 2¾% coupon. The second bid, 100.515, also for a 2¾% coupon, was made by F. S. Moseley & Co. and associates. There were 12 additional groups which bid for this issue.

Reoffered to yield from 1.60% to 2.90% initial investor demand has been moderate with the present balance $1,715,000.

Last Friday only one issue of note came to market. Temple, Texas awarded $3,000,000 Independent School District (1964-1994) bonds to the *First Southwest Co.* group on a net interest cost bid of 3.3389%. The second bid, a 3.3561% net interest cost, came from the Goldman, Sachs & Co. syndicate. Seven additional bids were made for this issue.

Other major members of the winning group include Republic National Bank, Dallas, First City National Bank, Houston, Russ & Co., Hamilton Securities Co., Almon & McKinney, Inc. and Ft. Worth National Bank. Scaled to yield from 1.80% to 3.40%, the present balance is $1,650,000.

Montgomery County Sale Paced Heavy Tuesday Financing

On Monday there were no notable new issues but Tuesday saw four issues of note offered at competitive bidding. The *Chase Manhattan Bank* and associates submitted the best bid for $15,740,000 Montgomery County (Rockville), Maryland various purpose (1964-1988) bonds; a 2.961% net interest cost. The second best bid, figuring a 2.988% net interest cost, came from the Halsey, Stuart & Co., Inc. and Eastman Dillon Union Securities & Co. group. Associated with Chase Manhattan as major members of the winning group include Bankers Trust Co., C. J. Devine & Co., Mercantile Trust Co., Ladenburg, Thalmann & Co., L. F. Rothschild & Co., First National Bank, Dallas, Robert Garrett & Sons, The Marine Trust Co. of Western New York, Shearson, Hammill & Co., Trust Co. of Georgia, American Securities Corp., Federation Bank and Trust Co., Gregory & Sons and Wood, Struthers & Co.

Reoffered to yield from 1.60% in 1964 to 3.20% in 1986, initial investor demand has been moderate, with the balance in account about $6,910,000. The 1987 and 1988 maturities carried a 1/10% coupon and were offered to yield 4.25%.

The group headed jointly by *Phelps, Fenn & Co.* and *Shields & Co.* submitted the best bid for $7,850,000 Columbus, Ohio City School District (1964-1986) bonds, stipulating a 2.764% net interest cost. The runner-up bid, a 2.7965% net interest cost, came from Halsey, Stuart & Co., Inc. and associates.

Other major members of the winning group include Goldman, Sachs & Co., Hornblower & Weeks, Hemphill, Noyes & Co., Francis I. duPont & Co., Coffin & Burr and R. D. White & Co.

Scaled to yield from 1.60% to 3.00% for a 2⅞% coupon, the group reports an unsold balance of $4,290,000.

Halsey, Stuart & Co., Inc. and Smith, Barney & Co. and associates submitted the best bid, a 3.3968% net interest cost, for $5,500,000 Suffolk County Water Authority, Water Works revenue (1964-2001) bonds. The second bid, a 3.422% net interest cost, came from the B. J. Van Ingen & Co., Inc. syndicate.

Other members of the successful account are Kuhn, Loeb & Co., Blair & Co., Inc., Paribas Corp., J. C. Bradford & Co., Estabrook & Co., W. E. Hutton & Co., Halle & Stieglitz, Herbert J. Sims & Co., Inc. and Tilney & Co.

Scaled to yield from 1.70% to 3.40%, initial investor interest to date has been light, with the present balance about $4,740,000.

Another notable sale on Tuesday involved $4,800,000 Wayne, Michigan Community School Dist. (1966-1992) bonds which were bought by the *Chase Manhattan Bank* syndicate at a 3.5258% net interest cost. The runner-up bid, a 3.54% net interest cost, was made by the Blyth & Co. group.

Other members of the Chase Manhattan Bank syndicate are Mellon National Bank & Trust Co., First National Bank of Oregon, Portland, First Western Bank and Trust Co., Los Angeles, Paribas Corp. and Dempsey-Tegeler & Co., Inc.

Reoffered to yield from 2.05% to 3.55%, initial demand has been good, with the present balance in syndicate approximating $1,380,000.

Wednesday's only sale of importance, $9,100,000 Municipality of San Juan, Puerto Rico Public Improvement 1963-1983) bonds, was awarded to the *Chase Manhattan Bank, Morgan Guaranty Trust Co.* and *Ira Haupt & Co.* syndicate at a net interest cost of 3.1205%. The second bid, a 3.16% net interest cost, came from the Northern Trust Co. account.

Other major members of the winning syndicate include Salomon Brothers & Hutzler, R. W. Pressprich & Co., Banco De Ponce, Bache & Co., Allen & Co., Paine, Webber, Jackson & Curtis, Dominick & Dominick, First National Bank in St. Louis and Dean Witter & Co.

Reoffered to yield from 1.60% to 3.25%, initial demand has been fair, with the present balance about $6,000,000.

Dollar Bond Index Unchanged From Week Ago

The markets for long-term dollar quoted toll road, toll bridge, public utility and other revenue issues were steady during the past week. Upon averaging the yields available on the 23 issues regularly involved in our Index figure, the return is unchanged from a week ago at 3.50%. Fluctuations were minor and pretty well matched. Most of the high coupon issues held their own or made some slight gain.

As an indication of winter revenues on the toll highways, the Ohio Turnpike's December statement serves as typical source material. Interest was earned 1.54 times in December 1962 as against 1.43 times a year ago. Truck tolls constituted 51.3% of revenues in December 1962 against 45.6% a year ago. Passenger car traffic was reduced to 48.7% against 54.4%. This relative change in vehicle pattern is, of course, beneficial and to an extent, obtains for all the toll highways.

Montgomery Cty. Bonds Offered To Investors

A syndicate headed by the Chase Manhattan Bank, New York City, made public offering on Jan. 16 of $15,740,000 Montgomery County, Md., bonds, dated Feb. 1, 1963 and due annually on Feb. 1 from 1964 to 1988 inclusive. Bearing interest rates ranging from 5% to 1/10%, the bonds were priced to yield from 1.60% to 4.25%.

Besides the Chase Manhattan Bank, the syndicate included the following: Bankers Trust Co.; C. J. Devine & Co.; Mercantile Trust Co.; Ladenburg, Thalmann & Co.; L. F. Rothschild & Co.; First National Bank in Dallas; Robert Garrett & Sons; The Marine Trust Co. of Western New York; Shearson, Hammill & Co.; Trust Company of Georgia; American Securities Corporation; Federation Bank & Trust Company; Gregory & Sons; Wood, Struthers & Co.; Union Trust Company of Maryland, Baltimore; The National Bank of Commerce of Seattle; Fitzpatrick, Sullivan & Co.; J. R. Williston & Beane; Wells & Christensen, Inc.; R. D. White & Co.; Kenower, MacArthur & Co.; John Small & Co., Inc.; H. A. Riecke & Co., Inc., and Woodcock, Moyer, Fricke & French, Inc.

WASHINGTON AND YOU

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

WASHINGTON, D. C.—President Kennedy and his brother, Attorney General Robert Kennedy, still have one major thorn in their sides — the so-called independent agencies. Although the Kennedy clan has had tremendous success in bringing various other phases of government into the fold, they have had only moderate success lining up these agencies, particularly the Interstate Commerce Commission. The result is likely to be a real battle before the year is out.

Trial Balloon Quickly Deflated

Soon after President Kennedy took office, he and the Attorney General sent out a trial balloon: The Administration favored making these agencies regular executive agencies, rather than arms of Congress as they now are. These included the Securities and Exchange Commission, the National Labor Relations Board, the ICC, the Civil Aeronautics Board, and a couple of other smaller ones.

This trial balloon was shot down in a hurry. Congress yelled that the President was trying to usurp its powers. The Kennedy brothers backed down from the direct approach. Instead, they began to use the White House power to appoint. The National Labor Relations Board was the first to be, as some Congressmen say, "packed" because the White House was faced with filling enough vacancies to make a Kennedy majority. The labor unions made their recommendations, and they were accepted.

Circumstances quickly gave him control of the Federal Power Commission too, another five-man board. Although the hold-over Republican Chairman resisted for awhile, he soon gave in and the President was able to name his man as Chairman, Joseph C. Swidler.

Battle Over ICC

The others went more slowly. Generally, the larger the agency, the harder it as to bring under control. The ICC, with 11 members, has been particularly hard to handle. Worse still, from the Kennedy point of view, it is the oldest of these agencies and the most independent of White House pressures. It is set in its ways, has huge backlogs of court cases to back it up, and generally has been like a recalcitrant child when asked to fall into step behind any administration.

The battle that is now brewing is the result of the President's transportation program. Last year, after a lot of study and considerable fighting within the Administration, the White House proposed a series of changes in the transportation laws. Chief among them were proposals to end the ICC's minimum rate-setting powers and extend the current exemption from regulation for bulk commodities to all forms of carriers. At present, the water carriers have complete exemption for all bulk goods, and the truckers exemption only for farm products. The President said he wanted these exemptions extended to all carriers, particularly the railroads.

He espoused a lessening of government regulation of transportation, which he said would increase competition, lessen shipping costs, and thus strengthen the country's transportation industry. This, he said, would help cure the current transportation crisis.

Main Proposal Opposed by the Commission

If it would, it at the same time created something of a crisis in Washington. The railroads, suffering in the East, were gleeful. They have long complained that too much regulation, and outdated regulation, has been killing them. The truckers said there is no crisis in transportation, and complained that the President's program was just another gimmick to subsidize their competitors.

Then the ICC dropped its bomb. The surface transportation regulators went to Capitol Hill during hearings on the President's program and opposed the heart of it—the call for deregulation through ending the minimum rate controls and extending the bulk commodity exemptions. The measures died last year.

During the few short months of recess, the President turned over the transportation program drive to the Commerce Department. It became the Department's number one project. Secretary Hodges, Under Secretary Dan Martin (transportation), and others began to try to drum up support for the White House plans, ease opposition from truckers and others.

During December and early January, the Department called in the Washington spokesmen for the various types of carriers and tried to sell the program, under the label of "talking things over." But the intention was clear. "We listened, we didn't talk much," one trucking spokesmen said.

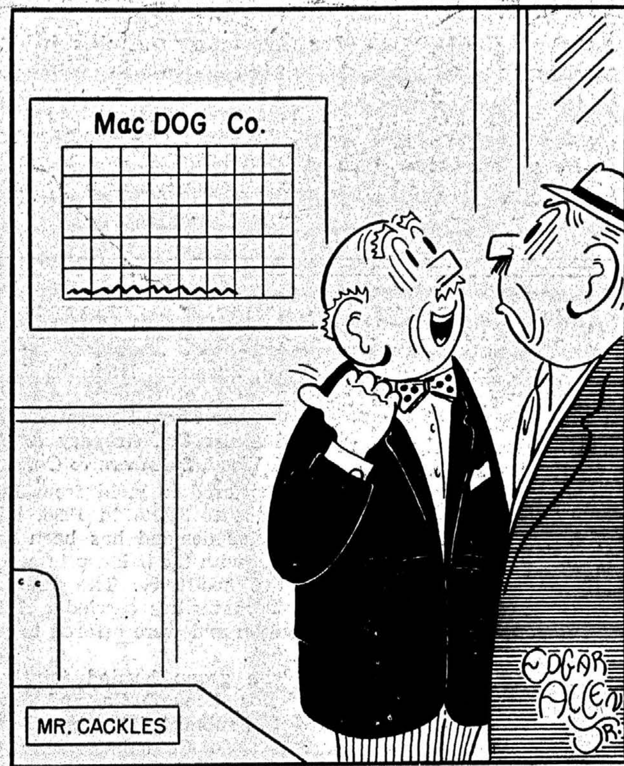
President Restates His Arguments

If the meetings weren't too successful, neither was an effort to get an agreement from the ICC. In the President's State of the Union message this week, he said:

"Our economic health depends on healthy transportation arteries; and I believe the way to a more modern, economical choice of national transportation service is through increased competition and decreased regulation." Thus, he in effect served notice that the Administration would not back down on its controversial proposals. Inside word was that some compromise might be acceptable, but only if a mild one.

But the President was a little late. Just a few days before, the Interstate Commerce Commission released its annual report. It hadn't budged either. In the form of a review of last year, but making clear that its position was unchanged, the ICC said:

"In our testimony . . . we commented at length on the proposal to eliminate the Commission's power to prescribe minimum rates on the transportation of agricultural and bulk commodities. We expressed the view that equality of competitive opportunity among carriers of the various modes could best be achieved in the public interest by adoption of the President's alternative proposal that the water carrier bulk commodity exemption be repealed (which the President correctly noted would never win Congressional approval). We also suggested in this connection that the agricultural commodities exemption be limited to transportation by motor vehicles having no more than three axles."



"Your stock HAS to go up!—Where else can it go?"

The stalemate thus continued. The President suggested that the normal antitrust laws would take care of any cut-throat competition by one carrier trying to gain a monopoly.

Administration Is Backing New Approach

President Kennedy will have a chance to replace the ICC Vice Chairman, Donald P. McPherson, Jr., a Republican, whose term expired the first of the year. He is now serving as a lame duck under a law which permits him to remain in office until a successor takes office. The word is out that the President will not rename him. In addition, two Democrats wind up their terms at the end of this year—too late to help the White House transportation program in 1963.

With failure, so far anyway, to bring the ICC into line, the White House is about ready to start a new tack — developing a single Transportation Department within the executive branch. This is a long-range goal, but the first steps are already being taken.

The White House has directed the Commerce Department to vastly increase its transportation activities. These include various studies, including one of mergers and antitrust problems. It also includes calling of a special committee made up of representatives from various agencies, including the Defense Department, Budget Bureau, Labor Department, and the Justice Department, to develop government policy on various transportation problems now before the courts.

The plan eventually is to limit the ICC to a strictly rate-making bureau, and move all other transportation problems to a new agency, or if not that, to an enlarged division of the Commerce Department.

ICC Enjoys Both Strength And Prestige in Congress

Even now, the Administration is attempting to soften the opposition it faces from the ICC by building up the Commerce Department as the official government spokesman on transportation policy, as opposed to the government rate-regulator. But this takes time, and it won't make too much difference this year. The ICC for 75 years has been the granddaddy of transportation spokesmen, is recognized as such in Congress (as one of the Congressional arms), and its voice carries considerable weight.

There is more than an outside chance that this disagreement between the White House and the ICC will break into a hot public fight. The flare-up will probably come before either the Senate or House Commerce Committees when hearings are held again on the President's program. Unless the ICC changes its position, which at the moment doesn't seem likely, an all-out battle between the two forces will focus more attention on the transportation industry than it has seen in a long time.

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

COMING EVENTS

IN INVESTMENT FIELD

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.

Jan. 28-29, 1963 (Houston, Tex.) Association of Stock Exchange Firms Winter Meeting of the Board of Governors at the Sheraton-Lincoln Hotel.

Feb. 8, 1963 (Boston, Mass.) Boston Securities Traders Association annual dinner at the Statler Hilton. A luncheon for out of town guests will be given at the Parker House the same day.

Feb. 20, 1963 (Philadelphia, Pa.) Security Traders Association of New York-Investment Traders Association of Philadelphia annual bowling tournament at the 30th Street Alleys.

Feb. 21, 1963 (Philadelphia, Pa.) Investment Traders Association of Philadelphia annual winter dinner at the Bellevue Stratford Hotel.