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EDITORIAL

As We See It

Last week there were two general analyses of the current business situation and two formulations of suggested remedies for whatever is found wrong—both from sources that command the most respectful attention of the public. One of them was from the President himself, and the other from one of the leading economists of the country, Dr. Arthur F. Burns, an outstanding Professor at Columbia University and President of the highly respected National Bureau of Economic Research. The President's remarks reflect clearly his eagerness for a large tax cut and relative indifference to tax reform, his general economic philosophy doubtless largely reflecting that of his chief economic advisers. The reasoning which leads the President to his conclusions is found in his other utterances of late as well as that of last week, and in those of his most influential advisers. All this is by now familiar to all.

Professor Burns was, as everyone knows, for a time the Chairman of President Eisenhower's Council of Economic Advisers, but we doubt if any responsible observer of the current scene would ever think of him as a political partisan. He seems to us at times to lean over a little too far perhaps to be certain of due scholarly receptiveness to ideas no matter how novel or strange, but on the whole his ideas are always well worth studying with great care. It was with pleasure that we reproduced in last week's *Chronicle* his testimony before the Joint Economic Committee of Congress. We think it well to take particular notice today in these columns of certain of the main lines of his reasoning and of some of his more general conclusions. There is, perhaps, no one in the country with greater familiarity with the facts of our current economic life, *(Continued on page 24)*

Why Growth Stocks Are the Most Desirable Type of Investment

By John B. Ramsay, Jr.,* *Executive Vice-President, T. Rowe Price and Associates, Inc., Baltimore, Md., Investment Advisors, T. Rowe Price Growth Stock Fund, Inc., and Rowe Price New Horizons Fund, Inc.*

Executive head of fund pioneering the term "growth stocks" spells out exactly why carefully selected stocks in that category are today's most desirable type of investment. Details: (1) criteria which really qualify issues for growth status; (2) performance records; (3) why 1960's earnings will exceed 1950's last half; and (4) favorite industry selections. Mr. Ramsay abjures stocks with P/E ratios of 35 and over unless expected to drop to 25 in two years; and urges stocks as inflation-hedge against oncoming deficits.

One of the first questions any Investment Counselor gets is, "What do you think of the market?" It does very little good to say that if you knew the answer to that question you would not have to work. It convinces no one when you say that neither you nor anyone else can consistently call the swings in the stock market over short or intermediate periods of time, even though you might be lucky a few times.

John B. Ramsay, Jr.

We spend a lot of time looking at the economic picture. 1962 was a good business year and the Federal Reserve Board Index was up 3.1%. We stated in January, 1962, that earnings of many companies should increase *15%-25%*. Many companies exceeded these figures. Earnings of representative stock averages were up *12%-14%*. Yet, 1962 was the year in which the stock market experienced its worst decline in 25 years. It would have been much more logical for this to have happened during the four preceding years when earnings were down 12% over the 4-year period. Instead, the Dow-Jones Industrial Average went up 68% during these four years. In late 1961 this Average was selling around 23 times earnings.

It is true that virtually all stocks suffer in a chaotic market decline like that of last spring. No matter which ones you own you cannot escape being hurt temporarily by such severe selling waves. It is when stability and then recovery occur that you have the great variation in market action of individual stocks compared to the "Averages."

For example, last year the Dow-Jones Industrial Average was off 10.8%. Yet within this 30-stock average, Chrysler was up 51% and U. S. Steel—the worst actor—was off 44%.

Each year we list the 10 best and 10 worst performers in the T. Rowe Price Growth Stock Fund. 1962's best performer was United Aircraft (+23%). Yet four years earlier when the Dow-Jones Industrial Average was up *16.4%*, United Aircraft was the worst performer, *off 33%*.

Standard Oil of New Jersey was an excellent performer last year, *up 17%* in a bad market year. From 1957 to 1960, however, Jersey was one of the worst actors relative to the market and has yet to surpass its 1957 high of 68½.

Here is another contrast in performance. In 1961 Reynolds Tobacco was *up 71%*, or almost four times as much as the Dow-Jones Industrial Average. In 1962 it was the worst performer in our Fund, *off 48%*.

Take a glamour stock *(Continued on page 36)*

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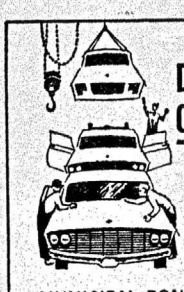

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This Week's Forum Participants and Their Selections

Collins Radio—Douglas Campbell, Manager of Research Dept., Ladenburg, Thalmann & Co., New York City. (Page 2)

Dictaphone Corp. — Stanley A Nabi, Partner in charge of Research, Schweickart & Co., New York City. (Page 2)

STANLEY A. NABI
Partner in Charge of Research, Schweickart & Co., New York City
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Dictaphone Corporation

For over 40 years, Dictaphone Corporation has been identified as the leading factor in the office dictating machine field. Its share of the domestic market is by far the largest in its specialized segment of the office equipment business, estimated at 35% of a total volume of about $85 million for the industry. Its competitors are numerous, including no less an illustrious name than International Business Machines, to say nothing of a multitude of obscure German and Japanese labels.

Dictaphone, however, is in a class by itself. It probably has the only complete line of office equipment for dictating, transcribing, and storing verbal information. It enjoys an excellent reputation for the service it offers its clients and for the strength of its sales organization. It maintains a strong balance sheet, and is capable of increasing production by at least 20% without resorting to overtime.

It is currently estimated that the increase in the number of workers in the decade of the Sixties will almost double that of the Fifties. This fundamental revolution has already been recognized by the Company which set out to upgrade and expand its research staff to at least 100 engineers and technicians. To accomodate a growing tendency toward dictating pools, the Company has successfully developed, refined, installed, and maintained the telecord network system, the largest of its type in the world, now being operated at the head office of the Metropolitan Life Insurance Company and at the headquarters of the Chase Manhattan Bank.

Although earnings in 1962 declined to $2.05 a share, from $2.87 in the previous year, the reasons behind these disappointing results have constructive overtones for the immediate future. First, there were non-recurring costs incidental to the introduction of a number of new units, notably the Time-Master/7, and the battery-operated Travel-Master, the latter produced by a British subsidiary. Second, the phasing-out of old models without any concessions in price is a costly undertaking normally as it creates certain gaps in the flow of sales. Third, throughout most of the year, sales and backlog were too heavily concentrated in the Travel-Master which was in the initial phases of production. It may be established in this connection that the Company reports actual deliveries rather than contracted sales. Consequently, although backlog at the end of 1962 is estimated to have been four times the corresponding period of 1961, and sales were runing at a rate close to 7% higher in the last quarter, profits were limited to deliveries made during this period.

Dictaphone's operations are not confined to machines for office use only. In recent years, it has expanded its horizons to include the development and manufacturing of equipment for central timekeeping, tape recorders for logging communication, a multi-purpose machine for continuously recording and monitoring radio broadcasts and traffic control, a system which issues audible instructions in manufacturing operations, and the Dictalab language laboratory, an educational machine which has enjoyed favorable reception. In addition, it distributes for Stewart-Warner Corporation the Datafax, a versatile electro-mechanical facsimile machine which provides a fast, economical, and accurate method of transmitting and receiving information via leased lines. Of singular importance is the fact that every unit now being offered by the Company has been on the market for three years or less.

In the United States and Canada, the Company employs at least 900 maintenance men, 414 salesmen, 74 agencies, and 210 sales offices. In Europe, in addition to an English subsidiary with its own sales and maintenance staff, sales representatives are stationed in every Common Market country supervised by two branch offices in Dusseldorf and Brussels.

At $31, the over-the-counter bid price for the stock, Dictaphone's 587,272 common shares and its 11,122 preferred shares have an aggregate value of about $19 million. This seems to be a modest evaluation for a Company with an impressive combination of products, organization, and public recognition.

Assuming no significant deterioration in the economy, 1963 should show a worthwhile advance in both sales and earnings. Aiding prospects would be a more orderly correlation between backlog, sales, and deliveries, and the best product line ever offered.

Looking at the more distant future, it seems that Dictaphone's financial position is strong enough to underwrite the cost of a more aggressive research and development program and further expand production without needing public funds. With earnings for the current year possibly exceeding $3 a share, and a generous $1.40 annual dividend, the stock appears quite attractive as a semi-investment vehicle for medium-term appreciation.

DOUGLAS CAMPBELL
Manager of Research Department Ladenburg, Thalmann & Co., New York City

Collins Radio

Among more deeply depressed issues Collins Radio, selling on NYSE at about 30 compared with the 1960 high of 76, offers interesting recovery prospects in my opinion. The market decline over the past two years was the result, in part at least, of psychological factors effecting the electronic group, but more important perhaps, from an analytical viewpoint, was the serious interruption to the earnings trend. Profits in the peak fiscal year 1960 of $3.02 a share had recovered from a small deficit of 2 cents a share in fiscal 1958 (excluding a special credit of $1.3 million) and gave promise of continuing the recovery. However, in fiscal 1960 a determination was made to commit a large expenditure for a Data Processing Center to exploit the company's capabilities of its Kineplex and other data handling equipment. In the light of subsequent experience this decision proved costly, both from the standpoint of capital expenditures and, more important, the penalty to earnings. Profits in the subsequent two years dropped sharply to $1.15 and $1.20 a share respectively.

Giving full recognition to the company's still heavy dependence upon military business (76.8%) it, nonetheless, appears that the progress made to increase commercial sales and more profitable proprietary items is beginning to contribute to a better profit experience. This, combined with better cost control and sharply lowered company underwritten research outlays, resulted in a good gain in per share profits for the initial quarter ended Oct. 31, 1962 to 32 cents a share from 9 cents earned in the like period of fiscal 1961. Sales for the period increased 24% year to year. The report for the January quarter showed further gains in both sales and profits, sales being $55.6 million vs. $44.9 million and per share earnings 45 cents against 38 cents a year earlier. For the six months, sales now total $111.2 million vs. $93.8 million and profits 77 cents compared with 47 cents. In both years profits have been adjusted to reflect a change in financial reporting methods from accelerated depreciation to straight line, although for tax purposes, the former method is continued. For the full fiscal year to end July 31, 1963, it is believed per share profits will be close to $1.50. While these earnings, if realized, will still be less than 50% of the fiscal 1960 peak, we think the trend from here on will be definitely improved.

The current order backlog, reported at the end of Jan. 1963 of $251 million, has increased around $100 million over the comparable figure a year ago. Although the makeup of the order book is still 76.8% military, higher margined fixed station contracts now account for over 20% of total orders. Commercial and foreign government orders account for nearly $50 million of the total.

One of Collins' principal problems has been inability to control costs, a higher than average company financed research program and losses in data transmission equipment. Pre-tax margins have declined from about 10% in fiscal 1959 and 1960 to an average of 6.5% in the past two years. After tax profit in fiscal 1962, even after special credits, was only 1.29%. It

Continued on page 5

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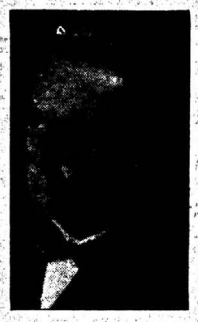
Anachronism of the Gold Price Controversy

By Dr. L. Albert Hahn, *Economist; Author, "Economics Made Easy"*

International monetary economist notes two extreme reactions to the gold price crises, namely, rejoicing by those favoring a gold price rise; and on the other hand, worry by those opposing gold revaluation as a threat to the whole international payments system. Terming this status of the question basically wrong and anachronistic, Dr. Hahn suggests that no fixed gold price in terms of the dollar is compatible with our present monetary system. Expects offering of further sacrifices to "the false god of gold-price stability." Decries "gold traditionalists" as being unable to understand that gold is "downright detrimental" to our monetary system. States that in order to maintain prevailing gold price, all countries must follow U. S. example of forbidding gold ownership; together with reduction in the price paid for gold from private individuals and the London market.

PARIS, France—For some years now the world has been experiencing so-called gold crises every few months. The demand for gold on the London market rises sharply, and the price of gold tends upwards. This demand does not come from the Central Banks, but from speculators and private hoarders. Certain Continental banks are accused of fostering this demand through the granting of cheap finance.



L. Albert Hahn

Two Extreme Opinions

Reactions to these crises vary. Two extreme views can be observed.

On one side, there are those who rejoice because they favor an increase in the price of gold—against the dollar and, if possible, against all other currencies. For years they had declared such an increase necessary for various reasons, for instance in the interests of greater international liquidity. For years they had maintained that the present price of gold could not be preserved in the long run. Especially the English financial press has distinguished itself in this respect—not to speak of the conscious and unconscious advocates of the gold-producing interests, notably in South Africa.

On the other side, there are those who get very nervous each time such a gold crisis occurs because they oppose a revaluation of gold and consider any rise in the price of gold as a threat to the whole international payments system and to the convertibility of the dollar. They hardly distinguish between convertibility in gold or in other currencies, although the latter is something quite different. For them, the present price of gold can easily be maintained even in the long run, provided only that any increase is prevented through a timely and massive intervention. The Central Banks, and especially the American monetary authorities, are conjured to provide ever larger amounts to satisfy the speculators' demands.

To my way of thinking, the question is not revaluation or of no revaluation. This question is basically wrong and anachronistic. The correct question is not whether the present or a higher price is for various reasons preferable, but whether *any* fixed price of gold in terms of the dollar (and by implication in terms of the other currencies) is really compatible with our present monetary system, whether it serves its purpose, and whether it can be maintained in the long run.

My answer to this question is no. I recommend total *desinteressement* of the Central Banks in the gold price; in other words, I recommend flexible gold prices. Such flexible prices have nothing to do with flexible exchange rates. Flexible gold prices are not only compatible with fixed exchange rates, they even work in their favor.

The contrary opinion results from a misconception of the role of gold within our monetary system.

Two Kinds of Gold Losses

Central Banks can lose gold in two ways. They can lose it to other Central Banks or to private hoarders.

Under the existing gold exchange standard, losses to other Central Banks are by far the more important. However, they do not happen, so to speak, for their own sake. They are just secondary reactions to surpluses and deficits in the balance of payments, and of the fluctuations in the exchange rates which they induce. If, for instance, the pound sterling tends to exceed the legal parity in terms of the dollar, America sells gold and England buys it. Gold flows from America to England. This gold really serves only as a kind of warning thermometer. As gold losses indicate a passive balance of payments, something has to be done to correct it in order to prevent total loss of gold. Normal

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OBSERVATIONS...

BY A. WILFRED MAY

"SPEND-AND-SPEND, NON-TAX NON-TAX, ELECT-ELECT"

Those citizens befuddled about the President's changing attitude toward the *Reform* segments of his impending tax proposals, as revealed by his performance before the American Bankers Association meeting in Washington last week and at his news conference today (Wednesday), might well look at the following relevant excerpt from the official transcript of his ABA question-and-answer statements. In any event, this 500-word elaborated by reasoned statement belies the subsequent explanations of this desertion of the so-zealously propounded Reform measures as a mere "slip of the tongue" or other type of "boner."

QUESTION: Mr. President, I believe you said that you did not predict a recession in 1963, and you say that without a tax cut we are liable to have a recession. Now, with a tax cut, tied so closely to tax reform, isn't it possible that the tax reform angle might delay this to the point where the tax cut might be lost?

THE PRESIDENT: Yes, and I would be opposed to that. What we suggested was a tax cut of over $13 billion, and reforms which would bring in about $3 billion, roughly, of revenues, giving us a total tax cut of $10 billion. We felt that, therefore, the goal is the $10 billion tax cut in the length of time which we have recommended.

"If we cannot get the reform, then quite obviously you are going to have to rewrite the package. It might be possible to send up, or for the Congress to pass, a $10 billion tax cut without the reform, but that would mean changes, of course, in the rate reduction structure. So it was our feeling that from the national interest, even though I realized that some taxpayers may find it more desirable to have the simple $10 billion cut with consequent adjustments of all the rates, than they would the $13 billion cut, with the reform, it may be that Congress will come to that conclusion.

"That isn't our judgment of the best action. But I quite agree that what we need is the bill this year, and nothing should stand in its way. Our feeling is that the best bill than can be gotten will be the one we recommended. But I would say the first priority is a bill. We have to realize that if we don't get the reforms, then, of course, the tax bill would have to be rewritten, unless the Congress made a judgment that it would accept a tax cut of $13 billion.

"Our concern is that they might take a tax cut of less than $10 billion, which would be, I think, a mistake. If we are going to do this, we might as well do it right or not do it at all. But that is the choice. *But to answer your question, I would say the important thing is to get the bill this year. Whatever is necessary to get that bill, I would support."*

To the specific question put to him at the outset of today's news conference whether he would accept a bill ex-Reform, Mr. Kennedy reacted with the height of evasiveness limiting his reply to his belief that his combined proposals constitute "the best program" with "fiscal responsibility."

In appraising the significance of these statements by the President one should recall the "Freudian Slip" in his selling performance before the Economic Club last December, when during the question-and-answer period he ad-libbed the remark "there'll be something in it [the proposed tax cut] for everybody."

The Treasury's Reaction

The President's current attitude must also be appraised in the context of Treasury Secretary Dillon's conduct before-and-after the ABA incident. Mr. Dillon, who a fortnight ago had said he would recommend a Presidential *veto* of a Reform-less bill from the Congress, and had been reported "aghast" on hearing Mr. Kennedy's above-quoted appeasing observation, two days later (Feb. 27) told the House Ways and Means Committee that while he hoped the resulting bill would not be confined to rate reduction, "if you ask me what the important element is, I have to say it is the rate revision."

Nor was Mr. Dillon's further professed expectation that the final bill would include "some" of the proposed reforms likely to allay fears (or hopes) that they will all be finally junked.

In this connection it should be realized how much work had been put into the proposals' formulation by the Treasury Department. Since early 1961, in which year tentative proposals were worked up, some 40 lawyers (17 under the direction of Legislative Counsel Donald Lubick), 30 economists, and a host of experts have constituted an active working force directly headed up by Assistant Secretary Stanley Surrey and aided by other high echelon department officials.

The White Flag?

Whether or not the *White Flag* of surrender of the Reform elements has already been raised, surely the President has retreated a long way from his earlier position taken in his Tax Message of Jan. 24, as for example, "tax reduction and structural reform should be considered and enacted as a single integrated program [italics original]. The resistance to tax reform should be less when it is coupled with more-than-offsetting tax reductions benefiting all brackets . . . the changes [referring to Structural Revision and Reforms] are an integral part of a single tax package which should be enacted this year. While rate reductions are also a major reform, they are in large part justified and made possible by structural reform."

The Presidential Postures—Defensive and Offensive

Irrespective of "how he got there," the President is apparently "sitting pretty"—politically—on the following counts: In retreating on *Reform* before the fight has fairly started, he has escaped the stigma of a possible ultimate defeat of "his" bill. (Can the contrast with his continuing valiant fight for Medicare possibly be motivated by the latter's larger benefited and smaller disadvantaged groups?)

The loss of the $3 billion in revenues anticipated from the Reform section will swell the pump-priming deficit figure from $10 billion to $13 billion—apparently pleasing as well to Messrs. Heller and Kermit Gordon (the latter having been despatched to the Budget Directorship from the former's Economic Advisers' lair).

The President's shift of emphasis from *no-growth* to *depression* to come from no tax cut provides the President with a double-hedge.

If a depression arrives the Administration can blame it on "that" recalcitrant Congress.

If, on the other hand, no recession follows a tax cut, the latter shall get the credit.

The only way Mr. Kennedy loses is if a recession beastilly follows a tax cut.

Unique Vested Interest

In at least one unique way will the country suffer, namely, in the Government's acquisition of a vested interest in a prospective recession. This has led to the President's continuing either tax cut-or-recession threats; to Dr. Heller's 14-time mention of that dirty word "recession" in his talk before the New York Security Analysts.

In any event, the political-economic result will be significant in furnishing evidence whether New Dealer Harry Hopkins' slogan for the F. D. R. nineteen thirties, "Spend-and-Spend, Tax-and-Tax, Elect-and-Elect" has now been successfully superseded by the technique "Spend-and-Spend, *Un*-Tax and *Un*-Tax, Elect-and-Elect."

BLACKBALLS AND VETOES

In the international furor created by President De Gaulle's *blackball* of Britain's admittance to membership in the *Common Market,* the extent of the Organization's Veto power as codified by the Treaty of Rome, has remained generally unrecognized.

Actually, in addition to the matter of new members, the potential Veto routine governs in three other key phases of the Group's activities; namely (1) decisions on monetary policy; (2) economic policy determination, specifically including contracyclical action; and (3) changes in the Treaty itself.

Thus, it appears that the Common Market Commission is, over the long term in for potential ham-stringing of statesman-like procedure.

The devasting paralysis by Veto in the U.N.'s Security Council, as may also occur to some extent in the Common Market, stems from the fact that this indispensable national safeguard is the prerequisite to the Great Powers joining (including the U. S. A.'s United Nation's original ratification).

And, in contrast to the Security Council, the small Common Market membership will permit of no offsetting relief to obstruction via a General Assembly.

* * *

QUOTES-OF-THE-WEEK

"And if there is one conclusion that I draw from the events of recent weeks, it is this. We need the European Community. We need it for Great Britain: for if she is one day to join it, there must be a Community for her to join."

Dr. Walter Hallstein, President of the Commission of the European Economic Community (Common Market), at Columbia University school of General Studies, March 2.

FROM THE ECONOMIC ADVISORY CORNER

Question: "Assuming that Congress enacts a reduction of taxes, and that notwithstanding such reduction the economy remains sluggish and unemployment as high or higher than it has been recently, my question is: has the Government any plans should such an eventuality materialize."

Answers: *"I guess I'd fly off to Brazil . . . [pause] . . . But the tax cut would work."*

Dr. Walter W. Heller, Chairman, President's Council of Economic Advisers, before New York Society of Financial Analysts, Feb. 18, 1963.

French Named Wellington Officer

CLAYMONT, Del. — James C. French has been named Assistant Vice-President of Wellington Fund and Wellington Equity Fund, it has been announced. In his new post, Mr. French will act as assistant to Thomas J. Meaney, Vice-President of the Funds, in the direction of the Securities Trading Department. This department is responsible for carrying out the investment transactions for both Funds, based upon the advice and recommendations of Wellington Management Co., the Funds' investment adviser.

James C. French

The newly elected officer joined the Wellington organization in 1951, immediately following his graduation from Haverford College, Haverford, Pa.

Summers, Mahaley With Reynolds & Co.

CHARLOTTE, N. C.—Daniel C. Summers and M. Stephen Mahaley, Sr. have become associated with Reynolds & Co., 330 South Tryon Street. Both were for many years with the local office of Francis I. du Pont & Co., of which Mr. Summers was Resident Manager.

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NEW YORK

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March 1, 1963

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The Security I Like Best

Continued from page 2

is interesting to note that because of the leverage from prior debt and relatively large sales per share, an increase of one-half of one percent in after tax margins adds about 50 cents a share to earnings. Since fiscal 1960 after tax profits were 3.4% there is obviously an opportunity to substantially improve per share earnings well within the range of the company's demonstrated ability. While I do not anticipate, under present circumstances, a full recovery to peak profits over the near term, I do believe by the end of the present calendar year, per share earnings may be running at an annual rate of above $2. New orders for the initial half of the current fiscal year of over $132 million exceeded deliveries by $21 million.

As volume increases, working capital requirements will be substantial but, giving effect to the recent convertible bond financing, working funds are believed sufficient to support a sales volume of well above the fiscal 1962 figure of $207.8 million. No cash dividends have been paid since 1957 and, because of loan restrictions, none are anticipated over the foreseeable future. Capital expenditures will be lower, thus higher depreciation and amortization (about $2.50 a share in fiscal 1962) generates substantial cash over and above reported per share profits.

From the foregoing it would appear that Collins presently has the plant capacity, product diversity, depth of research and adequate finances to support a higher sales volume and per share profits at least as good as in fiscal 1960. Areas of development which hold the greatest promise for the future, are communication, navigation and flight control equipment for both military and commericial aircraft which account, in broad terms, for about 33% of total sales. The company's newer line of equipment utilizes solid state techniques providing additional savings in weight, size and improvement in performance. Collins air navigation and flight control equipment are standard in virtually all military and commercial aircraft.

Communication systems of company design are incorporated in most of the space programs and as well in the rocket-powered X-15. The complete communication system for Project Mercury is Collins designed and further developemental work is being done for Project Gemini. Collins also has the contract to provide a complete telecommunication system for the Apollo—this contract alone accounts for about 13% of the backlog of orders at the end of Oct. 1962.

The sale of microwave equipment for radar relay circuits for air traffic control, long distance telephone networks and data handling at missile ranges, continue to grow in volume. Commerical applications are used on natural gas and oil pipe and electric power transmission lines. Collins provided the microwave equipment for the first state-wide educational TV network covering 80,000 students and 140 high schools in South Carolina.

Although the data processing and transmission equipment division at Cedar Rapids has been a drain on earnings, thus far, the turn may be close at hand. The first installation of the new system was for Aeronautical Radio Inc. for use as an airline teletype message processing and switching center. The second was for the N. Y. Central RR. for automatic assembly and distribution of messages and data information throughout the system's 10,000 miles. Two additional systems have recently been installed, one for Delta Airlines and another for a government agency. The latter represents an initial one with the government. The Data Processing Division is still penalizing earnings to a limited extent, if full R & D expenses are absorbed, but management is extremely hopeful that the current calendar year will see the end of substantial losses of the past.

At current levels, the common stock of Collins Radio is not without considerable speculation appeal, based upon growing indications that the bottom of the earnings decline may already have been witnessed. True, the price represents price-earnings ratio of 20.1 using the best estimate of profits for the current fiscal year, but I believe profits of closer to the $2 a share annual rate will develop later this year. On the longer term outlook with share earnings of perhaps $3 a reasonable expectancy, the stock is probably undervalued. It is on this basis that I recommend speculative purchase.

Tighe Joins Adams, McEntee

Robert F. Tighe has become associated with Adams, McEntee & Co., Inc., 40 Wall Street, New York City, as manager of the municipal bond trading dep't.

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March 1, 1963

Marathon Oil Runs

By Dr. Ira U. Cobleigh, *Economist*

An appraisal of the prospects of one of the leading integrated independent petroleum companies, with global production on five continents—Marathon Oil Company.

The official distance of the Marathon race is 26 miles, 385 yards. Marathon Oil Company, however, has been running for far longer than that — over 75 years — and now ranks 17th in assets among the integrated oil companies of the world. It is one of the few completely integrated companies able to refine and market as much oil as it derricks from the ground.

Gas Beginning

Early in June, 1887, natural gas began to gush in Lindsay, Ohio, and, in that town, The Ohio Oil Company was incorporated Aug. 1, 1887, with 10,000 shares of $100 common stock — a capital of $1 million. Soon the new enterprise was the largest producer of crude in Ohio, with 147 wells, and quite busy selling oil to the Rockefellers at 15 cents a barrel — and making money at that! In April, 1889, Standard Oil acquired The Ohio Oil Company for $800,000, and began its expansion to greatness. Gas distribution was built up through purchase of Toledo Natural Gas; and Ohio's crude was soon flowing to Chicago through Standard's Buckeye Pipe Line. In 1890 the price of crude was advanced to 40 cents a barrel, and profits soared.

Independence

In 1911 a Supreme Court Anti-Trust decision compelled the divestment of Ohio Oil from Standard Oil of New Jersey, and The Ohio Oil Co. began operation as an independent producer of crude oil, with James C. Donnell as President. The market liked the idea of a separate Ohio Oil Co.: and its 600,000 shares of $25 par common, which sold at $65 on dissolution, advanced to $142 in six months.

The growth of Ohio Oil was a saga of expansion and success. Production was extended first to Wyoming and Montana, and, later on, to nearly all the major North American oil fields—in Kansas, Texas, Alberta, etc. Today, the company has major production on five continents, a network of pipelines, heavy concentration of marketing outlets in the Middle West, recently expanded into ten South Atlantic and Gulf States through acquisition of Plymouth Oil. From North America the company now has a daily hydrocarbon production in excess of 126,000 B/D, with daily refinery runs of about 130,000 B/D. The Plymouth Oil refineries on the Texas Gulf Coast are well located to handle not only Texas production, but oil coming in under the Company's 11,000 B/D import quota.

A New Name

To celebrate its 75th Anniversary, and to bring corporate operation all under a single attractive and identifying emblem, the corporate name was changed in Aug. 1962, to Marathon Oil Co.; and its common stock now trades on NYSE under the symbol of MRO. In three-quarters of a century the enterprise has grown to grandeur and greatness. It continues to add to its lustre, and in the past two years, has attained significant international stature.

Oil From Oasis

The big forward motion in Marathon Oil today is found in its one-third interest (with Amerada and Continental) in Oasis Oil Co. This is one of the most exciting producing oil organizations in the world, with concessions covering a huge swath of desert terrain—52 million acres in Libya. Production from these rich desert sands began last July and, right now, Marathon's share of this Libyan production is 40,000 B/D, and should reach 100,000 B/D by the end of this year. This would increase Marathon's total daily oil surfacing by 80% over 1961, and should provide a quite dramatic increase in Marathon's earning power. Earnings of 50 cents a barrel on 100,000 B/D would amount to about $1.25 a share on MRO common.

The strategic advantages of Libyan oil are important. Being much nearer to the burgeoning markets (growing around 9% annually) of West Europe, transportation costs are between 40 cents and 50 cents a barrel lower than for oil from the Arabian sheikdoms; and there appears to be far greater political stability in Libya. Further, refineries to process African Oil in which Marathon has an interest, are to be built in Spain and West Germany.

Domestic Picture

The American domestic oil picture appears to be improving. This winter has been excellent for fuel oil sales, and gradual price improvement in gasoline prices seems predictable. Plymouth Oil, which had been losing money before the merger, is now on a much sounder operating basis, and its Texas refinery operation is particularly attractive.

For Investors

There are 14½ million common shares of MRO outstanding now selling at 45, against a 1962-3 range between 36 and 48⅝. There is a rather strong indication that MRO is now positioned to break out from its present price level into new territory above it trading range of the past six years between 28 and 48⅝. Per share net for 1961 was $2.73, with a cash flow of $4.88. For 1962 the per share net was $2.61, with indicated cash flow of about $5. This is not a particularly impressive result, but every indication points to a quite significant gain in 1963. The upswing in Libyan production should result in a per share net of above $3 this year, on which basis the stock is currently quoted at 15 times earnings. The present dividend of $1.60 provides a cash yield of 3.5%, and the company has been paying an additional annual dividend of 2% in stock.

Marathon common in the past six months has been added to the portfolios of a number of investment institutions. This represents interesting endorsement of the merit of this equity, and evidences confidence in its future on the part of quite sophisticated and informed investors. It would appear that Marathon, after 75 years of progress and profits, is very much in the running as a growing global company, with a common stock possibly poised to ascend above a six-year trading plateau.

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March 1, 1963

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Independent Phone Cos. Ringing Up New Records

By Richard P. Finn

Knowledgeable analyzer of investment opportunities examines the remarkable growth of independent telephone companies which, in the past decade, have been outpacing the Bell system and electric utilities. Analysis points out various factors other than population rise responsible for extraordinary performance and those which portend more of the same in the years ahead. The author observes that the bulk of the independents' equities are traded Over-the-Counter; identifies those that have expanded through mergers, diversification with gas and electric, and holding companies; and presents a table of 19 representative non-Bell's containing such data as recent operating income, P/E ratios, dividends, prices and yields.

One out of every seven telephones in the U. S. today is operated by an independent phone company, and thereby hangs a remarkable growth story. With all due appreciation for the many accomplishments of the huge Bell System, the non-Bells are ringing up equally impressive records. At the end of 1962, the latter operated 12,670,000 phones, up 670,000 over 1961. More than 100 non-Bell companies grossed $1,000,000 or over in revenues last year. In all, independents operated about 11,000 switching exchanges and some 10,000,000 miles of telephone lines. This represented a net investment of nearly $5 billion.

All told, independents have about twice as many phones humming as there are in Britain and France combined. In the U. S., they serve twice as many communities as the big Bell System. Geographically, independents are strongest in Puerto Rico and Hawaii (both 100% served), Illinois (80%), Ohio (72%).

Admittedly, some independent phone firms are tiny "ma and pa" enterprises with revenues of less than $50,000 per year and only a handful of subscribers. But many are sizable, about two dozen are publicly-owned, and General Telephone and Electronics, the largest independent by far, boasts some 4,700,000 domestic phones.

Independents Growing at Faster Rate Than A. T. & T.

Although the Bell System owns 82% of the 80,000,000 U. S. phones, the independents are currently growing at a faster clip. The reason for this is that A. T. & T. is largely concentrated in urban areas, where growth is harder to come by. The 1960 Census showed that metropolitan cities of one million and over barely held their own in population during the 1950s while smaller cities, suburbs and rural areas (served chiefly by the independents) increased at a record rate. Communities in the 25,000 to 50,000 population category, for example, increased 69% in the same decade. In effect, the non-Bells complete the circuit which connects every telephone subscriber with every other one.

Impressively enough, during the last eight years, the number of Bell System phones rose 43% to 66,000,000. However, over the same span, the number of independent phones soared by 50% to 12,670,000. In operating revenues, the situation is similar. American Telephone and Telegraph Company's operating revenues were lifted 131% in the decade from 1951 to 1962 while the independents rolled up a gain of 213%.

As you can see from our table, the independents, in terms of operating revenues, have been growing faster than both the Electric Utilities and the Bell System. Also, since both 1957 and 1960 were periods of business decline, their inherent recession-resistance is amply portrayed.

Both Bell and non-Bell segments of the communications industry have been outdistancing Gross National Product in recent years. This is due, in large measure, to the inherent communicability of most Americans. With only 6% of the world's population, the U. S. uses more than half of the world's telephones.

Ironically, while the Bell System looks with reverence to Alexander Graham Bell's legendary invention, the independents mark the expiration of his original patents in 1894 as their milestone. In the first three years following the ending of Bell monopoly, some 6,000 independents were formed. Many tried to compete in large cities with existing Bell facilities. The quest for growth turned into a battle for survival as the independent ranks swelled to 20,000 in the early 1900's. By 1912, battle lines between Bell and non-Bell forces were drawn in 1,200 communities, not to mention hundreds of others where independents fought each other for patronage.

Natural Monopolies

This situation inevitably led to government intervention and regulation—the real turning point in telephone progress. It was found that the most efficient service could be provided when only one telephone company served a given area. In essence, government-regulated monopoly was found superior to unfettered competition. Thus, telephone companies have achieved the enviable status of natural monopolies and the clamor for government ownership of them has long since subsided. Moreover through agreements between Washington and American Telephone, the independents operate without fear of being acquired by their "Big Brother" and are allowed the use of Bell System's long lines.

The telephone companies are not without competition, however. Today, any phone utility must do much more than simply provide basic facilities to permit people to converse. A host of new, sophisticated services, such as closed circuit television, business data transmission, mobile phones, teletypewriters, and automatic answering devices, have greatly widened the telephone's participation in allied areas of communications. They retain one vital advantage in this type of competition — the Bell and non-Bell companies own the telephone transmission lines which others must use so widely.

Unlike American Telephone, which must go to great lengths to prove its need for a more equitable return on investment, the junior-sized phone entities have benefited often from governmental efforts to provide fair rates. Also, between the independents and Bell System each year, upwards of $1 billion in revenues are shared on calls originating within one system and terminating in another. At times, rate increases for independents have been followed by retroactive payments from Bell System affiliates.

Improvement in Rate Making Climate Anticipated

Hopefully, the industry currently sees an even more favorable attitude toward rates on the part of many state regulatory commissions. An official of New England Telephone and Telegraph, a Bell affiliate, stated recently that of 20 state regulatory agencies which have taken a position on handling the new 3% Federal investment tax credit for equipment purchases, 15 favor amortizing the credit over the life of the newly purchased assets. Only five states require that the credit be treated as income in the year received. The industry generally feels that this latter position tends to increase net income for rate-making purposes, making it more difficult to justify rate increases and possibly touching off some rate reductions. An FCC ruling on the handling of tax credit is expected sometime this month.

Regulatory agencies are also beginning to look more benignly toward making allowances for inflated costs when setting telephone rates. Many states establish rates largely on the basis of the utility's earnings as a percent of invested capital but using initial costs as the basis for evaluating capital investments. One of the more lenient methods now being used by some states is to increase the permitted percent of earnings on investment, figured on the original cost basis. Of course, the ideal system would be one of "fair value" evaluation of assets which completely compensates for today's higher replacement costs of facilities.

In view of the continuing need for expansion of independent telephone facilities, these trends could be of major importance to future operating results. This year, the independents alone plan to spend $635 million for capital expenditures, topping the $625 million estimated for 1962. The U. S. Independent Telephone Association says the money will go for electronic exchanges, special business data equipment, educational television and extension of wire, cable and microwave systems.

Merger Possibilities Enjoyed by The Independents

One of the biggest advantages which the independents enjoy over the larger Bell System lies in consolidations and mergers. This well-worn avenue to expansion, long since denied to Bell by Government anti-trusters, has been used extensively by independents, particularly General Telephone, in recent years. Acquisitions need not concern adjacent territories and through the combination of financial operations in ever larger and stronger hands, the system becomes increasingly effective, automatic and profitable for everyone involved. Many of the smaller operations, for example, found the change-over to dial service (in which the independents have been leaders) extremely costly

A by-product of the trend to consolidation has been the formation of holding companies. These include Independent Telephone Corp., which controls 14 properties in a number of states; Mid-Continent Telephone, with five phone utilities in northeastern Ohio; Telephones, Inc., with several midwestern properties; and Western Utilities Corp., which controls three of the largest independents, California Water and Telephone, West Coast Telephone and Southwestern States Telephone. Continental Telephone, a fledgling holding company formed only two years ago, already has 25 operating subsidiaries in 13 states.

Other holding companies include phone operations along with electric and natural gas distribution facilities. These include Citizens Utilities, Western Light and Telephone, General Waterworks Corp. and Western Power and Gas Company, which controls both Central Telephone and Southeastern Telephone. United Utilities is another diversified holding company which gets most of its revenues and profits from more than a dozen phone subsidiaries sprinkled around the nation.

Undisputed king-pin of the independents, but still relatively small in comparison with A.T.&T., is General Telephone and Electronics Corp. This organization entered a period of intensive telephone growth since around 1950 when the present management took over. Within three years, numerous rate increases were won and some 400,000 phones were added through acquisitions.

Then, Theodore Gary & Company, at that time the nation's second largest telephone company, was acquired. This not only added 585,000 telephones but it also got General into the manufacturing end of the business. Today, the

Comparative Growth Rates of Electric Utilities, Bell System and Independent Telephone Industry

Operating Revenues
(Index: 1956=100)

Year	Gross National Product	Electric Utilities	Bell System	Independent Tel. Industry
1962	132	149.6	157.9	187.2
1961	124	139.1	144.4	172.8
1960	120	130.0	136.0	158.7
1959	115	122.9	126.9	140.3
1958	106	112.6	116.3	123.3
1957	106	106.8	108.4	111.0
1956	100	100.0	100.0	100.0

U. S. Telephone Facts at a Glance, 1963

	Independents	Bell System	Grand Total
Total telephones	12,670,000	68,461,000	81,000,000
Operat'g companies	2,800	24	2,824
No. of exchanges	10,700	6,700	17,400
Investment in plant	$4,980,000,000	$28,928,196,000	$33,908,196,000
Gross revenues	$1,230,000,000	$9,422,970,000	$10,652,970,200
No. of employees	99,200	581,000	680,200

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company sells substantial amounts of telephone equipment to others. Lenkurt Electric, acquired in 1959, is an important producer of multi-voice carrier equipment (for transmitting many telephone conversations over a single line), mobile telephone systems, telemetering and remote control equipment.

To the present, General Telephone has remained acquisition-minded. In the first half of 1962 alone, the company took on five independents with about 15,500 phones and increased its stake in Anglo - Canadian Telephone to about 56% of the latter's voting stock. General's lines run through 32 states, including some fast-growing areas of Florida and California. To expand its Golden State system, the firm plans a $72,000,000 capital investment program. Rapidly increasing foreign holdings number more than 600,000 phones in British Columbia, the Dominican Republic and Haiti.

Technological Developments

Some of General Telephone's extensive research activities show conclusively that the independents are deeply concerned with technological progress. In fact, the era when the telephone was simply a means for hubby to reserve a late dinner at home is fast fading. General's Lenkurt subsidiary has uncorked a new "duobinary" coding technique for speeding information over phone wires by radio. The new system, operating at the impressive speed of 3,200 words per minute, virtually doubles the amount of information that a telephone or radio can handle. It requires far less complex and much small transmission system than those currently in use.

Similarly, Bell Telephone's "Data-Phone" system permits machines to communicate with other machines via ordinary telephone circuits and at the same rates as for a conventional voice call. Machine talk, it is anticipated by the industry, will surpass the volume of voice communications in the not-too-distant future. By 1964, the number of business machines which communicate with one another will rise from the present $5,000 installations to $40,000 or more, according to General Telephone. Applications will include: accounting administrative work, credit and collections, finance, insurance premiums, marketing, merchandising, payrolls, etc. Much of this potential traffic can be transmitted at night when telephone networks generally have been operating at far under peak capacity.

About April 1, 1963, under agreement with the FCC, American Telephone plans to slash its rates on night station-to-station long-distance phone calls made after 9 p.m. and raise slightly its rates on person-to-person calls of up to 800 miles. Both moves should benefit the independents, over whose lines many Bell-originated calls pass.

Other sources of potentially higher revenues for independents are almost as high as the familiar telephone pole. For some, military business is mushrooming. Carolina Telephone has three large military bases in its area, the Army's Fort Bragg and the Marine Corps bases at Cherry Point and Camp Lejeune. California Interstate Telephone serves several desert installations, including part of Edwards Air Force Base. North Kansas Telephone, a Telephones, Inc. subsidiary, serves part of Forbes Air Force Base, Atlas Missile Complex, at Topeka.

New Profit Area in Educational TV

Educational Television is another relatively untapped vista for the independent phone utilities. A pioneer closed-circuit installation for educational purposes in South Carolina has raised scholastic levels so sharply it has become a model for other states. It uses facilities of Southern Bell Telephone and 44 non-Bells to serve 140 public schools in all 46 counties of the state. To link all of the state's educational facilities —from elementary schools to colleges—will require more than 4,900 miles of microwave circuits and 4 000 miles of coaxial cable.

Early results of ETV in South Carolina indicate that other states will rapidly fall in line. Recently, 1,200 students in the Palmetto State took a national achievement test in a televised algebra course. They scored well above the national average and their marks equalled those from some of the leading private schools in New England.

Other sources of increased revenues include reduction of four-party lines and the trend to household extension phones and color phones. Rochester Telephone, for instance, aims to reduce its number of four-party lines, which now account for about 60% of the total, to 15% by 1966 or 1967. The company also predicts that it will have four times as many extension phones in operation in 1970 as it had in 1960. Extension phones, which bring in additional installation revenues, are emerging as a status symbol, like two cars in a family.

A continuing flow of innovations can be expected. Recently the Dryden Telephone Company, a subsidiary of Independent Telephone Corp. in New York State, introduced a service enabling any resident of a small town to visit any other subscriber in the community and receive his calls there. To do this the resident dials a three-digit code and then the phone number at the dwelling he will visit.

Independents have already logged many major telephone advances. These include the automatic dial system, handset phones, direct operator dialing over long distance lines, intermittent ringing, automatic busy tone, selective ringing over party lines, automatic toll ticketing and the first commercial electronic exchange.

Still very much in the future are potential benefits from the operation of international space communications satellites. Space Communications Corp., the barely-formed "Telstar" operating company, expects to make a public offering of stock late this year. More conventionally, Hawaiian Telephone is participating in construction of the first direct cable link between the U. S. and Japan via Hawaii. To be completed in the Spring of 1964, the undersea cable will also be built by American Telephone and Kokusai Denshin Denwa, operator of Japan's only overseas telegraph, telephone and cable system.

Hand-in-hand with increasing revenues and profits of the independent phone utilities have gone dividend increases. Among those hiking common share disbursements last year were Anglo-Canadian Telephone Mid-Continent, Rochester, and Southwestern States. Hawaiian Telephone, which later this year hopes to become the first Hawaiian corporation listed on the New York Stock Exchange, also raised its payment.

In sum, the independents appear to be favored by numerous factors over and above normal population growth. By 1970, industry experts say, the number of independent phones will climb to more than triple the 1950 total. With inherent recession resistance, demonstrated amply in the 1957 and 1960 business slowdowns, the independent phone industry's equities, most of which are traded in the Over-the-Counter Market (O-T-C), appear destined to bask in the glow of increased investment community favoritism in the days ahead.

STATISTICAL DATA FOR REPRESENTATIVE INDEPENDENT TELEPHONE COMPANIES

Company	Period	Oper. Revenues (Millions) 1962	Oper. Revenues (Millions) 1961	Per Share Earnings 1962	Per Share Earnings 1961	Latest Annual Div.	Recent Price	Yield	Where Traded
Anglo-Canadian Tel.	9 mos. to Sept. 30	$57.4	$52.4	$3.36	$2.58	$1.40	52½	2.1	OTC
British Columbia Tel.	9 mos. to Sept. 30	54.1	49.7	2.48	2.29	2.20	49	4.5	Montreal
Calif. Interstate	12 mos. to Sept. 30	8.5	7.6	1.25	1.61	0.80	25½	3.1	OTC
Calif. Water & Tel.	12 mos. to Dec. 31	34.7	32.4	1.03	1.15	0.72	20	3.6	OTC
Central Telephone	12 mos. to Dec. 31	40.9	35.8	1.81	1.62	*1.00	35½	2.6	OTC
Florida Telephone	9 mos. to Sept. 30	5.2	4.7	0.57	0.51	0.51½	19½	2.6	OTC
General Telephone	12 mos. to Dec. 31	579.4	524.1	1.15	1.00	0.80	25	3.5	NYSE
Hawaiian Telephone	12 mos. to Dec. 31	32.9	28.4	0.99	0.77	0.58	22	2.6	OTC
Independent Telephone	12 mos. to Sept. 30	5.7	4.1	0.27	0.25	*0.05	10	0.5	ASE
Inter-County Tel.	12 mos. to Dec. 31	6.9	6.2	1.53	1.30	*1.00	38½	2.1	OTC
Mid-Continental Tel.	9 mos. to Sept. 30	6.6	5.9	0.58	0.51	0.56	18	3.1	OTC
Puerto Rico Telephone	9 mos. to Sept. 30	11.4	9.5	1.73	2.09	1.80	57	3.1	ASE
Rochester Telephone	9 mos. to Sept. 30	23.9	21.5	1.60	1.26	1.12½	41	2.8	NYSE
Southeastern Tel.	12 mos. to Dec. 31	6.4	6.0	1.40	1.38	*1.00	28	3.5	OTC
Southwestern States	12 mos. to Dec. 31	16.9	14.9	2.08	1.68	1.44	37	3.9	OTC
Telephones, Inc.	12 mos. to June 30	3.0	2.1	0.27	0.20	---	11	--	OTC
Tel. Service Co., Ohio	12 mos. to Dec. 31	15.8	14.7	1.50	1.33	*0.36	24½	1.5	OTC
United Utilities	12 mos. to Dec. 31	55.6	50.4	1.61	1.37	1.00	37	2.7	OTC
West Coast Telephone	12 mos. to Dec. 31	25.7	23.5	1.16	1.03	0.72	22	3.2	OTC

*Plus stock. NOTE: All per share earnings adjusted for splits and stock dividends.

FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

President Kennedy has sent the 88th Congress enough proposals to choke an even healthier body. He has sent up an even round dozen bills of major importance, including the recent civil rights bill. And there are still more to come. Whether he will ever send a message dealing with labor management relations is a question. He will not do it if it can be avoided.

Whether the 88th Congress will deal with all of Mr. Kennedy's proposals in its two years of life, it is likely to go through many more pains than the organizational pains it already has undergone.

In addition to the State-of-the-Union message, the Congress has received from the White House the budget message proposing appropriations and authorizations totalling $98.8 billion; the economic report, the message proposing tax reduction and reform, the message on Federal aid to education, a message on agriculture, a youth care program, the medicare message, a message on general health protection, a message dealing with the mental health problem, a proposal for the establishment of a new government Department of Urban Affairs, an urban mass transportation bill and other less important proposals.

Leaders on Capitol Hill do not believe that the Congress can digest and legislate all these Kennedy proposals at this first Democratic session. They will, however, make their best efforts to get through some of them before there is an adjournment, probably next Fall.

And the Administration, if disappointed, can console itself with the thought that next year is an election year. If these measures have voter appeal, they will have a much better chance in the second half of the 88th Congress. And even if some of them fail during that session, they will become explosive issues in the Presidential campaigns of 1964.

The President has put his greatest emphasis on tax reduction. He wants tax reduction even if his tax reform fails. He wants tax reduction, he has repeatedly said, because if it is delayed there is likelihood of an economic depression. Tax reduction has a pleasant sound and recession is a terrible sound. The juxtaposition by the President of the two might give greater impetus to an earlier consideration of the tax bill. It certainly may stir the interest of many taxpayers and their representatives in Congress, which is undoubtedly what the President has in mind. But the problem is not as simple as that. Especially when the rest of the President's program, calling for more Federal expenditures and more taxes as in the case of the medicare bill, is taken into consideration. And further, when the Federal deficit may become greater than the almost $12 billion already estimated by the Administration for the fiscal year 1964.

The President's idea is that the reduction of taxes for individuals and business will put money into the hands of the consumers to purchase goods of all kinds and into the hands of industry for plant improvements and extension of production. All this it is argued, will result in greater employment and greater revenue through taxes to the government. The House Ways and Means Committee will write the tax bill after it has completed extensive hearings. It may not have a bill ready, it is said, to report to the House until next June. The Senate Finance Committee will not start working on the measure until it has passed the House—not even its hearings on the bill. While all this consideration is in the mills, Congress will have to deal with the annual appropriation bills for the operation of the government and its many services. It will be lucky, indeed, if it can get all of these appropriation bills passed by the end of the present fiscal year, June 30.

Hendrix & Mayes V.-P.

BIRMINGHAM, Ala.—Beverly P. Head, Jr., has been elected a Vice - President of Hendrix & Mayes, Inc., First National Bldg., members of the Philadelphia-Baltimore-Washington Stock Exchanges. Mr. Head was formerly with Hill Food Stores and Winn Dixie Company for many years.

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DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Bank Stock Survey—Comparative analysis of the 1962 results of 40 leading commercial banks—Blyth & Co., Inc., 14 Wall Street, New York 5, N. Y.

Bank Stocks — Comparison and analysis of 25 leading bank stocks —Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Bank Stocks — 123rd consecutive quarterly comparison of leading banks and trust companies of the United States—New York Hanseatic Corporation, 60 Broad Street, New York 4, N. Y.

Bond Market—Review—Salomon Brothers & Hutzler, 60 Wall Street, New York 5, N. Y.

Broadening Horizons for Electronic Office Equipment—Study—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are studies of the **Municipal Market, Airlines, Atlantic Coast Line, Bobbie Brooks, FMC Corp., General Mills** and **Tandy Corp.**

Canadian Business & Finance—Report — Equitable Securities Canada Limited, 60 Yonge Street, Toronto 1, Ont., Canada.

Canadian Preferred Shares—Comparative figures — Watt & Watt Limited, 7 King Street, East, Toronto 1, Ont., Canada.

Hydro Quebec's Offer to Shareholders of Quebec Hydro Utility Companies — Analysis — Greenshields Incorporated, 507 Place d'Armes, Montreal, Que., Canada.

Japanese Cement Industry — Report—With particular reference to **Iwaki Cement** and **Nihon Cement** —Yamaichi Securities Co. of New York Inc., 111 Broadway, New York 6, N. Y.

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

Meat Packing Stocks—Bulletin—Bache & Co., 36 Wall Street, New York 5, N. Y. Also available are bulletins on **Royal Dutch, General Steel Industries, Deere & Company, Timken Roller Bearing** and **Torrington Company.**

North and South Carolina Banks — Comparative figures — Southeastern Securities Corporation, 120 East Third Street, Charlotte 1, N. C.

Oil Companies — Review — With particular reference to **Apco Oil, Champlin Oil, Gulf Oil, Marathon Oil, Standard Oil of Indiana, Standard Oil of New Jersey,** and **Union Oil**—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 5, N. Y.

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

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

Railroad Income Bonds — Comparison — Vilas & Hickey, 26 Broadway, New York 4, N. Y. Also available is a **Railroad** earnings and dividend summary for 1962.

Savings & Loan Industry—Analysis — Parker, Ford & Company Inc., Vaughn Building, Dallas 1, Texas. Also available are analyses of **Brentwood Financial Corporation, First Surety Corporation,** and **United Financial Corp. of California.**

Tax Program—Review—David L. Babson and Company, Incorporated, 89 Broad Street, Boston 10, Mass. Also available is an analysis of **IBM.**

Tax Shelter for Retirement Savings — Discussion—Evans & Co. Incorporated, 300 Park Avenue, New York 22, N. Y.

Telephone Operators and Equippers—Review of 10 companies—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y.

Treasury Market — Bulletin—Aubrey G. Lanston & Co., Inc., 20 Broad Street, New York 5, N. Y.

Addison Wesley Publishing—Memorandum — May & Gannon, Incorporated, 140 Federal Street, Boston 10, Mass.

* * *

Advance Mortgage Co.—Report—Watling, Lerchen & Co., Ford Building, Detroit 26, Mich.

Aerojet General — Analysis—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available are comments on **Pan American World Airways, Burroughs Corp., Phillips Petroleum, Fruehauf Trailer** and the **Rails.**

Air Control Products—Memorandum—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga. Also available is a memorandum on **Columbia Broadcasting System.**

American Investment Company of Illinois—Annual Report—American Investment Company, Public Relations Department, 8251 Maryland Avenue, St. Louis 5, Mo.

American Metal Climax—Analysis —Hemphill Noyes & Co., 8 Hanover Street, New York 4, N. Y. Also available are reports on **Interchemical Corporation,** and **Pan American World Airways.**

American Optical Company—Analysis—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y.

American Telephone & Telegraph Company — Analysis — Gerstley, Sunstein & Co., 211 Broad Street, Philadelphia 7, Pa.

BVD Company—Report — Cohen, Simonson & Co., 25 Broad Street, New York 4, N. Y. Also available are reports on **Food Mart, Iowa Illinois Gas & Electric, P. R. Mallory, Munsingwear** and **Piper Aircraft.**

Babcock Electronics Corp.—Analysis—Walston & Co., Inc., 265 Montgomery Street, San Francisco 4, Calif. Also available is an analysis of **Financial Corporation of America.**

Chrysler Corp. — Memorandum — R. W. Pressprich & Co., 80 Pine Street, New York 5, N. Y.

Chrysler — Memorandum — Hickey, Franklin & Co., Inc., 45 Wall Street, New York 5, N. Y. Also available is a memorandum on **Quaker Oats.**

Coastal States Gas Producing—Memorandum—Dominick & Dominick, 14 Wall Street, New York 5, N. Y.

Coastal States Gas Producing Co. —Memorandum—Ebin, Robertson & Co., Rand Tower, Minneapolis 2, Minn.

Colgate Palmolive Company—Analysis—Filor, Bullard & Smyth, 26 Broadway, New York 4, N. Y. Also available are comments on **Minerals and Chemical Phillipp.**

Continental Can Co.—Analysis—Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is an analysis of **King Seeley Thermos Co.**

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

Dorsey Corporation — Analysis — Blair & Co. Incorporated, 20 Broad Street, New York 5, N. Y. Also available are analyses of **International Minerals & Chemical, Motor Wheel, Columbia Pictures, Coastal States Gas Producing, Cerro** and **Wagner Electric.**

Eaton Manufacturing Co. — Review—Colby and Company, Inc., 85 State Street, Boston 9, Mass. Also available are comments on **Martin Marietta** and **Reliance Manufacturing Co.** (firm requests stamped self addressed envelopes when writing for copies).

Epsco — Memorandum — Richmond Securities Corp., 27 Hyatt Street, Staten Island, N. Y.

Falconbridge Nickel Mines Limited—Analysis—Isard, Robertson, Easson Co., Limited, 217 Bay Street, Toronto 1, Ont., Canada.

Falconbridge Nickel—Comment—Ross, Knowles & Co., Ltd., 105 Adelaide Street, West, Toronto, Ont., Canada. Also available are comments on **Massey Ferguson.**

Federal Farms Limited—Report—Cobleigh & Gordon, Inc., 220 East 42nd Street, New York 17, N. Y.

Gamble Skogmo—Memorandum—Ira Haupt & Co., 166 North Canon Drive, Beverly Hills, Calif.

General Refractories — Memorandum — Elkins, Morris, Stokes & Co., Land Title Building, Philadelphia 10, Pa. Also available is a memorandum on **Johns Manville.**

Gillette—Comment—Reuben Rose & Co., Inc., 115 Broadway, New York 6, N. Y. Also available are comments on **Eversharp** and **Gulf States Land.**

B. F. Goodrich Co.—Memorandum —Pershing & Co., 120 Broadway, New York 5, N. Y.

W. R. Grace & Company—Analysis — Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y. Also available are comments on **American Telephone & Telegraph Co., Oak Manufacturing, Manning, Maxwell & Moore, J. C. Penney Co., American Sugar Refining, Dresser, Lehigh Portland Cement** and **Alco Products.**

Gulf Sulphur Corp. — Report — Dempsey - Tegeler & Co., Inc., Americana Building, Houston 2, Texas.

Head Ski Company Inc.—Memorandum — Irving J. Rice & Company, Inc., Pioneer Building, St. Paul 1, Minn.

Illinois Central — Report—Laidlaw & Co., 25 Broad Street, New York 5, N. Y. Also available are comments on **Polacolor.**

Inspiration Consolidated Copper Company—Analysis—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y.

Johns Manville Corporation—Bulletin—Oppenheimer, Newborg & Neu, 120 Broadway, New York 5, N. Y. Also available are comments on **National Steel Corporation, New York Chicago & St. Louis,** and **Union Carbide Corp.**

Kaman Aircraft — Analysis—Coburn & Middlebrook, Inc., 49 Pearl Street, Hartford 3, Conn.

Kansas City Southern Industries —Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available is an analysis of the **Richardson Company.**

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

Marley — Memorandum — Stern Brothers & Co., 1009 Baltimore Avenue, Kansas City 5, Mo. Also available is a memorandum on **W. C. Dickey Clay.**

Marrud Inc. — Memorandum — Paine, Webber, Jackson & Curtis, 209 South La Salle Street, Chicago 4, Ill.

Massey Ferguson Limited — Analysis—Royal Securities Corporation Limited, 244 St. James Street, West, Montreal 1, Que., Canada.

J. C. Penney—Discussion in current "Market Letter" — Hayden, Stone & Co. Incorporated, 25 Broad Street, New York 4, N. Y. Also in the same issue are comments on **F. W. Woolworth** and **Interstate Department Stores.**

Shawinigan and the Hydro Quebec Offers — Review—Annett & Company Limited, 220 Bay Street, Toronto 1, Ont., Canada.

A. E. Staley Manufacturing Co.—Analysis — Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a memorandum on **Southern Natural Gas.**

Standard Oil Company of New Jersey — Analysis—Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, New York 5, N. Y.

Time Incorporated — Analysis — Evans & Co. Incorporated, 300 Park Ave., New York 22, N. Y. Also available is an analysis of **FMC Corp.**

Webster Electric Company — Analysis—Loewi & Co. Incorporated, 225 East Mason Street, Milwaukee 2, Wis. Also available is an analysis of **Mosler Safe Company.**

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Investment Policies and Tax Status of Mutual Banks

By Alfred J. Casazza,* *Executive Vice-President, Savings Bank Trust Company, New York City*

Savings banks have become potentially larger investors in tax-exempt securities because of the 1962 Revenue Act. This is one of the conclusions made by Mr. Casazza in outlining considerations confronting a savings bank investment officer's investment of bank's funds. The banker's excellent brief details what must be done to achieve adequate liquidity, high asset quality and sufficient yield. The latter is the area said to require emphasis upon reducing tax liability under recent tax law change but the amount of tax-exempts sought is said to depend upon their effective yields compared to preferred and common stock, and mortgages.

Three major classes of financial institutions provide savings account service to the American people. These are mutual savings banks, commercial banks and savings and loan associations.

Alfred J. Casazza

Mutual savings banks are specialized thrift institutions that receive only savings deposits. Commercial banks are general purpose financial institutions that hold more demand than savings deposits. Savings and loan associations are specialized institutions whose primary function is the financing of home ownership through mortgage loans.

The investments that mutual savings banks may make with the funds entrusted to them by depositors are closely regulated by the laws of the state in which they are chartered. Generally speaking, these laws permit savings banks to invest in high-grade bonds and first mortgages on real estate. Limited purchases of common and preferred stocks are authorized in some states. State laws governing savings bank investments differ considerably in their provisions, so that a security which is a legal investment in one state may not be legal for a savings bank chartered in another state.

In investing a savings bank's funds within the limitations laid down by state law, a savings bank investment officer keeps four basic considerations in mind. These are:

(1) Adequate liquidity
(2) High quality
(3) Adequate yield
(4) Tax consequences

I shall discuss each of these portfolio policy objectives in turn.

Achieving Liquidity

(1) *Adequate Liquidity* — Because savings deposits are quite stable in character, savings banks do not require nearly as much liquidity as do commercial banks whose demand deposits and large time deposit accounts are subject to quite rapid turnover. The stability of their deposits makes it necessary for savings banks to keep only a small percentage of their assets in cash, short-term U. S. Government securities and other liquidity media. The bulk of their funds is invested in longer-term investments.

At the same time, savings banks keep themselves in position to build up additional liquidity rapidly, should deposit withdrawals or other circumstances make this desirable. Their large portfolio of marketable U. S. Government and other high-grade bonds can be sold readily to raise cash, although this involves taking losses when interest rates are high and bond prices are depressed. The mortgage portfolio provides a constant stream of amortization receipts that can be used to replenish liquidity. Added liquidity is also available through borrowing and mortgage warehousing. Savings Banks Trust Company was established by the savings banks of New York State to assure such a liquidity service, along with other services, to the savings banks of the Empire State.

Asset Quality

(2) *High Quality*—The mutual savings banks place great stress upon asset quality in making investments. Not a single mutual savings bank suspended payments during the severe depression of the early 1930's, a record matched by no other class of financial institutions at that time. The high asset quality standards that made possible that gratifying performance continue to govern savings bank portfolio management.

At the present time, mortgage loans account for 70% of the assets of savings banks. Three-fifths of these are mortgages which have been insured by the Federal Housing Administration or guaranteed by the Veterans Administration, and so are considered non-risk assets. Conventional mortgages held by savings banks are carefully selected and rate high in quality.

The securities in savings bank portfolios also are of very high quality. More than half (over $6 billion) are U. S. Government and Federal agency obligations. At the end of 1962, savings banks held $3.6 billion of high-grade corporate bonds, nearly all publicly offered issues, although interest is beginning to develop in attractive private placements. Preferred and common stock holdings aggregated $1 billion.

Savings banks held over $500 million of State and local government bonds at the end of 1962. Whether they will become larger investors in such obligations will depend upon yield and tax considerations, which we shall now discuss.

Yield Consciousness

(3) *Adequate Yield* — Savings bank investment officers seek sufficient yield from the quality investments they acquire to cover the bank's operating expenses, to pay competitive rates of return to depositors, and to add to the bank's surplus and reserves amounts large enough to margin deposit growth. As rates of interest paid on savings deposits by thrift institutions have risen, higher average yields have been required on assets.

Mortgages provide a higher return than any other major class of assets in which savings banks may invest. This explains why the whole net increase in deposits in recent years has been invested in mortgages. Security holdings have changed little in aggregate amount, but U. S. Government securities have been reduced and corporate and other securities increased to raise the yield.

Savings banks, like other thrift institutions, are quite yield conscious because of the increases in rates of return paid on savings during the past year.

(4) *Tax Consequences* — The Revenue Act of 1962 has made it necessary for savings bank investment officers to give far more thought than in the past to the tax consequences of their investment decisions.

Until this year, a savings bank could transfer the balance of its earnings, after operating expenses and interest payments to depositors, to the reserve for bad debts, so long as surplus, undivided profits and reserves did not exceed 12% of deposits. Since the large majority of savings banks had a surplus, undivided profits and reserve ratio of less than 12% of deposits, only a small number of banks paid Federal income taxes.

The law now limits additions to the bad debt reserve to 60% of taxable income or 3% of the net increase in the mortgage portfolio, whichever is greater, and this bad debt reserve may not exceed 6% of mortgage loans. Therefore, savings banks are bound to be more interested in tax-exempt income than in the past, and this interest will grow as the reserve for bad debts approaches the 6% limit.

We must keep in mind, however, that savings banks can reduce their tax liability in a number of ways, of which the purchase of tax-exempt bonds is one. They can increase the amount of taxable income that may be transferred to the bad debt reserve by adding to their mortgage holdings. They can invest in common and preferred stocks, 85% of the dividends on which is deductible from taxable income. Quality preferred stocks, after the 85% intercorporate dividend credit, give higher effective yields than tax-exempt bonds in today's markets.

We can conclude, therefore, that savings banks have become potentially larger investors in tax-exempt securities because of their changed tax position under the Revenue Act of 1962. The extent to which each savings bank will buy State and local government bonds will depend upon the effective yields they offer compared to the net return the bank would obtain on mortgages, taxable bonds or preferred and common stocks in view of its tax position at the time.

*An address by Mr. Casazza before the Bond School of the Municipal Bond Club of New York, New York City, Feb. 13, 1963.

N. Y. Hanseatic Names V.-Ps.

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New York Hanseatic Corporation, 60 Broad Street, New York City, underwriters and distributors of securities, have announced that Samuel Gold, Jack Honig and William R. Radetzky have been elected Vice-Presidents.

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Tax-Exempt Bond Market

*BY GEORGE L. HAMILTON**

The market for state and municipal bonds has continued to be active during this past weekly period, with prices generally unchanged to fractionally improved. A week ago the new issue volume was moderately heavy and the 30 day calendar of bonds up for public bidding was at a 12-month high of $745,562,000. Today the weekly volume is still moderately heavy; the 30-day supply is still of record proportions, totaling $720,000,000, and the only change to be reported is that one week has elapsed timewise since last reporting and that excellent business has been done in tax-exempt bonds in the interim.

Market Strength Prevails

A total of just over $210,000,000 of new municipal bond issues has come to market this week, with underwriters continuing to make very strong bids and, in many cases, price levels were through the reoffering scales for similarly rated issues brought to market over the last month. A pleasant market equilibrium has developed under these conditions of relatively heavy new issue volume and underwriters seem content to merrily go along as long as demand and market conditions justify their positions.

The market has been helped, of course, by the moderately improved government bond market and the Federal Reserve's steadying influence. The Treasury had a successful regular refunding of February maturities with attrition being very nominal. Investor response in the market to the Treasury's complex advance refunding last week indicates the operation was a resounding success. Judging by the action of government markets since the closing of the refunding books Thursday (2/28) for institutional investors, the market has made good advances.

Good Response by Holders of Treasury Issues

The Treasury announced on Tuesday that so far it had received subscriptions totaling $7,850,000,000 for four issues of the new securities offered in the current advance refunding. These subscriptions amount to 27% of the $29 billion of outstanding securities eligible for the exchange and so far show the average maturity at five years and one month, the highest since September, 1958.

A fine step forward in debt refunding and in enlarging the market for longer-term Treasury securities seems to have been accomplished by this refunding.

The corporate bond market has taken a back seat to Treasury and tax exempt markets with trading quiet and prices steady. The only new financing was $40,000,000 Northwest Bell Telephone 4⅜s which met an excellent reception by investors. The March calendar of utility financing is unusually light and totals but $120,000,000 at present writing.

Pending Municipal Business Is Not Unduly Heavy

As we reported last week, some dealers seem particularly concerned about the $720,000,000 of municipal bonds scheduled for sale over the next 30 days. We have taken the position that when one considers that three issues, the $137,920,000 Public Housing Authority (1963-2003) bonds, the $150,000,000 State of Illinois (1964-1988) bonds and the $37,215,000 San Francisco, California (1964-1983) bonds, make up close to half the volume for the next 30 days, the calendar is not unduly heavy.

With the nationwide Dealer-Bank syndicate ready to bid for the housing bonds, and the excellent chance that there will be but one bid for the Illinois issue, this volume should create no undue hardships on the municipal market and, in fact, may stimulate more interest in tax-exempt bonds.

Non-Revenue Yield Index Steady

The Commercial and Financial Chronicle's Index of yield, derived from a preselected 20 year high grade bond offerings, shows the market to be unchanged from last week at 2.93%. However, the *Chronicle's* more sensitive Revenue bond Index averages out at 3.449% on March 6, against 3.477% last week. This lessening of average yield represents a market gain of about $4 per bond. We will dwell later, in detail, on the bonds that make up this average and are responsible for this lessening of yield.

During the past week at least a dozen issues of importance came to market involving many sections of our country. Most of these issues have been in good demand and some still have a way to go but all were eagerly bid for.

Recent Awards

Last Thursday was a quiet day, with only one issue of note selling at public bidding. The *Chase Manhattan Bank* and associates submitted the best bid for $9,000,000 Greater Baton Rouge Port Commission, La. (1968 - 2002) bonds setting an annual net interest cost of 3.5136%. The runner-up bid of a 3.543% net interest cost came from the Halsey, Stuart & Co., Inc. group and there were also five other bids made for this state guaranteed issue.

Associated with the Chase Manhattan Bank as major members of the winning account are The First National Bank, Chemical Bank New York Trust Co., The First National Bank of Birmingham, Eddleman, Pollok & Fosdick, Inc., Rotan, Mosle &

Continued on page 11

*Pinch - hitting for Donald Mackey.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California, State	3½%	1982	3.15%	3.00%
Connecticut, State	3¾%	1981-1982	3.00%	2.85%
New Jersey Hwy. Auth., Gtd.	3%	1981-1982	3.05%	2.90%
New York, State	3¼%	1981-1982	3.00%	2.80%
Pennsylvania, State	3⅜%	1974-1975	2.70%	2.55%
Delaware, State	2.90%	1981-1982	2.95%	2.80%
New Housing Auth. (N.Y., N.Y.)	3½%	1981-1982	3.10%	2.95%
Los Angeles, California	3¾%	1981-1982	3.20%	3.05%
Baltimore, Maryland	3¼%	1981	3.10%	2.95%
Cincinnati, Ohio (U.T.)	3½%	1981	3.15%	3.00%
Philadelphia, Pennsylvania	3½%	1981	3.25%	3.10%
*Chicago, Illinois	3¼%	1981	3.25%	3.10%
New York, New York	3%	1980	3.15%	3.05%

March 6, 1963 Index=2.93%

*No apparent availability.

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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.

March 7 (Thursday)			
Beloit, Wis.	1,420,000	1964-1983	11:00 a.m.
Boston Metropolitan District, Mass.	10,947,000	1964-1993	11:00 a.m.
New Providence Sch. Dist., N. J.	1,500,000	1964-1984	8:00 p.m.
Pasadena, Texas	1,410,000	1964-1982	1:30 p.m.
Taylor Township Sch. Dist., Mich.	2,372,000	1965-1990	8:00 p.m.
Wayzata Indep. S. D. #254, Minn.	1,300,000	1966-1993	4:00 p.m.
March 9 (Saturday)			
Oklahoma State Univ. of Agriculture & Applied Science	1,380,000	1966-2003	9:00 a.m.
March 11 (Monday)			
Clackamus Co. S. D. 7, Ore.	1,788,000	1964-1983	8:00 p.m.
Lane County Sch. Dist. No. 4, Ore.	2,500,000	1964-1983	8:00 p.m.
Las Virgenes Municipal Water Districts, California	2,000,000	1968-1993	8:00 p.m.
Maricopa County Chandler School District No. 80, Ariz.	1,050,000	-------	11:00 a.m.
Oregon City Sch. Dist., Ohio	3,800,000	1964-1982	Noon
Seattle, Wash.	6,000,000	1973-1993	-------
March 12 (Tuesday)			
Anoka-Hennepin Indep. SD, Minn.	2,000,000	1966-1986	4:00 p.m.
Bi-State Dev. Agency Authority (Missouri-Illinois)	26,500,000	-------	-------
[Syndicate headed by John Nuveen & Co., Stifel, Nicolaus & Co., Inc.]			
Cheltenham Township S. D., Pa.	1,000,000	1965-1992	8:00 p.m.
De Witt, N. Y.	1,387,000	1964-1991	11:00 a.m.
Grand Rapids, Mich.	1,445,000	1964-1973	11:00 a.m.
Illinois (State of)	150,000,000	1964-1988	11:00 a.m.
Mississippi (State of)	5,000,000	1964-1982	10:00 a.m.
Omaha, Neb.	6,400,000	1965-1980	11:00 a.m.
Rapids Parish, La.	1,100,000	1964-1983	10:00 a.m.
Skagit County Hospital Districts Nos. 3 and 4, Wash.	1,300,000	-------	11:00 a.m.
Tenafly, N. J.	1,430,000	1964-1986	8:45 p.m.
Texas City Indep. Sch. Dist., Tex.	1,845,000	1964-1987	7:30 p.m.
March 13 (Wednesday)			
Bloomington, Minn.	3,500,000	1964-1983	12:30 p.m.
Brunswick, Ga.	2,000,000	1964-1993	2:00 p.m.
Dayton, Ohio	5,050,000	1964-1993	11:00 a.m.
Hartford, Conn.	9,750,000	1964-1983	Noon
Indiana State College Board	3,130,000	1964-2001	2:00 p.m.
Ladue S. D., Mo.	1,475,000	1964-1983	4:00 p.m.
Maine (State of)	3,500,000	-------	11:00 a.m.
Maine, Univ. of Maine & Educ. TV	3,500,000	1964-2003	11:00 a.m.
Nansemond County, Va.	3,000,000	1964-1983	Noon
Webster Etc., Cent. SD No. 1, N. Y.	1,835,500	1963-1990	2:00 p.m.
March 14 (Thursday)			
East Point, Ga.	1,995,000	1964-1982	Noon
Northeast Houston Indep. SD, Tex.	1,200,000	1964-1993	7:30 p.m.
Port of New York Authority, N. Y.	8,250,000	1963-1987	10:30 a.m.
Portsmouth, Va.	4,600,000	1964-1983	11:00 a.m.
March 18 (Monday)			
Columbia, Mo.	1,500,000	1964-1988	4:00 p.m.
Dallas, Texas	8,500,000	1964-1983	1:45 p.m.
Duluth, Minn.	3,100,000	1964-1993	7:30 p.m.
Fla. Devel. Comm. (Osceola Co.)	3,000,000	-------	-------
Mesquite, Texas	2,650,000	1964-1998	2:30 p.m.
San Francisco, Calif.	37,215,000	1964-1983	-------
March 19 (Tuesday)			
Chippewa Falls HSD No. 4, Wis.	1,147,000	1964-1980	1:00 p.m.
Lafayette, La.	5,750,000	-------	-------
Mobile County, Ala.	2,600,000	1964-1983	11:00 a.m.
Placentia S. D., Calif.	1,220,000	1964-1978	11:00 a.m.
West Allis, Wis.	4,265,000	1964-1983	2:00 p.m.
March 20 (Wednesday)			
Belleville S. D., N. J.	2,982,000	1965-1988	8:00 p.m.
Calleguas Mun. Water Dist., Calif.	6,500,000	1965-1989	7:30 p.m.
King Co. Highline SD #401, Wash.	2,300,000	1965-1983	11:00 a.m.
Local Housing Authorities	137,920,000	1964-2003	Noon
Los Angeles Elec. Plant Rev., Calif.	21,000,000	1964-1993	11:00 a.m.
University of Louisville	2,997,000	1964-2001	3:30 p.m.
March 21 (Thursday)			
Pomfret, Arkwright, etc., S. D. 1, New York	2,125,000	-------	-------
University of Michigan	1,250,000	1965-2002	11:00 a.m.
Wilmington, Del.	1,750,000	-------	11:00 a.m.
March 25 (Monday)			
Florida Dev. Commission	15,000,000	1963-1983	2:00 p.m.
Southfield Bldg. Authority, Mich.	1,000,000	1965-1988	8:00 p.m.
Southfield School District, Mich.	3,000,00	1966-1991	8:00 p.m.
March 26 (Tuesday)			
Eureka H. S. D., Calif.	1,965,000	1964-1988	2:00 p.m.
Janesville, Wis.	1,960,000	-------	-------
Macomb County, Mich.	10,260,000	-------	11:00 a.m.
March 27 (Wednesday)			
Columbus, Ohio	18,178,000	-------	-------
Salem, Ore.	5,000,000	1968-1988	10:00 a.m.
March 28 (Thursday)			
Clark County Sch. Dist., Nev.	5,000,000	-------	-------

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TAX-EXEMPT BOND MARKET

Continued from page 10

Co. and Interstate Securities Corp.

The securities are reoffered to yield from 2.30% to 3.65% and initial demand has been good, particularly in the bank maturity range, and the present balance in account is $2,060,000. All of the bonds, except for odd lots, have been sold through 1977.

Friday and Monday were void of any issues of general market importance, but Tuesday of the current week was a banner day, with over $122,000,000 of bonds selling at competitive bidding. The State of Minnesota, an infrequent borrower and an issue which carries the highest of credit ratings, awarded $29,360,000 Capital Improvement (1964-1983) bonds to the syndicate managed by *The First Boston Corp.* on their bid of 100.231 for a 2¾% coupon. The runner-up bid of 100.129, also for a 2¾% coupon, came from the account headed jointly by Harris Trust and Savings Bank and the Chase Manhattan Bank.

Other major members of the winning syndicate are Bank of America N. T. & S. A., Mellon National Bank and Trust Co., National Bank of Detroit, First National Bank in Dallas, The First National Bank of Memphis, The National Shawmut Bank and American Fletcher National Bank and Trust Co.

Scaled to yield from 1.60% to 3.00%, bank portfolio buying was immediate and the syndicate reports a balance of $12,282,000 in account.

Pennsylvania Authority Issue Attracted Investors

The group led by Halsey, Stuart & Co., Inc. submitted the best bid for $25,000,000 *Pennsylvania General State Authority* (1966-1990) bonds naming an annual net interest cost of 3.1827%. The second best bid for the bonds, naming an annual net interest cost of 3.21%, was made by the account headed jointly by Drexel & Co., Harriman Ripley & Co., The First Boston Corp. and Kidder, Peabody & Co.

Other major members of the successful group include C. J. Devine & Co., Goldman Sachs & Co., Blair & Co., Inc., Merrill Lynch, Pierce, Fenner & Smith, Stone & Webster Securities Corp., Salomon Brothers & Hutzler, R. W. Pressprich & Co., Ira Haupt & Co., Hornblower & Weeks, J. C. Bradford & Co., Weeden & Co., Paine, Webber, Jackson & Curtis, L. F. Rothschild & Co., F. S. Smithers & Co., W. H. Morton & Co., Paribas Corp. and Dominick & Dominick.

Scaled to yield from 1.90% to 3.35% for a variety of coupons, this issue attracted broad investor demand, with the present balance only $5,533,000.

DeKalb County (Decatur) Ga. awarded $12,000,000 School District (1966-1993) bonds to the syndicate led by *Halsey, Stuart & Co., Inc.* at a net interest cost of 3.202%. This bid compared very favorably with the second bid of 3.21% which was made by the First National City Bank and associates.

Other members of the successful syndicate are Lehman Bros., Smith, Barney & Co., Goldman, Sachs & Co., Salomon Brothers & Hutzler, C. J. Devine & Co., Blair & Co., Inc., Shields & Co., R. S. Dickson & Co., Paine, Webber, Jackson & Curtis, B. J. Van Ingen & Co., Inc., Hornblower & Weeks, Weeden & Co., Hemphill, Noyes & Co. and W. H. Morton & Co.

Scaled to yield from 2.00% in 1966 to 3.40% in 1991, the present balance is $5,090,000. The 1992 and 1993 maturities carried a 3% coupon and were sold at a 3.50% yield.

Anne Arundel County (Annapolis), Maryland sold $7,500,000 Sanitary Commission general obligation (1964-1993) bonds to the group headed jointly by *Morgan Guaranty Trust Co., Alex. Brown & Sons* and *Harriman Ripley & Co.* at a net interest cost of 3.1549%. The second bid of a 3.169% net interest cost was made by the Halsey, Stuart & Co., Inc. account.

Other major members of the successful group are Smith, Barney & Co., Goldman, Sachs & Co., John Nuveen & Co., J. C. Bradford & Co., Hallgarten & Co., Weeden & Co., A. G. Becker & Co., Inc., First of Michigan Corp., Lee Higginson Corp., Baker, Watts & Co., John C. Legg & Co., Stein Brothers & Boyce, G. H. Walker & Co., Braun, Bosworth & Co., Estabrook & Co., Johnston, Lemon & Co., Laidlaw & Co. and Union Trust Co. of Maryland.

Reoffered to yield from 1.65% in 1964 to 3.35% in 1992, initial demand has amounted to $3,785,000 of the bonds. The 1993 maturity carried a one-tenth of 1% coupon and was sold at a 4.25% yield.

Phelps, Fenn & Co. and associates submitted the best bids for three issues of State of Rhode Island bonds, including $3,000,000 Highway, $2,000,000 College Development, and $2,000,000 Interstate Highway. The group's bid for a 3.10% coupon on the three issues set an annual net interest cost of 3.08%.

Other members of the winning group include White, Weld & Co., Equitable Securities Corp., Mercantile Trust Co., St. Louis, Paribas Corp., First of Michigan Corp., Kean, Taylor & Co., Dick & Merle-Smith, Walston & Co., Fahenstock & Co. and Eldredge & Co.

Scaled to yield from 1.65% in 1964 to 3.35% in 1993, the present balance in account is $4,295,000.

Almost a Tie

Omaha, Nebraska, another infrequent borrower, awarded $6,400,000 various purpose (1965-1980) bonds to the account jointly managed by the *Harris Trust and Savings Bank* and *The First Boston Corp.* at a net interest cost of 2.6196%. The second bid of a 2.62% net interest cost came from the Continental Illinois National Bank and Trust Co. and associates and there were eight additional bids ranging in interest cost from 2.625% to 2.66% made for this popular issue.

Other members of the successful group include Mercantile Trust Company, St. Louis, Harriman Ripley & Company, First National Bank in Dallas, Brown Brothers, Harriman & Company, First National Bank & Trust Company, Oklahoma City; Second District Securities Company, J. Cliff Rahel & Company and John Douglass & Company, Inc.

Scaled to yield from 1.70% to 2.80%, demand was immediate and all but $1,570,000 have been sold.

Tuesday's final sale of note was $4,500,000 Duval County (Jacksonville), Florida Certificates of Indebtedness due 1964 to 1983 which was won by the *Phelps, Fenn & Company*, group at a net interest cost of 2.9747%. Once again bidding was very close with the second bid of a 2.977% net interest cost made by the account headed jointly by Blyth & Company and B. J. Van Ingen & Company.

Associated with Phelps, Fenn & Company, as major underwriters are A. C. Allyn & Company, Barr Brothers & Company, Stroud & Company, Dick & Merle-Smith, William R. Hough & Company, Rand & Company, Walston & Company and F. W. Craigie & Company.

Reoffered to yield from 1.65% to 3.15%, the present balance in account is $2,450,000.

Wednesday's largest issue involved $20,000,000 State of Louisiana Fiscal Authority Teachers Salaries (1964-1983) bonds which were awarded to the account jointly managed by *C. J. Devine & Company* and *Ira Haupt & Company* at a net interest cost of 3.3057%. Second best bid for the bonds, offering a 3.318% net interest cost came from Smith, Barney & Company and Halsey, Stuart & Company and associates. Other members of the winning account include Glore, Forgan & Company, Ladenburg, Thalman & Company, Salomon Brothers & Hutzler, Hornblower & Weeks, Francis I. du Pont, Weeden & Company, Goodbody & Company, Reynolds & Company and Bache & Company. These sales tax revenue bonds are reoffered to yield from 1.70% to 3.35% and initial orders have amounted to about $16,000,000.

The group led jointly by *Halsey, Stuart & Company Inc., Blyth & Company* and *Chase Manhattan Bank* submitted the best bid of 100.2599 for a 2.70% coupon and won $9,822,000 Yonkers, New York various purpose (1964-1980) bonds. The securities are reoffered to yield from 1.70% to 3.05% and initial demand has been good, with the present balance in group $4,995,000.

Alaska Sell-Out

This week's final sale of note was $7,500,000 State of Alaska bonds which were bought by the group headed jointly by *Lehman Brothers* and *Phelps, Fenn & Company* at a net interest cost of 3.3238%. The runner-up bid of a 3.36% net interest cost came from Bankers Trust Company and associates.

Other major members of the winning group are Blair & Company, Inc., L. F. Rothschild & Company, First National Bank of Boston, Francis I. du Pont & Company, J. C. Bradford & Company, National State Bank of Newark, Bache & Company, Bacon, Stevenson & Company and Dempsey-Tegeler & Company, Inc.

Scaled to yield from 2.00% to 3.50%, there is no balance available as we go to press.

Eyes on Illinois

The new issue calendar is again heavy next week, with $240,000,000 of bonds to be sold at public bidding. The feature is $150,000,000 State of Illinois various purpose (1964-1988) bonds for Tuesday, March 12. It is expected that there will be but one bid submitted for this king size issue.

The *Blue List* total of state and municipal bonds has dropped moderately since last week and stands at $462,000,000 on March 6. Last week the total float was $498,479,000. This inventory situation continues to be favorable and there is no pressure from this source on the market.

Dollar Bonds Show Sharp Price Gains

As we go to press, dollar quoted long term toll road, toll bridge, public utility and other revenue issues continue to show substantial improvement in heavy trading. Some of the dramatic gains were as follows: Kansas Turnpike 3⅜s up 2¼ points; Indiana Toll Road 3½s up 2 points; Massachusetts Turnpike 4-5s up 2¼ points; New Jersey Turnpike 3⅜s up 1 point; Richmond-Petersburg 3.45s up 1 point; Greater New Orleans 4s up 1¼ points; Kentucky Turnpike 4.85s up 1 point; and Oklahoma Turnpike 4¾s up 1 point. We contemplate further gains for most of the long-term revenue bond issues.

Andrew Baird Named by A. G. Becker

CHICAGO, Ill.—Andrew M. Baird has been elected Senior Vice-President of A. G. Becker & Co.

Andrew M. Baird

Inc., 120 South La Salle Street, members of the New York and Midwest Stock Exchanges, and other leading national exchanges. Mr. Baird was formerly Vice-President and Treasurer of the firm.

Steiner, Rouse to Admit Two

Steiner, Rouse & Co., 19 Rector Street, New York City, members of the New York Stock Exchange, on March 14, will admit Arthur Gandolfi and Edward G. Mirabella to partnership.

W. A. Sholten Retires

William A. Sholton, Vice-President and Mid-Western Representative in the Chicago office of New York Hanseatic Corporation, retired at the end of February.

Before becoming associated with Hanseatic in 1952, Mr. Sholten was a partner in Sholten, Knight and Co., a Chicago investment counsel firm. Prior to that, he was with First Boston Corporation in New York and its parent, First National Bank of Boston.

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Reconciling Agricultural Trade With Protectionism

By Dr. J. H. Richter, *Former Economic Advisor of the Foreign Agricultural Service of the United States*

The fate of U. S. agricultural exports is of no small concern since this area takes up 25% of our total exports. Nor, for that matter, is agricultural trade of unimportance to Britain whether or not it ultimately overcomes France's membership veto and joins EEC. The basic problem agricultural trade faces, for exporters as well as importers with or without EEC entry, is extensive degree of farm supports and how to reconcile protectionism with trade. Dr. Richter details a possible solution based on his considerable experience in this field. For 35 out of 37 years he has been a U. S. Department of Agriculture expert, author of numerous articles as well as three books, and has represented the Department on numerous missions abroad. In his latest contribution to the thorny farm trade problem, Dr. Richter reviews the inherent paradoxes of farm economics; the divisiveness farm protection causes between countries; the prospect for increased protection against third countries as more protection is sought and, in turn, induces greater output and necessitates further import reductions; and the proper approach to a fruitful solution. For the next several months, Dr. Richter will be abroad pursuing independent research.

Among the subjects that await a vigorous and early initiative on the part of the United States Government as well as other governments is the issue of international trade in farm products.[1] Policies pursued in the past and, escially, policies in the making will importantly determine the future of this trade. With an export trade of five billion dollars worth of agricultural products, or one-fourth of its total exports, the United States has a great stake in this issue—not only for balance of payments reasons, but also because of the direct importance of this trade for farm income: one-sixth of all cropland in the United States is devoted to production for export; exports account for one-eighth of all farm sales — exports of crop products even for one-fourth of all farm marketings of crops. For some individual commodities export dependence is even greater.

J. H. Richter

When I say that a vigorous and early policy initiative is needed, I do not mean to imply that governments have done nothing thus far. On the contrary, many have been active in studying and discussing this problem. The British Government, and the governments of the Commonwealth countries, as many know, explored intensively the subject with the EEC governments in the course of the negotiations on possible British accession. In the United States, our Departments of State and Agriculture have kept up a lively daily contact with the European governments and the Common Market Commission in Brussels, challenging policies and discussing ways in which the impact of agricultural protection on trade could be softened.

These efforts, of course, continue and are being stepped up. They are the essential preliminaries to a big and systematic drive for international arrangements that aims to assure the maintenance of agricultural trade at reasonable levels. But we must now embark upon what we have not thus far done: we must begin a thorough and open international discussion of a suitable content for such arrangements. We must make and debate proposals that are realistic and reasonable and thus commend themselves for international negotiation. And we must earnestly consider and debate proposals made, or to be made, by other governments.

With respect to this task it is immaterial whether or not Britain joins the Common Market, or whether or not the Market itself survives the grave threat of European division that has recently reared its ugly head. For the basic problem of agricultural trade and some of the policy plans and methods adopted by EEC will remain.

[1] Agricultural products of the temperate zone. Trade in tropical products is, partly, another problem.

The Problem of Agriculture

With respect to agriculture, countries are faced with a particularly pressing problem. Agricultural trade is endangered by the need for, and the fact of, extensive farm support in both importing and exporting countries of the industrialized world. At issue is the need for a new international approach toward the problem of maintenance of agricultural trade at reasonable levels.

The complaint that the General Agreement on Tariffs and Trade (GATT), administered by the GATT Secretariat in Geneva, has not been successful in preventing an increase in agricultural protectionism has a long history. Protectionism in the importing countries has gradually grown under — long legitimate — special measures for the protection of balances of payments. When these measures became outdated, the call for recognition of agriculture's special situation and of a special deal for agriculture became louder and more insistent. And the great social problems involved in the removal, or even in the lessening, of government support for agriculture pointed to the need for another look at possibilities for maintaining international trade in agricultural products of the temperate zone.

The great social problems facing agriculture in the industrial countries have often been reviewed; they apply as much in the United States as they apply in other countries: The handicaps under which agriculture labors in a rapidly expanding industrial economy include the fact that per capita demand for foodstuffs grows very little in such a society. Technology in agriculture not only profits but also suffers from the rapid economic development in industry; technical productivity increases to an extent that would call for a displacement of agricultural labor at a rate which is socially and politically difficult to achieve. There is, in short, a very slow mobility of resources in agriculture. Furthermore, there is competition among millions of medium-sized or small enterprises which, unlike industry, cannot cope with economic change in a concerted fashion. Hence government help is needed to bring about orderly supply adjustments and in other ways to secure support.

How to reconcile the inevitability of such protection with the need for maintaining international trade in agricultural products is one of the important problems that need to be dealt with effectively whether or not Britain joins the European Economic Community (EEC), or whether or not the Community itself survives.

The European Common Market

The problem of how to reconcile the need for farm support with the need for the maintenance of agricultural trade has thus been developing over a number of years. But its great significance was suddenly highlighted by the formation of the EEC or European Common Market and the agricultural policy the Community proposes to pursue.

That there had to be a special

Continued on page 39

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Salesmen Are the Basis Of America's Prosperity

By Roger W. Babson

A relatively untapped source of productive employment is going begging according to Mr. Babson in recommending more be done to bring selling to the attention of more of our young people. The writer describes the challenges selling and its ancillary radio, TV and advertising activities contain, and the high norms such occupations require — fruitful to the individual and to the economy.

In a recent survey of American manufacturers and service organizations compiled in New York City, it was reported that their members are in need of 303,672 salesmen. They also strongly recommended a training course for salesmen, wishing that more colleges would teach practical salesmanship and courses in psychology, public speaking, and other subjects which would be helpful in honest selling.

It is interesting to note that salesmen do not need to form labor unions. "Union wages" cannot be "sold" to salesmen, for labor knows that a salesman can always get what he is worth. The annual pay of salesmen varies from $6,000 to $100,000 or more . . . according to what and how well they sell.

There is some fear that broadcasting tends to undermine—or make unnecessary or "short cut"—the work of the nation's salesmen. This may be true in the case of cosmetics, drugs, cigarettes, etc.; but it is not true in general. As we listen to radio or television, we are inclined to think that these much-advertised products comprise an important percentage of the U. S. national income; but this is not true. With the exception of the auto industry, over 80% of consumer products, real estate, and building materials are not being sold via broadcasting. Certainly, this 80% leaves enough for salesmen to work upon.

My estimate is that newspaper and magazine advertising gives the advertiser more for his money than does television. The latter reaches vast numbers of people, but only for a minute or two (although these ads are prepared with great care by very able and experienced specialists). To me one of the most interesting portion of a TV broadcast is the list of the large number of concerns and individuals who were employed to prepare the broadcast. Readers will note that the automobile manufacturers are still using—and perhaps making even more important use of—newspapers and magazines to sell their cars. Such ads are on hand and available to readers for 20 hours or more; while the TV ads often are available for only 20 seconds at a time.

Finally, let me say a word about the selection of salesmen. They should be men of character and with a pleasing personality. A good salesman believes in his product and in his employer. He honestly feels that he is serving his customers by selling them his "goods." He is convinced that full employment is dependent upon the nation's salesmen, whether his territory is international or only local. He believes that the future of America depends upon real industry, the number of homes built, the amount of clothing and good food sold . . . rather than upon the number of cigarettes or bottles of beer or quantity of cosmetics sold. If President Kennedy should ask me what he could do to help business, I would say: "Do more for the nation's salesmen. They are the basis of prosperity."

Eisenstat Joins P. R. Firm

PITTSBURGH, Pa. — Norman C. Eisenstat has joined Corporate Communications Counselors, Inc., the financial public relations agency affiliate of Advertising & Public Relations Consultants, Inc., Carlton House, Pittsburgh.

Norman C. Eisenstat

He will serve as Vice President of the firm, which deals exclusively with financial, corporate and stockholder communications.

Mr. Eisenstat has been associated with the securities industry for the past five years as a partner and trading specialist.

Sisson & Nair Opens on Coast

SAN FRANCISCO, Calif—Sisson & Nair, Inc. a new stock brokerage and investment banking firm has opened offices in Redwood City and San Francisco.

Heading the new organization as President and Chief Executive Officer is Daniel W. Sisson, formerly Vice-President, Director and a member of the Executive Committee of Hooker & Fay, Inc. Richard S. Nair, Vice-President and Chief Administrative Officer of the new firm, formerly was head of the San Francisco office of Granbery, Marache & Co. and prior to that was associated with the San Francisco office of Blyth & Co., Inc. Raymond F. Bjorkquist is Secretary-Treasurer.

The new firm has become a member of the Pacific Coast Stock Exchange. Eastman Dillon, Union Securities & Co. is the firm's New York correspondent.

The Redwood City headquarters office is located at 829 Jefferson Ave. San Francisco offices are in the International Bldg.

Other personnel associated with the firm include Richard A. Hennig, Trading Manager, and Barbara G. Rosenblum, Financial Analyst.

Mr. Sisson will supervise production, sales management recruitment and training.

Mr. Nair, as General Manager of Sisson & Nair, will be in charge of research, underwriting and private placements, and syndicate activities.

Mr. Bjorkquist will be responsible for all cashiering and controller functions.

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U. K. and U. S. A. Policies Weaken Their Currencies

By Paul Einzig

Skepticism expressed about British and our budget-inflationary measures to foster recovery predicts they may succeed for a year or two at the risk of jeopardizing their respective currencies internationally but, then, fail in the long run. Dr. Einzig notes the pressures being brought to bear to increase government spending, and to prevent their being turned off when revival occurs, and warns of the consequence of reflation being taken over by inflation.

LONDON, England—I wonder if there has ever been a precedent in economic history for frost and abnormal snowfall becoming the cause of inflation in any country? Yet this is what is happening in Britain. To be quite correct, the bad weather that has prevailed ever since Christmas has accentuated the existing conflicting trend between purchasing power inflation and demand deflation.

It is true, the increase of the number of unemployed by some 400,000 to over 900,000 has tended to curtail both purchasing power and consumer demand. But the loss in purchasing power has been more than made good by the stepping up of the Government's reflationary measures. The sudden dramatic increase in unemployment resulting from bad weather conditions has induced the Government to resort to measures which it would not have deemed necessary or advisable had unemployment remained in the vicinity of 500,000.

The curtailment of building activity and the reluctance of many people to go shopping in the inclement weather has greatly exaggerated a seasonal rise in unemployment. And since in postwar Britain, everybody has been used to unemployment being under 500,000, the approach of the 1,000,000 level has created something like panic. The Labor Party is making political capital out of the situation and the Government's popularity in the country has declined to a new low level.

Officials Welcome Spending-Rise

Being anxious to retrieve the situation, the Government has embarked on a wide variety of inflationary devices and is expected to produce a thoroughly inflationary budget. Government departments are of course delighted with the change of public opinion towards public spending. To spend more money has now come to be regarded as a civic virtue. The local authorities, too, are swimming with the tide and are greatly increasing their expenditure.

Even so, up to the time of writing the increased purchasing power that has been pumped into circulation does not seem to have led to any perceptible increase in consumer demand. As for capital expenditure by industries, the response is even less satisfactory. Investment plans are deterred or scaled down largely because of fears of a Socialist victory at the next general election.

It is true there is boom in certain lines of consumer goods and semi-durables. Because of the repeated cuts in electric power supply resulting from the bad weather there has been a strong demand for candles and other non-electric devices of lighting. Electric and gas heaters are also in great demand and so are warm clothing. On the other hand, fears of abnormally high fuel bills have caused an all-round curtailment of demand in every other direction in addition to the reluctance of the elderly to go out shopping and to the curtailment of shopping caused by transport difficulties.

With the improvement of the weather, consumer demand is expected to revive during the spring and summer. By that time the deferred effects of the Government's various reflationary measures will also have manifested themselves. Unemployment is expected to return to the vicinity of 500,000, so that the main cause for the Government's drastic reflationary measures will have disappeared. On the other hand, those measures will continue to produce their effects. In the absence of abnormal unemployment and seasonal curtailment of consumer demand that effect will cease to be reflationary and will simply became inflationary.

Fears U.K. and U.S.A. Policies

It has become fashionable to sneer at the "stop and go" policy by which the Government endeavored to keep the economy on an even keel by counteracting any inflation and recession before it had time to gather momentum. It is therefore conceivable that on the present occasion there will be no "stop," and inflation will be allowed to proceed. This will produce an adverse effect on the balance of payment unless other countries too inflate. Judging by President Kennedy's budget, the trend in the United States will be similar to that prevailing in Britain. Even though the French Government has embarked on disinflationary credit restrictions, the Euro-dollar system will provide the French economy with the credits needed for the replacement of the amount cut by the official measures. The same is true about any German disinflationary attempts. This will mean that both sterling and the dollar stand a chance of surviving the inflationary budget — even though it would be unwise to take this for granted—without unduly heavy losses of gold. But some country is bound to benefit by the weakness of sterling and the dollar and by the adverse balances of payments of Britain and the U. S.

Owing to the increased drawing facilities with the International Monetary Fund and to the recently developed system of cooperation between Central Banks, possibly the effect of the American and British inflation will be camouflaged for quite a while. Even in the absence of actual gold losses, however, the situation would be anything but satisfactory. Both Britain and the United States appear to be determined to achieve a business revival at the cost of weakening their international monetary defenses. Such a policy may work for a year or two but in the long run it will be bound to avenge itself.

Cowitt Elected By Hugh Long Co.

Richard I. Cowitt has been elected a Regional Vice-President of Hugh W. Long and Company of Elizabeth, N. J., and will represent the mutual fund underwriter in the metropolitan New York area.

Richard I. Cowitt

The fifth largest underwriter in the mutual fund industry, the Long Co. distributes shares of Fundamental Investors, Diversified Investment Fund and Diversified Growth Stock Fund.

Mr. Cowitt formerly was associated with First Investors Corp. from 1949 to 1955, North American Planning Corp. from 1956 to 1960 and the One William Department of Lehman Bros. from 1960 until recently. He was Vice-President in charge of sales for North American Planning and Regional Sales Manager for One William.

Workman Electr. Products, Inc. Stock Offered

Public offering of 140,000 common shares of Workman Electronic Products, Inc., at $3 per share is being made by Hensberry & Co., St. Petersburg, Fla. Net proceeds to the company will be used for repayment of a bank loan, research and development, inventories, and other corporate purposes.

Workman Electronics of Sarasota, Fla., is engaged in the development, manufacture and distribution of electronic replacement components, such as resistors, transistors, transformers, coils and parts for radio, TV and industrial use, and similar type products.

Babbitt, Meyers & Waddell Formed

PITTSBURGH, Pa.—Marshall Waddell and Karl F. Meyers have formed Babbitt, Meyers & Waddell with offices in the Union Trust Building. Mr. Meyers, a member of the Pittsburgh Stock Exchange, formerly was proprietor of Meyers & Co. Mr. Waddell was Vice-President of W. H. Babbitt & Co. Incorporated.

DIVIDEND NOTICES

CITY INVESTING COMPANY
980 Madison Ave., New York 21, N. Y.

The Board of Directors of this company on February 28, 1963 declared the regular quarterly dividend of $1.375 per share on the outstanding 5½% Series Cumulative Preferred Stock of the company payable April 1, 1963, to stockholders of record at the close of business on March 18, 1963.

HAZEL T. BOWERS,
Secretary

DIVIDEND NOTICE

QUALITY

The American Tobacco Company

234TH PREFERRED DIVIDEND

A quarterly dividend of 1½% ($1.50 a share) has been declared upon the Preferred Stock of THE AMERICAN TOBACCO COMPANY, payable in cash on April 1, 1963, to stockholders of record at the close of business March 8, 1963. Checks will be mailed.

J. R. WATERHOUSE
Treasurer

February 26, 1963

DIVIDEND NOTICES

AMERICAN BANK NOTE COMPANY

PREFERRED DIVIDEND No. 228
COMMON DIVIDEND No. 218

A quarterly dividend of 75¢ per share (1½%) on the Preferred Stock for the quarter ending March 31, 1963 and a dividend of 17½¢ per share on the Common Stock have been declared. Both dividends are payable April 1, 1963 to holders of record March 12, 1963. The stock transfer books will remain open.

LOUIS T. HINDENLANG
Secretary and Treasurer

February 27, 1963

BENEFICIAL FINANCE CO.

135th CONSECUTIVE QUARTERLY CASH DIVIDEND

The Board of Directors has declared a quarterly cash dividend of

$.30 per share on Common Stock

payable March 31, 1963 to stockholders of record at close of business March 11, 1963.

Over 1,350 finance offices, 400 company-owned and 3,800 associate Western Auto stores

BENEFICIAL FINANCE SYSTEM

Wm. E. Thompson
Vice-President & Secretary

March 1, 1963

ANACONDA

REG U.S. PAT. OFF.

DIVIDEND NO. 219

February 28, 1963

The Board of Directors of **THE ANACONDA COMPANY** has today declared a dividend of Fifty Cents (50¢) per share on its capital stock of the par value of $50 per share, payable March 29, 1963, to stockholders of record at the close of business on March 11, 1963.

R. E. SCHNEIDER
Secretary and Treasurer
25 Broadway, New York 4, N. Y.

MURPHY CORPORATION

COMMON STOCK
QUARTERLY DIVIDEND

12½¢ per share

- Payable March 29, 1963
- Record March 15, 1963
- Declared February 27, 1963

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The State of TRADE and INDUSTRY

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

For the first time since last May, the National Association of Purchasing Agents Business Survey Committee reported buyers reporting increased inventories outnumbered those listing inventory cutbacks. The Purchasing Agents Survey Committee is Chaired by E. F. Andrews, Vice-President in charge of purchases, Allegheny Ludlum Steel Corp., Pittsburgh, Pennsylvania.

More inportantly, the purchasing group noted, new orders and production in February evidenced "minor improvement" over January. The Committee pointed out that "business continues to mark time in the early weeks of 1963, as predicted by Purchasing Executives in their December report. A small amount of spotty improvement is noted particularly in steel where some hedge buying has started.

"Only *minor improvement* in rate is noted in new orders and production figures. However, new orders outpaced production for the second month in a row and this is a good situation. Only a 2% change is noted in new order figures and a 5% change in production, but the 37% reporting new orders up is the largest number so reporting since April, 1962.

New Orders	Better	Same	Worse
February	37	48	15
January	35	50	15
Production			
February	30	55	15
January	26	54	20

"Severe weather conditions throughout much of the nation, compounded by numerous labor disputes, have undoubtedly depressed business figures this month. Remarks from members indicate that labor negotiations and their outcome may be the most important factor in the course of business in 1963. Of course, the confusion over the Administration's tax proposals came in for a share of caustic comment.

Purchased Materials Inventories

"February figures show that for the first time since last May, those reporting higher inventory figures outnumber those reporting lower, thus a small amount of accumulation has started. Higher levels are reported by 23%, but only 20% report lower.

"The much-publicized hedge buying in anticipation of a steel labor dispute is probably the most important factor affecting inventories this month. Last year at this time, 40% of our members added to their inventories because of steel negotiations and 52% of the 40% made their move before January. In October, we asked our members about their plans for this year. Only 30% advised they expected to add and 75% of the 30% said they would not make their move until February or after.

"This month we asked our members again if they planned to add to stocks because of a potential steel work-stoppage: 38% answered yes. We then asked what month this group expected to place orders: 32% said February: 37%, March; 15% April; and 11%, May. We asked when they would expect this to appear in their stock levels: 11% said March; 26%, April; 40%, May; and 21%, June.

Thus, it would now appear that more intend to increase inventories than planned to do so in October, and are about equal to the number who actually added prior to the 1962 negotiations. However, as these figures show, additions are being made substantially later than they were in 1962.

Buying Policy

"As noted previously, hedging is beginning to find its way into our indicators and this development carries into forward commitments. In February, there was a 5% shift from the 30-to-60-day category of production material ordering. This may account for those who are reluctant to add to inventories but want to get their orders on vendors' books early, in the event a production jam-up occurs as the reopening date approaches.

The small degree of change in forward buying policy recorded this month points out the great reluctance of Purchasing Executives to depart from conservative policies. Certainly the figures reflect an orderly well-planned program, with no one showing signs of reaching for the panic button.

MRO and Capital Expenditure statistics showed little, if any, significant change over the past month.

Employment

Again this month, those reporting lower employment levels outnumber those reporting higher; 20% report rosters pared and 15% report higher levels, down from 16% in January. A solid 65% report no change. As noted above, weather and labor disputes may be reflected in these figures this month.

Commodity Prices

February statistics repeat the same story of stability so often mentioned in these reports. This time 87% report general levels unchanged from a month ago. Even with this situation prevailing, considerable price activity continues on the fringes, and often bellwether commodities are involved. Some are casualties of competitive struggles and slip downward, but for others, increases are being posted. Examples of each are found among the materials purchased by the 7% reporting increases and the 6% reporting declines. Some members feel that upward pressures are growing, often in the guise of discount shading or curtailing of "free" services.

	Per Cent Reporting				
February	**Hand to Mouth**	**30 Days**	**60 Days**	**90 Days**	**6 Mos. to 1 Yr.**
Production Materials	6	39	36	14	5
MRO Supplies	28	43	22	6	1
Capital Expenditures	13	4	15	23	45
January					
Production Materials	6	44	31	14	5
MRO Supplies	29	42	22	6	1
Capital Expenditures	12	6	16	19	47

February matched January closely, in terms of the number of specific changes reported, and it will be recalled that January appeared to reflect an increased rate of price activity. Settlement of the dock strike removed burlap from the short supply list and the price began to soften. Chemicals generally were stable to lower, the major exception being among the cadmium derivatives.

On the *up* side are: Lead, steel scrap, cadmium and derivatives, sugar, oxygen, acetylene, laboratory equipment and glassware, and rubber air hose.

On the *down* side are: Ferroalloys, corrugated boxes, burlap, phenol and derivatives, caustic soda, and stainless steel.

In *short* supply: Cadmium.

Bank Clearings Increased 6.6% 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, March 2, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 6.6% above those of the corresponding week last year. Our preliminary totals stand at $35,314,932,750 against $33,142,103,103 for the same week in 1962. Our comparative summary for some of the principal money centers follows:

Week End. Mar. 2—	(000's omitted) 1963	1962	%
New York	$20,937,356	$19,113,570	+ 9.5
Chicago	1,458,632	1,376,350	+ 6.0
Philadelphia	1,235,000	1,289,000	— 4.2
Boston	924,316	905,782	+ 2.1
Kansas City	557,285	567,964	— 1.9

2.1% Steel Rise Over Prior Week Marks Fifth Weekly Gain in a Row, but is 11% Below Year-Ago Week

According to data compiled by the American Iron and Steel Institute, production for the week ended March 2 was 2,130,000 tons (*114.3%), as against 2,086,000 tons (112%) in the week ending Feb. 23. The week to week output increased 2.1%.

This gain was the fifth consecutive weekly increase and is attributed to an advancing demand for steel fed by an undercurrent of hedge-buying against a possible steel strike.

So far this year — through March 2 — the output of ingots and castings has totaled 17,688,000 net tons which comes to a 17.5% decline compared to Jan. 1-March 3, 1962 production of 21,437,000 net tons (127.9%).

Data for the latest week ended March 2 show a production decline of 10.98% compared to last year's week output of 2,361,000 net tons (126.7%).

District—	*Index of Ingot Production for Week Ending Mar. 2	Feb. 23
North East Coast	104	103
Buffalo	108	100
Pittsburgh	102	98
Youngstown	103	100
Cleveland	136	124
Detroit	167	165
Chicago	125	127
Cincinnati	122	115
St. Louis	114	109
Southern	102	106
Western	110	111
Total Industry	114.3	112.0

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

Steel Mill Products Inventory Buildup May Equal 1962's

Will the buildup of consumer inventories of steel mill products parallel last year's 4.5 million tons? Steelmakers hope not, but they do not discount the possibility.

That possibility could add up to 4.8 million tons, *Steel* magazine said March 4. It figures it this way:

By March 31, inventories will be about 800,000 tons above the January 1 level (nine million tons). They will probably increase by one million tons in April regardless of what happens on the labor scene. Then, if the United Steelworkers of America (USW) reopens its contract with producers on May 1 and negotiations continue until a strike can be called at the end of July, users may boost their inventories by one million tons a month in May, June, and July.

General Motors Corp.'s announcement that it will add one million tons of steel to its stockpile by July 31 has given the market a moderate lift, said *Steel*. GM's move has triggered some hedging, but most buyers will wait until March 15 in the hope that a USW executive board meeting scheduled for that date will reveal whether the union intends to reopen its contract. *Steel* says that unless there is a clear indication within the next 30 days that the contract will not be reopened, inventory building will hit full stride in April.

Rubber Tire Strike Not Expected To Halt Auto Output

Automakers are also somewhat concerned about a threatened walkout in the rubber industry where labor contracts with three big tiremakers—Goodyear, Firestone, and Goodrich — expire April 20.

Steel's sources believe a strike possible, but say that if it comes, it probably will not cripple the automakers or force them to refuse steel shipments. Reason cited: They could get all the tires they would need from warehouses, major producers not on strike, private brand manufacturers, and foreign suppliers.

The metalworking weekly forecasts that a sixth consecutive increase in steel ingot production will be shown this week. It predicts output will slightly exceed the 2,135,000 tons it estimates the industry poured in the week ended March 2. Output then was 2.3% above the previous week's.

Even with little strike hedging expected this month, the magazine estimated March production and shipments of finished steel will exceed February's by 10 to 15%.

Despite rising steelmaking operations, mills have been buying scrap sparingly, and prices have been showing increasing signs of weakness. For the fourth straight week, *Steel's* composite on No. 1 heavy melting grade remained at $28.33 a gross ton.

Cautious Steel Hedge Buying May Gallop After April

Steel users will add about one millon tons of steel to their inventories in April, *Iron Age* magazine reported. This is about on the schedule predicted earlier. But there is still no real surge to build steel stocks.

This means any real move to build steel inventories in advance of steel labor talks will be jammed into the latter part of the second quarter. Although April will show a relatively modest move toward hedge buying, the real push will have to come later.

As March gets under way, steel users are still cautious about advance commitments. This means they are still uncertain as to the plans of the United Steelworkers of America on contract reopening, *Iron Age* said.

The magazine also pointed out that users are confident of mills' ability to produce in volume at a later date, and are trying to avoid costly inventories if at all possible.

But this does not mean there is no concern. Inventory buying is going on, but not to the extent that occurred by this date in other steel labor years. The 90-day notice to reopen the labor contract, which is not due earlier than May 1, has many users on the fence on inventory plans.

However, the market continues to advance. Further, it is taking on a broader base in its improvement. Up to now, gains have been confined to flat-rolled products and to auto-oriented users.

Now, some gains have been noted in a wide range of products. These include bars, plates, structurals, alloy steels, railroad steels, wire products, and pipe. Combined with auto inventory buying, these gains have lifted order rates to respectable levels. In isolated instances, mills have noted short periods where incoming orders approached a rate to justify 100% operations.

But these occurred in fits and starts and cannot be considered as a real test of the market.

In the automotive steel market, gains in production at General Motors have compensated for some cutbacks elsewhere. With GM divisions increasing their production schedules, the automotive giant has fallen behind in its inventory buildup.

There is some speculation that GM will push some of its April tonnage up into March to get its stockpiling back on schedule.

As an indication of the overall strength, lead times have lengthened out for many products. The situation is still competitive, and orders can be won or lost on delivery promises. But this is gradually changing and users can no longer count on quick delivery and are returning to more normal patterns of ordering.

Surprising Spurt in Metal Working Industry's Capital Spending

An unexpected upturn in plant and equipment spending plans is adding new strength to the capital goods market, *Iron Age* magazine also reported.

Surprising strength shows up in latest capital spending plans in the metalworking industry. It means what had started as another so-so year for metalworking capital goods has now taken on bullish tones, the magazine said.

This turn of events is forecast by a big quarterly rise in capital appropriations by the metalworking industry in the fourth quarter of 1962.

The metalworking industry embraces a wide range of heavy industry. It includes primary metals, fabricated metal products, non-electrical machinery, electrical machinery transportation equipment (including automotive), and instruments.

The industry boosted capital set-asides an amazing 70% over the previous quarter. The $1.4

Continued on page 27

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Frank & Co. Inc. Formed in N.Y.C.

Frank & Company, Inc., has been formed as successor to the former partnership of Frank & Co., 39 Broadway, New York City, established in 1939. Officers of the new corporation are Isadore Frank, President; Samuel Gronick, Executive Vice President; Stephen Shalom, Treasurer, and Joshua Morrison, Secretary.

Samuel Gronick

The firm will conduct a general securities business under the direction of Mr. Gronick, who was formerly a member of the New York Stock Exchange and manager of the New York office of Gerstley, Sunstein & Co. of Philadelphia. He had previously been a partner in Gilbert J. Postley & Co. Mr. Gronick is a member of the Securities Traders Association of New York and of the New York Society of Securities Analysts.

Fuji Bank Finds Japanese Economy Stabilizing

"An encouraging stabilization of the Japanese economy" with Japan's "International balance of payments situation rapidly improved" is noted by the Fuji Bank, Ltd., Japan's largest commercial bank.

A general business summary contained in Chairman Toshi Kaneko's report on the Fuji Bank's 77th term added that recent surveys indicate that governmental administrative guidance and effective measures for adjusting economic expansion had encouraged a substantial reduction or postponement of private investment in new plant and equipment.

"As the measure taken to prevent rampant industrial expansion took effect," Mr. Kaneko reported, "domestic demand for producer and capital goods showed an appreciable decline, accompanied by a slackening in the high rates of increase in private consumption. The industrial production index, which had been fluctuating since early 1962, has also become more stabilized, indicating a more constant or slightly decreasing level.

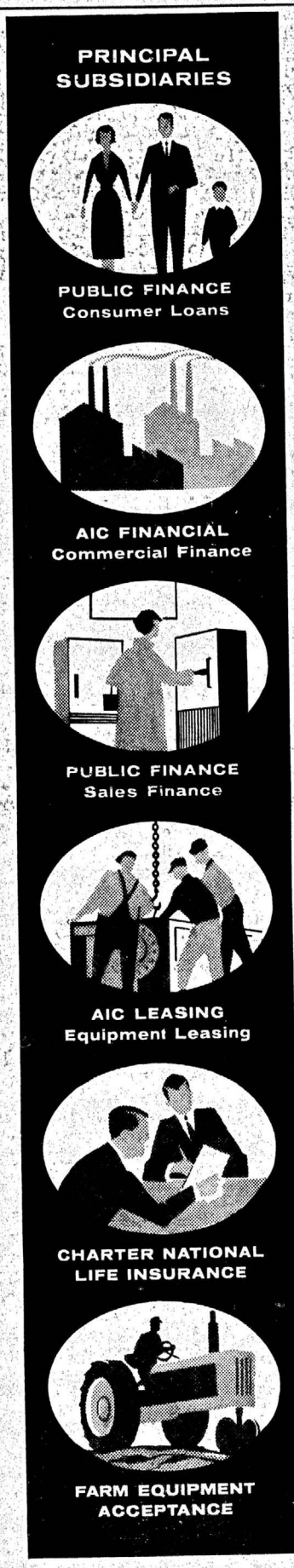
"Easing of intense domestic demand, which had been taxing the productive capacity of Japan's industries, resulted in surplus facilities available for export production. Exports rose 21.7% during the July-September 1962 period over the previous year. Imports, in turn, decreased 16.9%, due largely to curtailed purchases of raw materials for textiles, iron and steel.

"This changed tone in Japan's foreign trade has produced a favorable balance in current accounts as well as stabilized favorable balance in the capital account, thus enabling the government to achieve equilibrium in its overall accounts at an earlier date than expected."

Reporting steady growth for the period ending Sept. 30, 1962, the Fuji Bank announced that deposits for the six months rose $104,000,000 for an end of term balance of $2,372,000,000; loans increased by $123,000,000 to stand at $2,067,000,000 as of Sept. 30; net earnings also rose slightly, to $6,989,000. Comparable figures for the Sept. 30, 1961 period were: deposits, $2,189,000,000; loans, $1,833,000,000; net earnings, $6,890,000.

The bank's foreign exchange business continued to expand. A decrease in import bills handled during the period was substantially offset by a rise in export bills. Invisible trade, particularly for capital transactions, continued to gain, with exchange purchases amounting to $377,000,000 and exchange sales of $380,000,000 for the period.

Paid-up capital of the Fuji Bank as of the end of September, 1962, was $30,500,000; authorized capital was $91,600,000. The bank's 220,000,000 shares are held by 23,700 shareholders, principally Japanese but including an increasing number of foreign investors.



Record 1962 Earnings through Diversification

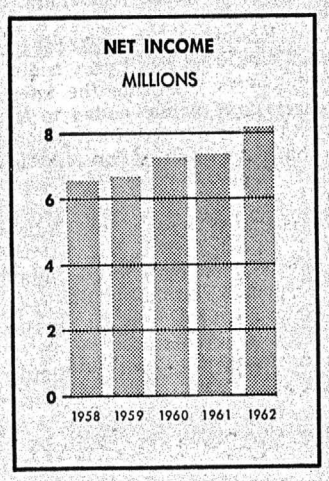
Net earnings in 1962 of $8,010,773 were a record high for American Investment Company, advancing 11% from $7,207,996 earned the year before. Per share earnings on the common stock also increased to $1.34 from $1.30 in 1961.

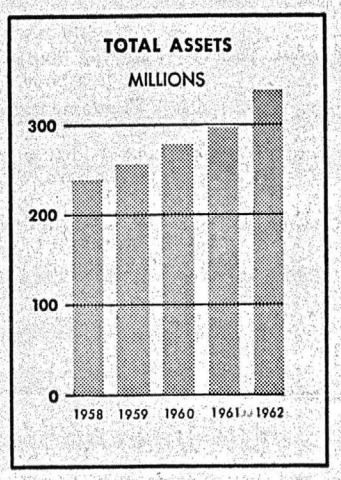
Contributing to these increases was the diversification into the new fields of commercial financing and farm equipment financing. Although it was not a new venture in 1962, the company's rapid expansion of its insurance subsidiary contributed to the record earnings. At the end of 1962, the company had become truly a diversified financial institution, offering financing services for everything from raw material to the ultimate product purchased by a retail customer.

American Investment also reached other new highs in its operations. Volume in 1962 was $568,895,249, which includes approximately $100,000,000 attributable to the Commercial Finance Division. Year-end receivables amounted to $344,237,550, up from $304,825,616 in the preceding year.

All divisions of the company are expecting continued growth during 1963, which may well result in the setting of more new records.

A copy of our annual report is available upon request. Write to: Public Relations Dept., American Investment Company, 8251 Maryland Avenue, St. Louis 5, Missouri.





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OF ILLINOIS

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Irving Koerner has been elected a Director of Dorchester Gas Producing Company. Mr. Koerner is Manager of the Public Utilities and Gas and Oil departments of Allen & Company and has been associated with that firm for 34 years. He is a Director of Public Service of New Mexico, Pubco Petroleum Corporation and New Jersey Natural Gas Company.

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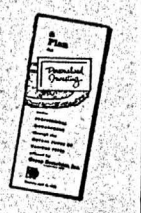

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MUTUAL FUNDS

BY JOSEPH C. POTTER

It's Fundamental

The business of mutual funds generally is viewed as a young, fast-growing trade, yet more and more, as the annual reports cross the desk, there is a strong awareness that dozens of these companies measure their life-span in decades. Most impressive of all is the realization that so many of the flourishing funds had their beginnings in the dark days of the Depression.

There is, as a striking example, Elizabeth, N. J. — based Fundamental Investors, Inc. The company is out with its annual report, marking the company's 30th anniversary. Its 158,710 shareholders outnumber the population of its home town. Indeed, Fundamental is one of the most widely held investments in the land and only 17 companies listed on the New York Stock Exchange have more shareholders.

No less impressive is the company's catalogue of stockholders. More than 10,000 are trustees, guardians or administrators. Nearly 700 are corporations, partnerships or financial institutions. Another 350 come under the heading of religious or benevolent associations and an equal number are fraternal groups, professional organizations, pension or employee funds while 117 more are hospitals, libraries, educational institutions.

For fundamental, like just about every other fund, young or old, 1962 was a trying year. Declining stock markets, of course, are nothing new to the stewards of this seasoned fund. There have been, all told, eight major market declines in its history.

Its total net assets of $732.5 million at the close of 1961 shrank to $642.7 million during the course of the year. The value of each share, which was at a record year-end peak of $10.68 in 1961, fell to $8.95 a year later. At that, it was a welcome recovery from the $8 level that prevailed at June 30, 1962.

A fund such as Fundamental, which has been making a record through depressions, recessions, wars and good times, lends itself admirably to the simple lesson that the experience of a single year is a poor basis for judgment.

Fundamental uses chart and table to show what would have happened to a man who bought a single share of the stock 30 years ago. He would have paid $1.66. The total value, as of the close of 1962, would have been $8.95, if all distributions were received in cash, or $18.52 with securities profits distributions taken in shares.

This is a fund with a strong taste for oil and gas, which account for nearly $1 of each $5 of total net assets. Close behind are the electric and gas utilities. In third place, representing 7.7c of each dollar, are the chemicals and drugs.

The Fundamental men, who have managed to resist the 50-mile-walk craze, have little enthusiasm for recreation. Apparently, they're satisfied with television for recreation — Columbia Broadcasting System is the sole commitment under the heading of recreation.

Nor are they much for travel. The fund does own 80,000 shares of United Air Lines and lists it under miscellaneous because it's the sole airline holding. And they're not working very hard on the railroads either: 155,000 shares on Nickel Plate and 70,000 shares of Southern Railway are the extent of their rail commitment.

Investors Management Co. is this fund's investment adviser. Formed in 1924, it is a pioneer in the field. Beginning in 1925, IMC supervised investments of Investment Trust Fund A, subsequently merged into Fundamental Investors. There are actually shareholders of Fundamental who have had their investments under the company's supervision for almost 40 years.

May the years ahead continue to provide the growth symbolized by Fundamental's acorn.

The Funds Report

Affiliated Fund, Inc. reports that at Jan. 31 net assets totaled $805,428,715, or $7.73 a share. This compares with assets of $687,731,985, equal to $6.92 a share, at Oct. 31, 1962, close of the fiscal year.

In the latest quarter no new issues were added. Common stocks of Genesco and Long Island Lighting were eliminated.

* * *

American Mutual Fund, Inc. reports that at Jan. 31 net assets were $186,677,612, a record high, equal to $8.86 a share, compared with $158,272,252, or $7.78 a share, at fiscal year-end on Oct. 31, 1962.

During the latest quarter new names added to the portfolio included International Paper, Masonite, Pan American World Airways, J. P. Stevens and Zenith. Those eliminated were Boeing, Consolidated Edison, Fibreboard Paper, Giant Portland Cement, Stokely-Van Camp, Superior Oil, Tennessee Gas and Travelers Insurance.

* * *

This is a fund with a strong **Bullock Fund, Ltd.** total net assets on Jan. 31 amounted to $75,317,975, against $64,415,449 on Oct. 31, 1962. Over the same period, value per share rose to $12.70 from $11.31.

* * *

Canadian Fund reports total net assets amounted to $35,283,343, or $16.89 a share, at Jan. 31. Corresponding figures on Oct. 31, 1962, were $32,924,859 and $15.78.

* * *

Over-The-Counter Securities Fund, Inc. reports that at the end of 1962 total net assets amounted to $724,971, or $5.60 per share. This compares with assets of $1,043,178, equal to $8.25 a share, at the close of the preceding year.

* * *

T. Rowe Price Growth Stock Fund, Inc. reports that at the end of 1962 total net assets amounted to $79,311,413, or $14.23 per share. This compares with assets of $71,786,076, or $16.89 per share, at the close of 1961.

* * *

Television-Electronics Fund total net assets increased to $376.3 million on Jan. 31, close of the first fiscal quarter, from the $331 million a year earlier. Net asset value per share rose to $7.31 from $6.59 in the latest quarter.

Terry Receives Mining Award

Lyon F. Terry, an associate of Lehman Brothers, 1 William St., New York City, members of the New York Stock Exchange has been awarded the Anthony F. Lucas Gold Medal of the American Institute of Mining, Metallurgical, and Petroleum Engineers. The medal is awarded annually for "distinguished achievement in improving the technique and practice of finding and producing petroleum."

Lyon Terry

The citation honoring Mr. Terry, made at the 92nd annual meeting of AIME in Dallas, Texas, read: "For untiring efforts to promote development and application of sound engineering principles for reserve studies, processing, financing and developing of oil and gas projects."

A graduate in 1915 of the engineering school of the University of Michigan, Mr. Terry was a field engineer in the oil fields of Oklahoma and Kansas and later supervised natural gasoline plant construction and operation when that business was in its pioneering phase.

After serving with the 85th Field Artillery as a Second Lieutenant in World War I, he returned to the Oklahoma and Texas oil country, later entering the U. S. Treasury Department in Washington, D. C., as an oil and gas valuation engineer. For four years, until 1924, he was a consulting engineer with C. F. Powell in New York City. He then spent two years with Standard Oil Co. of N. J., following which he joined the organization of Ralph E. Davis, where he participated in the estimation of oil and gas reserves and the engineering of natural gas pipeline projects. He spent 1933 on the construction of a natural gas pipeline in Vienna, Austria. In 1936, he joined the staff of Chase National Bank as its first oil and gas engineer. He became a Vice-President in 1949. Since his retirement in 1957, Mr. Terry has been an associate of Lehman Brothers.

Tobey & Kirk Admit

Robert D. Hill has been admitted to partnership in Tobey & Kirk, 52 Wall Street, New York City, members of the New York Stock Exchange.

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The Market . . . And You

BY WALLACE STREETE

When Wall Street collectively tore the February leaves from calendars late last week, it undoubtedly was with a sigh of relief.

Although it is still too early to see with certainty what March will mean for investors, the odds would seem to favor those playing the waiting game. And judging by declining volume figures, the further we get into March, the more waiting there will be to see which trend will be dominant.

Overall, the market has moved sharply at times, but failed to change its general direction until last week. This five-day drop of nearly 22 points on the Dow-Jones Industrials was the biggest in several months. It would also seem to have clinched the argument of many observers that the sustained rise since last October is now over, yet there are nearly as many who feel the rise is merely interrupted.

Still Some "Bounce"

But this week's opening session's spurt of better than 7 points on the Dow and a 4¼-point surge in the rail index shows there is still plenty of bounce in this market. The most encouraging aspect, as many analysts have noted, is that the professional investors refuse to back away from apparent short-term signals of weakness.

Technical Aspects

Although resistance levels have been penetrated on the downside, the next stopping point of 640 remains a fair distance away. It is more apparent that traders are taking sharper looks at individual issues than they have in recent months. Contracting volume also points up the growing hesitation to move in or out as fast as formerly.

Meanwhile, the business picture remains spotty. Many leading economic indicators tilted down last month or showed little change.

But there was also enough good news to warrant optimism. Manufacturers' new orders rose in February to continue gains made in January.

Industrial buyers also reported that for the first time since last May, there were more inventory additions than cutbacks.

Part of the good news unquestionably was concentrated in the steel and auto industries. Yet there were other encouraging signs.

More companies reported dividend increases last month than in any February since 1956. There were also more extra dividend payments; but to keep the record straight, there were also more dividend cuts and omissions than a year ago.

Steels and Autos

But in the strict business news sense, the market followers had good reason to lean toward automotive, steel, and other selected heavier industrial stocks. Steel output, up five weeks in a row, hit an unofficial operating rate of 68.6% of capacity. This rate was the highest since last April.

It undoubtedly reflected hedge buying in the event of a strike that could come this summer; but it also showed increased demand from auto makers, most of whom have been assembling cars at near record rates in recent months.

The inconsistencies of steel making were pointed up this week in National Steel's prediction that sales should be at least 10% higher this quarter, but that it was too early to forecast profits.

National, like most of the major steel companies, faces the boom of hedge-buying orders now and the likelihood of slow times later this year if a strike is not called.

Few experts feel at this time that a strike is likely. Best tip-off on whether the union will move to reopen the contract April 30 (with the right to strike 90 days later) should come the week after next when the USW Executive Board meets in Philadelphia.

Meanwhile most auto producers continue to report new sales records without a break. General Motors notes new peak sales for Chevrolet for the fifth straight month in February, and up 8% from a year ago. Pontiac and Cadillac also hit new sales highs for the same period.

Chrysler, last week's most active issue, and a strong candidate for this week's, reported that its Dodge division sales were nearly twice as large in February as in the 1962 month. Its Chrysler-Plymouth division sales rose 42%.

Ford and American Motors also had good news for February. Although Ford has been faltering in the race for leadership, its sales last month rose 6%, while its trucks sales gained 30% to a new high.

American reports that its Rambler sales soared 27% in February and 62% in the final third of the month. American, GM and Chrysler were the three most active stocks last week while Ford was the eighth most heavily traded on the Big Board.

Some analysts see a 10% decline in Ford's net this month and an even greater decline for the year as a whole. Reason: Ford's share of the car market is off.

Rails in Demand

The rails continue to occupy one of the brightest spots in the board rooms. Their one-day spurt of 4¼ points on the strength of the favorable Supreme Court labor decision left the Dow rail index within two points of the year's high reached a month ago.

The threat of strikes against Southern Pacific has also eased materially. Although the rail clerks could walk out later this week, the High Court move has definitely thrown a damper on many future railway tie-ups.

The probability of lower labor costs plus the benefits of the new guidelines should give the rails one of their best profits years since the war. Some chartists still favor New York Central and Pennsy, Atlantic Coast Line, Gulf Mobile & Ohio, and Seaboard.

Pennsylvania's stake in its projected merger with Central becomes more obvious in relation to its decline in carloadings. Last week they fell 8.3% from a year ago to bring the decline for the year to date to nearly 9%.

While the rails are waiting for relief from labor costs, investors wait for tax relief. Opinion seems to be swinging among Wall Streeters to the belief that Kennedy is so far committed to a tax cut that Congress does not dare back down this year. While more venerable traders have heard this story before during other Administrations only to see all changes thwarted, the feeling is growing that this year may be different.

Coming Tax Relief

That some tax relief is coming appears almost certain. No doubt Wall Street would back Stock Exchange President G. Keith Funston's suggestion to Congress this week that the capital gains tax be lowered and the holding period cut to three months.

Most investors would also like Congress to adopt Mr. Funston's move for a $100 credit on dividends and a tax credit of 10%, but there is grave doubt at this writing that relief in this field will extend this far.

Of more importance to many investors could be the depletion allowance changes contemplated for oil companies. While oils have been one of the strongest sections of the market recently, they are vulnerable. Scattered signs of price weakness and continued over-production are also indicative of weakness in some areas.

Standard of New Jersey, the biggest, is also one of the best liked oils. A major house sees 1963 net of $4.15 compared with $3.88 last year.

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

Emerson With McDonald Co.

CLEVELAND, Ohio — Harold L. Emerson has become associated with McDonald & Company, Union Commerce Building, unwriters and dealers in corporation and municipal securities. Mr. Emerson was formerly President of H. L. Emerson & Co. Inc., which has been dissolved. McDonald & Co. are members of the New York and Midwest Stock Exchanges.

Harold L. Emerson

One William Dept. Names Cunningham

LOS ANGELES, Calif. — Eugene H. Cunningham has been appointed regional sales manager for the One William Department of Lehman Brothers, national underwriters for The One William Street Fund, Inc., Edward S. Amazeen, national sales manager, announced. Mr. Cunningham, who will be headquartered in 650 South Spring Street, Los Angeles, will supervise sales and sales services activities in Southern California, Arizona, New Mexico and Hawaii.

A long-time veteran of the securities business, Mr. Cunningham's 21 years of experience in mutual fund sales and sales training include 16 years with George D. B. Bonbright & Company in Rochester, New York. He joined that New York Stock Exchange firm in 1946 and was later admitted as a general partner.

BANK AND INSURANCE STOCKS

This Week — Insurance Stocks

THE LIFE INSURANCE INDUSTRY IN REVIEW

The year 1962 will be recorded as a favorable one for the life insurance industry. Preliminary estimates of purchases of life insurance in the United States indicate a total of $78.5 billion, down slightly from the record of $78.8 billion in 1961. Group sales declined from $17 to $15.5 billion, reflecting the absence of a single major contract written in 1961, while industrial sales remained unchanged at $7 billion, and ordinary life sales rose $1.2 billion to $56 billion. Total sales were the second best in history, although the total did not reach earlier optimistic projections, due primarily to the lack of buoyancy in the general economy.

At the end of 1962, Americans owned at estimated 293 million individual life insurance policies and certificates with a total value of $680 billion. Over $12.3 billion were paid to policyholders and their beneficiaries by U. S. life insurance companies in 1962.

Mortality experience continued favorable in 1962. Overall mortality remained below 10 per 1,000 population for the 15th year in succession, although 1962's rate at 9.4 was slightly higher than 1961's 9.3 deaths per thousand. The slight rise was due to the relatively high incidence of death from acute respiratory diseases experienced early in the year. Diseases of the heart and circulatory system accounted for 55% of deaths of holders of life insurance policies in 1962, followed in importance by cancer—19% and general accidents—6%.

In view of this industry data, it is to be expected that most life insurance companies recorded gains in sales and earnings from operations last year. Individual experience varied widely among the major factors in the field, but annual reports, now being circulated to stockholders, generally make favorable reading. A number of life companies have recently rewarded their stockholders with increases in the cash dividend.

Competition within the industry intensified once again last year. Mergers between life insurance companies and their fire and casualty brethren increased as the trend to all-line insurance underwriting continues. The six largest stock life insurance companies now have fire and casualty affiliates.

Stock prices for life equities followed the general market and the economy closely all year, but finished the year somewhat ahead of the popular market averages. A recent study indicated that 50 life insurance stocks declined 7% over the 12-month period compared with 11% and 12%, respectively, for the Dow-Jones Industrial Average and the 500 Stock Average of Standard & Poor's.

1962 Life Insurance Stock Performance

	Price Dec. 29, '61	Price Dec. 31, '62	Percent Change
American Heritage	16¾	11⅞	—29
American Life	11¾	7¾	—34
Bankers National	70	60	—14
Beneficial Standard	28⅞	23¾	—14
California-Western States	58⅝	50	—15
Coastal States	26	21¾	—16
Connecticut General	141½	133	— 5
Continental Assurance	195	147	—25
Crown Life	303	236	—22
Eastern Life	33	23¼	—30
Franklin Life	140	123	—12
Georgia International	11½	14	+22
Government Employees Life	146	94	—36
Gulf Life	41	47¼	+15
Jefferson Standard	92	84	— 9
Kansas City	3,250	3,350	+ 3
Liberty National	99	89	—10
Life of Virginia	116⅜	128	+10
Lincoln National	174	158½	— 9
Loyal Protective	95	70	—26
Massachusetts Protective	130	117	—10
Monumental	101	84	—17
National Old Line	32¼	22	—31
Quaker City	82⅞	78	— 6
Southwestern Life	123⅝	124	---
Transamerica	48	45½	— 5
Travelers	165	160	— 3
U. S. Life	78	76	— 3
West Coast Life	54⅜	44½	—19

Earnings Comparison

25 Leading Bank Stocks Outside N. Y.

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The Utmost Necessity of Tax Cuts for Economic Growth

By Hon. John F. Kennedy,* *President of the United States*

Country's chief executive vigorously defends his program to lighten our "repressive rate of wartime tax rates" as the only way to stimulate our economic growth pace. The President challenges those who admit to our problem of providing 1.2 million jobs annually and of utilizing more of our capacity but who oppose the proposed solution to put forward proposals of their own. President Kennedy warns that without a tax cut we will have still higher deficits; says planned budget and tax cut will reduce Federal civilian spending and our debt burden; and predicts tax proposal will create a budget surplus and pledges every effort to reduce balance of payments gap and to maintain a stable price level. The President warns of the undesirable consequences which may result if Congress fails to enact the Administration's tax measure. In an extemporaneous answer to a question, Mr. Kennedy indicated that a tax cut without reform is better than no tax out at all. Since then he has stated that such a construction of his extemporaneous remarks misconstrues unchanged position held as to tax cut and reform proposal.

A hundred years ago today, in the darkest domestic crisis this Nation has even known, the National Banking System was founded. It was a far-sighted act and provided for a sound basis for the extraordinary economic expansion which has brought the United States to its present unrivaled position.

Pres. J. F. Kennedy

Today, many Americans tend to think of developing underdeveloped countries in terms only of far-away nations, but in 1863, even measured by 1963 dollars, our own per capita income, and this should be a source of encouragement to many who are laboring with the problem of underdevelopment in far-off countries, our own per capita income was less than $1 a day, approximately the same as Chile's.

Nearly 60% of our labor force was engaged in agriculture, the same percentage as is today engaged in the Philippines. An estimated 20% of our population was illiterate, the same percentage of the population of Ceylon. Only one-fifth of our 34 million people lived in towns or cities of over 5,000 in population, as is roughly true now of Turkey. In 1863, this Nation had fewer railroad tracks laid than India has today, and its children had a shorter life expectancy than a child born this year in Thailand or Zanzibar.

What can be summed up in that past 100 years, I think, the history of it, can be summed up in two words, and that is "economic growth." No Nation is the history of the world has even experienced a century of economic growth comparable to that of the United States in the last 100 years. In 100 years, the growth of our free enterprise economy under a free political system, and under the development effectively of our national and local and State educational systems, has brought our citizens to an unprecedented standard of living. It has brought to our Nation an unparalleled position in the world as the world's foremost banker, merchant, manufacturer, and consumer. It has demonstrated the power of freedom for all to see, and sustained the cause of freedom through hot wars and cold, at home and abroad.

All this and more has been made possible by economic growth, and yet we have heard in recent times that economic growth is too abstract a concept; that it is too academic for politicians and voters; that it is too theoretical a basis for proposals to the Congress.

Finding 1.2 Million Jobs Annually

I do not see anything abstract or academic about economic growth. It means finding 1,200,000 additional jobs every year for the men and women pouring into our labor market, half of them below the age of 25. It means preventing the periodic recessions which have hit our Nation, three times in the last 10 years. It means ending the persisting slack which has kept our unemployment rate at 5% or above for 62 out of the last 63 months. It has kept output $30 billion to $40 billion below our productive capacity and kept corporate investment in 1962 actually below the levels of gross retained earnings. There is nothing thoretical about that.

There is nothing academic about pushing our economy to 4% instead of 3%, which might total over the next ten years in today's prices $400 billion more in output of goods and services, with all that this would mean to family incomes, wages, profits, and Governmental revenues.

These are the concrete, not abstract, figures that growth represents. That is why I am pleased that the American Bankers Association has devoted this conference to that subject. And that is why I believe the most urgent piece of business before the Congress this year is Federal tax revision.

Last year, a year of recovery and prosperity for most Americans, unemployment averaged the same high 5.6% of the labor force as it did in the recession year of 1954. Business spending on new plant and equipment was at a lower level last year than it was in 1957, although total output and profits were much higher. These are deeply disturbing statistics, and yet there is nothing deeply wrong with our economy.

We have the most productive skilled workers in the world, and the most ample national resources, and a respected currency. We have no lack of savings or technicians or mass markets or price stabilities, such as hampers economic progress in so much of the world today. We have, in short, no basic obstacle to growth, and we have opportunities for greater growth.

I do not believe that any thoughtful American could look at the statistics and impartial facts about this Nation's economy over that period and not conclude that we need to step up our growth. But it will not be stepped up by politicial slogans or homely analogies. It will not be stepped up by cancelling defense contracts or lowering the debt ceiling. In my opinion, it will be stepped up only by lightening the repressive rate of wartime tax rates which put a damper on private purchasing power and profits.

Challenges Critics on Tax Cure

The tax program I have put forward to meet this need is now under attack from the left and the right. I do not say it is a perfect program that cannot be changed by the Congress or will not be changed by the Congress, or which will satisfy the desires of all groups, or which will achieve all the growth we need as fast as we need it. But those who admit the problem, but oppose the proposed solution, of a $10 billion top to bottom tax revision, are under some obligation to put forward some proposals of their own.

Would they expect the Congress to accept, instead, a $10 billion increase in Federal spending, or a $20 billion Federal deficit? Would they propose, instead, a $10 billion injection of credit at lower rates of interest without regard to the balance of payments?

At a time of record profits, would they increase tax reductions solely for corporations or investors who recevied a $2.5 billion tax cut last year and thereby attempt to stimulate new capacity without increasing the purchasing power of the American consumer who cannot afford to buy enough now to make use of our existing capacity? Do they feel that tax concessions, loopholes, and deductions are preferable to lower tax rates as a spur to economic growth?

These are the questions which must be answered if we Americans mean business about boosting American business. Tax reduction will not be passed if each group continues to treat growth as a crop to be divided, or if each group examines what is available through the wrong end of the telescope. Of course, if the low-income man looks at the dollar amounts of the cut, he will decide the rich are getting all the breaks, and if the high-income man looks at the percentage cuts, he will decide the opposite. Meanwhile, those in the middle, hearing all this, will be convinced that they will get less than either the rich or the poor.

The facts of the matter are that the reduction is fairly distributed through all income brackets, and I would hope that all groups would put national interest first and recognize that the prospects for tax reduction and economic growth must not be endangered by squabbles over who is going to get what, for it is the nation that will benefit most from the passage of the program, and the nation that will suffer, and all the people who make up the nation, if the program is defeated.

The tax program we have submitted is, in fact, consistent with all legitimate ends. It is designed to expand demand among both investors and consumers, to boost the economy, in both the short run and the long run, and to achieve in time both a balanced full employment economy and a balanced Federal budget.

Budget's Civilian Expenditures To Drop

Heated talk about budget increases should not obscure the fact that civilian expenditures under the proposed budget will be decreased, an accomplishment which has occurred only four times in the last 15 years. Partisan talk about swollen Federal payrolls should not obscure the fact that this budget calls for fewer Federal employees to serve every 100 people in this country than there were only a few years ago. Exasperated talk about increasing the deficit should not obscure the fact that the enactment of the proposed tax program would add only $2.7 billion to next year's deficit, but if we slide into another recession, pulling annual Gross National Product down by as little as 3%, the deficit would be increased twice as much. In other words, the deficit, without a tax cut, would then be far higher than the projected deficit we face with a tax cut, higher even than the record deficit of $12.4 billion. which followed the recession of 1958, only a few months after the President of the United States had submitted a budget which provided for a surplus of a half billion dollars. That

ABA Economic Growth Symposium

Left to right: Dr. Charls E. Walker, A.B.A. Executive Vice-President; President Kennedy; A.B.A. President M. Monroe Kimbrel, who is also Chairman of the Board of the First National Bank, Thomson, Ga.; and Ben H. Wooten, A.B.A. Centennial Commission Chairman and Chairman of the Board, First National Bank in Dallas, Texas.

President John F. Kennedy holds the copy of "Financing American Enterprise — The Story of Commercial Banking," which was presented to him by The American Bankers Association just before he spoke to the A.B.A.'s Symposium on Economic Growth at the Mayflower Hotel, Washington, D. C., Feb. 25, 1963.

Written by Dr. Paul B. Trescott, professor of economics at Kenyon College, Gambier, Ohio, the book relates the history of commercial banks with emphasis on their role in supplying financial services for the nation's economic growth.

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is how quickly a deficit can unbalance a budget.

I am not predicting a recession for 1963, but we cannot escape the fact that the period of expansion between the first and second postwar recessions lasted 45 months. The period between the second and the third lasted 35 months. The period between the third and the fourth lasted 25 months, and the American economy is now in its 24th month of recovery from the fourth postwar recession.

Says Proposals Will Lessen Debt Burden

Finally, rash talk about a crushing debt burden should not obscure the fact that by every meaningful measure, that burden under the proposed budget and tax cut will actually decline. It is true that our current national debt would be a crushing burden for an economy less vigorous than ours. It would have been a crushing burden for the United States economy in 1923, or 1863, but as a proportion of our Gross National Product, our debt burden is not only manageable, but is steadily declining. Its weight as a proportion of our Gross National Product has been cut more than in half since 1947, and it will continue to fall in the years ahead.

Bankers understand better than most people that a debt, prudently undertaken, for gainful purposes, by one whose income is capable of carrying it, can greatly strengthen the debtor. Corporate debt has increased over 200% in the last 15 years, compared to an increase in the Federal debt of 15%, not because our business enterprises are wasteful or irresponsible or swollen of profit, but because they believe in growth.

A transitional Federal deficit now, as a result of a tax cut, reflects a prudent investment in this nation's future growth, but the chronic deficits, produced by a lagging economy, and the record deficit produced by a new recession would surely increase the real burden of any debt and set back that future growth. Let me make clear the framework of fiscal prudence and economic necessity in which this tax program is submitted by making the following predictions and pledges if the full tax reduction program I have submitted is enacted this year:

Pledges and Predictions

First, that this program will, in a short time, result in increased tax revenues, as did the 1954 tax cut, and a substantial portion of that increase will be used each year to reduce the deficit until the budget is once again balanced.

Second, that any increases in the Federal debt resulting from these transitional budget deficits will be kept proportionately lower than the increase in our Gross National Product, and thus the real burden of the Federal debt can be reduced.

Third, that any necessary increases in Federal employment will be kept proportionately lower than the increase in the national population, the increase in state and local government employment, and, through efficiencies in management and operation, the increase in the Federal workload required to serve the nation.

Fourth, that every effort will be made to continue the present downward trend in our balance of payments, deficit, and the present stable levels of our wholesale and consumer prices, levels more stable in the past two years, in fact, than any major industrialized country, with the sole exception of Canada.

As one of your distinguished guests here this morning, Dr. Jacobsson, has said, our problem since 1959, in his speech he made in that year, prophesying that the end of the great inflationary spiral had come about at a time when most of us were still talking about the dangers of inflation, in 1959, 1960, 1961, and even 1962, our problem is not inflation, providing we use prudence in the management of our wages and prices and in our monetary policy; our problem is to maintain our economy against the pressures of deflation in the free world.

Fifth, that no budget will be submitted by this Administration which does not continue a persistent and surprisingly unpopular program of cutting costs, increasing efficiency, and weeding out obsolete activities.

I realize that all such economic prophesies and commitments in these times are subject to being displaced by national and international crises, but subject to the same allowances, if no tax cut is enacted, I would be willing to venture a wholly different set of predictions:

Warns of Consequences

First, that tax revenues will continue, year in and year out, to be insufficient to balance the budget, no matter how tight the Administration and Congress control expenditures.

Second, that the country will, in the not too distant future, be struck by its fifth postwar recession, with a heavy loss of jobs and profits, a record-breaking budget deficit, and an increased burden of national debt.

Third, that unemployment and unused business capacity will remain at or above their present high levels, creating a lack of investor confidence at home, and a lack of confidence in the dollar abroad.

Fourth, that the pressure for a 35-hour week, for restrictions on imports and automation, and for large, "quickie" tax cuts, and sharply increased Federal spending, will all grow beyond manageable limits.

Fifth, that this nation's rate of economic growth will not match over the next 10 years the record of most other industrial powers, or our own record in this century.

I hope the members of this association and the delegates to this conference on growth will carefully weigh these alternate sets of predictions. If the first set is borne out by the facts, we will have established in this country a brisk climate, for business, investment, and confidence; but if the second is set upon us by the failure of the Congress to enact an adequate tax program this year, the consequences will be with us for some years to come.

This symposium, I know, is dedicated to the proposition that such serious issues must not be decided by rules of party politics, public opinion polls, and prejudices. Your awareness of the facts and the alternatives uniquely enables you to bring objectivity and reality to a discussion now too often obscured by superficial details, and too often conflicting claims and interests.

As bankers who lend to both consumers and investors, to both management and labor, to rich and poor, to middle - income groups, you recognize the needs of all, for you have witnessed in your own enterprises that the businessman's greatest need is new market demand, and the wage earner's greatest need is expanding business activity. The nation's greatest need is a tax bill that will help fulfill both of these objectives.

Tax revision, may I say in conclusion, is not the only ingredient in a policy for growth. Education —I would certainly put that up near the top of those things which if well invested in, can provide a substantial return. Investment in education yields a substantial return in new research, new products, new techniques, in higher wages and purchasing power, and a greater supply of college-trained manpower. Unfortunately, a staggering 40% of all young people are dropping out before graduating from high school. Only 16% are completing college, and only about one-half of 1% are achieving the Ph.D. degrees upon which the advance of knowledge depends. We must improve the quantity and the quality of our education, if we are to have growth.

There are other steps we must take if we are to step up economic growth to improve the knowledge and mobility of our labor force, to encourage the development of new technology, to support the growth of basic science, to make the most of our national resources. But today there is no more single fruitful or urgent business than tax revision in the interest of fiscal responsibility, equity, and efficiency, but above all, in the interest of the United States in 1963.

* * *

Upon completion of his prepared address, the President answered questions raised from the floor. One of the questions raised and his answer follows:

QUESTION: Mr. President, I believe you said that you did not predict a recession in 1963, and you say that without a tax cut we are liable to have a recession. Now, with a tax cut, tied so closely to tax reform, isn't it possible that the tax reform angle might delay this to the point where the tax cut might be lost?

THE PRESIDENT: Yes, and I would be opposed to that. What we suggested was a tax cut of over $13 billion, and reforms which would bring in about $3 billion, roughly, of revenues, giving us a total tax cut of $10 billion. We felt that therefore, the goal is the $10 billion tax cut in the length of time which we have recommended.

If we cannot get the reform, then quite obviously you are going to have to rewrite the package. It might be possible to send up, or for the Congress to pass, a $10 billion tax cut without the reform, but that would mean changes, of course, in the rate reduction structure. So it was our feeling that from the national interest, even though I realized that some taxpayers may find it more desirable to have the simple $10 billion cut with consequent adjustments of all the rates, than they would the $13 billion cut, with the reform, it may be that Congress will come to that conclusion.

That isn't our judgment of the best action. But I quite agree that what we need is the bill this year, and nothing should stand in its way. Our feeling is that the best bill that can be gotten will be the one we recommended. But I would say the first priority is a bill. We have to realize that if we don't get the reforms, then, of course, the tax bill would have to be rewritten, unless the Congress made a judgment that it would accept a tax cut of $13 billion.

Our concern is that they might take a tax cut of less than $10 billion, which would be, I think, a mistake. If we are going to do this, we might as well do it right or not do it at all. But that is the choice. But to answer your question, I would say the important thing is to get the bill this year. Whatever is necessary to get that bill, I would support.

*An address by President Kennedy before the American Bankers Association's Symposium on Economic Growth, Washington, D. C., Feb. 25, 1963.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

Despite the large size of the pre-refunding and junior advance refunding operation and the confusion it appeared to have caused at the outset, the forecasts that it would be a very successful undertaking were clearly justified on the basis of the results announced by the Treasury on March 5. Secretary Dillon termed them as highly gratifying and said that the outcome would give much greater flexibility for debt management during the coming year.

Mr. Dillon stated that "reports received from the Federal Reserve Banks show that about $7,850 million of subscriptions have been received to date for the four issues included in the refunding. The exchanges amount to 27% of the $29.0 billion eligible for exchange and 37% of the $20.3 billion publicly held. As a result, the debt was lengthened considerably; the average maturity of the marketable public debt was increased by approximately three months to a level of five years and one month, the highest since September, 1958. The debt maturing within one year has been reduced by about $6 billion by this operation."

This debt extending operation of the Treasury will continue to be the business of the money and capital markets for a while, since the refunding issues will have to be digested. The long-term area of the government market also has to keep alert for the coming competitive bidding which will put more of these securities into the hands of investors. Meanwhile, the level of short-term and long-term interest rates is not expected to change very much from where they have been.

It is evident that the sale of Government securities to the ultimate investor is the aim of the Treasury and this debt extending operation should be an enabling and favorable influence for such an undertaking. The short-term sector or the money market will be available for the issuance of securities which will not only attract the ultimate investor but will also have a bolstering influence on our balance of payments deficit.

Favorite Issue in Exchange Offer

It is clearly obvious that the 3⅝% note due Feb. 15, 1967 was the favorite issue of those investors who are interested in not extending maturities too much at this time. In this classification will be many of the commercial banks, although the 3⅞% bonds coming due in 1971 and 1974 also had attraction for those deposit institutions that are heavy in savings deposits.

As far as the 4% bond due on Feb. 15, 1980 is concerned, it is evident from the current information that this obligation did not receive more than a fair reception even though the savings type institutions have been inclined to turn in at least a part of their refundable securities for this issue. This intermediate term bond is a desirable maturity for many investors and it is indicated that not a few individuals were among those who gave up near maturities in order to get positions in the 4s of 1980. Pension funds, according to indications, were among the most important takers of this 1980 obligation.

Competitive Bond Award to Be Successful

The capital market is now looking forward to the next offering of long-term government bonds under competitive bidding conditions and it seems as though the same kind of close bidding is being looked for again by most market specialists. It is evident that there is no shortage of funds among investors as far as fixed income bearing obligations are concerned even though there has been a tendency of late to not rush in and make commitments as soon as bonds are offered. In many cases, especially in corporate bond flotations, this has been a favorable tactic since quite a few of these new issues have been overpriced. And when the syndicates have been dissolved, with only a modest amount of the bonds sold, prices have gone down rather sharply so that those buyers who have stayed away from the initial offering have benefited by it. Even though corporate bonds give a better yield than long-term governments, it is indicated that there will be no shortage of funds for the coming competitive offering of Treasury bonds.

The yield or return that is now available in short-term government issues, mainly Treasury bills, according to advices, is not only attractive enough to keep the easily moveable funds here, but it is also bringing more foreign monies to this country. This could have a temporarily favorable effect on the balance of payments problem.

To Be Officers Of D. B. Marron

William F. Sanford, on March 7, becomes a Vice-President of D. B. Marron & Co., Inc., 63 Wall Street, New York City, members of the New York Stock Exchange. On March 14 Jacob H. Deutschmann will also be elected a Vice-President.

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COMMENTARY...

BY M. R. LEFKOE

Imagine the story of a boy who writes a book in college defining the principles upon which a country should base its defense policy —and who, many years later, sees his thesis adopted by the president of one of the world's major nations. What would you think the author's reaction should be: a profound sense of achievement? —happiness?—pride?

He should have responded with all of these emotions, but in fact, he felt none of them. You see, the boy grew up to become President John F. Kennedy, and he returned the compliment paid him by General Charles de Gaulle of France with a slap in the face.

Published in 1940, Mr. Kennedy's book, *Why England Slept,* described how Great Britain was caught napping by Germany in 1939, and criticized her for not having prepared her defenses long before. After analyzing the reasons for England's disaster, the President offered a very sound warning: A nation which does not prepare its own defenses, preferring to rely instead on the military or economic strength of its allies, is irresponsibly courting destruction.

De Gaulle Followed the "Book"

Very likely with this admonition in mind, de Gaulle stated early this year: ". . . nobody in the world, and in particular, nobody in America, can say where, when, how and to what extent American nuclear armament would be used to defend Europe. . . . It remains clear that American nuclear presence does not meet necessarily and immediately all eventualities concerning Europe and France. Thus, principles and conditions, circumstances, have led us, have determined us, to acquire an atomic force of our own."

For merely indicating that he would not allow the ultimate fate of France to rest in the hands of the United States, de Gaulle was flayed unmercifully by the American press and violently denounced by the Kennedy Administration. Angered by Gen. de Gaulle's insinuation that the U. S. could not be trusted to live up to its commitments, President Kennedy replied: "Now there may be reasons for a country to wish a nuclear force of its own, and France has put forward its reasons. But in my judgment, it is inaccurate and not really in the [Atlantic] Alliance interest to justify it on grounds that the United States would fail to defend Europe by whatever means are necessary."

Long Run Considerations Underlie de Gaulle's Position

As usual, the President's declarations of U. S. foreign policy were based solely on the expediency of the moment: de Gaulle, on the other hand, was taking a long-range view, and considered the following possibility: At some future date, Russia gathers her 125 divisions of men and, armed only with conventional weapons, begins to march on Europe. NATO, of course, digs in for battle, but has only 23 divisions at its disposal. On the other side of the Atlantic, protected from Russian ground forces, the President of the United States sits with his hand on a phone linking him with American missiles sites around the world: Should he allow Europe to be overrun by Communist troops—or should he give the order which will release nuclear devastation on Russian targets, knowing full well that tens of millions of his countrymen will die only minutes later?

General de Gaulle has assumed, with good reason, that the phone will not be used. But what probably concerns him even more is the nagging fear that the U. S. will not be in a position to defend Europe and France even if it wanted to.

Walt Rostow's Mission

He has watched America's defense policy closely, and has seen a series of actions taken by President Kennedy which are undermining the U. S. defense position. On March 30, 1961 the French President read an article by Thomas B. Ross in the Chicago *Sun Times* which asserted that Soviet Foreign Minister Vasily V. Kuznetsov's disarmament talks in Moscow with Dr. Walt W. Rostow in Nov. 1960, actually shaped President Kennedy's defense message in 1961.

As *Human Events* reported the story: "Kuznetsov, says Ross, complained to the present chairman of the State Department's Policy Planning Council that the U. S. should get rid of 'first-strike' weapons: specifically, manned bomber and missile bases in Europe, which, according to the Russians, would be so vulnerable to a 'sneak Russian rocket attack' that they would be of little value to the United States unless it decided to launch a 'first strike' against the Soviet Union. . . .

("Rostow, states Ross, then wrote a confidential memorandum on these talks for President-elect Kennedy. He told him that the United States should, 'at whatever expense might be necessary,' develop a 'second-strike' force—composed largely of allegedly invulnerable Polaris missile-bearing submarines—and a 'limited-war' deterrent of conventional non-nuclear armies.")

Mr. de Gaulle then sat back to see what would happen. He didn't have long to wait. The Kennedy Administration announced that after 1962, no more funds would be used for the B-52—the basic bomber in our nuclear-striking arsenal; no more monies would be spent on the B-58; and the B-70 was to be dropped completely. He continued to read the news from Washington: The Skybolt Missile, which was to have extended the life of America's bomber fleet for another ten years, was killed by order of President Kennedy. De Gaulle also noticed that Great Britain had foregone any research on a similar type of missile because of America's promise that she could depend on receiving the Skybolt in several years.

On Feb. 14, only a few months after Mr. Khrushchev had "capitulated" to President Kennedy's "ultimatum," a UPI story announced that the Administration "plans to start withdrawing U. S. nuclear bombers from overseas bases during the next 16 months. . . . The cutback in B47 operations at European and other bases will follow the dismantling of Thor missile sites in England and Jupiter missile sites in Italy and Turkey."

Finally, de Gaulle learned early this year from a column by Washington columnists Robert S. Allen and Paul Scott that "President Kennedy has reimposed a moratorium on this country's testing of nuclear weapons. This unannounced action was taken despite continued Russian testing." It wasn't until a week later that the Administration announced its action publicly.

"My Country First"

One might well criticize President Charles de Gaulle for his domestic policies which have tended toward Socialism. In this, however, he does not stand alone among the world's heads of state. But in refusing to permit the fate of France to be determined by the United States, he will go down in his country's history books as the one great leader who put his country's defense above all other considerations.

If President Kennedy continues to conduct America's defense policies as he has thus far, this is an honor which he will never receive.

$8,250,000 Bonds Of Port Authority For Sale March 14

Chairman S. Sloan Colt of The Port of New York Authority has announced that $8,250,000 Port Authority State Guaranteed Commuter Car Bonds, Second Series, will be offered for sale on March 14.

The bonds will be dated Dec. 15, 1962, and will mature serially begininng Dec. 15, 1963 through Dec. 15, 1987 in the amount of $330,000 each year. They will be noncallable until Dec. 15, 1971, after which date they will be callable at 102% through December 1975 and at decreasing premiums thereafter.

The purpose of this issue is the refinancing of railroad cars presently operated by the New York Central Railroad Co. under the New York State Commuter Railroad Car Program, which is administered by The Port of New York Authority. The bonds are fully and unconditionally guaranteed by the State of New York both as to principal and interest.

The First Series of Commuter Car Bonds was sold by the Authority on Aug. 23, 1962 in the principal amount of $5,475,000, the proceeds of which were earmarked for the purchase of cars for the Long Island Railroad.

A.G. Edwards Sons To Admit Partner

WICHITA, Kans.—On March 14, Jack Kowalski will become a partner in the New York Stock Exchange member firm of A. G. Edwards & Sons. Mr. Kowalski is Resident Manager of the Wichita office, Union Center Building.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Detroit Edison Company

Detroit Edison was incorporated in 1903, taking over a few small plants in Detroit with a generating capacity of 5,000 kw. Today, 60 years later, the company has annual revenues of over $300 million, generating capacity of 4,000,000 kw., and serves some 4,000,000 people or over half the population of Michigan. The service area, including Detroit and its suburbs, covers some 7,600 square miles.

As pointed out by President Walker L. Cisler of Detroit Edison in a recent address before the New York Society of Security Analysts, the city of Detroit has an extensive rebuilding and "urban redevelopment" program underway. Large downtown areas have been cleared of old buildings to make way for the new Civic Center, a new commercial and small industry development area, and high-rise apartments. Construction is beginning on a medical and cultural center covering 237 acres. New shopping centers in the suburbs, particularly the Northland Shopping Center, have stimulated commercial and industrial development. The construction of new expressways has also been a favorable factor.

The use of electricity has received considerable impetus in these new residential and commercial developments. Six Large apartment projects will have all-electric kitchens and electric washers and dryers, and central steam service along with electric power will be used for heating and air conditioning; they are expected to contribute about $475,000 a year in revenues to Detroit Edison. There are also important industrial developments on the periphery of Detroit. Great Lakes Steel's new steel furnace, a 300 ton basic oxygen converter, went into service in October. McLouth Steel plans to build a new continuous casting machine, the first in the United States. Vulcan Mold & Iron has started operations in a new plant to produce ingot molds.

Detroit Edison is not directly affected very greatly by the cyclical swings of the automotive industry (industrial revenues are only 27% of total revenues); nevertheless, depressed conditions in the automobile industry have been a retarding factor in the local economy. However, with the recovery in the sale of automobiles in 1962, the company's industrial revenues gained 9%, rising to an all-time high of $82 million. The year 1963 also looks promising for the automobile industry. The new models have generally won public approval, prices are stable and manufacturers are giving extended warranties. More of the older cars are being scrapped and one company estimates that 5.2 million cars will have to be sold merely to meet replacement demands.

A potential source of future sales is the possible transition from private generation to power by industrial companies in the area—about one-quarter of all industrial power in the area is privately generated—to purchasing power from Detroit Edison. Recently, Pennsalt Chemicals Corp. arranged for Detroit Edison to purchase and operate their power plant, and supply steam and electricity, with an estimated annual revenue around $3.5 million. Similar arrangements are being discussed with other industrial customers.

During the past decade, Detroit Edison has improved operating efficiency substantially, having been one of the first to adopt a planned cost control program. As a result the operating ratio has been reduced as follows:

1953	61.2%
1956	55.1
1960	52.1
1961	51.1
1962	50.4

Construction expenditures last year approximated $36 million, which were financed through internal cash. Capital outlays of about $40 million a year are projected for 1963 and 1964. No permanent new capital will probably be required and no new equity financing seems necessary for some years head. The equity ratio, around 48%, is considerably above the industry average.

With ample reserve capacity and the 150,000 kw. Enrico Fermi Atomic Power Plant expected to become available sometime this year, the company has adequate generating capacity to meet projected load growth until 1965 or 1966. Over the longer term future, requirements for new facilities will be reduced by the new power pool agreement with Consumers Power, which will coordinate and reinforce electric power resources in the lower peninsula of Michigan. The agreement signed last December provides for joint planning of new generating plants and transmission facilities, and coordinated operation of the two power systems. The joint generating reserve can be reduced to 15%, it is estimated.

During the past decade, Detroit Edison's earnings per share increased from 86 cents (adjusted for the 2-for-1 split) to $1.49, an average compounded rate of gain of 5.6% per annum, most of the gain occurring in the first half of the period. Assuming that the automobile industry can maintain a normal rate of output and growth, Detroit Edison might be expected to improve its earnings trend over the next few years, since capital outlays will be reduced and equity financing infrequent as compared with the years 1951-59 when shares outstanding increased 56%. Should the State Commission order the company to adopt flow-through for tax savings resulting from accelerated depreciation (and possibly for the investment credit also) share earnings would, of course, be substantially increased by the new bookkeeping.

The dividend rate, which increased from an adjusted 70 cents in 1952 to $1.20 currently, affords a yield of about 3.75% at the recent price around 32. The price-earnings ratio is 21.5.

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NEWS ABOUT BANKS AND BANKERS

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

The **First National City Bank, New York** broke ground at the site of its World's Fair Branch at the corner of the Avenue of Africa and adjacent to the Court of the Five Boroughs, on Feb. 26.

Mr. Thomas R. Wilcox, Executive Vice-President of the bank's Metropolitan Division will operate the Fair Branch.

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Woodrow J. Van Hoven has been elected a member of **Chemical Bank New York Trust Company's** Lower Manhattan Advisory Board, it was announced by Chairman Harold H. Helm.

Mr. Helm also announced that Thomas F. Willers has been elected to its Rockefeller Center Advisory Board.

Mr. Helman also announced that G. Schuyler Tarbell, Jr. has been elected to the Queens Advisory Board. Mr. Tarbell is President of **Queens County Bank** and a member of its Board of Trustees.

* * *

The election of Grant Van Sant, Jr. as Executive Vice-President of **Security National Bank of Long Island** was announced today.

Since 1959 he has been Vice-President of **Long Island Trust Company in Garden City.** From 1949 to 1957 he was Executive Vice-President of **Valley National Bank, Valley Stream, Long Island.**

* * *

The Community Bank, Lynbrook, L. I., N. Y. received approval from the Banking Department of New York that on Feb. 19 to increase its Capital Stock from $663,000 consisting of 66,300 shares of the par value of $10.00 each, to $682,890 consisting of 68,289 shares of the same par value.

* * *

The New York State Bank Department on Feb. 5 gave approval to the **Matinecock Bank, Locust Valley, N. Y.** to increase its Capital Stock from $216,000.00 consisting of 43,200 shares of the par value of $5.00 each, to $220,000.00 consisting of 44,000 shares of the same par value.

* * *

The County Trust Company, White Plains, N. Y. announced that James F. McCarthy, Vice-President, will assume responsibility for the Bank's overall business development activities.

Dwight J. Townsend has been appointed Director of public relations and will assume responsibility for the Bank's public relations and advertising activities.

Mr. Townsend resigned recently as Vice-President of the **Barnitz Bank in Middletown, Ohio,** to accept the County Trust position.

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The Pittsburgh National Bank, Pittsburgh, Pa. elected George C. Hendrickson and Robert D. Krestel Vice-Presidents.

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The Board of Governors of the Federal Reserve System on March 1 announced its approval of the merger of **Peoples Loan, Savings** and **Deposit Bank, Cambridge, Md.,** into **Union Trust Company of Maryland, Baltimore, Md.**

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The Chicago City Bank & Trust Co., Chicago, Ill. elected Henry Scavone a Vice-President and Trust Officer.

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The Board of Governors of the Federal Reserve System Feb. 27 announced its approval of the consolidation of **The Commercial and Savings Bank of St. Clair, St. Clair Michigan,** with **The Citizens State Bank of Emmett, Emmett, Michigan.**

* * *

The Comptroller of the Currency, James J. Saxon approved the application of **The American National Bank & Trust Company of Kalamazoo, Kalamazoo, Mich.,** to purchase the assets and assume the liabilities of the **Home Savings Bank of Kalamazoo, Kalamazoo, Mich.,** effective on or after Mar. 8.

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The Fort Worth National Bank, Fort Worth, Texas elected John Barry Hubbard Vice-President and Senior Trust Officer, effective March 31, succeeding Floyd O. Shelton, who is retiring.

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B. H. Dougherty has been appointed Vice-President at **Bank of America's San Francisco** Head Office.

Mr. Dougherty will be in charge of the Bank's Business Services activities, with responsibilities for coordinating the Bank's client service research programs and supervising newly developed business services.

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Promotion of two new Assistant Vice-Presidents in the Corporate Finance Department at Bank of America's San Francisco head office was also announced.

They are M. C. Abramson and Bruce J. Granicher.

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The **Crocker - Anglo National Bank, San Francisco, Calif.** elected Albert V. Martin a Vice-President and trust officer in the San Francisco trust department.

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The Comptroller of the Currency James J. Saxon announced March 4 that he has given preliminary approval to organize a **National Bank in Mendota, Calif.**

Initial capitalization of the new Bank will amount to $225,000, and it will be operated under the title **"Community National Bank of Fresno County."**

* * *

The Bishop Trust Co., Honolulu, Hawaii elected Edwin Benner Jr., President, succeeding G. W. Fisher, who retired. New Directors elected are Gilbert E. Cox, Y. Barton Goto, Francis H. Lindus, Colin C. Cameron, and William H. Muchnic.

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The United California Bank, Los Angeles, Calif. made Norman R. Miller, Robert L. Reeves, Tet H. Thorburn and Henry W. Valentine, Jr., Vice Presidents.

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Rikuro Takahashi, former New York Agent of the **Fuji Bank, Ltd., Tokyo, Japan** has been appointed Chief Manager of the Bank's Foreign Division, it was announced in New York.

Mr. Takahashi, who served as head of the Fuji Bank's New York operations from June 1961 until recently, returned to Tokyo on Feb. 17 to undertake his new assignment.

He has been replaced as New York Agent by Shozo Saji, a former Deputy Manager of the Fuji Bank's Foreign Division.

Joins Dominick In Chicago

CHICAGO, Ill. — Dominick & Dominick, members of the New York Stock Exchange, have announced the appointment of Thomas E. Duddy as manager of the municipal bond department of their Chicago office, 135 So. La Salle St.

Thomas E. Duddy

Mr. Duddy came to Dominick & Dominick from Lehman Bros., Chicago, where he was a member of their municipal department for five years. Prior to that he had been an analyst of municipals and public utilities at Continental Casualty Company. He is a member of both the Municipal Bond Club of Chicago and The Exempters.

Underwood, Neuhaus Names Officers

HOUSTON, Texas — Underwood, Neuhaus & Co., Inc., has elected Robert L. Grainger, Richard W. Neff, Albert E. McGill and Harry A. Zuber to positions of Vice-President, and Wybert Carruth to the post of Assistant Treasurer.

Mr. Grainger has been associated with the firm for the last five years. A registered representative, he specializes in corporate securities.

Mr. Neff, manager of the Underwood, Neuhaus Trading Department, joined the firm in 1954. He was admitted to a position of ownership in 1959.

Mr. Zuber is training director and manager of the firm's board room on the 7th floor of the Houston Club Building. He joined Underwood, Neuhaus in 1958. Mr. Carruth, Comptroller for the firm, has been part of the Underwood, Neuhaus organization since 1960.

Underwood, Neuhaus & Co. has also recently announced new and expanded offices for its municipal bond department, formerly based on the 7th floor.

Underwood, Neuhaus, Texas' oldest investment banking house, maintains offices on the first, 7th and 9th floors of the Houston Club Building. The firm is a member of the New York Stock Exchange and associate member of the American Stock Exchange.

Absorbs Hooker & Fay

SAN FRANCISCO, Calif. — The investment business of Hooker & Fay, Inc., 221 Montgomery Street, has been merged with William R. Staats & Co., members of the New York and Pacific Coast Stock Exchanges.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

An Efficient Office

One of the most satisfying and gratifying pleasures in our lives is to be able to work. And when we can work at something we like to do in an environment that is pleasant, cheerful, optimistic and progressive, then our days are happy indeed. Following are a few rules that may be found helpful in establishing an energizing climate in a brokerage office.

There Must Be A Captain

No ship can sail the sea and weather the storms of countless voyages unless there is someone at the helm who not only has the respect of the crew but also their confidence. A good manager of an office lays down the rules. He also sees to it that these rules are obeyed. He delegates duties and responsibilities as well as authority. He is fair but he is also strict. He doesn't rule one way today and another tomorrow. He also knows how to say "No" and how to say "Yes." Let me share an example with you.

One of the secretaries in a certain office was asked to take a letter about 10 minutes before it was time for her to close her desk for the day. The letter was important or else the office manager would not have made the request. She replied, somewhat impertinently, that it was almost five o'clock. He replied, "Miss Smith, I know it is almost five o'clock. But if this letter were not extremely important I wouldn't ask you to write it. Besides, do you remember the other day when you asked me if you could go home a half hour earlier because of a family emergency? I readily consented. Do you also remember that several weeks ago you asked for an hour off duty to enable you to take care of another personal matter—did I tell you that it was your working time and you could not go? Now I am asking you for this one small favor and you remind me that it is almost five o'clock. Which way do you want it, Miss Smith? Do you take this letter, or would you prefer to look for another job tomorrow morning?" Miss Smith took the letter and that was the last time there was any more of that kind of nonsense from her.

Incidentally, all you need is one "Miss Smith" in an office to infect the rest of the staff. Then, instead of having a cooperative, energetic, progressive team, you will end up with a slovenly group of people who begin to imagine they are overworked, underpaid, and their firm just couldn't get along without them. Well, it just isn't so; not even today when too many people think that their salary should fall from the trees without effort on their part. When an office staff is indifferent, check up on the calibre of its management.

Effect On Sales

No investment security salesman can work efficiently if he has to mollycoddle a roomful of spoiled clerical assistants who try to make him think they are do-him a favor when they are only required to do their jobs and put their best into their work. A clerical staff should cooperate willingly with sales. Without sales they have no jobs. They should also respect every salesman and help him to accomplish his difficult tasks as efficiently as possible. Clerical jobs are readily filled, but try and find top-flight investment salesmen—it isn't so easy.

The Salesman's Responsibility

Another important factor in accomplishing good selling attitudes is to see to it that the salesmen themselves approach their work as mature men and not as a roomful of adolescents. Here are some rules:

(1) No salesman should ever brag to anyone as to the amount of business he is doing. This is not a "house to house" canvassing business. The approach should be professional. Your business is your own personal affair. Don't bore your associates with your bragging. It is annoying, immature, and out of place in a well run office. If you want to know how silly it is to do this just remember that there is always someone else who can top you. I once heard of a security salesman who grossed over a million and a half in one year. He had the connections with institutions and the Lord only knows how many millionaire relatives and friends. So what? Do the best job investment-wise that you can for the good people who entrust their capital to your guidance—that is glory enough for anyone.

(2) Don't make a club out of your office. It is a place where other men want to work. Don't sit down at another salesman's desk and burden him with your affairs, or your small talk. The less you do of this sort of thing, the better, ANYWHERE; but NEVER in your office.

(3) Try to listen and learn. There is a lot you don't know. One of the best known and respected market technicians in the country keeps 55 separate calculations a day just to try to be informed on the daily trend of the market. There are about fifty thousand publicly held corporations in this country; countless more in Europe, Africa, Australia and Japan. How much do you really know about even 50 of them? The man who uses his eyes and ears learns to sift the wheat from the chaff. Important information is seldom passed along to a ready talker. And sometimes such information can be translated into substantial profits. If you have something of value to impart to your associates by all means say it—if not, listen and learn.

(4) Don't knock others. Don't knock your firm.

(5) Be courteous at all times, no matter how annoying the provocation.

No one is perfect. Everyone has broken the foregoing rules, including the writer. But, by improving our attitudes and continuing our efforts to do a better job every day of our lives, we grow and spread a worthy influence among our associates and friends.

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Anachronism of the Gold Price Controversy

Continued from page 3

means are a policy of internal monetary restraint and/or international credits. In any case, these gold losses are caused by fluctuations in the exchange rates. Their prevention poses not a *gold problem* but an *exchange-rate problem.*

The second kind of gold loss, to hoarders and speculators, was until recently relatively small and did not threaten the national and international payments mechanism. On the London gold market, the supply of gold, particularly from new production, and the demand for gold, particularly for industrial purposes but also for hoarding, were more or less in balance. Temporary production surpluses were absorbed, while deficits were easily covered by the Central Banks.

Recently, however, the losses to speculators and hoarders have begun to assume disquieting proportions. They now threaten the functioning of the international payments system and jeopardize the prevailing gold price. In contrast to the exchange rates problem, we are faced with a real *gold problem.*

The Exchange-Rate Problem

At present the most important exchange-rate problem is caused by the weakness of the dollar on the foreign exchange markets. This weakness is in turn only the consequence of the passive balance of payments, which has led to massive gold losses.

On the American balance-of-payments problem so much has recently been said and written that we can refrain from elaborating on it within the framework of this article. For the time being a certain optimism seems to prevail. To what extent it is justified depends on the evolution of the "fundamentals," i.e. American as compared to foreign cost structures. Never has one solved monetary problems by preaching confidence. There is, however, some hope that the dollar weakness will disappear by itself according to the classic theory of foreign trade. Rapid price and cost inflation in the countries importing gold and foreign exchange may save the dollar.

Until recently, the large amounts of dollar claims held by foreign Central Banks were regarded as the main threat to the dollar. This danger no longer seems to exist. Foreign Central Banks will hardly demand payment in gold when by so doing they would compel the Americans to suspend their free delivery of gold. If the highly advertised international cooperation of the Central Banks is to have any meaning at all, it must provide for credits to deficit nations to offset withdrawals. Individual standstill agreements, drawings on the International Monetary Fund, and other measures will prevent gold losses from reaching dangerous proportions.

The dollar problem did not originate from a lack of gold. It cannot be solved through a revaluation—i.e., raising the gold price in terms of dollars—if for no other reason than because the other countries will certainly revaluate gold to the same extent. An utterly improbable devaluation of the dollar in terms of other currencies would, incidentally, not necessarily be synonymous with a raising of the dollar gold price. The recent revaluation of the German mark and of the Dutch guilder has implicity devaluated the dollar in terms of these currencies. It has not caused any increase in the dollar gold price.

The Real Gold Problem

The recent gold crises were not triggered by a demand for gold on the part of Central Banks. They were triggered by private demands for hoarding and speculation—demands which considerably exceeded private supply, especially from new production. Thus, these gold crises were not a function of exchange-rate fluctuations leading to gold sales from the weak Central Banks to the strong. Instead, the private demand for gold developed independently from the demand of Central Banks. A sharp distinction should therefore always be drawn between the dollar problem —concerning weakness or firmness of the dollar in terms of other currencies—and the gold problem —concerning firmness or weakness of gold in terms of all currencies.

It is correct that the demand for gold is often sparked by a weakness of the dollar—or of the English pound—on the foreign exchange markets. Nevertheless, speculation is not really aimed at a devaluation of the dollar. Such an aim could be achieved more cheaply and conveniently by sales of future dollars against other currencies. As other currencies will devaluate simultaneously, these transactions would not, however, be profitable. Gold speculation aims therefore at an increase of the gold price in terms of all currencies, thus also of the German mark and Swiss franc. Obviously, the reason for such speculation is not mistrust in the internal purchasing power and exchange-rate stability of these currencies. They are considered absolutely stable, a fact which induces people to move into rather than out of them. Thus gold speculation is nothing else but a quite primitive form of commodity speculation. The speculators, through a general increase in the price of gold, hope to make a profit in German marks or Swiss francs—although this hope may be based on the expectation that the trouble will start with the dollar.

The consequences of private hoarding are quite different from those of Central Bank hoarding. In the case of purchases by the Central Banks, the gold remains in the system. In the case of private hoarding, it is withdrawn from the system, and thus from its monetary functions. Therefore hoarding, pursued systematically and relentlessly, must indeed finally lead to gold revaluation, because it produces an absolute shortage of gold within the monetary system of the world. Thus, the speculators themselves bring about the very event on which they speculate. This is precisely what certain people aim at.

Does Speculation Endanger The Gold Price?

Contrary to the demand for gold by the Central Banks, the demand by speculators and hoarders was not at all considered a danger until recently. It was assumed that it could easily be met by the current production. Today, however, this danger is taken much more seriously.

Thus the International Monetary Fund in its yearly report for 1961 is very much concerned about the fact that during the 12-year period from Jan. 1, 1950 to Dec. 31, 1961 gold amounting to $7.3 billion found its way into industrial use, jewelry, or hoards. This is more than half of the entire free world supply for the same period from gold production and sales by the Soviet Union. And in an article in the "Financial Times" of Aug. 17, 1962, "Lombard," who, to be sure, strongly favors gold revaluation, has calculated that in the first half-year of 1962 alone gold amounting to $250 million vanished from the visible stocks of the U. S. without reappearing in others. This amount as such is not very large. However, it gains significance when one considers that most of the new production also vanished into hoards.

How strong will hoarding demand be in the future? And will the Central Banks be able and willing to satisfy the speculators until, convinced of the hopelessness of their attempts, they forgo further attacks?

Obviously the Central Banks believe in such a final victory. Otherwise they would not feed the speculators with ever increasing amounts of gold to "calm them down."

What Is the Present Monetary Role of Gold?

Money is usually defined as the general means of payment, as the general standard of value, and as the general means of preserving wealth. Nowadays, all these functions are fulfilled only to a very limited extent by gold. Gold is already largely "demonetized." It has in fact become a foreign body in a monetary system built on paper money and credit. Toward this it has slowly developed, and develops more and more, although this is seldom sufficiently realized.

Gold is no longer a means of payment. Nationally, it has been replaced by banknotes and by sight deposits, internationally by transactions on the foreign exchange markets. Gold is no longer the measure or the foundation of value. It does not confer any value upon money. On the contrary, it derives its value from the fact that the Central Banks purchase it at a fixed price. As a means of preserving wealth, gold has long since become quite unimportant compared to all other means, such as stocks and bonds. Only speculators and hoarders invest in gold.

Hoarding and Speculation Largely Illegal

Not only have the services rendered by gold as a means of preserving wealth become very limited, they are also mostly illegal. Gold coins have disappeared everywhere as a means of payment. Ingots are no longer sold by Central Banks to private individuals. Furthermore, in the greater part of the world—on both sides of the Iron Curtain — purchase and even mere ownership of gold by individuals are illegal or at best semi-legal. This applies to the U.S.A., the whole of the sterling area, and large parts of Africa, Asia and South America.

Consequently, the demand on the London gold market, which so frequently upsets the world, is to a great extent illegal; where still legal, e.g. by Germans, Swiss, or Frenchmen, it produces a very paradoxical situation to say the least. The Central Banks in these countries do not sell gold to individuals; they do, however, tolerate sales by private banks. These in turn cover themselves on the London market, i.e., at present, still overwhelmingly for American account. Thus the Americans, who forbid the purchase and hoarding of gold by their own nationals, satisfy, very reluctantly, the demands of other nationals who cannot buy gold from their own Central Banks.

From this follows in turn that the Central Banks should not bother about the gold price in London any more than they did in the past about its price in Tangiers. The London gold market, too, is fundamentally only a "grey market." Only the deep-rooted habit of following its vagaries — and certain strong vested interests— prevent seeing or stating this clearly.

The Price of Gold and the Value of the Currencies

Such a proposal has met with several objections. It has for instance been said that the refusal to satisfy the private demand for gold, and the possible resulting price rise would endanger the value of the world's currencies, and should therefore be avoided at any cost.

This objection presupposes that the value of the currencies, in the sense of their purchasing power, is rooted in the value of gold. In the center of the monetary universe—this seems to be the idea —there is a golden sun deriving its value from its material. The individual currencies, on the other hand, revolve around this golden sun, like planets held by the sun in fixed orbits. This conception is clearly anachronistic. It no longer corresponds to reality. To remain within our simile, the individual currency — planets, supported by their domestic purchasing power, are really the pillars of the system. It is they that hold the golden sun at a certain place in the monetary universe. Gold receives its exchange value—at any rate the present high one — from the national currencies. It is not the other way around.

Gold as a Liquidity Reserve

Those who attack the present gold price are by no means in favor of flexible prices. They wish to maintain fixed prices, but at a much higher level—in order to strengthen so-called international liquidity.

The lack of such liquidity has been deplored over and over again —and with somewhat suspicious energy — by certain authors. In spite of this, official circles have become convinced that long-term balance - of - payments difficulties have nothing whatever to do with lack or a low price of gold. The liquidity reserve of nations rests, in the long run, in their capacity to export. Short-term difficulties in turn can be mitigated, for instance through the so-called Currency Swap. They can even be entirely suppressed through credit operations. It will, furthermore, soon be discovered that in a country with a strong long-term capital export, such as the U. S. A., the whole problem of short-term indebtedness could be solved once for all by a compensatory long-term capital import, i. e., a large international loan.

I have dealt with the problem of liquidity in greater detail elsewhere.[1] My conclusion is that the world of today suffers from too much and not from too little liquidity. Only because of the plethora of money have we to cope with the gigantic, previously quite unknown hot-money fluctuations which have proved so dangerous in the past. The alleged lack of international liquidity is in fact nothing else but a bogeyman with which people unschooled in monetary theory are to be bluffed into a gold revaluation serving only the interests of South Africa and Russia—or into fantastic new World Bank or World Currency projects.

Gold as Ultimate Means of Payment

Gold—and a fixed gold price—are allegedly necessary as an ultimate means for settling international payments. With what assets and at what rates could international payment deficits be settled, after exhausting all other possibilities, if not through the transfer of gold? Must not gold be maintained, at least in this monetary function?

It is of course correct that international obligations can be settled in gold according to the gold parity of the currency involved. But why is gold thus accepted in lieu of payment? Why, for instance, does the German Federal Bank accept gold, of which it has enough anyhow, and which yields no interest?

In principle, debts to foreign countries are repaid by exports of goods and services. Technically, this repayment is effected for instance through a German importer acquiring dollars, against German marks, from the Bundesbank to pay for imports from the U. S. A. Thus in the last instance the dollar claims of the Bundesbank are repaid through German marks. The U. S. A. could, of course, in case of insufficient exports, also fulfill its obligations through sale of gold to the Bundesbank. Obviously, in accepting gold, the Bundesbank does so only as a temporary substitute for the marks. But why does gold serve as a substitute for marks? Obviously because gold can always be changed into marks. And gold can always be changed into marks because the Bundesbank buys it at a fixed price. The Bundesbank in turn buys the gold only because it buys it, and other Central Banks do likewise for the same reason. Thus we are confronted with a vicious circle and an extremely paradoxical situation. It is high time to understand that it is exclusively based on tradition and convention.

Once this is done, we realize that what makes gold the ultimate means of payment is not its material, but tacit or explicit obligation of the Central Banks to accept it in lieu of payment at a fixed price in their currencies. Nothing prevents the Central Banks from continuing to do so, whatever the gold price may be on the free market. Nothing prevents them from continuing to shuttle gold back and forth amongst themselves and to carry it in their balance-sheets at the old price. This would, however, not at all be necessary for the Central Banks could even go farther. What a Central Bank really wants is a "something" on which the obligations of other Central Banks

[1] For a detailed refutation of the liquidity argument see my essay *Gold Revaluation and Dollar Devaluation,* in Kyrlos, Internationale Zeitschrift fur Sozialwissenschaften, Basel, 1960, Fasc. 4.

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to redeem it at a certain price in their own currency is confirmed. Today this obligation is, so to speak, engraved on gold. However, this need not be so. Just as with other obligations, they could be printed on paper, and the Central Banks could create them.

Naturally, certain countries could repudiate their obligations. This, however, can happen with gold too, as the recent German and Dutch revaluations have proved, for these two countries now accept gold against their national currencies only with a discount of 5%. Nor could one argue that the "paper securities" would become more inflated than the "golden securities." The strong countries are protected against abuses because new issues would require their signatures. This protection would in any case be stronger than the one against the imported "gold inflation" with which the surplus countries, especially Germany and Switzerland, had to cope in recent years.

The Unrest Argument

Such ideas are generally accepted as logically correct, but it is objected that they underestimate the power of the "gold myth." As certain circles still believe that the value of the currencies depends on the value of gold, a *disagio* of the currencies in terms of gold would cast doubts on the soundness of all currencies; it would create unrest and flight. Therefore, the gold price must never rise above par. Interventions at parity or thereabouts are imperative.

This "unrest" argument is often presented with great vigor, mostly, I think, by those who, in interviews and sensational articles, attempt to create the very unrest on which the success of the revaluationists might depend.

Now it simply isn't true that people become suspicious of the German mark or Swiss franc whenever the official gold parity is surpassed. At most a new impetus is given to speculation in the "commodity gold."

But what about flight from the dollar? Won't a rising gold price lead people to believe that the currency of the U. S.—the country responsible for maintaining the gold parity—is in danger? It may be conceded that a gold boom could encourage flight from the dollar into other currencies—especially when its significance is unduly underlined. Yet on the whole, cause and effect, are simply confused. It is not the gold boom that creates mistrust in the dollar, but the mistrust in the dollar that creates the gold boom, while its reaction on confidence in the dollar is merely secondary. Mistrust in the dollar has far deeper roots than the gold boom. It stems from an adverse balance of payments. As long as a clear and final solution to this problem is not in sight, mistrust in the dollar can revive regardless of whether the gold price is pegged or not. A rise in the gold price should in any case hardly create more unrest than massive purchases at fixed prices. They do not remain secret either, nor can their ultimate effects be foreseen.

The problem of unrest is to a great extent self-created. The public is constantly told that a gold boom and a flight from the currencies are identical, and sensation-seeking headlines report continuously on the boom. Gold price fluctuations have thus assumed an importance entirely out of proportion with their "monetary" significance. Once the public has become used to fluctuating gold prices, the so-called London "fixing price" will hardly impress the public more than did the Tangiers black market price. Under a regime of flexible gold prices, strong speculative movements might not even develop at all, so that small interventions would be sufficient to keep the market orderly.

If one wants to curb speculation, one is always faced with the question: Should one deter buyers by keeping prices down or by letting them rise? The latter method generates hopes of further rises and attracts new buyers. The former method, by increasing risks, discourages them. The decision as to which policy is to be pursued is in every case difficult and fraught with responsibility. Whoever has had to deal with interventions in practice, especially on the stock and bond markets, knows that except for quite short-term disturbances it is dangerous to fight speculation through pressure on prices because reserves might become exhausted. Many successful interventions, especially in support of currencies, have occurred only at higher prices, after the speculators had loaded up. Then the boom collapsed. Nothing calms speculation so effectively as losses.

Two Conclusions

From what we have said, two conclusions follow:

The more radical one draws the ultimate consequence from the current process of demonetization: the Central Banks not only stop selling gold to hoarders and speculators but also refrain from buying it.

Such a "dethroning of gold," even for international payment purposes, would not cause the slightest harm. Instead, it would at last fulfill the wishes of the enemies of "monetary" gold, among them the late Lord Keynes. Well remembered in his remark on the absurdity of digging holes in South Africa in order to extract gold, only to bury it again in other holes — the vaults of the Central Banks. Also worth recalling is the jocular yet basically serious article of Dec. 24, 1960, in the London *Economist*, where total demonetization of gold is described as already accomplished: the Central Banks would stop buying gold and its price would sink to $2.50 an ounce, the price dentists would pay for it.

Mere discusssion on a suspension of purchases by the Central Banks could, incidentally, already have salubrious effects, especially if one mentions to the revaluationists—who now modestly claim a revaluation of 100%—"if gold is really as scarce as you pretend, it is only because it is purchased at high prices by the Central Banks and then piled up in their vaults; if they stop buying it, more gold will be available than would suit you; so, hands off the gold price! *Quieta non movere* is the best you can do!"

The less radical conclusion would be: the Central Banks continue to buy and sell gold at fixed prices, but they no longer sell it via London, to individuals. As we have seen, the resulting fluctuations on the "grey" gold market need not in the least disturb the settlement of balance-of-payments deficits through gold shipments among the Central Banks.

Intermediary Solutions

Up to now demonetization of gold has progressed irresistibly. This trend will continue—barring a world catastrophe destroying our entire credit sysem and forcing a return to primitive payment methods. More important yet, the understanding and interpretation of demonetization will improve.

More than in other realms, in monetary matters anachronisms are difficult to recognize; thinking habits seem to be particularly rigid. Nevertheless, here too, in the long run, truth will triumph.

For the time being, the gold myth — the firm belief in the monetary indispensability of gold —is still strong, especially among the managers of the Central Banks. Gold traditionalists seem to be unable to understand that gold is not only completely superfluous within our monetary system, but even downright detrimental. Thus, further sacrifices will be offered to the false god of gold-price stability.

In view of the resistance to immediate change, intermediary solutions must be sought—solutions enabling to serve the god of gold-price stability without undue sacrifices in gold—and nerves.

Obviously, the speculators' game would soon start all over again at the new inflated level. Experience shows that revaluations create hopes of further revaluations. Whoever has once lied in proclaiming the "eternity" of parties will not be trusted, even though he may now speak the truth, which is usually not the case anyhow. Moreover, no long-run balance of payments problem could be solved through gold revaluation; and as for the short-run liquidity problem, revaluation would be, as shown, entirely superfluous. Naturally, gold revaluation would substantially lighten the burden of America's short-term indebtedness in real terms; about half of the gold reserve, rather than all of it as at present, would suffice to redeem the debt. Such a lightening of the burden would be equivalent to that granted in a bankruptcy, where the debtor no longer has to pay the whole debt but only a quota.

In the future and in the long run, gold revaluation would benefit only the South African and British gold mining interests. This explains their relentless attacks on the present gold price, attacks featuring all the well known pressure group techniques.

Gold revaluation is, incidentally, also recommended nowadays as a prerequisite for the re-establishment of a genuine gold standard—which it would indeed be, for at the present price, the gold of the Central Banks would, of course, immediately be sold out to the public.

Certain authors have in fact demanded that gold coins be reinstated for internal payments, and that banknotes again become redeemable in gold. This, they contend, would prevent inflationary abuses by governments.

Defending the Prevailing Gold Prices

If—illogical as it seems to us—the prevailing gold price is to be maintained under all circumstances, one has to do what is always done when maximum prices are to be enforced: the demand must be restricted.

In the first place, all countries where possession and acquisition of gold is still legal should follow the American example and forbid gold ownership, too. The gold market would thereafter appear to everyone as a black market — a view which should already prevail today in countries where gold cannot legally be held. Certain German posters during World War One declared "Gold belongs in the Reichsbank!" This statement is now more correct than ever, as long as the Central Banks believe—wrongly—that they need the gold.

A second very effective step would be to reduce the price the Central Banks pay for gold offered by private individuals and on the London market. In other words, the margin between the so-called gold points should be widened downwards. Even a small reduction of the buying price might work miracles. After such a reduction demand of speculators would hardly set in above the so-called lower gold point and the danger of the price exceeding parity would be strongly reduced. The strong attraction — and the immense danger—of gold hoarding and speculation originates in the absence of risk, a minimum price is guaranteed by the Central Banks. Why should gold speculators be the only ones in the world to have the privilege of speculating with almost no risk of loss and only with chances for gain? Surely this privilege should be abolished.

Eastman Dillon, Union Securities Admits Four Partners

Eastman Dillon, Union Securities & Company, 1 Chase Manhattan Plaza, New York City, members of the New York Stock Exchange, have admitted the following four men as new general partners:

John Thomas Booth Paul E. Taylor George W. Bramhall James Francis Cleary

John Thomas Booth; Paul E. Taylor; George W. Bramhall; and James F. Cleary.

Mr. Booth, a graduate of Amherst College (1951) and the Harvard Law School (LLB 1957), joined Eastman Dillon, Union Securities Co. in 1961 as an associate in the Buying Department. He was formerly associated with Dewey Ballantine Bushby Palmer & Wood (1957/1961). He will make his headquarters at the firm's New York offices.

Mr. Taylor, a graduate of the University of Pennsylvania (1952) and formerly an executive with the Gulf Oil Corporation of Pittsburgh, joined Eastman Dillon in July 1960 as an associate in the Buying Department. He will also make his headquarters at the firm's New York Offices.

Mr. Bramhall, joined Eastman Dillon Union Securities & Co. in April 1961 as national sales manager of the Municipal Department. He was formerly a Vice-President with Bramhall, Falion & Co., Inc., municipal bond dealers and underwriters. He will be partner in charge of national sales in the Municipal Department, and make his headquarters at the firm's New York offices.

Mr. Cleary, a graduate of Boston College with honors (1950) joined Eastman Dillon in 1951 and was assigned to the Boston office in 1957 as an institutional salesman. In 1959 he was promoted to Sales Manager.

Elected Director

The election of Charles E. Saltzman as a director of A. H. Robins Company, Incorporated of Richmond, Va., manufacturer of pharmaceuticals, has been announced.

Charles E. Saltzman

Mr. Saltzman is a general partner in the investment banking firm of Goldman, Sachs & Co., members of the New York Stock Exchange. He is a graduate of the United States Military Academy and a Rhodes Scholar, a former Vice-President of the New York Stock Exchange, and has served as both an Assistant Secretary of State and as Under Secretary of State for Administration. Mr. Saltzman served as a Brigadier General in the U. S. Army during World War II and recently retired as a Major General in the Active Reserve. He is the President of the English-Speaking Union of the United States.

Fuji Bank Appoints Two

Rikuro Takahashi, former New York agent of the Fuji Bank, Ltd., has been appointed Chief Manager of the Bank's Foreign Division, it has been announced. The Fuji Bank is Japan's largest commercial banking institution.

Mr. Takahashi, who served as head of the Fuji Bank's New York operations from June 1961, until recently, returned to Tokyo on Feb. 17 to undertake his new assignment.

He has been replaced as New York Agent by Shozo Saji, former Deputy Manager of the Fuji Bank's Foreign Division.

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Taking a Critical Look At Price-Earnings Ratios

Cleveland Trust Company's study of price-earnings ratios offers timely advice on judging normative values of stocks and on proper precautions in making historical comparisons. The bank's "Business Bulletin" points out, for example, that P/E ratio in the record bull market of 1961 was very close to the high water marks of 1938-39 and 1945-46.

Of what use are price-earnings ratios as a measuring tool? According to a study published this week by the Cleveland Trust Company "various historical comparisons can be made to determine whether common stocks are at normal values, at bargain levels, or are relatively overpriced. Among these are the yield on stocks, the relation between stock and bond yields, and the 'price-earnings ratio.' As ordinarily used, the latter term means the price of a common stock divided by its earnings per share (after taxes) for a given 12-month period. For example, if the price of a share of stock on Jan. 31, 1963, was $100 and its 1962 earnings were $5 per share, the price earnings ratio is 20. In financial parlance, the stock is selling at '20 times earnings.'

"On the diagram the price series is the index of 425 industrial stocks compiled by the Standard and Poor's Corporation. The earnings series is taken from the same source. In the upper section the price index is the daily average for the last month of each quarter, plotted over the past 25 years. Shown at quarterly intervals from 1937 through 1962 are the earnings totals of the latest four quarters. In the lower section is the price-earnings ratio, plotted quarterly and computed by dividing the price by the earnings of the previous four quarters.

"The price-earnings ratio is a worthwhile tool for analysis because it relates the price of a stock to the fundamental factor of earnings. Probably its principal value is in a rising stock market, when the movement of the ratio can be compared with its performance in past bull markets. During such periods the ratio for some stocks may become so high as to discount improving earnings for a considerable period ahead.

"While useful, the price-earnings ratio does have some pitfalls. One of them is trying to relate it to a 'normal ratio.' Perhaps in very broad terms some theoretical normal ratio—say around 10 to 15—could be set up as a rule-of-thumb measure for common stocks as a whole, but this is subject to dispute. In any case it would have little meaning for individual stocks, where ratios vary widely. Certain stocks sell at much higher ratios than others because investors have more confidence in their intrinsic merits and long range prospects for greater earnings and dividends.

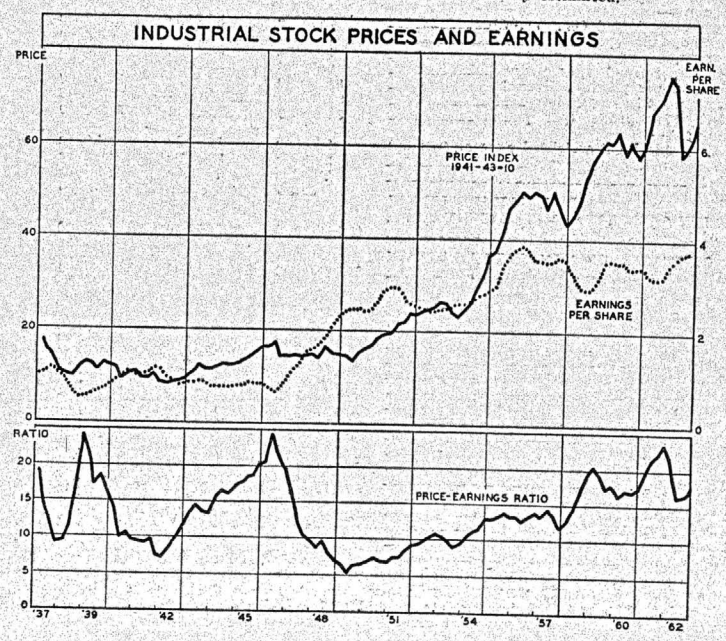
Historical Comparisons

"In making historical comparisons, another difficulty is that earnings per share in poor times may drop at a faster rate than stock prices, so that the ratio advances. Suppose, for example, that in a good business year a stock sells at $100 and earns $5 per share, the ratio being 20. If in a subsequent poor year the price drops to $50 and earnings to $2, the ratio becomes 25. This is a very high figure indeed, but it makes little sense to compare it with the ratio during rising markets in boom years. In July and September, 1933, for example, the price-earnings ratio climbed to 27.5 after stock prices had doubled from their depression low but with earnings still remaining at unusually low levels.

"With these qualifying factors in mind, it is useful to trace the past behavior of the price-earnings ratio. The chart shows that the price-earnings ratio of the 1961 bull market was very close to the high-water mark reached in the markets of 1938-39 and 1945-46. It is also interesting to find the ratio for the peak day of the stock price index in some of the earlier bull markets and compare them with the ratio of price-earnings of a recent date. These figures are presented below."

	*Price Index	†Earnings Per Share	Price-Earnings Ratio
1929 Sept. 7	25.38	‡$1.27	‡20.0
1937 Mar. 6	18.10	0.92	19.7
1946 May 29	18.53	0.72	25.7
1959 Aug. 3	65.32	3.50	18.7
1961 Dec. 12	76.69	3.21	23.9
1963 Jan. 31	69.21	‡3.70	‡18.7

*Standard and Poor's daily index of 425 industrials (1941-43 = 10). †For preceding four quarters, adjusted to price index. ‡Partly estimated.



NYSE Appoints Bishop, Chapman

Keith Funston, President of the New York Stock Exchange, has announced the appointments, effective immediately, of Robert M.

Robert M. Bishop A. B. Chapman, Jr.

Bishop as Vice-President and Assistant Director of the Department of Member Firms, and Alger B. Chapman, Jr., as Vice-President, Civic and Governmental Affairs.

Mr. Bishop was formerly Director of the Exchange's Department of Member Firms Liaison and Assistant Director of the Department of Member Firms. He joined the Exchange in 1955 as Special Assistant to the President and became Associate Director of Member Firms Liaison in 1960.

Before joining the Exchange, Mr. Bishop was Assistant Director of Public Relations at Union College, Schenectady, N. Y., from 1945 to 1947. From 1947 to 1955, he was Director of Public Relations at Trinity College, serving under Mr. Funston during part of this period.

Mr. Bishop attended Elmira Free Academy, Elmira, N. Y., and is a graduate of Union College, class of 1943. He received a master's degree from Trinity College in 1955. During World War II, he was a pilot and instructor in the Air Force.

Mr. Chapman has been with the Exchange since 1959 and became Assistant to the President for Civic and Governmental Affairs in 1961.

Previously, he was an attorney with the Securities and Exchange Commission in the General Counsel's office and served as legal assistant to former Commissioner James C. Sargent.

Mr. Chapman attended Albany Academy, Albany, N. Y., and is a graduate of Williams College, class of 1953, and Columbia Law School. He was admitted to the New York State Bar in 1957 and is a member of the New York State, American and Federal Bar Associations.

Bohmfalk V.-P. Of McDonnell

John F. Bohmfalk, Jr., has been elected Vice-President and Director of the Research Department of McDonnell & Co. Inc., 120 Broadway, New York City, members of the New York and other leading Stock Exchanges.

Sharp Drop in Demand for Investment Funds Forecast

Salomon Brothers & Hutzler three-authored study foresees a $2.2 billion decline in the demand for long-term investment funds and a $1.2 billion increase in the supply of non-bank institutional funds this year compared to 1962. Mortgages and corporate bonds account for the decline and tax-exempts are expected to stay at last year's level. The authors doubt there will be any large change in the level of most long-term rates in view of our unsatisfactory growth rate and the abundance of institutional funds seeking investment.

Three top experts of Salomon Brothers & Hutzler recently pooled their talent to predict what the demand and supply for long-term investments funds would be this year. Messrs. Girard L. Spencer, Sidney Homer and Henry Kaufman pointed out that "the accompanying Tables attempt to analyze the prospective demand for long-term investment funds arising from net increases in outstanding real estate mortgages, municipal, corporate, and foreign bonds and to compare the total with the prospective flow of new institutional long-term investment funds. When these specific demands substantially exceed institutional funds there is apt to be pressure on interest rates and rising bond yields; whereas, when the residual is modest, it is absorbed by individuals and miscellaneous investors without pressure on the markets.

"The Demand Table omits the basically important area of Treasury and Federal Agency debt. This is because the Treasury can finance either at long- or short-term and because it is the intention of this analysis to study the prospective competition which Treasury debt management will have to meet.

"The Demand estimates are based on the assumption that the capital markets will be no more or less receptive than they were last year. Therefore, they can be used as a guide to whether their size will itself create congestion which could result in a lower volume of actual credit expansion.

The Outlook

"The figures show that in 1962 an extraordinarily large volume of new mortgages were financed without pressure on rates largely because of an even larger rise in the supply of institutional funds. This was made possible by the very heavy flow of savings into savings deposits of all sorts and by a monetary policy which permitted commercial banks to invest these savings in the capital markets.

"The estimates for 1963 suggest that the mortgage volume, and the total of these credit demands, will again be very large, but nevertheless some $2-$3 billion below 1962 while the supply of non-bank institutional funds should continue to rise. It is estimated that commercial bank investments in the capital markets will be less than last year. Nevertheless, the excess of these demands over the total of institutional funds should be less than in 1962. Therefore, if no other factors were involved than those analyzed in the tabulation, it could be concluded that long-term interest rates, especially the higher rates on mortgages, should continue to sag.

"We believe, however, that other factors not included in the tabulation are likely to influence heavily the trend of long-term interest rates this year. Of greatest importance should be the effect of our balance of international payments problem on short-term interest rates. Also important will be the methods employed by the Treasury in financing its deficit and the extent to which monetary policy will permit another large expansion in commercial bank assets.

"Such market influences, which do not lend themselves to statistical measurements, should dominate interest rate trends in 1963. Because of the still unsatisfactory rate of growth in the American economy, and the abundance of institutional funds seeking investment, we doubt that the pressure toward higher short-term rates stemming from balance of payments considerations will bring about any large change in the level of most long-term rates.

"We wish to acknowledge with appreciation the invaluable aid of the small group of specialists whom we consulted before preparing these estimates."

Table I: Selected Net Demands for Long Term Investment Funds (1)

	1959	1960	1961	1962 Est.	1963 Est.
	(Billions of Dollars)				
Real Estate Mortgages	$16.8	$15.0	$17.8	$24.2	$22.5
Corporate Bonds	4.1	5.0	5.1	5.1	4.8
State & Municipal Bonds	4.8	4.0	5.0	5.0	5.0
Foreign & International Bank Bonds	0.5	0.6	0.5	1.0	.8
Total	$26.2	$24.6	$28.4	$35.3	$33.1

Table II: Net Supply of New Long Term Non-Bank Institutional Investment Funds (2)

	1959	1960	1961	1962 Est.	1963 Est.
	(Billions of Dollars)				
Life Insurance Companies	$ 4.7	$ 4.5	$ 4.7	$ 5.4	$ 5.7
Fire & Casualty Ins. Companies	1.3	0.9	0.7	1.0	.9
Mutual Savings Banks	1.2	1.6	2.2	3.1	3.1
Savings and Loan Associations	7.6	7.0	8.8	10.1	10.7
Corporate Pension Funds	1.4	1.5	1.2	1.6	1.8
State and Local Retirement Fund	1.7	2.0	2.1	2.3	2.5
Total	$17.9	$17.5	$19.7	$23.5	$24.7

Table III: Comparison of Demand and Supply

	1959	1960	1961	1962 Est.	1963 Est.
	(Billions of Dollars)				
Total Selected Demands, Table I	$26.2	$24.6	$28.4	$35.3	$33.1
Total Non-Bank Inst. Supply of Funds, Table II	17.9	17.5	19.7	23.5	24.7
Excess	8.3	7.1	8.7	11.8	8.4
Less Net Purchases of Above by Commercial Banks	2.9	1.1	4.5	8.7	6.4
Residual Demands to be Financed in Other Ways	$5.4	$6.0	$4.2	$3.1	$2.0

(1) Annual net increase in outstandings after purchases by U. S. Govt. Agencies and sinking funds. Excludes demand from the U. S. Treasury and from new stock issues.
(2) Annual net increases in investment funds, excluding funds ordinarily invested in miscellaneous assets, real estate and stocks.

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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 AND STEEL INSTITUTE:					
Steel ingots and castings (net tons)	Mar. 2	2,130,000	2,086,000	1,874,000	2,361,000
Index of production based on average weekly production for 1957-1959	Mar. 2	114.3	112.0	100.6	126.7
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Feb. 22	7,448,960	7,440,510	7,245,460	7,451,460
Crude runs to stills—daily average (bbls.)	Feb. 22	8,990,000	8,884,000	8,681,000	8,755,000
Gasoline output (bbls.)	Feb. 22	29,887,000	30,812,000	30,337,000	30,097,000
Kerosene output (bbls.)	Feb. 22	3,420,000	3,890,000	3,641,000	3,599,000
Distillate fuel oil output (bbls.)	Feb. 22	16,884,000	16,120,000	15,637,000	15,879,000
Residual fuel oil output (bbls.)	Feb. 22	6,549,000	6,469,000	6,113,000	6,009,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished gasoline (bbls.) at	Feb. 22	205,949,000	204,942,000	198,976,000	203,736,000
Kerosene (bbls.) at	Feb. 22	23,281,000	24,243,000	27,571,000	25,638,000
Distillate fuel oil (bbls.) at	Feb. 22	93,455,000	99,826,000	122,929,000	101,955,000
Residual fuel oil (bbls.) at	Feb. 22	45,193,000	45,770,000	48,784,000	40,544,000
Unfinished oils (bbls.) at	Feb. 22	81,461,000	81,256,000	80,487,000	80,550,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Feb. 23	489,218	512,084	462,019	511,026
Revenue freight received from connections (no. of cars)	Feb. 23	482,309	501,062	453,182	500,383
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Feb. 23	8,035,000	*8,215,000	7,555,000	8,268,000
Pennsylvania anthracite (tons)	Feb. 23	332,000	333,000	348,000	389,000
CONSTRUCTION ADVANCE PLANNING — ENGINEERING NEWS - RECORD—NEW SERIES:					
Total advance planning by ownership	Feb. 28	$442,400,000	$527,300,000	$723,700,000	$321,800,000
Private	Feb. 28	265,600,000	332,000,000	308,000,000	158,000,000
Public	Feb. 28	176,800,000	195,300,000	415,700,000	163,800,000
State and Municipal	Feb. 28	168,400,000	171,200,000	374,800,000	108,900,000
Federal	Feb. 28	8,400,000	24,100,000	40,900,000	54,900,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100	Feb. 23	89	89	82	86
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Mar. 2	17,505,000	17,489,000	18,188,000	16,514,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Feb. 28	311	310	320	311
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Feb. 25	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Feb. 25	$63.43	$63.43	$63.43	$66.44
Scrap steel (per gross ton)	Feb. 25	$27.50	$27.83	$27.83	$33.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Mar. 1	30.600c	30.600c	30.600c	30.600c
Export refinery at	Mar. 1	28.425c	28.425c	28.500c	28.625c
Lead (New York) at	Mar. 1	10.500c	10.500c	10.500c	9.500c
Lead (St. Louis) at	Mar. 1	10.300c	10.300c	10.300c	9.300c
‡Zinc (delivered at)	Mar. 1	12.000c	12.000c	12.000c	12.500c
Zinc (East St. Louis) at	Mar. 1	11.500c	11.500c	11.500c	12.000c
Aluminum (primary pig, 99.5%) at	Mar. 1	22.500c	22.500c	22.500c	24.000c
Straits tin (New York) at	Mar. 1	108.875c	108.125c	109.750c	121.000c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Mar. 5	90.23	90.09	90.49	87.35
Average corporate	Mar. 5	89.23	89.23	89.09	86.38
Aaa	Mar. 5	93.23	93.23	93.08	90.06
Aa	Mar. 5	91.05	90.77	90.77	88.27
A	Mar. 5	89.51	89.37	89.37	85.85
Baa	Mar. 5	83.79	83.79	83.53	81.66
Railroad Group	Mar. 5	86.78	86.38	86.11	83.53
Public Utilities Group	Mar. 5	90.63	90.63	90.63	87.18
Industrials Group	Mar. 5	90.48	90.63	90.63	88.27
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Mar. 5	3.72	3.74	3.67	3.97
Average corporate	Mar. 5	4.47	4.47	4.48	4.68
Aaa	Mar. 5	4.19	4.19	4.20	4.41
Aa	Mar. 5	4.34	4.36	4.36	4.54
A	Mar. 5	4.45	4.46	4.46	4.72
Baa	Mar. 5	4.88	4.88	4.90	5.05
Railroad Group	Mar. 5	4.65	4.68	4.70	4.90
Public Utilities Group	Mar. 5	4.37	4.37	4.37	4.62
Industrials Group	Mar. 5	4.38	4.37	4.37	4.54
MOODY'S COMMODITY INDEX	Mar. 5	370.0	368.5	373.6	368.7
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Feb. 23	353,674	327,632	352,233	353,540
Production (tons)	Feb. 23	358,554	350,760	350,835	354,730
Percentage of activity	Feb. 23	96	95	95	96
Unfilled orders (tons) at end of period	Feb. 23	440,778	445,771	446,729	460,067
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Mar. 1	113.76	*113.86	112.86	110.47
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Feb. 8	2,557,670	2,846,980	2,989,770	2,606,750
Short sales	Feb. 8	572,230	651,620	662,540	520,220
Other sales	Feb. 8	1,951,370	2,164,110	2,554,230	2,220,550
Total sales	Feb. 8	2,523,600	2,815,730	3,216,770	2,740,770
Other transactions initiated off the floor—					
Total purchases	Feb. 8	456,160	556,310	623,890	322,270
Short sales	Feb. 8	41,400	40,200	53,210	18,600
Other sales	Feb. 8	421,060	480,250	616,080	296,960
Total sales	Feb. 8	462,460	520,450	669,290	315,560
Other transactions initiated on the floor—					
Total purchases	Feb. 8	1,008,583	1,154,027	1,109,120	887,290
Short sales	Feb. 8	154,043	122,770	183,690	131,200
Other sales	Feb. 8	983,345	993,409	1,161,049	1,158,420
Total sales	Feb. 8	1,137,388	1,116,179	1,344,739	1,289,620
Total round-lot transactions for account of members—					
Total purchases	Feb. 8	4,022,413	4,557,317	4,722,780	3,816,310
Short sales	Feb. 8	767,673	814,590	899,440	670,020
Other sales	Feb. 8	3,355,775	3,637,769	4,331,359	3,675,930
Total sales	Feb. 8	4,123,448	4,452,359	5,230,799	4,345,950
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	Feb. 8	1,527,372	1,596,474	1,932,829	2,046,060
Dollar value	Feb. 8	$74,006,676	$77,624,577	$92,651,610	$106,222,899
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Feb. 8	1,785,943	1,838,835	1,972,213	1,941,880
Customers' short sales	Feb. 8	16,517	12,444	15,735	13,674
Customers' other sales	Feb. 8	1,769,426	1,826,391	1,956,478	1,928,206
Dollar value	Feb. 8	$84,404,756	$87,613,091	$95,492,912	$95,631,256
Round-lot sales by dealers—					
Number of shares—Total sales	Feb. 8	668,550	672,370	615,690	551,390
Short sales	Feb. 8	-----	-----	-----	-----
Other sales	Feb. 8	668,550	672,370	615,690	551,390
Round-lot purchases by dealers—Number of shares	Feb. 8	383,530	417,010	574,710	680,270
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	Feb. 8	987,570	1,026,370	1,175,380	834,090
Other sales	Feb. 8	19,787,640	20,989,530	23,328,920	18,629,240
Total sales	Feb. 8	20,775,210	22,015,900	24,504,300	19,463,330
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):					
Commodity Group—					
All commodities	Feb. 26	100.2	100.2	100.4	a
Farm products	Feb. 26	96.8	97.0	98.5	a
Processed foods	Feb. 26	100.0	100.2	100.4	a
Meats	Feb. 26	91.5	92.1	96.0	a
All commodities other than farm and foods	Feb. 26	100.7	100.6	100.6	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 January	8,386,000	8,079,885	10,352,748
Shipments of steel products (net tons)—Month of January	5,730,873	5,001,473	6,905,947
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of December	13,925	*12,926	14,802
BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES—Month of December (Millions of dollars):			
Manufacturing	$57,490	*$57,190	$55,200
Wholesale	13,900	*13,360	13,480
Retail	27,520	*27,490	26,860
Total	$98,910	*$98,540	$95,540
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BOARD OF NEW YORK—As of January 31 (000's omitted)	$2,091,000	$2,088,000	$1,762,000
CASH DIVIDENDS—PUBLICLY REPORTED BY U. S. CORPORATIONS — U. S. DEPT. OF COMMERCE—Month of January: (000's omitted)	$1,098,000	$2,968,200	$1,965,400
COKE (BUREAU OF MINES)—Month of Dec.:			
Production (net tons)	4,087,842	*3,887,600	5,169,400
Oven coke (net tons)	4,033,796	*3,823,691	5,091,400
Beehive coke (net tons)	54,046	*63,909	78,000
Oven coke stocks at end of month (net tons)	3,930,395	*4,018,758	4,032,206
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of January:			
Cotton Seed—			
Received at mills (tons)	343,000	837,000	294,300
Crushed (tons)	695,700	640,700	658,800
Stocks (tons) December 31	1,120,800	2,473,500	2,192,900
Cake and Meal—			
Stocks (tons)	105,200	98,500	84,900
Produced (tons)	322,100	300,000	299,100
Shipped (tons)	315,400	300,700	295,700
Hulls—			
Stocks (tons) December 31	54,400	51,800	120,900
Produced (tons)	161,500	148,500	158,100
Shipped (tons)	158,900	149,100	148,800
Linters—			
Stocks (bales) December 31	268,900	213,800	166,900
Produced (bales)	194,300	182,300	193,800
Shipped (bales)	139,200	143,600	185,200
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of January:			
All manufacturing (production workers)	12,193,000	12,371,000	12,118,000
Durable goods	6,868,000	6,937,000	6,764,000
Nondurable goods	5,325,000	5,434,000	5,354,000
Payroll indexes (1957-59 average = 100)—All manufacturing	112.2	*115.0	108.5
Estimated number of employees in manufacturing industries—			
All manufacturing	16,550,000	16,733,000	16,370,000
Durable goods	9,412,000	9,481,000	9,222,000
Nondurable goods	7,138,000	7,252,000	7,148,000
FABRICATED STRUCTURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION)—Month of January:			
Contracts closed (tonnage)—estimated	328,187	478,492	313,869
Shipments (tonnage)—estimated	234,548	281,616	284,068
MANUFACTURERS' INVENTORIES & SALES—Month of December (millions of dollars)			
Inventories—			
Durables	$32,750	*$32,660	$31,470
Nondurables	24,740	*24,530	23,720
Total	$57,490	*$57,190	$55,200
Sales	33,630	*33,860	32,400
METAL PRICES (E. & M. J. QUOTATIONS)—February:			
Copper—			
Domestic refinery (per pound)	30.600c	30.600c	30.600c
Export refinery (per pound)	28.439c	28.433c	28.620c
††London, prompt (per long ton)	£234.144	£234.131	£235.031
††Three months, London (per long ton)	£233.594	£233.574	£234.306
Lead—			
Common, New York (per pound)	10.500c	10.296c	9.583c
Common, East St. Louis (per pound)	10.300c	10.096c	9.383c
††London, prompt (per long ton)	£54.681	£54.250	£58.678
††Three months, London (per long ton)	£54.997	£54.696	£59.334
Zinc—			
East St. Louis (per pound)	11.500c	11.500c	12.000c
§§Prime Western, delivered (per pound)	12.000c	12.000c	12.500c
††London, prompt (per long ton)	£69.550	£67.585	£68.784
††London, three months (per long ton)	£69.691	£68.051	£69.534
Silver and Sterling Exchange—			
Silver, New York (per ounce)	125.644c	124.382c	102.472c
Silver, London (per ounce)	107.619d	106.517d	85.363d
Sterling Exchange (check)	$2.80337	$2.20484	$2.81458
Tin, New York Straits	108.597c	111.131c	121.076c
Gold (per ounce U. S. price)	$35.000	$35.000	$35.000
Quicksilver (per flask of 76 pounds)	$187.000	$186.636	$191.500
Antimony—			
¶New York, boxed (per pound)	36.250c	36.250c	36.250c
Laredo, bulk (per pound)	32.500c	32.500c	32.500c
Laredo, boxed (per pound)	33.000c	33.000c	33.000c
Platinum, refined (per pound)	$82.000	$82.000	$82.000
Cadmium, per pound delivered ton lots)	$1.85000	$1.182273	$1.61667
(Per pound, small lots)	$1.90000	$1.186364	$1.71667
Cobalt, 97% grade (per pound)	$1.50000	$1.50000	$1.50000
Aluminum—			
99% grade ingot weighted average (per lb.)	22.500c	22.500c	24.000c
99% primary pig export	22.500c	22.500c	22.875c
**Nickel	79.000c	79.000c	81.250c
Bismuth (per pound)	$2.25	$2.25	$2.25
MONEY IN CIRCULATION—TREASURY DEPT. As of December (000's omitted)	$35,300,000	$34,800,000	$33,900,000
NEW CAPITAL ISSUES IN GREAT BRITAIN MIDLAND BANK—Month of January	£41,569,000	£41,154,000	£30,072,000
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE — 1910-1914=100—As of Jan. 15:			
All farm products	244	242	242
Crops	228	224	225
Commercial vegetables, fresh	266	236	259
Cotton	254	261	257
Feed, grain and hay	157	153	152
Food grains	231	231	218
Fruit	216	198	208
Oil-bearing crops	251	247	250
Potatoes	150	147	127
Tobacco	485	505	538
Livestock	257	258	257
Dairy products	257	263	268
Meat animals	308	308	304
Poultry and eggs	152	151	149
Wool	255	249	231

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

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The State of TRADE and INDUSTRY

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billion of seasonally adjusted appropriations is the largest the industry has set aside since the first quarter of 1957.

The bulk of the money will be spent in 1963 since appropriations in metalworking tend to lead expenditures by from six to nine months.

Iron Age pointed out that gains are widely diffused throughout the industry. However, major strength shows up among steel producers and automobile makers.

It is obvious that good business provided the auto industry with the incentive to further modernize its plant, *Iron Age* explained.

But the magazine pointed out that the steel industry has a different incentive. Faced with steadily rising costs and little sign of a major sales increase in the immediate future, the industry is going all out to increase its production efficiency.

To back up this modernization drive, steel makers raised capital appropriations 75% from the third to fourth quarter of 1962.

Iron Age raised the question of whether this sharp rise in metalworking capital appropriations is a one-shot affair or will actually raise spending levels for all of 1963.

The magazine said the very size of the increase seems to indicate a higher level of capital goods spending this year. Momentum should carry over into appropriations later this year, it concluded.

Auto Output Rises 8.7% Above Corresponding 1962 Week

Ward's Automotive Reports said that passenger car production in U. S. plants during February persisted at a rate of 30,000 units a day, totaling to near-600,000 cars for a 12.0% gain from 535,796 units in the same month last year.

The statistical agency fixed production for the week ending Saturday, March 2, at 149,826 units, a gain of 3.5% from 144,701 cars made last week and reversing slight declines in each of three prior February weeks.

Ward's said last week's turnout of passenger cars was 8.7% above the 137,883 units made in the corresponding 1962 week. Since January 1 the industry has made 1,319,169 cars, ranging 100,000 units, or 8.2%, above output in like 1962.

The increase in car making was attributed to resumption of assembly at Ford and Chrysler Corp. plants shut down for production adjustments two weeks ago. Both automakers otherwise scheduled regular five-day operations.

American Motors Corp.'s three-shift output of Rambler cars was interrupted after the second shift on Wednesday last week by a shortage of underbodies from the supplier. About a third of that automaker's normal weekly volume was lost, and resumption of the Rambler run was not expected until yesterday.

Studebaker Corp. output of Lark and Hawk models spanned four-days last week. Its Avanti car, however, was being made on a five-day program.

Of output last week, General Motors accounted for approximately 57.5%; Ford Motor Co. 24.1% Chrysler Corp. 13.3%; American Motors 4.2%; and Studebaker 0.9%.

Rail Freight Carloadings Fall 4.3% Below Year-Ago Week

Loading of revenue freight in the week ended Feb. 23, which included the Washington Birthday Holiday, totaled 489,218 cars, the Association of American Railroads announced. This was a decrease of 22,866 cars or 4.5% below the preceding week.

The loadings represented a decrease of 21,808 cars or 4.3% below the corresponding week in 1962, but an increase of 20,736 cars or 4.4% above the corresponding week in 1961.

There were 14,913 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Feb. 16, 1963 (which were included in that week's over-all total). This was an increase of 2,609 cars or 21.2% above the corresponding week of 1962 and 4,835 cars or 48.7% above the 1961 week.

Cumulative piggyback loadings for the first seven weeks of 1963 totaled 93,501 cars for an increase of 10,213 cars or 12.3% above the corresponding period of 1962, and 24,505 cars or 35.5% above the corresponding period in 1961. There were 61 class I U. S. railroad systems originating this type traffic in this year's week compared with 58 one year ago and 56 in the corresponding week in 1961.

Truck Tonnage Declines 5.4% Behind Last Year's Week

Intercity truck tonnage in the week ended Feb. 23 was 1.7% below the volume in the corresponding week of 1962, the American Trucking Associations announced. Truck tonnage was 5.4% behind the volume for the previous week of this year. Observance of the Washington Birthday holiday by many businesses contributed to the week-to-week decrease.

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 13 localities, with 21 points reflecting decreases from the 1962 level. Trucking centers at four points registered tonnage gains of more than 10%, while one area, Omaha, reflected a decrease of 15.9%.

Compared with the immediately preceding week, seven metropolitan areas registered increased tonnage, while 26 areas reported decreases. One terminal city, Albuquerque, showed no change from the previous week. The week-to-week decline approximates that found in previous years when the Washington Birthday holiday fell on a workday.

Lumber Data Unavailable

Editor's Note: Weekly and yearly lumber production, shipment and new order data are unavailable this week.

Electric Output Rises to 6.0% Over Last Year's Level

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, March 2, was estimated at 17,505,000,000 kwh., according to the Edison Electric Institute. Output was 16,000,000 kwh. more than the previous week's total of 17,489,000,000 kwh., and 991,000,000 kwh., which amounted to 6.0% above the total output of the comparable 1962 week.

Business Failures Hold Even For Third Week

Steady for the third consecutive week, commercial and industrial failures held at 311 in the week ended Feb. 28, reported Dun & Bradstreet, Inc. This toll compared with 310 and 311 in the preceding weeks and was also even with 311 in the similar week a year ago. However, casualties continued to fall far short of the 1961 level of 408, although they ran 22% higher than the pre-war level of 254 in 1939.

Failures involving liabilities of $100,000 or more dipped to 42 from 52 in the prior week but exceeded the 32 of this size a year earlier. In contrast, smaller casualties with losses under $100,000 rose slightly to 269 in the week just ended from 258 last week but remained slightly below their comparable 1962 toll of 279.

Manufacturing failures at 42 against 43, retailing at 142 as against 145, and service at 29 as against 26, changed very little. But the toll among construction contractors climbed to 66 from 55, while the toll among wholesalers declined to 32 from 41 in the previous week. Trends from last year's levels also were mixed; trade and service mortality held almost steady with 1962 whereas construction failures ran higher and manufacturing ran lower.

The toll in the East North Central States jumped to 95 from 33 and moved up mildly in the West North Central to 18 from 12. These increases were offset by declines in the six other geographic regions. Sharp downswings from a week earlier were registered in both the Middle Atlantic States, off to 66 from 86, and the South Atlantic, down to 36 from 55. Year-to-year trends were mixed, with business tolls dropping below 1962 levels in four areas but climbing higher in the other five.

Sixty-six Canadian failures were reported, rising from 32 in the preceding week and 43 in the corresponding week last year.

Wholesale Food Price Index Drops Lowest Since Last June

With a 1.2% decline, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., hit a 10-month low of $5.76 on March 5. Continuing below comparable year-ago levels, it was off 1.2% from the $5.90 registered on the similar day of 1962, and fell short of any week since June 6 last year when it stood at $5.74.

Down substantially at wholesale markets were hams, bellies, cocoa and eggs. As well, prices dipped moderately for corn, rye, barley, lard, milk and steers. These declines outweighed the higher prices quoted for wheat, cheese, peanuts, potatoes, hogs and lambs.

The Dun & Bradstreet, Inc., Wholesale Food Price Index represents the sum total of the price per pound for 31 raw foodstuffs and meat in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Remains Down From Prior Month and Year

Continuing its downward slide, the general wholesale commodity price level edged off this Monday from its slight rise a week ago and also remained lower than on the corresponding days of either last month or last year, reported Dun & Bradstreet, Inc. At wholesale markets during the week, price declines were more numerous and somewhat more susbtantial than the increases posted, with dips in steel scrap, rubber, rye and livestock outweighing by a narrow margin the higher prices on oats, tin and silver.

The Daily Wholesale Commodity Price Index slipped to 268.16 (1930-32=100) on Monday, March 4, from 268.32 in the preceding week and 269.02 a month ago. It was considerably lower than a year-ago when 272.23 was registered on the comparable day.

Consumer Buying Holds to See-Saw Pattern

Shooting up and down with the thermometer and with serene or stormy skies, retail purchases again in the week ended Wednesday, Feb. 27, followed an uneven course. However, well bolstered by new car sales and feverish Washington's Birthday promotions, total volume remained solidly ahead of its year-earlier level. Men's wear generally benefited more than women's apparel from special holiday shopping. Some good gains were registered in appliances, while results in the home furnishings trade were mixed. Consumer interest in hardware and building materials lacked spirit, discouraged by the prolonged wintry weather.

The total dollar volume of retail trade in the week ended this Wednesday ranged from 1 to 5% higher than a year-ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1962 levels by the following percentages: East North Central —6 to —2; West North Central —4 to 0; West South Central —2 to +2; East South Central 0 to +4; New England +1 to +5; Middle and South Atlantic +3 to +7; Pacific +4 to +8; Mountain +8 to +12.

Nationwide Department Store Sales Rise 3% 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 3% for the week ended Feb. 23, compared with the like period in 1962.

In the four-week period ended Feb. 23, 1963, sales gained +3% over the corresponding period in 1962.

According to the Federal Reserve System, department store sales in New York City for the week ended Feb. 23, advanced 8% above the corresponding year-ago week.

The New York City newspaper strike by the printers' Bix Six commenced 2 a.m. Saturday, Dec. 8, 1962. One can only speculate as to what the sales would have been in the absence of the strike. Even though the strike spread to Cleveland, the four week average totalled 3% more than a year ago for the country's 12 principal retail centers which, incidentally, includes Cleveland and New York City. In the past four weeks Cleveland's sales remained unchanged from last year's period, and the sales for the week ending Feb. 23 were — 2% below the comparable week in 1962.

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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.

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. **Offering**—Indefinite.

Allied Mortgage & Development Co., Inc.
Jan. 28, 1963, filed $2,000,000 of 6% subordinated sinking fund debentures due 1973 (with warrants) and 100,000 common, to be offered in units of one $20 debenture (with a warrant to purchase two shares) and one common share. **Price**—By amendment. **Business**—Mortgage banking, real estate development, and sale of insurance. **Proceeds** — For debt repayment, land development, and working capital. **Office** — 3756 Lamar Ave., Memphis, Tenn. **Underwriter**—To be named.

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

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.

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).

AMP Inc. (3/12)
Feb. 28, 1963 filed 225,000 common. **Price**—By amendment (maximum $28⅛). **Business**—Design and production of solderless electrical terminals, splices, connectors, etc. and electronic components. **Proceeds**—For selling stockholders. **Address**—Harrisburg, Pa. **Underwriters**—Kidder, Peabody & Co., Inc. and Blyth & Co., Inc., N. Y.

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.

Anadite, Inc. (3/11-15)
Jan. 28, 1963, filed $800,000 convertible subordinated debentures due 1978, and 15,000 capital shares. **Price**—For debentures, at par; for stock, by amendment (max. $20). **Business**—Furnishing of specialized chemical metal processing and finishing services. **Proceeds**—For debt repayment, new plants and other corporate purposes. Proceeds from the stock sale will go to certain stockholders. **Address**—10647 Garfield Ave., South Gate, Calif. **Underwriter**—Dean Witter & Co., San Francisco.

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.

• 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. **Offering**—Expected in April.

Atlanta Gas Light Co. (3/20)
Feb. 1, 1963 filed $27,000,000 of first mortgage bonds due Mar. 1, 1988. **Proceeds**—To redeem outstanding 5⅛% bonds due 1982 and 1985; retire outstanding 3% bonds maturing Sept. 1, 1963; and for construction and other corporate purposes. **Office**—243 Peachtree St., N. E., Atlanta. **Underwriters** — (Competitive). Probable bidders: Stone & Webster Securities Corp.-First Boston Corp. (jointly); Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co. Inc.; White, Weld & Co.-Kidder, Peabody & Co. (jointly); Equitable Securities Corp.-Eastman Dillon, Union Securities & Co.-Shields & Co. (jointly). **Bids**—March 20 (12 noon EST) at 90 Broad St. (19th fl.), New York.

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. **Offering**—Indefinite.

• Automatic Retailers of America, Inc. (3/12)
Feb. 13, 1963 filed $10,000,000 of subord. debentures due 1983 (with attached warrants). **Price**—By amendment. **Business**—Operation of coin operated vending machines. **Proceeds** — For debt repayment, expansion and other corporate purposes. **Office**—10889 Wilshire Blvd., Los Angeles. **Underwriters**—White, Weld & Co., Inc. and Goldman, Sachs & Co., N. Y.

Berman Leasing Co. (3/14)
Feb. 11, 1963 filed $5,500,000 of conv. subord. debentures due 1983, to be offered for subscription by stockholders on the basis of $100 of debentures for each 20 shares held of record about March 14, with rights to expire about March 28. **Price**—By amendment. **Business**—Leasing of trucks, tractors, trailers and related equipment, and the sale of used and new vehicles. **Proceeds**—For debt repayment. **Address**—Pennsburg, Pa. **Underwriter**—Eastman Dillon, Union Securities & Co., New York.

• Big Top Stores, Inc. (3/18-22)
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.

Brewmaster California Corp.
Feb. 11, 1963 ("Reg. A") 30,000 common. **Price**—$10. **Business**—Wholesaling of draft beer for home use in a dispenser called the "Portatainer". **Proceeds**—For debt repayment, equipment, expansion and working capital. **Office**—134 Industrial Way, Costa Mesa, Calif. **Underwriter**—Miller, Fox & Co., Anaheim, Calif.

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

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.

Central Illinois Light Co. (3/11)
Feb. 8, 1963 filed $9,375,000 first mortgage bonds due 1993. **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 Bros. & Co.-Salomon Brothers & Hutzler (jointly). **Bids** — March 11 (11 a.m. EST) at 300 Park Ave., New York. **Information Meeting**—March 8 (11 a.m.) at 16 Wall St., (2nd floor), New York.

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. **Offering**—Indefinite.

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.

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.

• Colonial Board Co.
March 28, 1962 filed 37,500 shares of $1.50 preferred ($25 par), 75,000 common and warrants to purchase 37,500 common shares to be offered in units of one preferred, two common and a warrant to purchase one common share. Of the common, 26,000 shares will be sold for the company and 49,000 for stockholders. **Price**—By amendment. **Business** — Manufacture of fiberboard, boxboard and shoeboard. **Proceeds**—For equipment, plant improvement, loan repayment and working capital. **Office**—615 Parker St., Manchester, Conn. **Underwriter**—Putnam & Co., Hartford. **Offering**—Expected in mid-March.

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.

Consolidated Edison Co. of New York, Inc. (3/18)
Feb. 26, 1963, filed 1,441,482 common to be offered for subscription by stockholders on the basis of one new share for each 12 common held of record March 15, with rights to expire April 5. **Price**—By amendment (max. $90). **Proceeds**—To repay bank loans, and for construction. **Office**—4 Irving Place, New York. **Underwriters**—Morgan Stanley & Co., and First Boston Corp., New York.

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

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. **Offering**—Late March.

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

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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.

Cotton States Life Insurance Co.
Feb. 11, 1963 ("Reg. A") 30,000 capital shares. **Price**—By amendment. **Business**—Writing of life, health and accident insurance in Alabama and Georgia. **Proceeds**—For working capital. **Office**—901-22 Ave., Tuscaloosa, Ala. **Underwriter**—First Alabama Securities, Inc., Montgomery, Ala.

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.

● **Crown Cork & Seal Co., Inc. (3/19)**
Feb. 27, 1963, filed $30,000,000 of sinking fund debentures due March 15, 1988; also 400,000 common shares. **Price**—By amendment (max. $35 for common). **Business**—Manufacture of bottle caps, bottling machinery and cans. **Proceeds**—For debt repayment. **Office**—10 Columbus Circle, New York. **Underwriter**—Francis I. du Pont & Co., New York.

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.

Danac Real Estate Investment Corp.
Feb. 1, 1963 filed 300,000 common. **Price**—$10. **Business**—Real estate development and ownership. Company plans to deal primarily in commercial, light industrial and apartment properties. **Proceeds**—For debt repayment, and other corporate purposes. **Office**—1710 Chapman Ave., Rockville, Md. **Underwriter** — Ferris & Co., Washington, D. C.

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

Defenders Insurance Co.
Jan. 30, 1963 filed 100,000 common. **Price**—$12.50. **Business** — Company plans to write automobile insurance. **Proceeds**—For general corporate purposes. **Office**—146 Old Country Rd., Mineola, N. Y. **Underwriter**—None.

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 Resources, Inc.
Jan. 16, 1963 ("Reg. A") 67,000 common. **Price** — $3. **Business**—Manufacture of a lightweight structural board and sheet insulating material (wallboard). **Proceeds**—For equipment, leasing of working space, advertising, and working capital. **Office**—42 Broadway, N. Y. **Underwriter**—A. J. Gabriel Co., Inc., New York.

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**—Indefinitely postponed.

Duro-Test Corp.
Dec 6, 1962 filed 150,000 common. **Price**—By amendment (max. $9). **Business** — Manufacture of various types of lights for industrial and commercial use. **Proceeds**—For the selling stockholder. **Office** — 2321 Hudson Blvd., North Bergen, N. J. **Underwriter**—Auchincloss. Parker & Redpath, New York. **Offering** — Temporarily postponed.

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.

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NEW ISSUE CALENDAR

March 7 (Thursday)
Great Northern Ry.—Equip. Trust Ctfs.
(Bids 12 noon EST) $5,250,000

March 11 (Monday)
Anadite, Inc.—Debentures
(Dean Witter & Co.) $800,000
Anadite, Inc.—Capital Shares
(Dean Witter & Co.) 15,000 shares
Central Illinois Light Co.—Bonds
(Bids 11 a.m. EST) $9,375,000
Emtec Inc.—Debentures
(Fulton, Reid & Co., Inc.) $300,000
Roddy Recreation Products, Inc.—Units
(Dempsey-Tegeler & Co., Inc.) $1,300,000
Selmer (H. & A.), Inc.—Common
(Clark, Dodge & Co.) 120,000 shares

March 12 (Tuesday)
AMP Inc.—Common
(Kidder, Peabody & Co., Inc. and Blyth & Co., Inc.) 225,000 shs.
Automatic Retailers of America, Inc.—Debentures
(White, Weld & Co., Inc. and Goldman, Sachs & Co.) $10,000,000
Finland (Republic of)—Bonds
(Harriman Ripley & Co. Inc.; Kuhn, Loeb & Co., Inc.; Lazard Freres & Co. and Smith, Barney & Co. Inc.) $10,000,000
Oklahoma Gas & Electric Co.—Bonds
(Bids 11 a.m. EST) $15,000,000

March 13 (Wednesday)
Kansai Electric Power Co., Inc.—ADR's
(Merrill Lynch, Pierce, Fenner & Smith, Inc. and The Nomura Securities Co., Ltd.) 1,300,000 ADR's
Louisville & Nashville, RR.—Equip. Trust Ctfs.
(Bids 12 noon EST) $4,290,000
Milwaukee Braves, Inc.—Common
(Robert W. Baird & Co., Inc.) 115,000 shares
Pacific Savings & Loan Association—Stock
(Kidder, Peabody & Co.) $2,522,036

March 14 (Thursday)
Berman Leasing Co.—Debentures
(Rights offering to stockholders underwritten by Eastman Dillon, Union Securities & Co.) $5,500,000

March 15 (Friday)
Zero Mountain, Inc.—Common
(Don D. Anderson & Co., Inc.) $300,000

March 18 (Monday)
Big Top Stores, Inc.—Common
(P. J. Gruber & Co., Inc.) $301,000
Consolidated Edison Co. of New York, Inc.—Com.
(Offering to stockholders underwritten by Morgan Stanley & Co. and First Boston Corp.) 1,441,482 shares
Fischbach & Moore, Inc.—Common
(Allen & Co.) 75,000 shares
General Telephone & Electronics Corp.—Debens.
(Paine, Webber, Jackson & Curtis; Stone & Webster Securities Corp., and Mitchum, Jones & Templeton) $50,000,000
Natural Gas & Oil Producing Co.—Common
(Peter Morgan & Co.) $900,000
North American Life & Casualty Co.—Common
(Paine, Webber, Jackson & Curtis) 1,000,000 shares

March 19 (Tuesday)
Chicago & North Western Ry.—Equip. Trust Ctfs.
(Bids 12 noon CST) $2,100,000
Crown, Cork & Seal Co., Inc.—Common
(Francis I. du Pont & Co.) 400,000 shares
Crown, Cork & Seal Co., Inc.—Debentures
(Francis I. du Pont & Co.) $30,000,000
Michigan Consolidated Gas Co.—Bonds
(Bids 11 a.m. EST) $30,000,000

March 20 (Wednesday)
Atlanta Gas Light Co.—Bonds
(Bids 12 noon EST) $27,000,000
Puerto Rican Cement Co., Inc.—Common
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 600,000 shares

March 25 (Monday)
General Real Estate Fund—Shares
(Baker, Simonds & Co., Inc. and Alex. Brown & Sons) $1,320,000
Heck's Discount Centers, Inc.—Common
(Willard Securities, Inc.) 125,000 shares
Lunar Films, Inc.—Common
(Ingram, Lambert & Stephen, Inc.) $718,750
Manchester Insurance Management & Investment Corp.—Common
(Troster, Singer & Co.) $955,293
Mil National Corp.—Common
(Herbert Young & Co., Inc.) $376,000
Norfolk & Western Ry.—Equip. Trust Ctfs.
(Bids to be received) $5,475,000
Pak-Well Paper Industries, Inc.—Common
(Francis I. du Pont & Co.) 150,000 shares
Recreation Industries, Inc.—Common
(Costello, Russotto & Co.) $150,000
Robins (A. H.) Co., Inc.—Common
(Goldman, Sachs & Co. and Smith, Barney & Co., Inc.) 350,000 shares
United Camera Exchange, Inc.—Common
(Ingram, Lambert & Stephen, Inc.) $300,000

March 26 (Tuesday)
St. Johnsbury Trucking Co., Inc.—Common
(Hornblower & Weeks) 200,000 shares
Southern Pacific Co.—Equip. Trust Ctfs.
(Bids 12 noon EST) $8,100,000
Texas Electric Service Co.—Bonds
(Bids 11:30 a.m. EST) $22,000,000

March 27 (Wednesday)
Southern Railway Co.—Equip. Trust Ctfs.
(Bids 12 noon EST) $4,020,000

April 1 (Monday)
Western Light & Telephone Co., Inc.—Common
(Offering to stockholders underwritten by Dean Witter & Co.) $3,000,000

April 3 (Wednesday)
Southwestern Electric Power Co.—Bonds
(Bids to be received) $30,000,000

April 9 (Tuesday)
Missouri Pacific RR.—Equip. Trust Ctfs.
(Bids to be received) $8,250,000
Northern Indiana Public Service Co.—Bonds
(Bids to be received) $30,000,000

April 15 (Monday)
Utah Power & Light Co.—Bonds
(Bids 11:30 a.m. EST) $15,000,000

April 16 (Tuesday)
Pacific Northwest Bell Telephone Co.—Debens.
(Bids 11 a.m. EST) $50,000,000

April 22 (Monday)
Norfolk & Western Ry.—Equip. Trust Ctfs.
(Bids to be received) $4,500,000

April 23 (Tuesday)
Consolidated Natural Gas Co.—Debentures
(Bids 11:30 a.m. EST) $35,000,000

April 24 (Wednesday)
Tampa Electric Co.—Bonds
(Bids 11 a.m. EST) $48,000,000

May 9 (Thursday)
Alabama Power Co.—Bonds
(Bids to be received) $13,000,000
Alabama Power Co.—Preferred
(Bids to be received) $5,000,000

May 14 (Tuesday)
Virginia Electric & Power Co.—Bonds
(Bids 11 a.m. EDST) $30,000,000

May 21 (Tuesday)
Central Illinois Public Service Co.—Bonds
(Bids to be received) $10,000,000

June 11 (Tuesday)
Indiana Bell Telephone Co., Inc.—Debentures
(Bids 11 a.m. EDST) $20,000,000

June 18 (Tuesday)
Public Service Electric & Gas Co.—Bonds
(Bids 11 a.m. EDST) $40,000,000

November 7 (Thursday)
Georgia Power Co.—Bonds
(Bids to be received) $30,000,000
Georgia Power Co.—Preferred
(Bids to be received) $7,000,000

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Electronic Dispenser Corp.
Jan. 29, 1963, filed 50,000 common. **Price**—$2. **Business**—Manufacture of the SAFER Butter Chipping machine, and processing of tray-forming and chip-covering materials. **Proceeds**—For operating expenses, equipment, inventory and advertising. **Office**—118 E. 28th St., New York. **Underwriter**—L. D. Brown Co., New York.

● **Emtec Inc. (3/11-15)**
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.

Enzyme Corp. of America
Feb. 21, 1963, filed 120,000 common. **Price**—$2. **Business**—Company plans to market a new drug known as "Clinizyne" to be used for treatment of a variety of tumor related diseases. **Proceeds**—For equipment, sales promotion, research and development, and working capital. **Office**—727 Land Title Bldg., Philadelphia. **Underwriter**—Bristol Securities Inc., New York.

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.

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.

● **Finland (Republic of) (3/12)**
Feb. 21, 1963, filed $10,000,000 of external loan bonds due March 15, 1973. **Price**—By amendment. **Proceeds**—To be added to capital revenues of the Republic, and used to cover capital expenditures during 1963. **Underwriters**—Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co. Inc.; Lazard Freres & Co.; Smith, Barney & Co., Inc., New York.

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 April.

● **Fischbach & Moore, Inc. (3/18-22)**
Feb. 4, 1963, filed 75,000 common. **Price**—By amendment (max. $25). **Business**—Company is engaged in various types of electrical contracting. **Proceeds**—For selling stockholders. **Address** — 545 Madison Ave., New York. **Underwriter**—Allen & Co., New York.

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. **Offering**—Indefinite.

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

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

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

General Real Estate Fund (3/25-29)
Feb. 18, 1963 filed 132,000 shares of beneficial interest. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For acquisition of property, debt repayment and working capital. **Address**—2034 First National Bldg., Detroit. **Underwriters**—Baker, Simonds & Co., Inc., Detroit and Alex. Brown & Sons, Baltimore.

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**—Indefinite.

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

Great Eastern Insurance Co.
April 13, 1962 filed 381,600 common. **Price**—$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. **Offering**—Postponed.

Greater Miami Industrial Park, Inc.
Feb. 25, 1963, filed 136,094 common to be offered for subscription by stockholders on the basis of one share for each 4½ shares held. **Price**—$5.50. **Business**—Acquisition and development of real estate. **Proceeds** — For general corporate purposes. **Office**—811 duPont Plaza Center, Miami, Fla. **Underwriter**—None.

Greater Nebraska Corp.
Feb. 20, 1963, filed 3,000,000 common. **Price**—$2. **Business**—Company plans to operate subsidiaries in the fields of banking, insurance, finance, etc. **Proceeds**—For general corporate purposes. **Office**—1107 Federal Securities Building, Lincoln, Neb. **Underwriter**—None.

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.

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.

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. (3/25-29)
June 7, 1962 filed 125,000 common. **Price**—By amendment (max. $5). **Business**—Operation of discount stores. **Proceeds**—For inventory, expansion, debt repayment and working capital. **Office**—6400 MacCorkle Ave., S. W., St. Albans, W. Va. **Underwriter**—Willard Securities, Inc., New York.

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

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.

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.

Home Entertainment Co. of America
Jan. 16, 1963 filed 230,000 common of Home Entertainment Co., Inc., Los Angeles, a subsidiary, and 23,000 stock purchase warrants in parent, to be offered in units of 10 shares and one warrant. **Price** — $100 per unit. **Business**—Company and subsidiary are engaged in the development and promotion of a pay television system in Santa Monica, Calif. **Proceeds**—For installation of a pay television system. **Address** — 19th and Broadway, Santa Monica, Calif. **Underwriter**—Bernard M. Kahn & Co., Inc., New York. **Offering**—Expected in early April.

Horace Mann Life Insurance Co.
Feb. 1, 1963 filed 200,000 common, of which 80,000 are to be offered by company and 120,000 by stockholders. **Price** — $12.50. **Business**—Writing of life, accident and health insurance. **Proceeds**—For general corporate purposes. **Office**—216 E. Monroe St., Springfield, Ill. **Underwriter**—Horace Mann Investors Inc., (same address).

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.

● **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 was 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.

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.

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.

Investors Trading Co.
Jan. 17, 1963 filed 200,000 capital shares. **Price** — Net asset value (max. $5), plus 8% sales charge. **Business**—A mutual fund. **Proceeds**—For investment. **Office**—460 Denver Club Building, Denver. **Distributor**—Nemrava & Co., (same address).

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., New York. **Offering** — Indefinitely postponed.

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.

Kansai Electric Power Co., Inc. (3/13)
Feb. 6, 1963 filed 1,300,000 American Depositary Receipts. **Price**—By amendment (max. $17.50). **Business**—An electric utility serving the Osaka-Kyoto-Kobe area. **Proceeds**—For expansion. **Address**—Osaka, Japan. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and The Nomura Securities Co., Ltd., New York.

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

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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.

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

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

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

Laboratory Procedures Inc.
Feb. 26, 1963, filed 225,000 common. **Price**—$1. **Business**—Operation of six medical testing laboratories. **Proceeds**—For general corporate purposes. **Office**—3701 Stocker St., Los Angeles. **Underwriters**—Charles Plohn & Co., and B. W. Pizzini & Co., New York.

Las Vegas Properties Trust
Feb. 7, 1963 filed 500,000 shares of beneficial interest. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—4933 Paradise Rd., Las Vegas, Nev. **Underwriter**—Securities Co. of Nevada, Las Vegas.

Liberty Real Estate Trust
Feb. 25, 1963 filed 500,000 shares of beneficial interest. **Price**—By amendment (max. $10). **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—432 Commerce Exchange Bldg., Oklahoma City. **Underwriter**—None.

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**—In late April.

Lord Jim's Service Systems, Inc.
Jan. 14, 1963 ("Reg. A") 100,000 common. **Price**—$1. **Business**—Operation of drive-in restaurants. **Proceeds**—For leases, equipment and working capital. **Office**—1601 Mandeville Canyon Rd., Los Angeles. **Underwriter**—Keon & Co., Los Angeles.

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.

Lunar Films, Inc. (3/25-29)
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., New York. **Underwriter**—Ingram, Lambert & Stephen, Inc., 50 Broad St., New York.

• Madway Main Line Homes Inc.
Feb. 19, 1963 filed 100,000 common. **Price**—By amendment (maximum $14). **Business**—Production, sale, erection and financing of manufactured homes. **Proceeds**—To finance future credit sales of homes. **Office**—315 E. Lancaster Ave., Wayne, Pa. **Underwriter**—Drexel & Co., Philadelphia. **Offering**—Indefinite.

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. (3/25-29)
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.

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.

Michigan Consolidated Gas Co. (3/19)
Feb. 18, 1963 filed $30,000,000 of first mortgage bonds due Mar. 15, 1988. **Proceeds**—To redeem outstanding 6¼% bonds due 1982; repay bank loans and finance construction. **Office**—One Woodward Ave., Detroit. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; White, Weld & Co.-Lehman Brothers (jointly). **Bids**—Mar. 19 (11 a.m. EST) at One Woodward Ave. (24th floor), Detroit.

Midwest Technical Development Corp.
Feb. 26, 1962 filed 561,500 common to be offered for subscription by stockholders on the basis of one share for each two shares held. **Price**—By amendment (max. $7). **Business**—A closed-end management investment company. **Proceeds**—For general corporate purposes. **Office**—2615 First National Bank Bldg., Minneapolis. **Underwriter**—None.

Midwestern 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.

• Mil National Corp. (3/25-29)
Jan. 28, 1963 refiled 94,000 common. **Price**—$4. **Business**—Distribution of commercial dry cleaning and laundry equipment. **Proceeds**—For general corporate purposes. **Office**—1101 East Tremont Ave., Bronx, New York. **Underwriter**—Herbert Young & Co., Inc., New York.

• Milwaukee Braves, Inc. (3/13)
Feb. 11, 1963 filed 115,000 common to be offered for sale only to Wisconsin residents. **Price**—By amendment (max. $11.50). **Business**—Company is the owner of the Milwaukee Braves baseball team. **Proceeds**—For loan repayment and working capital. **Address**—County Stadium, Milwaukee, Wis. **Underwriter**—Robert W. Baird & Co., Inc., Milwaukee.

• Mitsui & Co., Ltd.
Feb. 20, 1963, filed $10,000,000 of convertible sinking fund debentures due 1978, and 125,000 American Depositary Shares. **Price**—By amendment (max. for shares $20). **Business**—A general trading company dealing in a variety of industrial, agricultural and consumer goods and commodities. **Proceeds**—For general corporate purposes. **Address**—Tokyo, Japan. **Underwriters**—Smith, Barney & Co., Inc., and Nomura Securities Co., Ltd., New York. **Offering**—Expected in mid-April.

Mobile Home Parks Development Corp.
Jan. 28, 1963 filed 1,250,000 common. **Price**—$2.50. **Business**—Company plans to develop mobile home parks and residential and commercial real estate. **Proceeds**—For general corporate purposes. **Office**—82 Baker St., Atlanta. **Underwriter**—Overseas Investment Service, Seville, Spain.

Modern Laboratories, Inc.
Oct. 29, 1962 ("Reg. A") 35,000 common. **Price**—$5. **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., New York. **Offering**—Indefinite.

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., Inc.
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). **Note**—This offering will be made only in the State of Kansas.

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. (3/18)
Sept. 7, 1962 filed 180,000 class A common. **Price**—$5. **Business**—Production of natural gas and oil. **Proceeds**—For drilling expenses, working capital and other corporate purposes. **Office**—Tekoil Bldg., Oklahoma City. **Underwriter**—Peter Morgan & Co., N. Y.

New Campbell Island Mines Ltd.
Oct. 13, 1961 filed 475,000 common, of which 400,000 are to be offered by the company and 75,000 by a stockholder. **Price**—50c. **Business**—Exploration, development and mining. **Proceeds**—General corporate purposes. **Office**—90 Industry St., Toronto, Canada. **Underwriter**—A. C. MacPherson & Co., Toronto.

New Industry Capital Corp.
Feb. 25, 1963, filed 30,500 common. **Price**—$10. **Business**—A small business investment company. **Proceeds**—For investment, and working capital. **Office**—1228 Wantagh Ave., Wantagh, New York. **Underwriter**—None.

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New World Fund, Inc.
Feb. 21, 1963, filed 250,000 common. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—4680 Wilshire Blvd., Los Angeles. **Underwriter** — New World Distributing Co. (same address).

Nordon Corp., Ltd.
March 29, 1962 filed 375,000 capital shares, of which 100,000 are to be offered by company and 275,000 by stockholders. **Price**—By amendment (max. $6). **Business**—Acquisition and development of oil and natural gas properties. **Proceeds**—For drilling expenses and working capital. **Office** — 5455 Wilshire Blvd., Los Angeles. **Underwriter**—Gregory-Massari, Inc., Beverly Hills. Calif.

• **North American Life & Casualty Co. (3/18-22)**
Feb. 8, 1963 filed 1,000,000 common, of which 500,000 are to be offered by company and 500,000 by selling stockholders. **Price**—By amendment. **Business**—Writing of insurance primarily life, sickness and accident. **Proceeds** — For general corporate purposes. **Office** — 1750 Hennepin Ave., Minneapolis. **Underwriter**—Paine, Webber, Jackson & Curtis, N. Y.

Nuclear Science & Engineering Corp.
March 29, 1962 filed 100,000 common. **Price**—By amendment (max. $15). **Business**—Research and development on contracts using radioactive tracers; precision radioactivity measurement; production of radioactive isotopes and the furnishing of consulting and radiation measurement services. **Proceeds**—For equipment, debt repayment, expansion and working capital. **Address**—P. O. Box 10901, Pittsburgh **Underwriter**—Johnston, Lemon & Co., Washington, D. C. **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.

Oklahoma Gas & Electric Co. (3/12)
Jan. 30, 1963, filed $15,000,000 of first mortgage bonds due 1993. **Proceeds**—For construction. **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.

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.

• **Pak-Well Paper Industries, Inc. (3/25-29)**
March 30, 1962 filed 150,000 class A common. **Price**—By amendment (max. $13). **Business**—Manufacture of envelopes, packaging materials of various kinds, wrapping paper, stationery, and school supplies. **Proceeds**—For selling stockholders. **Office**—198 W. Alameda, Denver. **Underwriter**—Francis I. du Pont & Co., N. Y.

Pan American Beryllium Corp.
Feb. 28, 1962 filed 100,000 common. **Price**—$5. **Business**—Company plans to mine for beryl ore in Argentina. **Proceeds** — For debt repayment, equipment, and other corporate purposes. **Office**—39 Broadway, N. Y. **Underwriter**—To be named.

PanAm Realty & Development Corp.
March 12, 1962 filed 400,000 class A stock. **Price**—$10. **Business**—A real estate holding and development company. **Proceeds**—For general corporate purposes. **Office**—70 N. Main St., Freeport, L. I., N. Y. **Underwriter**—To be named.

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.

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.

Power Cam Corp.
Jan. 28, 1963, filed 200,000 capital shares. **Price**—$4.75. **Business**—Company plans to manufacture a new type of brake unit for heavy duty automotive vehicles. **Proceeds**—For equipment, and working capital. **Office** — 2604 Leith St., Flint, Mich. **Underwriter**—Farrell Securities Co., New York.

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.

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.

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.

Puerto Rican Cement Co., Inc. (3/20)
Feb. 21, 1963, filed 600,000 common, of which 400,000 will be sold by company and 200,000 by stockholders. **Price**—By amendment (max. $21). **Business**—Manufacture of Portland cement, and multiwall paper bags. **Proceeds** — For debt repayment, and expansion. **Office**—Calle Real No. 16, Playa de Ponce, Ponce, Puerto Rico. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

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. **Offering**—Expected in late April.

• **Recreation Industries, Inc. (3/25-29)**
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.

• **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 was withdrawn.

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 May.

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. (3/11)**
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.

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.

• **Selmer (H. & A.), Inc. (3/11-15)**
Feb. 15, 1963 filed 120,000 common. **Price**—By amendment (maximum $17). **Business**—Manufacture and sale of musical instruments, and accessories. **Proceeds**—For selling stockholders. **Office**—119 N. Main St., Elkhart, Ind. **Underwriter**—Clark, Dodge & Co., Inc., N. Y.

Shaker Properties
Oct. 19, 1962 filed 215,000 shares of beneficial interest. **Price**—$15. **Business** — A real estate investment trust. **Proceeds**—For investment and working capital. **Office**—1956 Union Commerce Bldg., Cleveland, Ohio. **Underwriter**—McDonald & Co., Cleveland. **Offering**—Indefinite.

Signalite Inc.
Jan. 29, 1962 filed 126,000 common. **Price**—$4.50. **Business**—Manufacture, sale and development of glow lamps for use as indicators and circuit components. **Proceeds**—For debt repayment, equipment and working capital. **Office**—1933 Heck Ave., Neptune, N. J. **Underwriter**—Milton D. Blauner & Co., N. Y. **Offering**—Postponed.

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.

Southeastern Mortgage Investors Trust
Feb. 15, 1963 filed 1,100,000 shares of beneficial interest. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—500 E. Morehead St., Charlotte, N. C. **Underwriter**—Fleetwood Securities Corp. of America, N. Y.

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.

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Stone Mountain Scenic Railroad, Inc.
Jan. 22, 1963 filed 105,000 common to be offered for subscription by stockholders on the basis of one share for each three shares held. Unsubscribed shares will be sold to the public. **Price**—To stockholders, $5.50; to public, $6.50. **Business**—Operation of a scenic railroad. **Proceeds**—For construction, debt repayment and other corporate purposes. **Address**—Stone Mountain, Ga. **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.

Sutro Mortgage Investment Trust
Feb. 1, 1963 filed 30,000 shares of beneficial interest. **Price**—$100. **Business** — A real estate investment trust. **Proceeds**—For investment. **Office**—4900 Wilshire Blvd., Los Angeles. **Underwriter**—None.

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.

Tecumseh Investment Co., Inc.
Jan. 21, 1963 filed 48,500 common. **Price**—$100. **Business**—A holding company which plans to organize a life insurance company. **Proceeds**—For investment in U. S. Government Bonds and in new subsidiary. **Office**—801 Lafayette Life Bldg., Lafayette, Ind. **Underwriter**—Amosand Inc., (same address).

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., Chatsworth, Ga. **Underwriter**—Irving J. Rice & Co., Inc., St. Paul.

Texas Electric Service Co. (3/26)
Feb. 25, 1963, filed $22,000,000 of first mortgage bonds due 1993. **Proceeds**—For construction. **Office**—7th and Lamar St., Fort Worth. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Kuhn, Loeb & Co.-Blyth & Co.-Lehman Brothers (jointly). **Bids**—March 26 (11:30 a.m. EST) at Ebasco Services, 2 Rector St., New York. **Information Meeting**—March 22 (11 a.m. EST) at some address.

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.

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.

Underwriters National Assurance Co.
Feb. 21, 1963, filed 50,000 common, of which 31,176 shares are to be offered by company and 18,824 by a selling stockholder. **Price**—$7.50. **Business** — Writing of health insurance. **Proceeds**—To increase capital and surplus and for expansion. **Office** — 1939 N. Meridian St., Indianapolis. **Underwriter** — K. J. Brown & Co., Inc., Muncie, Ind.

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. (3/25-29)
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., 50 Broad St., New York.

United Saran & Plastic Corp. Ltd.
Feb. 25, 1963, filed $330,000 of 7% convertible debentures due 1975 and 16,500 shares of 8% preferred ordinary "B" shares to be offered in units consisting of two $100 debentures and 10 shares. **Price** — $305 per unit. **Business** — Manufacture of light household and office furniture. **Proceeds** — For general corporate purposes. **Address**—Rehovoth, Israel. **Underwriter**—Brager & Co., New York.

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.

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.

Valley Investors, Inc.
Jan. 23, 1963, filed 328,858 common. **Price**—$1. **Business**—A new mutual fund. **Proceeds**—For investment. **Address**—Sidney, Montana. **Underwriter**—To be named.

Vend-Mart Inc.
Jan. 22, 1963 filed 60,000 common. **Price**—$4. **Business**—Operation of coin-operated automatic ice cube vending machines and clothes washing and drying machines. **Proceeds** — For debt repayment, equipment, expansion and working capital. **Office**—565 Fifth Ave., New York. **Underwriter**—M. G. Davis & Co., Inc., New York.

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. **Offering**—indefinitely postponed.

Western Empire Real Estate Investments
Sept. 26, 1962 filed 600,000 shares of beneficial interest **Price**—$4. **Business**—Company plans to quality as a real estate investment trust. **Proceeds**—For investment. **Office**—1755 Gilpin St., Denver, Colo. **Underwriter**—None

Western Steel, Inc.
Jan. 17, 1963 ("Reg. A") 245,000 common. **Price** — $1. **Business**—Company plans to erect a mill to produce certain types of iron by the new "Taylor Process." **Proceeds**—For plant construction and general corporate purposes. **Address**—Suite 412-413 Hynds Bldg., Cheyenne, Wyo. **Underwriter**—C. B. Hoke Agency, Cheyenne, Wyo.

Western Travel, Inc.
Oct. 29, 1962 ("Reg. A") 187,000 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.

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.

Zero Mountain Inc. (3/15)
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**—Handley Investment Co., Tulsa, Okla.

Issues Filed With SEC This Week

★ Atlas Finance Co., Inc.
Feb. 25, 1963 ("Reg. A") $300,000 of 6¼% series A junior subordinated debentures due March 1, 1978. **Price**—At par. **Business**—Consumer finance. **Proceeds**—For working capital and debt repayment. **Office**—262-264 Spring St., N. W., Atlanta. **Underwriter**—The Marshall Co., Milwaukee.

★ Cash-O-Matic Coupon Corp.
Feb. 15, 1963 ("Reg. A") 800 units, each consisting of 100 common shares and 10 stock purchase warrants. **Price**—$250 per unit. **Business**—Merchandising of coupons by vending machines in supermarkets. **Proceeds**—For equipment, debt repayment and other corporate purposes. **Office**—682 Main St., Stamford, Conn. **Underwriter**—Reese, Scheftel & Co., Inc., New York.

★ Chesapeake Fund Inc.
March 5, 1963 filed 100,000 common. **Price** — Net asset value. **Business** — A closed-end investment company. **Proceeds**—For investment. **Office** — 156 South St., Annapolis, Md. **Underwriter**—None.

★ Chicago Alaskan Mining Corp.
Feb. 19, 1963 ("Reg. A") 300,000 common. **Price** — $1. **Business**—Mining operations on Chicago Island in Alaska. **Proceeds**—For equipment and other corporate purposes. **Office**—5002 Ivanhoe Place, N. E., Seattle. **Underwriter**—None.

★ Consolidated Oil & Gas, Inc.
Feb. 28, 1963, filed $2,482,500 of 6% sinking fund debentures due 1975 (with warrants) to be offered for subscription by common stockholders on the basis of $500 of debentures for each 500 shares held of record March 31. **Price**—At par. **Business**—Company is engaged in the acquisition of oil and gas leaseholds. **Proceeds**—For note repayment and working capital. **Address** — 4150 East Mexico Ave., Denver. **Underwriter**—None.

★ Data Systems Devices of Boston, Inc.
Feb. 20, 1963 ("Reg. A") 120,000 common. **Price**—$2.50. **Business**—Design, development and manufacture of peripheral equipment for data systems. **Proceeds**—For equipment. **Office**—342 Western Ave., Boston. **Underwriter**—None.

★ General Telephone & Electronics Corp. (3/18-22)
March 1, 1963, filed $50,000,000 of sinking fund debentures due 1988. **Price**—By amendment. **Proceeds** — For investment in and advances to subsidiaries. **Office**—730 Third Ave., New York. **Underwriters** — Paine, Webber, Jackson & Curtis; Stone and Webster Securities Corp., New York and Mitchum, Jones & Templeton, Los Angeles.

★ Highland Development Corp.
Feb. 23, 1963 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Real estate investment in Albuquerque area. **Proceeds**—For general corporate purposes. **Office**—607 San Mateo Blvd., N. E., Albuquerque. **Underwriter**—Hyder & Co., Albuquerque.

★ Medic Corp.
Feb. 28, 1963, filed 1,000,000 class B common. **Price**—$1.25. **Business**—A holding company for three life insurance firms. **Proceeds**—For loan repayment, operating expenses, and investment in other insurance concerns. **Address**—714 Medical Arts Bldg., Oklahoma City. **Underwriter**—Lincoln Securities Corp. (same address).

★ Meridian Fund, Inc.
March 4, 1963 filed 500,000 capital shares. **Price**—Net asset value plus 5%. **Business**—A new mutual fund to be offered initially to members of the medical profession. **Proceeds**—For investment. **Office** — 714 Boston Bldg., Denver. **Underwriter**—Centennial Management & Research Corp., (same address).

★ Northern Indiana Public Service Co. (4/9)
March 5, 1963 filed $30,000,000 of first mortgage bonds due 1993. **Proceeds**—For working capital. **Office**—5265 Hohman Ave., Hammond, Ind. **Underwriter**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Eastman Dillon, Union Securities & Co.-Lehman Brothers-Bear, Stearns & Co. (jointly); Equitable Securities Corp.; Dean Witter & Co.-Blyth & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); First Boston Corp.; Kuhn, Loeb & Co. **Bids**—Expected April 9.

★ Nye Metals, Inc.
Feb. 21, 1963 ("Reg. A") 15,000 common. **Price** — $20. **Business**—Acquisition and exploration of molybdenum ore mining claims. **Proceeds**—For general corporate purposes. **Office**—711 Merchants Bank Bldg., Indianapolis. **Underwriter**—None.

★ Robins (A. H.) Co., Inc. (3/25-29)
Feb. 28, 1963 filed 350,000 common. **Price**—By amendment (max. $32.). **Business**—Development and manufacture of pharmaceutical specialties. **Proceeds** — For selling stockholders. **Address**—1407 Cummings Drive, Richmond, Va. **Underwriters**—Goldman, Sachs & Co., and Smith, Barney & Co., Inc., New York.

★ Tri-Continental Corp.
March 1, 1963 filed 810,740 shares of $2 preferred (par $50) to be offered in exchange for a like number of outstanding $2.70 preferred shares (par $50) on a share-for-

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share basis. All $2 preferred shares not exchanged by April 22, will be offered publicly. **Price**—By amendment. **Business**—A closed-end investment company. **Proceeds** — To help finance the redemption of unexchanged $2.70 preferred shares. **Office**—65 Broadway, New York. **Underwriter**—Eastman Dillon, Union Securities & Co., New York.

★ Western Futures, Inc.
Feb. 11, 1963 ("Reg. A") 120,000 capital shares. **Price**—$2.50. **Business** — Acquisition and development of land. **Proceeds**—For general corporate purposes. **Office**—2727 N. Central Ave., Phoenix. **Underwriter** — William W. Bones Securities Co., Phoenix.

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."

Atlantic City Electric Co.
$15,000,000 of 4⅜% first mortgage bonds due 1993, offered at 102% and accrued interest, to yield 4.26%, by Halsey, Stuart & Co. Inc., New York.

Gateway Chemicals, Inc.
100,000 common offered at $11.625 per share by A. C. Allyn & Co., Chicago.

Northwestern Bell Telephone Co.
$40,000,000 of 4⅜% debentures due March 1, 2003, offered at 102% and accrued interest, to yield 4.27%, by First Boston Corp., and Eastman Dillon, Union Securities & Co., New York.

Wallace (William) Corp.
$2,500,000 of 6½% subordinated debentures due 1981 (with warrants) and 150,000 common shares offered at par and $9 respectively, by Reynolds & Co., Inc., and P. W. Brooks & Co. Inc., New York.

Workman Electronic Products, Inc.
140,000 common offered at $3 per share by Hensberry & Co., St. Petersburg, Fla.

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Prospective Offerings

Alabama Power Co. (5/9)
Jan. 22, 1963 it was reported that this subsidiary of The Southern Co., plans to sell $13,000,000 of first mortgage bonds and $5,000,000 of preferred stock in May. **Proceeds**—For construction. **Office**—600 North 18th St., Birmingham, Ala. **Underwriters**—(Competitive). Probable bidders: (Bonds): Blyth & Co., Inc.-Kidder, Peabody & Co. (jointly); Lehman Brothers; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp.-Drexel & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co. (Preferred): First Boston Corp.; Eastman Dillon, Union Securities & Co.-Equitable Securities Co. (jointly); Blyth & Co.; Morgan Stanley & Co.; Stone & Webster Securities Corp. **Bids**—Expected May 9, 1963.

Bethlehem Steel Co.
Feb. 26, 1963, Arthur B. Homer, Chairman, announced that the company will embark on a $750,000,000 capital improvements program to be completed by 1965. 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 until at least 1964. **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.

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 Public Service Co. (5/21)
Feb. 25, 1963 it was reported that this company plans to issue $10,000,000 of first mortgage bonds due May 1, 1993. **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). **Bids**—Expected May 21 at 20 No. Wacker St., Chicago.

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 & North Western Ry. (3/19)
Feb. 20, 1963 it was reported that this road plans to sell $2,100,000 of equipment trust certificates. **Office**—400 West Madison St., Chicago. **Underwriters** — (Competitive.) Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Expected March 19 (12 noon CST) at above address.

Chicago Union Station Co.
Nov. 28, 1962 it was reported that this company will issue $48-$50 million of first mortgage bonds in May 1963. **Proceeds**—To refund outstanding 3⅛% and 2⅞% bonds maturing July 1, 1963. **Office**—210 S. Canal St., Chicago. **Underwriters** — (Competitive). Probable bidders: Kuhn, Loeb & Co.; Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.

Columbia Gas System, Inc.
Feb. 27, 1963 the company stated that although final plans have not been made, it now expects to sell about $25,000,000 of 25-year debentures in October. **Office**—120 E. 41st St., New York. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co.-First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Halsey, Stuart & Co.

Communications Satellite Corp.
Feb. 20, 1963 it was reported that papers of incorporation have been filed for this company, in Washington, D. C. Company's common voting shares, without par value, will be divided into two series. Series I will be issued to the public, firms that produce space exploration equipment and other non-communications concerns. Series II will be issued to FCC-approved communications common carriers, with the provision that no more than half the company's total shares can be held by these carriers, and no individual or group may hold over 10% of the remaining 50%. **Price**—Maximum of $100 per share. **Business**—Congress has authorized the company to provide satellites and ground facilities for the international transmission of telephone, telegraph, television and other communications. **Underwriters**—To be named.

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).

Consolidated Edison Co. of New York, Inc.
Feb. 26, 1963 the company stated that upon completion of its proposed rights offering, just filed with SEC, it will have to raise approximately $690,000,000 through the sale of securities, to finance its five year construction program. In addition it will be required to refinance $27,561,000 of 3½% bonds maturing July 1, 1963, and $24,331,000 due July 1, 1967. **Office**—4 Irving Place, New York. **Underwriters**—To be named. The last bond issue, in December, 1962, was won at competitive bidding by Halsey, Stuart & Co. Inc. Other bidders were Morgan Stanley & Co., and First Boston Corp.

Consolidated Natural Gas Co. (4/23)
Feb. 11, 1963 it was reported that the company plans to sell $35,000,000 of sinking fund debentures due 1988 in April. **Business**—A holding company for six subsidiaries engaged in all phases of the natural gas business. **Proceeds**—For loan repayment, and expansion. **Office**—30 Rockefeller Plaza, New York. **Underwriters**—(Competitive). Probable bidders: White, Weld & Co.-Paine, Webber, Jackson & Curtis (jointly); Morgan Stanley & Co.; Halsey, Stuart & Co. Inc., First Boston Corp. **Bids**—Expected April 23 (11:30 a.m. EST) at above address. **Information Meeting** — April 18 (10:30 a.m. EST) at Bankers Club, 120 Broadway, New York.

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.

• First National Bank of Memphis
March 4, 1963 stockholders voted to increase authorized stock to provide for the offering of 100,000 additional shares to stockholders on the basis of one new share for each nine held of record March 4, with rights to expire April 2. **Price**—$40. **Proceeds**—To increase capital funds. **Office**—127 Madison Ave., Memphis 1, Tenn. **Underwriter**—None.

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.
March 3, 1963 Attorney General Robert F. Kennedy announced that the Justice Department had reached an out-of-court agreement with Interhandel, a Swiss holding company, designed to settle the 20-year old dispute over control of the 540,894 class A and 2,050,000 class B shares of General Aniline seized by the U. S. Government in 1942 as a German asset. The stock represents 98% of the voting control of the company. Mr. Kennedy said that if General Aniline should be sold for $200 million, the Government would receive about $140 million and Interhandel about $60 million. The settlement terms must be approved by Interhandel stockholders and the U. S. District Court at Washington, D. C. **Business**—Company is a leading domestic producer of dyestuffs, chemicals and photographic materials. **Office**—111 W. 50th St., New York. **Underwriters**—(Competitive). Probable bidders: Blyth & Co.-First Boston Corp. (jointly); Lehman Brothers-Kuhn, Loeb & Co.-Glore, Forgan & Co. (jointly).

General Telephone Co. of California
Feb. 5, 1963 it was reported that this subsidiary of General Telephone & Electronics Corp., plans to sell $25,000,000 of first mortgage bonds in June. **Office** — 2020 Santa Monica Blvd., Santa Monica, Calif. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.-Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Paine, Webber, Jackson & Curtis-Stone & Webster Securities Corp. (jointly); White, Weld & Co.-Kidder, Peabody & Co. (jointly).

Georgia Power Co. (11/7)
Jan. 22, 1963 it was reported that this subsidiary of The Southern Co., plans to sell $30,000,000 of first mortgage bonds and $7,000,000 of preferred stock in November. **Proceeds**—For construction. **Office**—270 Peachtree Bldg., Atlanta. **Underwriters** — (Competitive). Probable bidders: (Bonds): Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); Blyth & Co.-Kidder, Peabody & Co.-Shields & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.; Harriman Ripley & Co.; Morgan Stanley & Co.; Lehman Brothers. (Preferred): First Boston Corp.; Lehman Brothers; Blyth & Co.; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Morgan Stanley & Co. **Bids**—Expected Nov. 7, 1963.

Great Northern Ry. (3/7)
Jan. 30, 1963 it was reported that this road plans to sell $5,250,000 of equipment trust certificates in March. **Office**—39 Broadway, New York. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Expected March 7 (12 noon EST) at above address.

Gulf States Utilities Co.
Jan. 29, 1963 the company announced plans to sell 100,000 shares of preferred stock (par $100) in the second half of 1963. **Office**—285 Liberty Ave., Beaumont, Tex. **Underwriters**—(Competitive). Probable bidders: Stone & Webster Securities Corp.; Lehman Brothers-Equitable Securities Corp. (jointly); Glore, Forgan & Co.-W. C. Langley & Co. (jointly); Lee Higginson Corp.

Hartford Electric Light Co.
Feb. 6, 1963 it was reported that this utility plans to sell $15,000,000 of first mortgage bonds in the first or second quarter. **Proceeds**—For construction. **Office**—176 Cumberland Ave., Wethersfield, Conn. **Underwriters**—To be named. The last sale of bonds in October 1958, was handled on a negotiated basis by First Boston Corp., New York; Putnam & Co., Hartford, and Chas. W. Scranton & Co., New Haven.

★ Hawaiian Electric Co., Ltd.
March 5, 1963 it was reported that this company plans to sell about $14,000,000 of first mortgage bonds in the third quarter. **Office**—900 Richards St., Honolulu. **Underwriters** — Dillon, Read & Co. Inc., New York and Dean Witter & Co., San Francisco.

Hawaiian Telephone Co.
Feb. 4, 1963, the company announced plans to sell about $9,000,000 of common stock late in the third quarter. Details have not been decided upon. However, in the period August 1937 to October 1961 the company offered common to stockholders through subscription rights, 14 times. **Office**—1130 Alakea St., Honolulu. **Underwriter**—Kidder, Peabody & Co., New York.

★ Indiana Bell Telephone Co., Inc. (6/11)
March 4, 1963 it was reported that this A. T. & T. subsidiary plans to sell $20,000,000 of debentures in June, marking its first sale of debt securities. **Office**—240 No. Meridian St., Indianapolis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; First Boston Corp.; White, Weld & Co.; Eastman Dillon, Union Securities & Co.-Kidder, Peabody & Co. (jointly); Blyth & Co.-Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc.-Salomon Brothers & Hutzler (jointly). **Bids**—Expected June 11 (11 a.m. EDST) at 195 Broadway, New York. **Information Meeting**—Scheduled for June 6.

• Interstate Power Co.
March 5, 1963 it was reported that this company plans to sell $6,000,000 of first mortgage bonds and $3,000,000 of

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common in May. **Office**—1000 Main St., Dubuque, Iowa. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co. (Jointly); Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; White, Weld & Co. (Common)—Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Ladenburg, Thalmann & Co.; White, Weld & Co.

Iowa Power & Light Co.
Jan. 16, 1963 it was reported that the company plans to sell $10,000,000 of bonds in late 1963 or early 1964. **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).

Life & Casualty Insurance Co. of Tenn.
Feb. 11, 1963 it was reported that John D. and Clint Murchison, Jr., are negotiating with certain underwriters for the proposed public sale of a portion of their 24% stock interest in the company. **Office** — 159-167 Fourth Ave., No., Nashville, Tenn. **Underwriters**—To be named.

Louisiana Power & Light Co.
Feb. 20, 1963 it was reported that this subsidiary of Middle South Utilities, Inc., may issue $25-$30,000,000 of bonds early in 1964. **Proceeds**—For construction. **Office**—142 Delaronde St., New Orleans. **Underwriters**—(Competitive.) Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.- Kidder, Peabody & Co.-Harriman Ripley & Co., Inc. (jointly); White, Weld & Co.-Blyth & Co., Inc.- Shields & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.-Glore, Forgan & Co. (jointly); Salomon Brothers & Hutzler-Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly).

★ Louisville & Nashville RR. (3/13)
March 4, 1963 the company announced that it would receive bids for the purchase of $4,290,000 of equipment trust certificates due March 15, 1964-78. **Office**—220 E. 42nd St., New York. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—March 13 (12 noon EST) at above address.

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).

Missouri Pacific RR (4/9)
Feb. 13, 1963 it was reported that this road plans the sale of about $8,250,000 of equipment trust certificates in April. **Address**—Missouri Pacific Bldg., St. Louis 3, Mo. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Expected April 9.

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.

Norfolk & Western Ry. (4/22)
Feb. 13, 1963 it was reported that this road plans to sell about $4,500,000 of 1-15 year equipment trust certificates in April. **Office**—8 North Jefferson St., Roanoke, Va. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Expected April 22.

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 last 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).

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 Northwest Bell Telephone Co. (4/16)
Jan. 28, 1963 it was reported that this company plans to sell $50,000,000 of debentures due 2003. **Proceeds**—To reduce outstanding debt, due Pacific Telephone & Telegraph Co., in connection with the transfer in 1961 of the latter's properties in Washington, Oregon and Idaho. **Office**—1200 Third Ave., Seattle, Wash. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co.; Halsey, Stuart & Co. Inc. **Bids** — Expected April 16 (11 a.m. EST) at 195 Broadway, New York.

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).

● Pacific Savings & Loan Association (3/13)
Feb. 18, 1963 it was reported that 162,712 shares of this firm's outstanding guarantee stock will be sold in March. **Price**—About $15.50 per share. **Business**—A California savings and loan association. **Proceeds** — For selling stockholders. **Office**—5401 Whittier Blvd., East Los Angeles, Calif. **Underwriter**—Kidder, Peabody & Co., N. Y. **Note**—Issue is exempted from SEC registration.

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).

★ Philadelphia Electric Co.
March 5, 1963 the company reported that it plans to spend $478,000,000 for construction during the five-year period 1963-67. It added that about half the money required will be generated internally, and the balance secured by bank loans to be converted into permanent financing, from time to time, through the sale of bonds and common stock. **Office**—1000 Chestnut St., Philadelphia. **Underwriters**—To be named. The last sale of bonds on Oct. 15, 1959 was handled by Morgan Stanley & Co., and Drexel & Co. Other bidders were: Halsey, Stuart & Co. Inc.; First Boston Corp.; White, Weld & Co. The last sale of common was a rights offering on June 2, 1959, underwritten by Drexel & Co., and Morgan Stanley & Co.

★ Public Service Electric & Gas Co. (6/18)
March 4, 1963 it was reported that this company plans to sell $40,000,000 of first mortgage bonds due 1993. **Proceeds** — For construction. **Office** — 80 Park Place, Newark, N. J. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; White, Weld & Co.-Blyth & Co.-Goldman, Sachs & Co.-Harriman Ripley & Co. (jointly); Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc.-Salomon Brothers & Hutzler (jointly). **Bids** — Expected June 18 (11 a.m. EDST) at above address. **Information Meeting**—Scheduled for June 13 (11 a.m. EDST).

★ St. Johnsbury Trucking Co., Inc. (3/26)
March 6, 1963 the company applied to the ICC for permission to offer publicly 200,000 common shares. **Price**—By amendment. **Business**—A common carrier by motor vehicle operating in 11 eastern states from Maine to Maryland. **Proceeds**—For selling stockholders. **Address**—St. Johnsbury, Vt. **Underwriter** — Hornblower & Weeks, New York.

Sears, Roebuck & Co.
Feb. 19, 1963, Allstate Enterprises, Inc., subsidiary, announced that it had delayed its plans to form a new mutual fund until it received clarification of an SEC ruling which "has been construed by some to mean that registered investment companies could not purchase Sears' stock or would be required to divest themselves of it, if Sears' itself owned a mutual fund." Earlier, Allstate said that the fund would be in operation late in 1963 on a "very small scale," and would be started on a state-by-state basis as approval was granted. **Office**—925 So. Homan Ave., Chicago. **Distributor**—Allstate Enterprises, Inc., Chicago.

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.

Socony Mobil Oil Co., Inc.
Jan. 22, 1963 the company announced plans to sell about $200,000,000 of debentures in early April. **Business**—Company and its subsidiaries are engaged in the production, refining, transportation and distribution of petroleum products. **Proceeds**—For general corporate purposes. **Office**—150 E. 42nd St., New York. **Underwriter**—Morgan Stanley & Co., New York.

Sony Corp.
Feb. 15, 1963 it was reported that this company plans to sell 300,000 American Depositary Shares in the U. S. **Business**—Manufacture of transistorized radios, magnetic tape recorders, semiconductors and other electronic equipment. **Address**—Tokyo, Japan. **Underwriters**—Smith, Barney & Co., and The Nomura Securities Co., Ltd., New York. **Offering**—Expected in mid-April.

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. (3/26)
Feb. 20, 1963 it was reported that this road plans to sell $8,100,000 of one-15 year equipment trust certificates. **Office**—165 Broadway, New York. **Underwriters**—(Competitive.) Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Expected March 26 (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 March.

Southern Railway Co. (3/27)
Jan. 29, 1963 it was reported that this company plans to sell $4,020,000 of equipment trust certificates in March. This is the second instalment of a total $8,040.000 issue. **Office** — 70 Pine St., New York. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—March 27, (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.

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● Southwestern Electric Power Co. (4/3)
March 4, 1963 it was reported that this company plans to sell $30,000,000 of first mortgage bonds due 1993 in April. **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. **Bids** — Expected April 3 at 20 N. Wacker Drive, Chicago.

Tampa Electric Co. (4/24)
Feb. 20, 1963 it was reported that this utility plans the sale of $48,000,000 of first mortgage bonds due 1993. **Proceeds**—For construction, and refunding operations. **Office**—111 No. Dale Maby Hwy., Tampa, Fla.. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Stone & Webster Securities Corp.; Goldman, Sachs & Co. **Bids**—April 24 (11 a.m. EST) in 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

Transcontinental Gas Pipe Line Co.
Feb. 20, 1963 it was reported that the company is considering the issuance of $30-$40,000,000 of debt securities in the third quarter. **Proceeds**—For expansion. **Office**—3100 Travis St., Houston. **Underwriters**—White, Weld & Co., and Stone & Webster Securities Corp., N. Y.

Union Light, Heat & Power Co.
Feb. 18, 1963 it was reported that this subsidiary of Cincinnati Gas & Electric Co., plans to sell $6,000,000 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.

Utah Power & Light Co. (4/15)
Feb. 19, 1963 it was reported that this utility plans to sell $15,000,000 of first mortgage bonds due 1993. **Proceeds**—To refund a like amount of 5¼% bonds due Oct. 1, 1987. **Office**—1407 W. North Temple St., Salt Lake City. **Underwriters**—(Competitive.) Probable bidders: Eastman Dillon, Union Securities & Co.-Smith, Barney & Co.- Salomon Brothers & Hutzler (jointly); Kidder, Peabody & Co.; Lehman Brothers-Bear, Stearns & Co. (jointly); White, Weld & Co.-Stone & Webster Securities Corp. (jointly); First Boston Corp.- Blyth & Co. (jointly); Halsey, Stuart & Co. Inc. **Bids**—Expected April 15 (11:30 a.m.) at Ebasco Services, Inc., 2 Rector St., New York. **Information Meeting**—April 11 (2:30 p.m. EST) at same address.

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**—May 14 (11 a.m. EDST) at One Chase Manhattan Plaza, New York. **Information Meeting**—May 10 (11 a.m. EDST) at same address.

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. (4/1)
Feb. 18, 1963 the company announced plans to raise about $3,000,000 by offering stockholders the right to purchase 113,300 additional common shares on the basis of one new share for each 10 held. **Proceeds**—To repay bank loans, and for construction. **Office**—2015 Forest Ave., Great Bend, Kan. **Underwriter**—Dean Witter & Co., San Francisco. **Offering**—Expected about April 1.

★ Western Union Telegraph Co.
March 6, 1963 the company announced that it had arranged to borrow a total of $100,000,000 by sale of notes maturing serially, one-third at the end of each of the years 1964, 1965 and 1966. It plans to refinance the serial notes by issuance of long-term debt securities, but has not determined the terms or timing of the action. **Office**—60 Hudson St., New York. **Underwriters**—Kuhn, Loeb & Co., Inc., and Lehman Brothers, New York.

Why Growth Stocks Are the Most Desirable Investment

Continued from page 1

like Texas Instruments. Here are some interesting figures:

Year	Company	Dow Jones
1958	+ 77%	+ 34%
1959	+132	+ 16
1961	— 32	+ 19
1962	— 48	— 11

Addressograph-Multigraph was one of the star performers in 1958 and again in 1960, far superior to the general market, but last year it was one of the worst actors, off 44%.

What does the foregoing indicate? To us as Investment Counselors it means just this:

(1) We have to study economic trends.

(2) We know that forecasting business and stock market cycles is a worthy aim and one that is tried by many. Experience has proven, however, that predicting these cycles, and especially stock market trends, is virtually impossible because of the unpredictability of mass psychology. We know it is almost impossible for the average investor to subdue his emotions in the face of sudden waves of fear or periods of excessive optimism.

(3) All companies do not experience prosperity at the same time. Divergent earning trends justify the purchase of some stocks and the sale of others, regardless of the trends in the business cycle and the stock market averages.

(4) Successful investment results over a period of years will be obtained by careful selection and continuous supervision of *individual stocks. Stock values* and not the *stock market* should be emphasized. We stress field investigation and first hand knowledge of managements and their ability to make earnings grow. Furthermore, all facts and opinions obtained must be thoroughly evaluated before one can make specific recommendations.

Inevitability of Inflation

At this point a word about inflation and the decline in the purchasing power of the dollar seems appropriate. We all know that the purchasing power of all currencies has declined over the years. We know that the dollar is worth half what it was before World War II. We know that in the 33-year period 1931 through 1963 we have had Federal deficits in 27 years. We know that the Administration's proposed tax program means two more deficit years with no possibility of a balanced budget until 1966. We also know that the Administration estimates for the three years ending June, 1963, called for *surpluses* of around $6 billion, but that actually we will have a three year *deficit* totaling around *$19* billion. Original estimates were just *$25* billion too optimistic.

These continuing deficits make it virtually inevitable that the purchasing power of the dollar will decline further during coming years. A good portion of the deficits will have to be financed through the banking system and this adds to the inflationary potential. How than can an individual protect the purchasing power of his principal and of his income? Certainly not by owning securities representing fixed obligations such as bank deposits, bonds and preferred stocks.

Growth Stocks as Inflation Hedges

Compilations of *common stock* records over a period of 67 years from *1871 to 1937* indicate that the *average annual accomplishment* (income plus appreciation) of all industrial stocks on the New York Stock Exchange was +8.8%. From *1938 to 1951* it was over 12%. For the past 10 years it has been even higher.

Common stocks, accordingly, afford one of the best inflationary hedges for the average investor. We consider Growth Stocks the most desirable type of investment because over a span of years dividend payments and market values increase as earnings grow. This increase in return and market values makes them especially attractive for protection against inflation.

Rowe Price, the head of our firm, was one of the originators of the term "Growth Stocks" and published a series of articles in the late 1930s under the heading "Picking Growth Stocks." We define a Growth Stock as follows:

"A Growth Stock is a share in a business enterprise which has demonstrated long-term growth of earnings, reaching a new high level per share at the peak of each succeeding major business cycle and which, after careful research, gives indications of reaching new high earnings at the peaks of future business cycles." Earnings growth per share should be at a faster rate than the rise in the cost of living to offset the erosion in the purchasing power of the dollar. Our goal (for a package of Growth Stocks) is to have earnings and dividends double every 10 years.

Record of Earnings During 1950s

As is generally known, it was easier for most well-known companies to increase earnings in the first half of the 1950 decade than in the last half. For example, earnings of the Dow-Jones Industrial Average increased *from $26.59* in 1951 *to $35.73* in 1955, or *34.4%*.

From 1955 to 1960 the earnings declined from $35.73 to $32.21, or *9.9%*.

Well-known companies which were in line with this general pattern include the following:

	Average Annual Earnings Growth First 5 Years	Second 5 Years
	(Percentage)	
Pepsi Cola	+79.3	+11.6
National Lead	+12.7	+ 1.8
DuPont (ex G. M.)	+ 8.5	+ 0.2
General Motors	+ 1.9	— 1.5
Aluminum Co. of America	+13.4	— 9.1
International Paper	+ 3.0	— 2.3
Goodrich	+ 4.1	— 5.0

and representative oil stocks like

Std. Oil of New Jersey	+11.7	— 2.1
Socony Mobil	+10.3	— 4.3
Texaco	+15.6	+ 8.1

On the other hand, many outstanding growth companies did better in the last half of the decade than during the first half. These include the following stocks:

	Average Annual Earnings Growth First 5 Years	Second 5 Years
	(Percentage)	
Addressograph-Multigraph	+ 3.2	+14.5
IBM	+14.3	+32.2
Xerox	+15.0	+31.0
Avon Products	+31.5	+34.9
Magnavox	+ 6.2	+17.3
General Foods	+ 7.7	+13.6
American Home Products	+18.4	+22.7
Bristol Myers	— 0.8	+23.1
Warner Lambert	+10.8	+16.8
Reynolds Tobacco	+ 7.1	+21.0
Corning Glass	+ 0.6	+ 5.3
Minnesota Mining & Mfg.	+11.0	+21.8

A Look Ahead

Now let's get back to the present and take a look ahead. We believe the possibilities for earnings growth in the 1960s will be better than during the last half of the 1950s for the following reasons:

(1) Normal growth in demand for goods is beginning to catch up with capacity to produce and should continue to do so during the rest of this decade.

(2) Accelerated obsolescence of plants and equipment built during the war and early postwar years necessitates new and more efficient plants and equipment, if industry is to cut costs of production and compete in world markets.

(3) We are now approaching the time when the big crop of war and postwar babies is reaching the age to marry, which will accelerate family formations. This should increase the demand for durable and consumer goods and eventually for housing.

(4) The Administration's efforts to reduce taxes and revise tax laws should further stimulate economic growth, even though we are disappointed with the tax program submitted.

Industry Selections for 1960s

We believe that a portfolio of 60 Growth Stocks selected for the 1960s should experience an average annual earnings growth of 10%-15% from the base period of 1959-1961, and that dividends should show an average annual increase of around 8%-10%. If these goals are realized, the market values of the individual stocks will take care of themselves.

The list includes the following industries:

Aerospace
Air Conditioning
Apparel
Automatic Merchandising
Business & Office Equipment
Chemical
Control & Instrument
Cosmetics & Toiletries
Electronic & Elec. Equipment
Food & Beverage
Glass
Investment Companies
Life Insurance
Machinery & Metal Products
Metals (aluminum companies)
Petroleum
Pharmaceutical & Drug
Photographic Products
Printing & Publishing
Public Utility
Several Miscellaneous Companies

Insofar as public utility securities are concerned, it may be noted, for example, that the investment results for the three Florida Utility Companies from the point of view of increase in earnings and dividends since 1952 have been outstanding. Here are the figures:

	% Increase Per Share —1952-1962— Earnings	Dividends
Florida Power	+189.1	+145.0
Florida P. & L.	+225.4	+226.0
Tampa Electric	+169.9	+105.0

What an investor is most interested in, however, is his actual investment accomplishment, which is made up of income received plus market appreciation. In computing investment accomplishment for a specified number of years we first take the yield on purchase price for each year. For example, a stock bought at 100 and paying $4 yields 4% for the first year. If the dividend increased to $5, and later to $6, the yield would be 5% and 6% on purchase price. Add all these annual yields together and also the percentage appreciation from original purchase price and you have the total investment accomplishment for the period. Divide by the number of years and you get the average annual investment accomplishment.

Here are the results for the three Florida Companies for the 10-year period 1952-1962—

	Average Annual Invest. Accomp. 1952-1962
Florida Power	53.4%
Florida Pwr. & Lt.	86.9
Tampa Electric	56.4

In the selection of Growth Stocks one should pay most attention to the following criteria:

(1) *A fertile field of opportunity* for growth of earnings as well as growth of sales.

(2) *Capable Management:* This is probably the most important of all. We like to know the age and background of each key officer, and the allocation of responsibility within the organization. We also stress the importance of training younger men to assume increasing responsibilities.

We all know how badly Montgomery Ward missed the boat af-

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ter the war by hoarding its cash and refusing to expand during the Sewell Avery period. Sears Roebuck's management was far-sighted and took the opposite tack, with the result that they ran circles around Montgomery Ward.

You also know that Sperry Rand had the Univac before IBM was actually in the computer business, yet just take a look at the comparative records of the two companies since that time. When you buck IBM you're up against one of the best.

(3) *Intelligent Research:* Many companies, especially in the Drug Field, report that 50%-60% of sales are in products which did not even exist 10-12 years ago. It is a pretty safe statement that an industrial company's future sales and growth in earnings will vary directly with the amount of money intelligently spent on research today. Minnesota Mining and Manufacturing and Merck are excellent illustrations.

(4) *Reasonable rate of return on capital invested* in the business and a satisfactory trend.

(5) *Favorable pre-tax profit margins* and a favorable trend.

(6) *Sound financial condition* and ability to finance future growth.

(7) Relation of *labor costs* to the *sales dollar.*

Other items to examine are (1) a company's potential in its old products and markets and its new products and markets; (2) its foreign business; (3) distribution organization; (4) competition; (5) projection of sales volume; (6) capital expenditures in relation to competitors and an estimate of what these can add to per share earnings; (7) selling prices and their trend; and (8) source of raw materials.

The reader might be interested in the results of an investment in a number of Non-Growth Stocks as compared with a number of Growth Stocks for the period 1946-1962.

The six Non-Growth stocks, with their average annual investment accomplishment per share are the following:

	%
American Radiator	+ 5.4
Anaconda	+ 7.3
R. H. Macy	+ 4.8
Chrysler	+ 7.4
Liggett & Myers	+ 5.5
Allis Chalmers	+ 5.0
AVERAGE	+ 5.9

The six Growth Stocks show the following results for the same 1946-1962 period.

	%
DuPont	+ 32.8
Scott Paper	+ 55.5
Shell Oil	+ 31.7
Dow Chemical	+ 33.6
IBM	+219.1
Minnesota Mining & Mfg.	+172.2
AVERAGE	+ 90.8

If the holding period to determine a long-term capital gain is lengthened to one year, it will increase investor interest in growth stocks and diminish interest in cyclical stocks whose earnings are harder to predict a year ahead.

Stress Future Earning Potential

I would like to leave just a few additional thoughts for successful investing during the 1960s—

(1) Think in terms, not of *price,* but of *investment value.* So many investors buy or sell a *quotation* rather than a share of business. Determine what a share is *worth* before you buy or sell it.

(2) The most important determinant of a common stock's value is the *future trend of earnings.* That is why we try to project (and sometimes very unsuccessfully) what a company's earnings potential is 3, 5 and 8 years hence. Furthermore, you have to determine what a share is worth in relation to its earnings — whether 10, 20 or 30 times. One thing is sure—you cannot apply a specific price/earnings ratio to all stocks at any given time.

(3) The higher the annual earnings growth factor of a share in a business, the higher the price/earnings ratio should be. A share in a business than can double or triple its earnings in a 10-year period is cheaper at 20 to 30 times present earnings than a share in another business selling at 10 to 15 times earnings but offering little or no promise of an earnings increase. *Remember* —future earnings and not past earnings determine ultimate dividends and market values.

(4) Last year's precipitous market decline illustrated the fallacy of going overboard on growth stocks *at any price.* For example, IBM at 600 was selling at 55 times 1962's World Wide earnings. It is a truly great company, but this was too high a price to pay for future growth. It is much cheaper now at 31 times 1963's estimated World Wide earnings. The following conclusions may be drawn:

It is all right to pay a very high price for current earnings of a company when earnings are expected to make very substantial gains in the immediate future; however, when earnings growth, no matter how well assured, is occurring only gradually, investors should be much more wary of high price/earnings ratios. Furthermore when earnings development, no matter how promising, is still extremely unpredictable, it is foolish to pay a high current price/earnings ratio.

It is unwise to purchase a growth stock at more than 35 times earnings unless the earnings foreseeable within two years are sufficient to reduce the price/earnings ratio to 25 times earnings (this means an increase of 40%). *Xerox* is an excellent example.

The Bugaboo of Capital Gains Taxes

One of the greatest stumbling blocks to successful investing is the unwillingness to sell stock of a company whose growth is slowing up or has ceased because your cost is so low that capital gains taxes appear prohibitive. Everyone is guilty of this failing. No matter how green other pastures may be you still insist on staying in the same old back yard, because you don't want to pay capital gains taxes. Let's take a specific illustration of a Blue Chip stock with a splendid record up through 1957—*National Lead.* Earnings per share increased from $2.00 in 1952 to $5.18 in 1957. Last year's earnings, however, were just over $4.00 per share, off 22% from the peak. The stock sold as high as 138 in 1957 and is now in the low 70s. We are still hopeful that National Lead will resume its earnings growth, even if at a slower rate, but recent results have been disappointing.

Here are a few illustrations of what you could have done with your money in 1957 by going to greener pastures—

	1957 Mean Price	Present Price	Gain in Price	Earnings Gain Since 1957
IBM	135	397	194%	170%
Xerox	12½	151	1,108	683
Avon Products	12	93	675	170

In conclusion, the past year illustrates the extreme difficulty of correlating stock prices with the trend of business earnings and dividends. It also points up once more the necessity for individual stock selection, rather than trying to guess the stock market.

*From an address by Mr. Ramsey before the Economic Society of South Florida, Miami, Fla., March 6, 1963.

Launch "Keogh Act" Program

Hugh Bullock (left), President of Calvin Bullock, Ltd., mutual fund managers, is shown with Representative Eugene Keogh (center) and Martin A. Proyect (right), Calvin Bullock's Director of Estate Planning, examining the first copy of the new Calvin Bullock Self-Employed Retirement Program. The presentation was made at a luncheon honoring Representative Keogh for his championship of the legislation that now bears his name.

Funston Urges Tax Revisions

Keith Funston, President of the New York Stock Exchange, has urged Congress to enact two Administration-proposed tax measures affecting investors, and to reject several others.

Keith Funston

In testimony presented at a hearing of the House Ways and Means Committee, Mr. Funston applauded the Administration's stated objective of tax revision to encourage economic growth. He also suggested that some aspects of the 1963 tax program were inconsistent with that goal.

The Exchange President singled out for approval the proposal to reduce from 50% to 30% the portion of long-term capital gains treated as taxable income. He said the securities industry also supports the Administration's recommendation to permit indefinite carry-over of net capital losses incurred by an individual in any one year.

At the same time, he criticized proposals to lengthen the long-term capital gains holding period from the present six months to one year; to repeal the present 4% dividend tax credit and $50 exclusion; and to impose a capital gains tax on capital assets transferred at death or by gift.

Mr. Funston said the proposed cut in the percentage of long-term capital gains includable as taxable income would help unlock vast amounts of the estimated $115 billion of unrealized capital appreciation in individual shareholdings—perhaps $25 billion in the early years. "The lower inclusion rate," he added, "would lessen the impact of the tax on the price level of securities and thus contribute to a more stable market."

This one tax change would also increase the Treasury's capital gains revenues by perhaps several billion dollars in the first few years in receipts on "unlocked" capital appreciation, Mr. Funston noted. It would have a continuing favorable effect over the long run, he added, as lower rates encouraged a higher volume of transactions.

Discussing aspects of the tax program which the securities industry views critically, Mr. Funston urged the legislators to **decrease** the capital gains holding period to three months, as a means of spurring capital mobility; to **increase** the dividend credit and exclusion to 10% and $100, respectively, as a means of providing more adequate relief from double taxation of dividend income; and to reject entirely the proposal to tax unrealized gains at death or upon gift.

Noting that the Administration is on record as favoring measures to facilitate the mobility and flow of risk capital, Mr. Funston declared that its proposal to lengthen the long-term capital gains holding period would have just the opposite effect. It would, he said, lead to reduced turnover for stocks, thus decreasing liquidity in the securities market and reducing government revenue from the capital gains tax and from stock transfer taxes.

The postponement of stock sales by investors who might normally realize gains after six months "could cost the Treasury $100 million annually in capital gains taxes just from stocks," he asserted. "Added to this would be the revenue loss due to postponed sales of bonds and other capital assets." On the other hand, Mr. Funston said, a three-month holding period could improve capital mobility without a revenue loss.

Regarding the taxation of dividend income, the Exchange President pointed out that the Administration's proposals would constitute a return to full double taxation. This, he said, would intensify the existing bias against the corporate form of business and against stockholders who risk their capital in corporate equities. He rejected the suggestion that this measure would be offset by reductions in corporate tax rates.

"It does not seem fair to take a dollar out of (the stockholder's) pocket now, on the chance he may get it back at some indefinite time in the future," he said.

Turning to the proposal to impose a capital gains tax on net gains accrued on capital assets transferred at death or by gift, Mr. Funston pointed out that this measure would force heirs to sell assets to obtain funds for paying the tax. This, he said, could "drive many small business owners to a simple but socially and economically undesirable solution: sell out during life, probably to a larger company."

Thus, taxation of unrealized capital gains at death could greatly accelerate the trend toward merger of small businesses into large corporations. Mr. Funston noted too that the proposed provision could also open the way to imposing an annual capital gains tax on all unrealized gains.

Summing up the Exchange Community's position. Mr. Funston concluded that "the approach we recommend will immediately increase the revenue return to the government, encourage more people to become shareowners, stimulate investment in equity securities, and improve the liquidity of the securities markets. The changes will thus help speed the American economy along the road to economic growth—the stated goal of the Administration's tax program."

Kenneth Martin With Jamieson & Co.

MINNEAPOLIS, Minn.—Kenneth T. Martin has become associated with Jamieson & Company, First National Concourse Building, members of the New York Stock Exchange and other exchanges. Mr. Martin was formerly Vice-President of the First National Bank of Minneapolis.

With Richard E. Kohn

SOUTH ORANGE, N. J.—Herbert Weinberg has become associated with **Richard E. Kohn & Co.,** Lackawanna Plaza, as a customers representative.

Mr. Weinberg recently has been associated with the Stock Exchange member firms of Reuben Rose & Co. and D. H. Blair & Co., both of New York City.

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Current News in the Field

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

NEW FIRMS

BAYONNE, N. J.—**Isidore Gruber,** 120 West 42nd Street.

BEVERLY HILLS, Calif.—**Arthur L. Clark Co.,** 8665 Wilshire Blvd. Arthur L. Clark is sole proprietor.

BIRMINGHAM, Ala. — **Rentz & Company,** Bank for Savings Building. Ernest Rentz, president of the new firm, was formerly vice president of Universal Securities Corp.

BROOKLYN, N. Y.—**Sol E. Perry,** 845 Flatbush Avenue.

DALLAS, Texas — **Commercial Corp.,** 4224 Office Parkway. Officers are Joseph M. McBride, President; Victor S. Morgan, Vice-President, Secretary and Treasurer; and Fred S. Harless, Vice-President. Mr. McBride was formerly with Waddell & Reed and Westamerica Securities Inc.

FLUSHING, N. Y.—**John Baldini Co., Inc.,** 196-18 Forty-eighth Avenue. Officers are John J. Baldini, President, and Ida Baldini, Secretary and Treasurer. Mr. Baldini was formerly with Flomenhaft, Seidler & Co.

HOUSTON, Texas — **Clark Wells, Inc.,** 1508 Milford. Officers are Peggy Y. Clark, President, Zellwood W. Falcone, Vice-President; and John E. Clark, Secretary and Treasurer.

JACKSONVILLE, Ill.—**S. J. Stuart & Company, Inc.,** 7 Savings Court. James A. Podeschi is a principal of the firm.

LOS ANGELES, Calif. — **William S. Hume,** 1700 Westwood Blvd.

LOS ANGELES, Calif. — **Kashu Securities Company, Inc.,** 368 East First Street. Officers are Genichiro Hiraishi, President; Harry H. Okazaki, Secretary; Kazuo Hatanaka, Vice-President; and Paul T. Yoshimoto, Treasurer.

LOUISVILLE, Ky.—**James L. Doyle Co.,** 1721 Clayton Road. James L. Doyle, the sole proprietor, was formerly President of James L. Doyle, Inc.

MIAMI, Fla.—**Wesley J. Moffatt,** 1036 Southwest First Street. Mr. Moffatt was formerly with Goodbody & Co.

NEW YORK CITY—**Quartet Planning Corp,** 120 West 44 St. Claire Berenberg is a principal.

NEW YORK CITY — **Broadlawn Associates,** 130 West 42nd Street. Partners are Ronald Altman, David Dolgenos, Gilbert Gold, and George Israel.

NEW YORK CITY—**Paul Schweid Securities Co.,** 160 Bennett Ave. Paul Schweid is proprietor.

NEW YORK CITY—**First Pickard Corporation,** 60 Wall St., successor to Sackville-Pickard and Company, Inc. John S. Pickard is a principal.

NEW YORK CITY — **Col. Homer E. Miller Co., Inc.,** 115 Broadway. Officers are Homer E. Miller, President; Seymour Segal, Vice-President; and Ella O. Miller, Secretary and Treasurer. Mr. Miller was formerly with Saul Lerner Co., Inc.

NORTH HOLLYWOOD, Calif. — **Elden Milton & Co.,** 12834 Victory Boulevard. Partners are S. Elden Pelston and Milton Einhorn. Both were formerly with Gardner, Stanley & Harris, Inc.

PORTLAND, Ore. — **Blankenship, Gould & Strand, Inc.,** Equitable Building, successor to Blankenship, Gould & Blakely, Inc.

PROVIDENCE, R. I.—**Allied Investors,** 86, Weybosset St. Arnold J. Utstein is a principal.

RICHFIELD, Utah — **Marden D. Pearson Co.,** 560 South Main St. Marden D. Pearson is a principal of the firm.

ROCHESTER, Mich.—**Profit-Sharing Investments, Inc.,** 1812 South Rochester Road. Donald Holefca is a principal.

ST. PETERSBURG, Fla.—**Edward E. Mathews Co., Inc.,** 3217 Tyrone Boulevard. Officers are Edward K. Mathews, President and Treasurer; Edward E. Mathews, Vice-President; and M. L. Mathews, Secretary.

NEW BRANCHES

FOREST HILLS, N. Y.—**Richard J. Buck & Co.,** 100-15 Queens Boulevard. Arthur L. Gladstone and Charles A. Fehr are co-managers.

FRANKFORT, Germany—**Francis I. du Pont & Co.** has established a security and commodity office in Frankfurt, Germany. Rudolf C. Fugger, well known in German investment and banking circles, is Manager. The firm has another European office in Lausanne, Switzerland.

GARDEN CITY, N. Y.—**Tobey & Kirk,** 1001 Franklin Avenue. Basil Skelos is resident partner in charge.

LONG BEACH, N. Y.—**Tobey & Kirk,** 47 West Park Avenue. Prosper G. Labe is resident manager.

LORAIN, Ohio—**L. A. Caunter & Company,** Broadway Building. Steven M. Kostrub is resident manager.

NEW YORK CITY — **Lubetkin, Regan & Kennedy,** 75 Maiden Lane. Leon Schop is resident partner in charge.

PITTSBURGH, Pa. — **Allen-Pitt Securities Company,** Penn Sheraton Hotel Building. Peter A. Lagi is manager.

ROCKVILLE CENTRE, N. Y.—**Tobey & Kirk,** 178 Sunrise Highway. Warren H. Mayer is manager and George A. Mardiros assistant manager of the new office.

SALT LAKE CITY, Utah—**Dean Witter & Co.,** 17 East First South Street. Members of the corporate division of Edward L. Burton & Company of Salt Lake City are joining Dean Witter & Co. in the new office, including Calvin P. Gaddis, who will be the manager.

SAN FRANCISCO, Calif.—**Burnham and Company,** 351 California St. Victor K. Atkins, Ernest M. Dickson and Rene L. Rothschild are associated with the new office as west coast representatives.

SPRINGFIELD, Mass. — **Oxford Securities Co.,** 12 Leyfred Terrace. Partners are Guy A. Martone and Sidney Snyder. Both were formerly with J. Clayton Flax & Co., Inc.

PERSONNEL

ALTOONA, Pa.—**Kidder, Peabody & Co.,** Central Trust Building, have announced that Paul M. Higgins has become associated with them.

ATLANTA, Ga. — William A. Marsh has joined the staff of **Courts & Co.,** 11 Marietta Street, N. W., members of the New York Stock Exchange.

BOSTON, Mass.—John W. MacDuffie has become associated with **Coffin & Burr,** 141 Milk Street, members of the New York and Boston Stock Exchanges. Mr. MacDuffie was formerly with White, Weld & Co.

BOSTON, Mass.—Timothy J. Curtis has become associated with **The First Boston Corporation,** 75 Federal Street. He was formerly with C. F. Childs & Company.

BOSTON, Mass. — Maurice J. Skoler has joined the staff of **Josephthal & Co.,** 19 Congress St. He was formerly with Goodbody & Co.

BOSTON, Mass. — John J. Sullivan, Jr. is now affiliated with **Townsend, Dabney & Tyson,** 30 State Street, members of the New York and Boston Stock Exchanges.

BOSTON, Mass.—Charles L. Tinkham has been added to the staff of **Tucker, Anthony & R. L. Day,** 74 State Street.

BOSTON, Mass.—John A. Thurlow, Jr. has become affiliated with **Blair & Co., Incorporated,** 10 Post Office Square. Mr. Thurlow was previously with H. L. Robbins & Co., Inc., and Reynolds & Co.

BOSTON, Mass. — Charles V. Lyness and James E. Moore have become associated with **Dean Witter & Co.,** 125 High Street. Both were formerly with Eastman Dillon, Union Securities & Co.

BOSTON, Mass.—James M. Blair has joined the staff of **Halle & Stieglitz,** 111 Devonshire Street. He was formerly with Harriman Ripley & Co. Incorporated.

BROOKLINE, Mass.—Kenneth S. Jacobson is now affiliated with **Cutter & Co.,** 358 Chestnut Hill Avenue. He was formerly with Brown & Co.

CHARLOTTE, N. C. — James P. Falls has become connected with **Harris, Upham & Co.,** North Carolina National Bank Bldg.

CLEVELAND, Ohio — Herbert V. Mullen has become affiliated with **McGhee & Company, Inc.,** 10616 Euclid Avenue. He was formerly with William T. Robbins & Co., Inc.

CLEVELAND, Ohio — John W. Geisler is now with **Western Reserve Securities Co.,** Terminal Tower. He was previously with Paine, Webber, Jackson & Curtis.

COLUMBUS, Ohio—Mark B. Connoll has been added to the staff of **Samuel & Engler Company,** 16 East Broad Street.

DENVER, Colo.—James J. Huppert has become associated with **Dempsey-Tegeler & Co., Inc.,** Midland savings building. He was formerly with Quinn & Co.

HOUSTON, Texas — **Underwood, Neuhaus & Company, Inc.,** 724 Travis Street, members of the New York Stock Exchange, have announced the appointment of Edward S. McCullough, Robert K. Moses, Jr., and Mobley E. Cox, Jr., as Registered Representatives. The three Underwood, Neuhaus staff members recently qualified for the position of representative by successfully completing examinations of the New York Stock Exchange and National Association of Securities Dealers.

LINCOLN, Neb.—Julius I. Christiansen is now affiliated with **E. E. Henkle Investment Co.,** Federal Securities Building.

MILWAUKEE, Wis. — Dale C. Voit has been added to the staff of **Braum, Monroe & Co.,** 735 North Water Street.

MILWAUKEE, Wis.—Kenton W. Noakes is now affiliated with **Goodbody & Co.,** 111 East Wisconsin Avenue. He was formerly with Merrill Lynch, Pierce, Fenner & Smith Incorporated.

MILWAUKEE, Wis.—Hoeffner E. Kehr has become connected with **Lon L. Grier & Co.,** First Wisconsin National Bank Building. He was formerly with the Marshall Company and in the past was local manager for Link, Gorman, Peck & Co. with which he had been associated for many years.

MILWAUKEE, Wis.—Werner H. Brandenburg is now associated with the **Milwaukee Company,** 207 East Michigan Street, members of the New York and Midwest Stock Exchanges. Mr. Brandenburg was previously connected with Doyle, O'Connor & Co. of Chicago.

NEW YORK CITY—Leon Front, for many years associated with the main office of the New York Stock Exchange firm of **Ira Haupt & Co.,** has moved uptown to become associate manager of the company's office at 501 Seventh Avenue.

OMAHA, Neb.—Harry E. Coe has been added to the staff of **Robert E. Schweser Company,** 208 South 19th Street.

PHILADELPHIA, Pa.—**Francis I. duPont & Co.** have announced that Robert E. Flanigan is now associated with their Philadelphia office, 42 South Fifteenth Street, as a registered representative.

PHILADELPHIA, Pa. — **Elkins, Morris, Stokes & Co.,** Land Title Building, members of the New York Stock Exchange and other leading exchanges, announce that F. Woodson Hancock, Jr. is now associated with their Philadelphia office as a registered representative.

PHILADELPHIA, Pa. — **W. H. Newbold's Son & Co.,** 1517 Locust Street, members of the New York Stock Exchange and other leading exchanges, announce that Thorndike Duncan is now associated with them as a registered representative.

SPRINGFIELD, Mass.—John F. Bantis is now associated with **Gerald M. Young & Co.,** 1421 Main Street. He was formerly with J. Clayton Flax & Co., Inc.

WASHINGTON, N. C.—Charles T. Bowers and Jarl E. Bowers have become associated with **Vaughan & Company.** Both were formerly local representatives of United Securities Co.

NSTA NOTES

GEORGIA SECURITY DEALERS ASSOCIATION

The Georgia Security Dealers Association will hold its Annual Spring Party May 30th and 31st. A cocktail party and dinner will be on the agenda for May 30th while on May 31st golf, lunch, cocktails and dinner will be in order. Location will be announced later.

WASHINGTON, D. C. SECURITY DEALERS & TRADERS ASS'N

Sidney B. Wachtel

Donald E. Joy

At the annual meeting of the Washington, D. C. Security Dealers and Traders Association, Inc., the following officers were elected:

President: Thomas G. Terrio, Terrio & Co., Inc.
Vice-President: Sidney Wachtel, Wachtel & Co., Inc.
Secretary: Donald Joy, H. F. Weekley & Co.
Treasurer: Fred G. Zander, Consolidated Financial Programs.

William Wallace Corporation Securities Sold

Reynolds & Co., Inc. and P. W. Brooks & Co., Inc., New York, head a group of underwriters which are offering publicly two issues of William Wallace Corp.: $2,500,000 of 6½% subordinated debentures due 1981, with warrants attached to purchase 137,500 shares of common stock; and 150,000 shares of common stock priced at $9 per share.

The debentures and warrants are offered in units, at $1,000 per unit.

Proceeds from both sales, together with other funds, will be applied to the payment of $7,250,000 of principal amount notes due banks.

This is the first public offering of securities of William Wallace Corp. which has two operating divisions, William Wallace Co. and Illinois Gear & Machine Co. Wallace manufactures and sells "Metalbestos" double wall gas vent systems, "Metalbestos" prefabricated chimneys and roof drainage equipment and stove pipe and fittings. Illinois Gear manufactures a wide variety of industrial gears. The corporation's head office is at 230 Park Ave., New York.

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Reconciling Agricultural Trade With Protectionism

Continued from page 12

policy for agriculture and agricultural products in EEC, in contrast to industrial products, had been clear from the outset. It would be unrealistic to overlook the special situation in which agriculture finds itself; and special provisions were clearly called for. But these special provisions —to be expressed in a Common Agricultural Policy — have never been understood to aim at more than the establishment of procedures that would allow internal market unification to develop more gradually than in the case of industrial products; and outsiders were assured that no increase in external protection was intended.

Since the publication on June 30, 1960, of the EEC Commission's proposals for a Common Agricultural Policy, and especially since the decisions on variable levies of Jan. 14, 1962, it has become clear that the essence of the present plans of the EEC is to take most of their agriculture altogether out from under the discipline of GATT as now written. There will be that system of variable import levies. Quantitative restrictions may also apply. For some of those agricultural commodities for which fixed tariffs are proposed, special market regulation with minimum import prices, preferences for overseas or associated territories, and quantitative emergency restrictions are envisioned. Fixed tariffs, in some further cases, are proposed at high levels. Export surpluses are expected to result from high producer prices protected by such measures; and subsidies are proposed for their disposal at home and abroad.

It would be understandable if for some time to come agricultural protection toward third countries were to be maintained at present levels. The countries' plans, however, are likely to result in an increase of protection and hence expansion of output and reduction of imports. For the time being no agreement has yet been reached by the member governments with respect to price levels. But their reaction, and the reaction of agricultural interests, to the June 30, 1960, proposals of the EEC Commission made it obvious that high price countries are unwilling to lower farm prices and low-price countries would probably be willingly inclined toward increases. The result would mean a substantial increase precisely in areas where expansion of output is most feasible and likely. In these circumstances the envisioned producer price unification has a built-in tendency toward increased protection, expansion of output, and reduction of imports or even "surplus" production.

Principles of Economic Union

The "common agricultural policy" of the EEC, therefore, is by no means of the type outside observers had — perhaps naively — expected. Nor is it a necessary ingredient of economic or political union. And it is obvious that the EEC does not in fact contemplate, for agriculture, the true content of economic union.

A true economic or customs union is based upon the idea that productivity gains will come from a relocation of economic pursuits toward a more economical pattern *within* the union area. An industry or product here will gain at the expense of an industry or product there, and another industry there wlil gain at the expense of an industry here—all of them taken together coming out with a net gain in the process because precisely this process implies an increase in total productivity. The true customs union thus aims to gain from shifts *within* the union area, not at the expense of third countries.[2]

In EEC, markets are likely to be gained for the increased product of some areas within the union, not at the expense of less efficient areas in other parts of the union, but at the expense of more efficiently produced and hence lower-priced imports. In popular terms: France, with its considerable agricultural export potential, would be well satisfied to gain from a reduction in Germany's farm output, but since producers in Germany would not be induced to play the game according to customs union theory, French producers would be quite satisfied to gain at the expense of third country exports to Germany.

Elements for Compromise

However this may be, it is most unlikely that the EEC countries could *now* be induced to scrap their common agricultural policy and return to their national systems and levels of protection. Some of their responsible officials privately might perhaps admit that this would be the better part of wisdom; that it would remove difficulties which have begun to develop into a dividing force within the Community; and that it would help solve the problem of British accession and the connected Commonwealth problem.

But it would not be a realistic expectation that, officially, any of the six governments would at present advocate such a reversal of policy. A way must therefore be found toward reasonable compromise between the interests of agricultural protection, the special favors intended for French agriculture,[3] and the interests of outside countries. Not surprisingly, such a way might be sought fairly, and hence realistically, by an attempt to combine some features from each of the following:

(1) The previous national levels of protection.
(2) The national systems of farm protection through price (continental countries) and through producer payments (United Kingdom).
(3) The EEC program for price protection and structural adjustments in agriculture.
(4) The so-called (French) Pissani-Baumgartner plan for agricultural trade and international agreements. And
(5) The GATT system of negotiated firm commitments limiting the degree of protection.

2 It is true, of course, that it may also gain at the expense of potential imports, but only insofar as this results from an increase in intra-area productivity and from the inevitable discrimination implied in free trade inside, with tariffs toward the outside.

3 The French Government has long maintained that its agreement to partnership in the Common Market — with alleged sacrifices on the industrial side — was predicated on agricultural arrangements favorable to French agriculture.

A Possible Formula

Let us, on this basis, consider what a realistic compromise might look like. First of all, we must insist that as many products as possible should remain protected by fixed, negotiable tariffs only. Quite generally, too, the individual countries of EEC (with or without the U. K.) would agree not to aim at raising their national levels of agricultural protection beyond, say, what they were in 1960.

For the basic products, grains, protection would be through target prices, established at the 1960 French levels — with differences to higher national protection in individual countries to be made up by producer payments. The latter would, for the first year, be determined and paid for each product; for later years they would be consolidated into overall income payments—not tied to individual products, but based on global criteria, such as, for example, total farm acreage.

Establishment and protection of internal prices in EEC at the 1960 French levels would, in each country, be attempted through the EEC system of variable levies for grains and derived protection for livestock products. *Market* prices would thus at once be unified, while *producer* prices or incomes could be protected, in each country, at the different national levels that prevailed in 1960.

In countries that would insist on the maintenance of farm incomes above what can be achieved by prices corresponding to the French levels the income payments thus to be made could be tied to the achievement of the sound goals of structural adjustment wisely stipulated for the long term by the EEC agricultural program. Due attention should be paid to the possibility of capitalizing such income payments — for either investment in cases where this would promise strong productivity increases or for compensation to owners and hired labor to facilitate their early retirement or movement from nonviable farms.[4]

If and when the United Kingdom joins the European Economic Community, their present system of producer payments could be maintained for some time and later converted into more general income payments as described above. Whether or not in the end general income payments could be dispensed with altogether throughout the Community and producer prices truly unified would depend on developments that cannot now be foreseen. In fact, it would be one of the beauties of such a program that it would afford flexibility: to move gradually toward total integration in agriculture if that proves feasible, or to retain a measure of differentiation if that proves necessary.

Price Agreement Negotiations

Some of the ideas of the French Pisani-Baumgartner Plan for agricultural trade and international agreements might well be seized upon within the context of such an agricultural regime. International negotiations would have to start in earnest to include agreements on international and EEC price and subsidy levels which would relate both to market prices and to national producer prices or income payments.

They would also include arrangements as to surplus disposal perhaps in a sense that could make good use of M. Pisani's idea of skimming off unavoidable surplus production. What ought to be added to this idea is a link to something akin to supply control: the individual governments participating in such an international agreement would undertake to buy up, for indefinite storage or give-away to needy under-developed countries, such quantities of basic agricultural products, as would exceed a pre-determined "normal" level of output in each of those countries (agreed upon from time to time). Governments should have to finance these purchases from their own national funds so as to be under some pressure to curtail surplus output one way or the other. Agreements of this kind would go a long way toward paying the French the compliment of seriously considering their plan. As indicated, it could be bent in the direction of reasonable international compromise.

The agreements might also be used to raise some international prices for trade with the developed areas. It is obvious that the French plan can claim a lot of common sense for the idea of doing away with the absurdity of downward price competition in world markets, through export subsidies and otherwise, when every decline in the world price will be neutralized by an increase in import levies in the most important countries that buy in the world market.

Infant Industry Argument Abused

As indicated, a comprehensive settlement of this kind would be capable of being firmly tied in with GATT. Undertakings to be negotiated would limit the degree of protection given to agriculture in the participating countries and might even limit it in relation to changes in productivity — an important point altogether too thoroughly forgotten since the days Alexander Hamilton and Friedrich List first broached and elaborated the infant industry argument.

Needless to say that U. S. economic policy would have to make a substantial contribution to an international program of economic common sense. This is precisely the kind of policy contemplated in the Trade Expansion Act. And, as the Secretary of Agriculture has recently said to his ministerial colleagues in a Paris meeting, the United States would by no means want to exempt American agriculture from rules we would ask others to adopt. As for the rest, the men at the helm of trade and agricultural policies in the United States and, I trust, in the other leading countries know full well that reasonable compromise between important interests is the essence of statecraft. No party is going to get all it wants, and none can be permitted to go empty-handed.

4 Such capitalization has been suggested in the excellent *GEMEINSAMES GUTACHTEN* (Brussels, June 1962) of eight experts dealing with the possible effects of lower producer prices upon Germany's agricultural incomes, and—prior to the GUTACTHEN—in the study by Professors PLATE and WOERMANN in Sonderheft 14 of *Agrarwirtschaft* (Hanover) of May 1962.

Prospectors & Developers Ass'n Annual Meeting

TORONTO, Canada.—The Annual Meeting and Convention of the Prospectors & Developers Association, to be held in the Royal York Hotel, Toronto, Mar. 10 to 13, is expected to attract the largest attendance in the 31-year-old history of the organization. Viola MacMillan, President, and the Executive, will officially welcome delegates at an informal gathering in her home, 303 Oriole Parkway from 3 to 6 p.m. Sunday, March 10.

Viola MacMillan

Some 50 individuals, well-steeped in various phases of mining know-how, will participate in the four day Convention, either as speakers or chairmen of various events. They have been drawn from all provinces in Canada, parts of the United States and from Cornwall, England.

Highlight of this year's affair is expected to be the symposium on "World-Wide Prospecting," chaired by Dr. Duncan R. Derry, Consulting Geologist of Northgate Exploration Ltd. and H. O. Seigel, a Consulting Geophysicist also closely identified with mineral programs in the Republic of Ireland.

The Symposium's object is to present and compare the various factors which will influence the decision to expand Canadian exploration funds in Canada or in one or other foreign countries. Panelists during the 3½ hour session of Tuesday, March 12, will include V. C. Wansbrough, C. E. Michener, James Harquail, Hans Frohberg, Gordon Moore, Stanley Holmee, John Boniwell, William Gross, D. C. Sharpstone and W. H. Callahan.

On conclusion of the annual business meeting on Monday morning, March 11, the technical sessions will start at 10 a.m. when J. E. Burgener, President of Technical Service Laboratories, will describe the comparatively new method of "Rapid Assay of Complex Exploration Samples." Luncheon speaker will be J. P. Nowlan, Deputy Minister of Mines in Nova Scotia. Technical sessions will reconvene at 2 p.m. when H. Sargent unfolds "A Decade of Development in British Columbia."

Prior to commencement of the Symposium at 11 a.m. Tuesday's early morning papers will cover subjects like Industrial Minerals in Quebec, Titanium in Canada and "Prospecting for Porphyry-Type Copper Deposits." Luncheon speaker will be the Hon. A. G. Kuziak, Minister of Mineral Resources for Saskatchewan.

Wednesday's sessions will cover a multiplicity of subjects and areas well familiar to prospectors, developers, bankers, brokers and suppliers. J. R. Bradfield, President, Noranda Mines Ltd., will speak on "Dollars Versus Luck" at the Luncheon meeting. The Convention terminates with the Annual Mining Day Banquet and Dance the early hours of Thursday morning.

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WASHINGTON AND YOU

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

WASHINGTON, D. C.—Ever since the new 88th Congress convened, it has been generally agreed that the top drawer legislation would involve tax reduction and reform proposals, medical care for the aged, spending and a ceiling on the debt, among other things.

There are, however, some other controversial and important proposals pending in the background, but some of them are moving toward the front. This is particularly true about labor legislation.

As a result, labor leaders appear to be more worried about what the future might hold for the labor union movement than they have been in years. The reason for the apprehension is for the simple reason the public's patience with strikes in this country is wearing a bit thin.

It is entirely possible that there will be no curbing of labor powers and immunities at this session, but there are going to be hard-hitting discussions.

Administration Concerned

In the 1960 Presidential election, President Kennedy probably garnered 90% of the labor vote in this country. The percentage might even have been greater. Nevertheless, the Kennedy Administration has begun to speak out as a result of crippling strikes.

Secretary of Labor, W. Willard Wirtz spoke out bluntly the other day. He said flatly that the public's tolerance is shrinking all the time, because he said neither the present traditional collective bargaining procedures nor the labor dispute laws are working to the public's satisfaction.

The New York and Cleveland newspaper strikes are the most publicized of the present strikes but there are dozens of strikes in scattered parts of the country, some of them concerning defense industries. They are attracting a great deal of local and regional attention.

There have been numerous bills designed to curb some of the powers of labor introduced already. Over in the Senate proposals have been submitted by Senators Harry F. Byrd of Virginia; James O. Eastland of Mississippi, and Strom Thurmond of South Carolina, all Democrats; Senators Barry Goldwater of Arizona; Wallace F. Bennett of Utah, and Carl Curtis of Nebraska, all Republicans, among others.

Goldwater's Thesis

At the beginning of the labor movement in this country some of labor's advantages were justified. However, Senator Goldwater declares emphatically that "their continued existence and expanding scope in today's era of monopolistic union power can no longer be justified."

The Westerner, who is sought after as a speech-maker more than any other member of the American Congress, has cited for colleagues and the people, some of the union advantages that exist today.

They include power to compel workers to join a union as a condition of continued employment; almost total immunity under the anti-trust laws; immunity from taxation; immunity from injunctions by Federal courts; authority to use union funds for purposes not connected to collective bargaining, even where union membership is compulsory.

Power to force the employer to bargain exclusively with the majority union; absolute authority to deny union membership to workers employed in the bargaining unit, and the right to strike, although the strike may have no direct connection with the question of collective bargaining.

Because of the broad monopolistic powers that unions have, some union chieftains are taking advantage of present laws to whip both employees and employers in line if the conditions suit them.

More and more people seemingly are writing their Congressmen to the effect that "something should be done."

Hoffa vs. McClellan

The powerful teamster union boss, Jimmy Hoffa, currently is the foremost figure that some members of Congress are concentrating on. Senator John L. McClellan of Arkansas, who has exposed some of the bad things that have gone on behind the scenes in the powerful Teamsters' Union, tried to get some curbing legislation through at the last session. He may fail again this time, but the Senator is confident that chances have greatly improved for curbing legislation in the 88th Congress.

The bill by Senator McClellan would not only end the powerful transportation union's immunity from anti-trust laws, but would prohibit strikes at strategic defense facilities such as missile bases and plants.

Hoffa has bitterly assailed the pending legislation and has termed it as "garbage," and described sponsors as "bums."

The hard facts are Hoffa and top echelon labor leaders over the country are deeply disturbed at what may lie ahead. Hoffa may very well be facing the biggest battle of his controversial life. He contends that the labor union movement in this country will die if the legislation is enacted.

However, no one in Congress apparently would want to see the labor union movement killed. Some of them, talking privately, would like to see the powers harnessed, although they were elected because of the support they got from unions.

New Strike Procedure Advocated

The impending Congressional struggle concerning labor's powers will not be limited to Union activities and the Hoffas. It is going to embrace some sensitive areas of labor-management relations. Senator Goldwater is backing a measure which he insists would bring about a more reasonable and workable balance in the labor-management relations in this country.

Senator Goldwater's bills, as well as some of the other pending proposals, would curb the use of union shop agreements, and discrimination because of non-membership or non-support of unions. The bill also would set up a new strike vote procedure whereby a majority of members could vote to end a strike. The procedure would make a strike unlawful if a notice of intention to strike isn't given to all concerned at least 30 days prior to actual beginning of the strike.

Labor Wants 35-Hour Week

The AFL-CIO in its opposition to the pending bills are making plans for a long, hard scrap. The AFL-CIO leadership is not working with Hoffa and the Teamsters' Union.

The AFL-CIO Executive Council and President George Meany have been pressing for a 35-hour work week on the ground that unemployment is high. They want a 35-hour week with the same pay that is now being received for 40 hours of work.

This proposal is not a popular one at this time, because it obvicusly would mean higher costs for everything that a person eats and wears, plus all the other things that concern every day living. The facts are this country cannot afford at this time to have such a short work week, although many people are losing their jobs every day because of automation. It would also be a tremendous waste of manpower if a 35-hour work week were adopted.

The Chamber of Commerce of the United States has a campaign underway to curb featherbedding as one area of labor's antitrust immunity. Featherbedding practices was the subject of a recent study by specialists of the Chamber. Some 700 member firms were surveyed. The conclusion reached said in part:

"The fundamental question is whether our society can afford the luxury of paying for no work or for unneeded work. The obvious answer is that we cannot afford such inefficiency and waste of valuable talent and resources. . . ."

[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.]

"75—74—73—72—the countdown has started!"

COMING EVENTS

IN INVESTMENT FIELD

March 10-13, 1963 (Toronto, Canada)
Prospectors & Developers Association Annual Meeting and Convention at the Royal York

March 10-15, 1963 (Philadelphia, Pa.)
Institute of Investment Banking at the University of Pennsylvania — sponsored by the Investment Bankers Association and the Wharton School of Finance and Commerce.

March 13-14, 1963 (Chicago, Ill.)
Central States Group of the Investment Bankers Association 27th annual conference at the Drake Hotel.

March 29, 1963 (New York City)
New York Security Dealers Association 37th Annual Dinner at the Waldorf-Astoria Hotel.

CHRONICLE's Special Pictorial Section April 4.

April 3-4-5, 1963 (Dallas, Tex.)
Texas Group Investment Bankers Association Convention at the Statler Hilton Hotel.

CHRONICLE's Special Pictorial Section April 25.

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

April 26, 1963 (New York City)
Security Traders Association of New York Annual Dinner in the Grand Ballroom, Waldorf-Astoria Hotel.

CHRONICLE's Special Pictorial Section May 9.

May 6-7, 1963 (Richmond, Va.)
Association of Stock Exchange Firms Spring Meeting of the Board of Governors at the John Marshall Hotel.

May 8-11, 1963 (White Sulphur Springs, W. Va.)
Investment Bankers Association Board of Governors Meeting at the Greenbrier.

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

May 13-15, 1963 (Washington, D. C.)
National Association of Mutual Savings Banks 43rd annual conference at the Sheraton Park Hotel.

May 16-17, 1963 (Cincinnati, O.)
Municipal Bond Dealers Group of Cincinnati Annual Field Day—Reception and Dinner May 16 at the Queen City Club; Outing May 17 at the Losantiville Country Club.

May 16-17, 1963 (Nashville, Tenn.)
Nashville Association of Securities Dealers annual spring party at the Hillwood Country Club and Belle Meade Country Club, respectively.

May 30-31, 1963 (Atlanta, Ga.)
Georgia Security Dealers Association Spring Party. A Cocktail Party and Dinner will be held May 30, with Outing on May 31.

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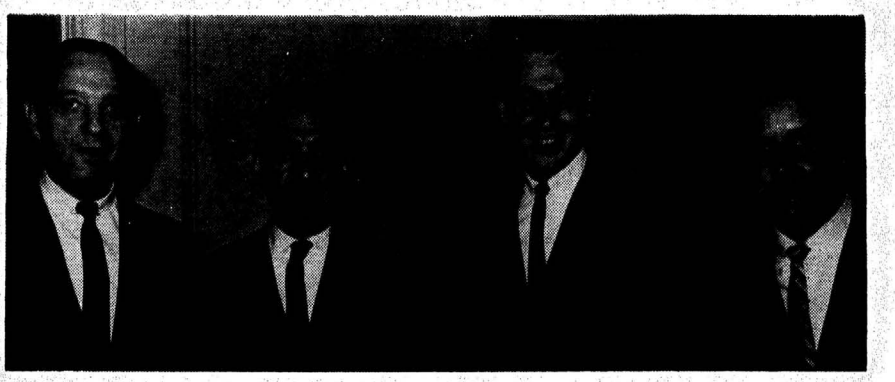

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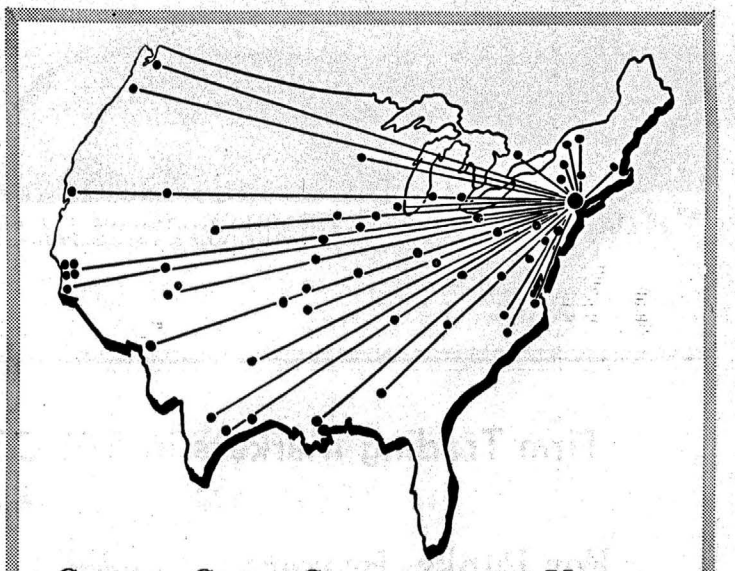

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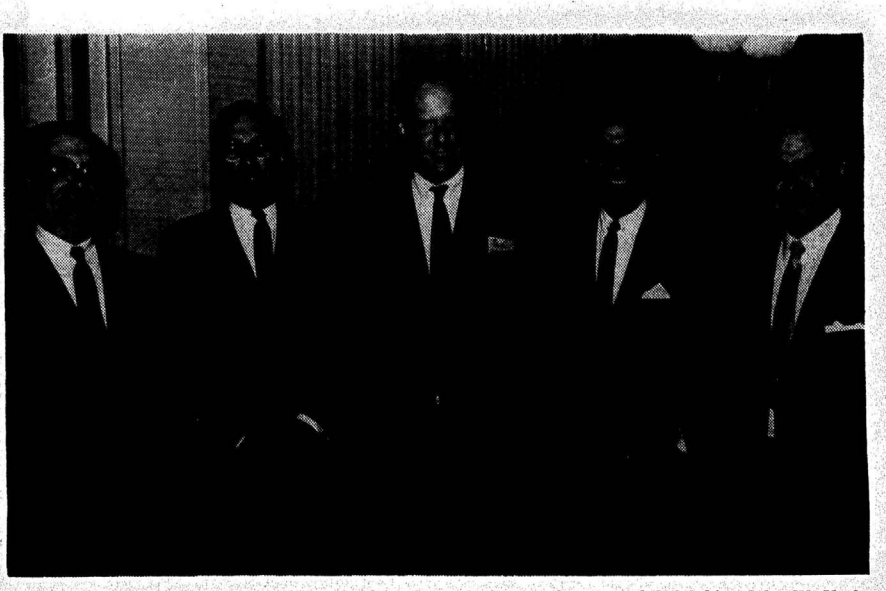

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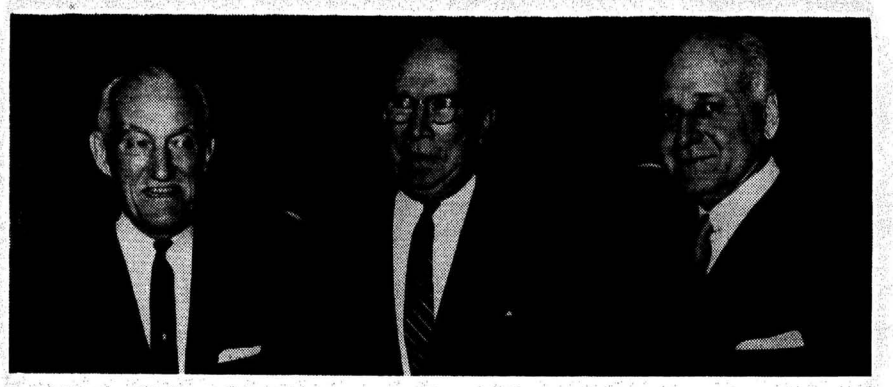

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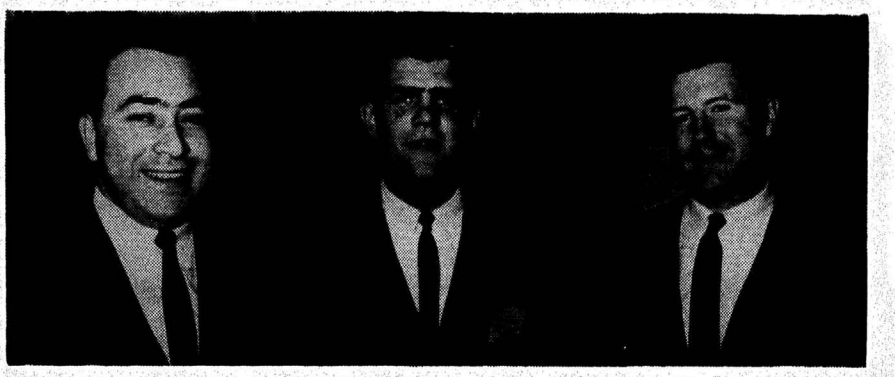

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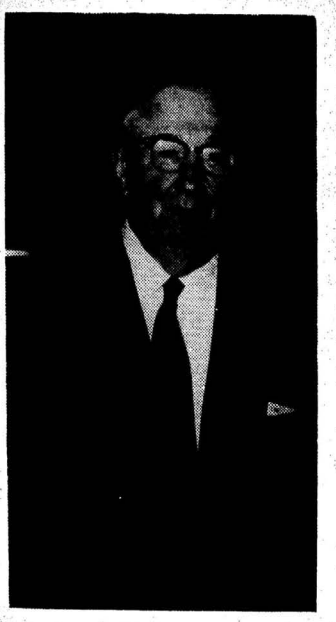

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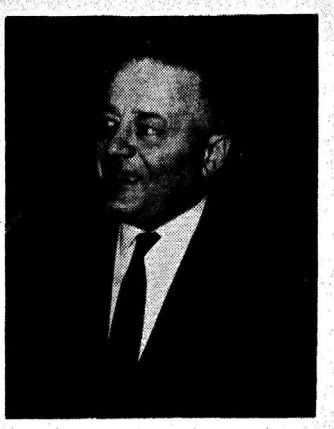

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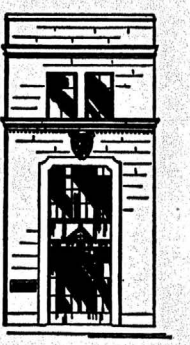

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