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EDITORIAL

As We See It

If as the poet says, "Tomorrow is a satire on today and shows its weakness," then today must be a satire on yesterday and shows its weakness. Essentially these ideas, though probably not clothed in such poetic language, must be crowding in upon the thoughts of those members of Congress who would trim today's budget but find that yesterday's weakness has loaded it with items which can not now be eliminated out of hand. They are certainly not very far from the minds of the employers of those several million wage earners whose wages must be increased this year and the terms of whose employment must be changed in a way to add to current costs—all as a result of yesterday's concessions. The all too numerous thousands—or is it millions—who have been inveigled into overloading themselves with mortgage and instalment debt in years past could easily join in the same chorus. Then, of course, there are those improvident souls who have permitted themselves to become so involved in debt that they have found it necessary to appeal to small loan companies which of necessity must charge substantial interest rates.

It may not be human nature to obey the biblical injunction to take no thought for the morrow, but unfortunately most of us are much less concerned about obligations and commitments falling due in the future than we are about those which must be met today. It is for this reason, doubtless, that we regularly find Congress, often under pressure from the White House, loading next year's budget even more heavily than this year's. The balanced budget or the reduced deficit are normally computed on the results of the figures for the year to which attention is being directed, not on future financial statements which must later be (Continued on page 27)

Breaking Stranglehold on Growth To Achieve Our Full Potential

By William F. Butler, Vice-President, The Chase Manhattan Bank, New York City*

To get the economy moving vigorously ahead requires a "bigger tax cut [made] . . . effective sooner, say July 1, 1963," than the Administration's "old purchasing power" plans. In addition to tax relief now planned for low income groups, families in the \$10,000-\$50,000 range urgently need tax relief and corporations require 45% rate to stimulate initiative and investment. Further, the line must be held on costs which would help mandatory task of solving our balance of payments problem. Near-term business view indicates upward move and moderate interest rate rise in latter 1963.

I would like to point out what I think is likely to happen to general business, interest rates and housing over the next year or so. As if that subject were not big enough, I also propose to offer some thoughts on the longer-term outlook for the economy, and for housing.

William F. Butler

First, on the immediate business outlook, I expect 1963 to be a generally good year for business. GNP could be 3-4% above last year while industrial production could top 1962 by a lesser amount. This would be a good performance. However, I do not believe it would be good enough. Unemployment would remain too high and the rate of plant utilization too low. Unless the nation takes the appropriate action on tax and other fronts, the prospect is that our economy will continue to lag behind its potential, as it has for the past five years.

The major forces operating this year could also produce a period of sogginess in the months immediately ahead, followed by a moderate upturn around mid-year. Auto sales have been running at a rate which probably cannot be sustained. Business investment in new plant and equipment could decline modestly in the first half. Some inventory adjustment could take place in a number of lines, though it might be offset by a piling up of steel stocks in anticipation of the wage reopening. In addition, I hear reports from around the country of softness in markets for single-family homes.

While all of these forces appear to be working in a downward direction, the amount of pressure does not seem to be very strong. It could easily be offset by the continued rise in government spending of \$8-9 billion this year, strength in other areas of construction and rising sales of consumer soft goods and services. All in all, I look for pretty much of a stand-off in the first half, with most overall business indicators moving essentially sidewise. The plateau, along which business moved during the second half of 1962 could extend to mid-1963.

In the second half of the year, however, the economy could begin moving ahead again. Government expenditures will still be on the increase. The available evidence points to the possibility of a moderate rise in investment in new plant and equipment. And inventories and consumer durables could provide some lift to general activity. However, there are few signs which point to the sort of strong advance in general business which would lead to full prosperity.

In my view, the fact that the nation's economic growth has lagged for five years, and promises to continue to lag, poses an extremely serious challenge to all of us. Our (Continued on page 24)

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 28.

The Security I Like Best...

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

This Week's Forum Participants and Their Selections

E. ROBERT EBER
Analyst, E. F. Hutton & Company, Inc., New York City

Superpack Corp. Ltd.

Coin-operated laundries have been spreading rapidly throughout the country. What one enterprising management has been able to achieve in this expanding field can be seen by examining the record of Superpack Corp., Ltd., a leader in the coin-operated laundry supply industry. The combined earnings of the companies which now make up Superpack present a remarkable picture of dynamic growth: Since 1958, net earnings have approximately doubled each year, and over the five year period have shown an overall increase of about 20 times.

Superpack Corp., formerly called Superpack Vending Corp., derives the bulk of its revenues from creative packaging and merchandising of detergents, plastic bags, soaps and bleaches sold through specially designed "cylindramatic" vending machines in laundromats throughout the United States and Canada. Cylindramatic vending — permitting the roll-down of cylindrical packs instead of the conventional vertical drop—adapts tubular packages to the automatic coin-operated machine, and by utilizing the depth of the vending machine as well as its height and width allows it to hold considerably more merchandise than is contained in comparable rectangular package machines. Also, costs of product servicing and repairs are greatly reduced through the use of Superpack equipment.

The first item dispensed by this Cylindramatic technique was a 10 cent plastic laundry bag. By early 1962, Superpack had placed over 12,000 machines in prime locations. The sales rate had reached one and one-half million bags per month and over 500 new outlets were being opened monthly.

This acceptance made it possible to attract name brand producers of detergents, bleaches and other washing products. A Superpack vending unit containing 224 10-cent packs of detergent and bleach—Lever Brothers' "All" and Purex Corp.'s "Beads O Bleach" in the United States and "Javex" in Canada — was distributed. Among the firms whose brands are now being packaged by Superpack are Lever Brothers, Purex Corp., Colgate-Palmolive, Hytex Chemical Corp., Staley Mfg. Company and U. S. Borax. Products include Rinso Blue, Beads O Bleach, All, Fab, Ad, and Borateem.

In March of 1962, the company issued $2.6 million of 6% convertible debentures to mature March 31, 1972. This followed the acquisition of its own vending machine manufacturer in Toronto and Scientific Packaging Corp. of Elizabeth, N. J., a distributor of coin-vended laundry products in the United States. The New Jersey operation is also concentrating on the packaging and sales of liquids, packaged in a unique LiquiPak container. All Superpack equipment and products are distributed in the United States through Scientific's organization. Scientific has established a Los Angeles packaging plant and sales office and has recently leased a 30,000 square foot packaging plant in St. Louis, Mo.

Present plans include further distribution into the market of multiple dwelling locations. Another anticipated step for the company is diversification into the vending of magazines, film, and certain food items that lend themselves to cylindramatic merchandising.

Superpack, receiving income from each installation and with demand continuing to absorb full productive capacity, should continue to maintain its sales and earnings progress. Mr. Theodore Richmond, President of Superpack, has stated: "The more units we install, the more we earn from the sale of our products. In much the same manner as the continuing purchase of blades for razors, every vending machine installation we make immediately starts a geometric increase in our total increment."

Sales for the year ended Nov. 30, 1962 were $7,060,000 compared to $4,400,000 in 1961, and $3,691,000 in 1960. Net earnings were $402,000 after taxes or 80c per share before possible dilution in 1962, up from 35c in 1961 and 20c in 1960.

Superpack's recent price in the Over-the-Counter market is 9¼-9½ (all figures have been stated in Canadian funds—recent U. S. price is 8½-8¾) compared to a trading range of 8 to 12½ since its original issue in early 1961. There are 501,005 shares outstanding with an additional 208,000 reserved for possible conversion of the debentures. Current assets are $2,462,000 against current liabilities of $1,949,000. No major financing is anticipated in 1963.

With management estimating 1963 earnings at about $1.50, Superpack Corp., Ltd. is selling for six times estimated earnings or less than 10 times estimated earnings on a basis assuming full dilution through conversion.

It appears that the current price of Superpack barely reflects its dramatic growth to date, to say nothing of the period of expansion that lies ahead.

JAMES W. CUNNINGHAM
General Partner, Reynolds & Co., Chicago, Ill.

MSL Industries, Inc.

MSL Industries as it now exists is only slightly over two years old. Sale of the railroad properties of the Minneapolis & St. Louis Railway Company was completed in October of 1960. Following a bond distribution to stockholders, the company (renamed MSL Industries) retained $4.1 million cash and $2.6 million tax refund claim, totaling $6.7 million. Also available was a $25 million tax loss carry forward good through 1965.

The management elected to use these assets in industrial rather than, as formerly, in railroad operations. The principal objective became maximum utilization of the loss carry forward, consistent with acquisition requirements. To date, MSL has made substantial progress in this program of purchasing industrial companies. Eight relatively small but profitable and growing concerns have been acquired for $21.9 million of cash, notes and stock. Current operations of subsidiaries provide pre-tax earnings to the parent company at an annual rate of approximately $4.3 million. The current earnings rate will use up almost $20 million of the $25 million carry forward before its expiration in 1965. The management believes, however, that it can generate worthwhile internal growth of earnings before that date and, consequently, feels little pressure to acquire additional companies at this time.

So far, acquisitions have been confined to the metal working and chemical industries, although there is no hard and fast policy against entry into other fields. Shortly after I. C. C. approval of sale of the company's railroad assets, an agreement was finalized to purchase Heads & Threads, Inc., Universal Screw Company, and Wisconsin Bolt & Nut Company. In 1961, Stevens Socket Screw Company and Joliet Wrought Washer Company were also acquired. During the past year, acquisitions included Miami Industries, Inc., Gene Rose Co., Inc., and Globe Aviation Supply Co., Inc.

The corporate history of Heads & Threads dates only to January, 1954, when it succeeded a partnership of Messrs. Norman R. Sackheim and Norman H. Weinrib. These men have guided its operation since then and are now large stockholders as well as officers of MSL Industries. This subsidiary is the largest domestic importer and distributor of industrial fasteners. Its products include ferrous and non-ferrous screws, nuts, bolts and washers. Sales are made exclusively to manufacturers and distributors for resale to customers. It will come as no surprise to most observers of international trade that domestic fastener manufacturers can purchase many of their products from H. & T. at a price cheaper than production costs in the United States. Striking evidence of this trend is given by the rise in H. & T. sales from $2 million in fiscal 1956 to a current level of $8 million.

The Universal Screw Company Division both manufactures and acts as a distributor of industrial fasteners. More than 50% of products sold are manufactured by the company, the principal purpose of the distributing operation being to offer customers a full line. In its own production,

Continued on page 25

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

Role of Self-Regulation In the Securities Industry

By Edwin D. Etherington,* *President of the American Stock Exchange, New York City*

Statesmanlike far-sighted advice enjoins both the securities industry and the SEC to seek constructive results from the forthcoming study of the securities markets. Speaking with the experience of the ASE's year-ago reorganization spurred by the SEC, and without attempting to predict what the SEC may say or to suggest what it should say, Mr. Etherington is confident the self-regulating role in the securities industry will not be endangered by the two-year investigation of stock market, over-the-counter, and mutual fund operations. The industry is cautioned to react calmly no matter how inflammatory the statements, analyses or proposals may be and the government is asked to be open-minded so that the discussions will "end with a sense of accomplishment and not with a feeling of futility on either side."

Customers' brokers are the lifeline of the American Exchange to the investing public. For that reason, and because many customers' brokers must be as curious about what is going on at the Exchange as we sometimes are about the goings-on in Washington, I want to catalog some of our recent activities. In addition, this strikes me as a right time and a proper place to comment on another current affair of interest to all of us in the securities industry.

E. D. Etherington

The time is the eve of a major SEC report climaxing a two-year study of the securities industry. The place is the city where responsibility for the report is centered and where a large part of the after-play of meetings and debate will occur.

To many, the SEC is a mosaic of familiar faces sharing a business address on Second Street just southwest of the Hill. It marches through the daily press with other government agencies, and like all of us, it must have a few secrets. But it is not a mysterious, impersonal thing with X-ray eyes and a determination to make our lives miserable.

It must be difficult for those close to the scene, including some government officials, to realize that agency people and processes are not so clearly understood by everyone outside Washington. Yet there is a bit of nervousness and a sense of frustration at times among regulated people and businesses. This is especially true when a major agency such as the SEC undertakes to scrutinize the activities of an entire industry and then publicize its findings and perhaps its conclusions.

Enough is known of the scope of the SEC study to anticipate the general impact of its report to Congress. For one thing, it is bound to be a newsmaker and our industry must accept that fact. Yet after the headlines fade, the story will remain and there will be time to study what has been said. In the end, millions of interested witnesses — people who have invested their funds in thousands of publicly-held companies —should have a better understanding of the intracacies of our business. The securities industry should also gain a provocative new perspective on the growth it has experienced and the challenges now at hand.

Recalls Previous SEC Reports

Although the SEC's report will have unusual scope, the project and report are not unique, except in degree. The SEC has issued special reports in the past, including its Staff Report early in 1962 on the organization and operations of the American Stock Exchange. Yet earlier studies have taken place within the framework of established procedures and available manpower. The document about to be issued has required extraordinary expense, manpower and even procedure. It is to be a comprehensive review of the scope and effectiveness of the Federal securities laws; the functions of the SEC; the structure and practices of the securities industry; and the inter-relationship of all of these.

There is some risk that the sweep of the SEC report will be so wide that its real significance will be obscured, at least temporarily. There is a further risk, no matter how carefully the facts are presented and assessed, that some will read the report — in whole or in part—as a sort of economic expose. Others may expect the report to fade away in the fashion of a momentary curiosity.

In this situation, and because of our recent experiences at the American Exchange, it may be timely to express a point of view concerning the report and the deeper question of relations be-

Continued on page 38

CONTENTS

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OBSERVATIONS...

BY A. WILFRED MAY

STOCK MARKET REFORM ON SCHEDULE

In the early days of the Securities & Exchange Commission Justice William O. Douglas, then its Chairman, remarked to President Roosevelt that it, along with other government agencies, should be scrapped after 25 years because of "hardening of the arteries" (Chairman Jerome Frank similarly suggested five years as the term).

The Commission's present Chairman, William Cary, suggests as an effective antidote to his agency's possible sluggishness, the coming report on its findings from its two-year full-dress investigation embodied in the Special Study of the Securities Markets.

This is particularly so since it will, in major part, consist of examination of the present statute and of the workings of the Commission—in lieu of an industry-baiting show.

The Commission's Special Study group, which has been laboring for almost two years under the direction of Milton Cohn, together with the regular working forces of the Commission itself, will have produced material and conclusions in time to meet its April third deadline set by the statute creating it. At least a good part of the report will be dispatched to the Congress on that date with other sections following.

From That "Controversial" Area

In the case of the "controversial" funds an advance segment covering their selling practices will, along with kindred behavior throughout the investment world, be transmitted on the initial deadline date.

Particularly because of the difficulty of tracing and controlling the spoken word, will the Fund's salesman's retail sales activities continue a very hard nut to crack.

The balance of the Commission's Fund conclusions and recommendations, with coverage keyed to the massive *Wharton School Report* made available for the Commission's consideration last year will most likely follow in two or three weeks thereafter in a second and finalizing tranche.

The major exception to timely deadline observance will be the matter of stock market credit. Such delay stems from the 1934 Securities Exchange Act's joint allocation of responsibility for securities credit rule to the Commission and the Federal Reserve Board, with the latter solely charged with setting changes in the amount of "margin" requirements.

Intensified Off-the-Exchange Exploration

Chairman Cary in informal remarks to Columbia University's Law School alumni last Saturday (March 9) confirmed the definite prospect of major importance being devoted to the Fulbright-Frear sponsored type of legislation to cover extension of the law's information, proxy and other "corporate" requirements to the vast "unexplored" over-the-counter territory. The Chairman pointed out the interesting fact that tightening up on unlisted companies' annual reporting duties would facilitate the simplification of their now so complex and detailed initial prospectus requirements.

In any event, it is a sure bet that any recommendations for tightening the governmental rule over that vast unlisted population will evoke strong and effective political opposition.

Unlisted Issues in the Back Yard

Directly related to the disposition of the permanent policy concerning the unlisted issues traded in the over-the-counter markets is the situation regarding the issues still enjoying "unlisted trading privileges" on Exchanges, notably on the American Stock Exchange.

These issues were originally brought on to Exchanges (but not on the Big Board) at the instigation of their members but without the assumption of listing obligations by the respective company managements. They were compulsorily not delisted, but given a "temporary" stay, by the Securities Exchange Act of 1934—following unwillingness to deprive the shareholders of their exchange market privileges because of the refusal of their managements to assume listing obligations. These "corporate" provisions of the Act which are thus avoided are the Act's Sections 13, 14 and 16 calling for specified fiscal reporting, proxy solicitation, and "insiders" transactions.

Asked about the Commission's attitude toward the 204 such "impure" issues still "carried" on AMEX, Chairman Cary indicated that disposition of their status is now being left to the Exchange.

Little definite progress has been evidenced from this end since the Little Board's epochal self-purging Levy Report of last year. The Report, issued 13 months ago, forthrightly recommended cancellation of the unlisted privileges after a one-year grace period for compliance with some of the listing obligations, and a 2-year ultimatum for adherence to the reporting and proxy requirements.

Amex officials tell us that they have been engaged in two major constructive steps in this nettlesome situation: (1) application of *persuasion* on managements to come through with observance of Listing obligations; and (2) scrutiny of the unlisted group on a company-by-company basis, to determine the basis for individually applied action. Despite the supporting pressure from the Levy Report and the SEC in-the-wings, definitive progress remains slow—the total of unlistees now remaining are 204 against the 208 a year ago.

Probably the future timetable on the Government's policy determination on the "unlisted Exchange" issues is subject to the course of the proposed Fulbright-Frear type of statute, which would bring all issues situated over-the-counter and anywhere else under the overall disclosure tent. If such legislation is enacted, these hybrid Exchange issues will be automatically taken care of. On the other hand, if this overall reform still, after the Congress' prospective decision, appears ready for renewed "freeze" treatment, then the 28-year free ride should be terminated *per se*.

Ethical and Practical Consideration

A specific issue in the area of ethical practice will be based on the Cady, Roberts incident. This involved use of the news from a board meeting before it was publicized—via "going to the men's room technique"—of a dividend cut by Curtiss Wright by a director of the company who was also a partner in a Stock Exchange member firm.

In addition to the general difficulties in statutorily codifying general discipline, there is the problem of determining the focal point of one's responsibility in the use of really "inside information." Is it to his firm's clients, to the corporation, or to the public?

It should be realized that this case was unusual in being not involved with the market's frequent *anticipation* of "the news," by reason of the dividend cut having been preceded by publicized discussion of a constructive business development. This had taken the form of exhibition of a mock-up of a revolutionary type engine. Further contributing to the market's unanticipated sharp decline in this instance was the dividend cutting action decision directly against the clear recommendation of the company's President and Chairman, Roy T. Hurley.

SEC's Stock Option Position

Chairman Cary points out to inquirers concerning the Commission's seemingly "soft policy" on company stock options, including permission for resetting (i.e., lowering) the option price if and after the stock's market value declines, that the SEC's power, granted under the Public Utility Holding Companies Act of 1935, is now "residual."

Furthermore, the practice is permitted under the existing Sec. 421 of the Revenue Code. If the President's and the Treasury's current Proposal to junk 421 should be passed, no further regulatory action would be necessary. If, however, as seems more likely, this reform measure should be defeated, the Commission should exercise its prerogative to disapprove the abusive practice in the utilities field.

Come what may in regulation, we are still impressed with the primary role of *investor education* in serving as his protection.

Goodbody & Co. Admits Carrison

The appointment of H. G. Carrison as a resident partner in the Jacksonville, Fla. office of Goodbody & Co., members of the New York Stock Exchg. and other principal stock & commodity exchanges, was announced at the firm's headquarters in New York by Harold P. Goodbody, managing partner. The Goodbody office in Jacksonville, opened this year, is located in the Florida National Bank Building, 223 West Adams Street.

H. George Carrison

Mr. Carrison was formerly Senior Vice-President of the Jacksonville securities firm of Pierce, Carrison and Wulbern, with which he had been associated since 1936. A native of Columbus, Ga., Mr. Carrison moved to Jacksonville at an early age. He graduated in 1933 from Rollins College at Winter Park, Fla., where he majored in economics. He has been a member of the board of trustees of Rollins since 1948 and at present is Chairman of its finance committee. He is also Chairman of the Citizen's Advisory Committee of the City of Jacksonville for the development of a Port Authority for Duval County. Until recently he was Vice-Chairman of District Committee No. 7 of the National Association of Securities Dealers and from 1955 to 1957 served as President of the Florida Security Dealers Association. He has also been active in civic and hospital work in the area.

Lehigh Univ. to Honor DuBois

BETHLEHEM, Pa.—Allen C. DuBois, a partner in the firm of Wertheim and Co., New York, N. Y., and a Lehigh University trustee, will be initiated into honorary membership in the Delta of Pennsylvania chapter of Beta Gamma Sigma, national honor society in the field of business administration, Sunday afternoon preceding the annual banquet in the Lehigh University Center. The announcement was made by Dr. Herbert M. Diamond, acting dean of the College of Business Administration.

Allen C. DuBois

Election to Beta Sigma is especially significant this year because the Society is marking its 50 Anniversary. The honorary was organized in 1913 to reward and encourage scholarship in the area of business studies, and now has 86 chapters at Colleges and Universities in the United States.

Mr. DuBois is Chairman of the New York Group of Investment Bankers Association and a member of the National Association of Security Dealers, he having served the latter organization on both the New York District Committee and the National Board of Governors. He is former Governor of the Bond Club of New York.

Ira Haupt & Co. Issues Special Tax Exempt List

A special list of tax exempt securities has been compiled by the municipal bond department of Ira Haupt & Co.

The list contains a total of 608 separate items with a par value of $64,556,000. All the securities mentioned were issued by governments of 42 States and Puerto Rico or their agencies.

The bonds are listed according to maturity with the bulk of the issues maturing in six to 20 years. However, there are 99 items due in one to five years, while 94 mature in 21 to 40 years. All items are priced to the market.

Copies of the brochure may be obtained by writing to William G. Carrington, Jr., at the firm's main office, 111 Broadway, New York 6.

State Loan and Finance Corp.

By Dr. Ira U. Cobleigh, *Economist*

Our subject is a major consumer credit corporation, loaning more money to more people in 1962 than in any prior year, and achieving new highs in net earnings as a result.

Borrowing money is most fashionable. Whether at the Government level with a national debt of some $300 billion; at the state or municipal levels where indebtedness is at an all-time high, or among individuals, the idea of borrowing now to provide immediate goods and services, and paying for these later on, has become a way of life. Of all the rates that affect our pocketbook — gas, electric, telephone, commutation, insurance rates, etc.—the rate of interest is the most important one for most of us.

Broad Geographical Coverage

One of the leading companies provide and expanding a vital personal credit service over a wide geographical area is State Loan and Finance Corporation with its home office in Washington, D. C. (the greatest borrowing center in the world). This company, in 1962, served 861,200 North American families with an average loan to each of $482—a little over 10% of average family income of $4,428. To provide and service these extensive loan accommodations, the State organization now operates 523 loan offices in 426 cities in 29 States and the Province of Ontario.

Insurance Supplements

In addition to loaning money, this corporation is doing a substantial and steadily expanding credit life insurance business (covering unpaid balances), together with credit, accident and health and casualty insurance. At the end of 1962, the insurance subsidiaries had $368,700,000 of life insurance in force, with gross premium income (1962) of $8,976,000.

Income From Interest and Loan Charges

While insurance revenues and profits are growing at an attractive rate, the big earning power for State Loan and Finance Corporation comes from interest and charges on loans. These provided 88.2% of the $50.5 million in gross revenues for 1962. The total of loans and contracts receivable at the year-end was $252,600,000, of which 85.72% was in direct installment loans.

Capital Resources

To provide the money to make all these loans, State Loan relies on resources created by its own capitalization, and on borrowing from other financial institutions. The present corporate structure consists of $108,681,850 in long term debt; $7,240,875 in 6%, $25 par preferred; and 3,947,000 shares (combined) of Class A and Class B stock. In addition, State Loan has confirmed lines of credit with 341 banks in the United States and Canada totaling $140 million, of which $69,720,000 (49.7%) were in use 12/31/62. It also had outstanding on that date, $30,275,000 in commercial paper.

All of this debt creates a quite powerful leverage for the common stock, so that actually there are currently at work $5.38 of debt for each dollar of net worth.

Growth

State Loan and Finance Corporation has grown remarkably since its corporate consolidation in 1948, when it had only 21 officers and $7 million in notes receivable. This growth has been achieved by opening new offices and by merger. In 1962 Lincoln Service Corporation, with 105 offices and 21 million in Notes Receivable, and Equitable Credit Corporation with 100 offices and $37 million in Receivables were acquired by merger.

All of this office and business expansion has required the maintenance and enlargement of an efficient management organization, in depth. The same group that started the predecessor company in 1930, headed by Mr. Davis Weir, President and Chairman, is still directing the company. Many younger executives have been developed, however, by the company's on-the-job training program. This is supervised by Personnel Managers, and depending on the experience of the trainee, can develop a capable branch office manager in from 18 to 33 months. This program steadily provides a competent group of younger men ready not only to manage existing offices, but to open new ones, or run acquired ones; and provides a corps of junior executives many of whom have the capability to handle top management assignments in the years ahead.

Actual operations are now divided among five corporate divisions, each one consisting of about 100 offices, and under the direction of a Vice-President. The divisions are in turn subdivided into districts of from 6 to 9 offices, under the supervision of a Division Manager.

Diversified Credits

In addition to Direct Installment loans, State Loan does an increasing business in Retail Installment contracts (11.95% of total receivables at the 1962 year-end), and in Commercial Financing and Wholesale Receivables. About $165 million of Receivables have the interest and charges included in the face of each note. Such advance revenues are credited to Unearned Income and converted into Actual Income on a pro rata basis as payments are received. These are called Pre-Compute loans. On other receivables, interest is calculated on a per diem basis. The total trend, however, is steadily toward the Pre-Compute basis.

Loans are of course carefully screened before being accepted, but in doing such a large volume of business, State Loan does encounter a certain amount of delinquent accounts, some of which may prove uncollectible. In 1962 actual charge-offs of credit losses, less recoveries, was $5,737,069, or 2.32% of Installment Notes and Contracts outstanding at the year-end.

From the Investor's Viewpoint

State Loan and Finance Corporation has done well by its stockholders. Each succeeding year since 1948 (when the company reported $416,000 in net) has shown an advance in net income, which reached an all-time high of $6,770,000 in 1962. After payment of preferred dividends, this was equal to $1.61 per share on the Class A and B common shares, and six cents a share higher than the $1.55 reported for 1961. This provides ample coverage for the present $1.00 dividend.

Common Stock

The Common Stock is divided into two classes, A and B, equal as to dividend and liquidation rights, but with the 321,300 shares of B common electing 80% of the Directors. The 3,626,460, shares of A common enjoy an active OTC trading market and are owned by over 15,000 shareholders. Current quotation is around 23.

State Loan and Finance Corporation is now the fifth largest direct consumer loan company in the U. S. Because of its rapid growth rate, its increased earnings for fifteen years in a row, its managerial competence and excellent cost controls, present and prospective shareholders are provided with an equity of merit, and of considerable apparent long-range attractiveness.

Kansai Electric Power Co., Inc. Shares Offered

Public offering of common shares of one of Japan's largest electric public utilities, Kansai Electric Power Co., Inc. (Kansai Denryoku Kabushiki Kaisha), is being made in the United States by an underwriting group headed by Merrill Lynch, Pierce, Fenner & Smith Inc. and The Nomura Securities Co., Ltd., New York.

The offering consists of 1,300,000 American Depositary Shares representing 13,000,000 shares of Kansai 500-yen par value common stock. The offering price is $16.75 per American Depositary Share, each share representing 10 shares of Kansai common stock deposited in Tokyo with The Industrial Bank of Japan Ltd., as agent of First National City Bank, New York, the Depositary.

Net proceeds estimated at $19,880,000, will be applied to the financing of a portion of Kansai's construction program.

Increasing demands for electric power in the company's service area have required in the past, and are expected to continue to require in the future, a substantial expansion of the company's facilities. For the fiscal year ending March 31, 1963, it is estimated that the company will make construction expenditures aggregating approximately $208,300,000, of which a total of $175,828,000 had been expended by Jan. 31, 1963. During the five fiscal years ending March 31, 1968, it is estimated that Kansai will make construction expenditures aggregating approximately $1,012,723,000. Of this total amount, it is estimated that approximately $962,723,000 will be used for construction of new facilities and the balance to be expended for improvements to restore major items of equipment to their original operating condition.

Electric operating revenues of Kansai for the 12-month period ended Nov. 30, 1962, amounted to $341,292,000. On Nov. 30, 1962, the company owned and operated generating facilities having a total effective generating capacity of 4,409,400 kw. On that same date, Kansai had 23,138 regular employees and served 3,887,528 customers in the Osaka-Kyoto-Kobe area located in central Japan.

Roscoe Ayers With Hornblower & Weeks

DENVER, Colo.—Roscoe B. Ayers has become associated with Hornblower & Weeks, American National Bank Building. Mr. Ayers was formerly Denver manager for Walston & Co., Inc., and prior thereto served in a similar capacity for Cruttenden, Podesta & Miller. Alan S. Newman, also formerly with Walston & Co., Inc. and Cruttenden, Podesta, has joined the staff of Hornblower & Weeks.

Roscoe B. Ayers

Whitney V.-P. Of Blyth & Co.

BOSTON, Mass.—George H. Whitney, Jr., has been elected a vice-president of Blyth & Co., Inc. He will make his headquarters in the firm's Boston office, 75 Federal Street.

Tax-Exempt Bond Market

BY *DONALD D. MACKEY*

Since our last week's report on the state and municipal bond market there has been a considerable investment interest shown. During the Thursday and Friday sessions the volume of major syndicate sales reached new high proportions and this interest prevailed even during Monday's session. On Tuesday, the $150,000,000 State of Illinois issue priced right to the market, was taken in stride and the bonds of all maturities are at least net bid.

This increased interest in tax exempts has broadened the market and has resulted in an average market rise of about ⅜ of a point, according to *The Commercial and Financial Chronicle's* high grade 20-year general obligation bond yield Index. The yields from this representative list of bonds average at 2.913% on March 13 as against 2.93% a week ago.

Although there has been an aura of strength pervading the market for several months, it is interesting to note in the midst of this current expression of strength, our Index still shows the market average below the high reached during early November of last year. During that period the Index touched a 2.903% yield.

New Market High Indicated

In view of the crescendo of strength epitomized in the Illinois success, it is easy to foresee further market strength. A new market high since the 1958 period of strength seems likely to be recorded in the near future, as our records tend to show. This breakthrough could be significant as the current potpourri of economic and political factors may be generating an appetite for further sizable investment interest in tax exempt bonds, not only for mounting portfolio needs but also for requirements attendant in a general shift in investment emphasis.

Devaluation and Bond Prices

During the past year we have been frequently asked to give some expression as to the market impact on tax exempt bonds should the dollar be devalued. We have ducked this one largely because of ignorance and partly because it appeared to be only remotely pertinent. Possibly in the nature of a trial balloon, Professor Paul Samuelson (M. I. T.), one of the Adminstration's top economic advisors, touched upon the subject of dollar devaluation in a general way in a prepared address before an American Bankers Association Symposium.

As reported, his written statement might indicate that a revaluation of the dollar is not necessarily a bad thing for the country and might be the correct alternative under given circumstances for our monetary difficulties. However, in his remarks, it is reported that no reference was made to devaluation and in answer to a question, he denied that devaluation merited consideration.

We find this interesting only in the fact that the subject of devaluation was brought up at all by a high Administration spokesman before a banking group. Our own feeling is that an official devaluation will be avoided at almost any cost; even at the cost of ultimately setting our national fiscal affairs in some semblance of order.

In the case of the bond market, devaluation, we feel certain, would break the market level from 10-20 points. Although such action might be theoretically tenable, from a practical, political viewpoint it might court disaster. Within this purview, it is interesting to note that Samuelson is reported as stating that the European wage inflation is doing more to correct our imbalance of payments than anything yet suggested in the way of fiats and restrictions.

Professor Samuelson concludes that if the dollar is overvalued, adjusting to that situation by running a sluggish, slow growth economy is a remedy worse than the disease. We could not agree more with this statement and it is our sincerest hope that beneficial fiscal and monetary policies may somehow improve the dollar's relative value.

Dollar Erosion Inevitable

Further erosion in the dollar's value appears inevitable to us due to the nature of we beasts, the 1939 dollar is worth only 45 cents). The bond market has taken such unofficial devaluation in stride as we have maintained a relatively strong dollar. For some time now the dollar has appeared as overvalued to many experts both here and abroad.

However, it is our opinion that a tenuous balance in this respect may continue to prevail and that, with the staunch help that derives from Federal Reserve and Treasury policies buttressed by some serious Administration recognition of the value in economy per se, the bond market seems only subject to rather moderate fluctuations as far ahead as we dare peer.

Technical Factors Favorable to Tax-Exempt Market

The dealer inventories continue to apparently total a comfortable commitment. State and municipal bond offerings appearing in the *Blue List* on March 13 totaled only $458,752,000. Little seems likely to be added in the near future due to the recent prevalence of successful new issue reofferings. This circumstance contributes formidably to the assumption of future market gain.

The new issue calendar seems sizable enough to insure an active, interesting market for at least the next month or so. A bit more than $800,000,000 of issues is presently scheduled or tentatively scheduled for competitive bidding during this period. The immediate king size issue involves $137,920,000 New Housing Authority bonds scheduled for competitive bidding on March 20. And just announced at press time is the State of California offering of $100 million bonds ($50 million each for construction and schools) for which bids will be received April 10.

A Very Busy Week

This past week has been an active one, with just over $235,000,000 of various tax exempt bonds offered for public bidding. The bidding among banks and dealers continues to be extremely competitive and very close covers among bidders were the inevitable result. Investor demand may be quiet as among insurance companies and individuals, but the commercial banks continue to dominate the scene with their business. Most of this week's issues received moderate to good receptions upon initial reoffering.

On Thursday (March 7) two issues of significance sold at competitive bidding. The Boston Metropolitan District, Massachusetts, awarded $10,947,000 State Guaranteed (1964-1993) bonds to the group headed by the *Bankers Trust Co.* at a net interest cost of 3.0808%. The runner-up bid, a 3.086% net interest cost, came from the First Boston Corp. account.

Other major members of the successful group include First National City Bank, Chase Manhattan Bank, Harris Trust and Savings Bank, F. S. Moseley & Co., Paine, Webber, Jackson & Curtis, Estabrook & Co., Tucker, Anthony & R. L. Day, Lee Higginson Corp., L. F. Rothschild & Co., J. C. Bradford & Co., Spencer Trask & Co., G. H. Walker & Co., R. H. Moulton & Co. and Charles E. Weigold & Co.

Scaled to yield from 1.60% to 3.30% for 3% and 3.20% coupons, the present balance in group totals $2,633,000.

The City of Beloit, Wisconsin, awarded $1,420,000 Corporate Purpose (1964-1984) bonds to the *Harris Trust and Savings Bank* and associates at a net interest cost of 2.7442%. The second bid, a 2.76% net interest cost, came from the syndicate headed jointly by Smith, Barney & Co. and Blyth & Co. and there were eight other bids ranging in interest cost from 2.78% to 2.83% made for this issue.

Other major members of the winning group are Robert W. Baird & Co., Mullaney, Wells & Co. and Chapman, Howe & Co.

Scaled to yield from 1.60% to 2.95% for various coupons, the present balance is $595,000.

North Penn Joint School Authority (Montgomery County), Pennsylvania, sold, through negotiation, $2,140,000 High School Revenue (1963-1983) bonds to *Ira*

Continued on page 39

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	3.00%	2.85%
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	3.05%	2.90%
Cincinnati, Ohio (U.T.)	3½%	1981	3.10%	2.95%
Philadelphia, Pennsylvania	3½%	1981	3.25%	3.10%
*Chicago, Illinois	3¼%	1981	3.20%	3.05%
New York, New York	3%	1980	3.09%	3.02%

March 13, 1963 Index=2.913%

*No apparent availability.

Larger Issues Scheduled For Sale

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

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	10:30 a.m.
Eastern Illinois University	2,400,000	1965-2002	11:30 a.m.
Mesquite, Texas	2,650,000	1964-1998	2:30 p.m.
San Francisco, Calif.	37,215,000	1964-1983	-------
March 19 (Tuesday)			
Angleton Indep. Sch. Dist., Texas	2,000,000	1964-1983	7:30 p.m.
Chippewa Falls HSD No. 4, Wis.	1,147,000	1964-1980	1:00 p.m.
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.
Islip Union Free SD No. 12, N. Y.	3,652,000	1964-1993	11:00 a.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.
Whiteside & Lee Cos: Tp. HSD, Ill.	1,365,000	1966-1978	8:00 p.m.
March 21 (Thursday)			
Marshalltown Comm. S. D., Iowa	2,850,000	1964-1982	2:00 p.m.
Oakland County, Mich.	5,405,000	1963-1992	11:00 a.m.
Pomfret, Arkwright, etc., S. D. 1, New York	2,125,000	1963-1992	2:00 p.m.
University of Michigan	1,250,000	1965-2002	11:00 a.m.
Wilmington, Del.	1,750,000	1964-1988	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)			
Charlotte, N. C.	8,000,000	1964-1990	11:00 a.m.
Dodge City Sch. Dist., Kansas	1,500,000	1964-1983	11:00 a.m.
Eureka H. S. D., Calif.	1,965,000	1964-1988	2:00 p.m.
Huntington & Smithtown Union Free Sch. Dist. No. 10, N. Y.	3,281,000	1964-1992	2:30 p.m.
Janesville, Wis.	1,960,000	1964-1983	11:00 a.m.
Macomb County, Mich.	10,260,000	1964-1993	11:00 a.m.
Massachusetts (State of)	41,810,000	-------	-------
Riverview Gardens Sch. Dist., Mo.	1,200,000	1964-1983	8:00 p.m.
March 27 (Wednesday)			
Cedar Rapids Comm. S. D., Iowa	3,900,000	1964-1983	10:00 a.m.
Columbus, Ohio	18,178,000	1964-1998	Noon
Dolthan, Ala.	3,900,000	1964-1981	-------
Grand Island, N. Y.	1,470,000	1964-1991	2:00 p.m.
Salem, Ore.	4,355,000	1968-1988	10.00 a.m.
San Antonio Indpe. S. D., Texas	6,000,000	1963-1980	11:00 a.m.
March 28 (Thursday)			
Algonac School District, Mich.	1,415,000	1964-1978	7:30 p.m.
Clark County Sch. Dist., Nev.	5,000,000	1964-1983	10:00 a.m.
Univ. of Colorado, Boulder, Colo.	5,900,000	1965-2002	4:00 p.m.
April 1 (Monday)			
Anchorage Tele. Sys. Rev., Alaska	6,000,000	-------	-------
Houston, Texas	13,274,000	-------	-------
Palo Verde Unified S. D., Calif.	1,420,000	1964-1988	-------
Shelby County, Tenn.	8,000,000	1964-1988	11:00 a.m.
April 2 (Tuesday)			
Cleveland, Ohio	12,000,000	1968-1984	11:00 a.m.
Newport Harbor Union HSD, Calif.	5,460,000	1964-1983	11:00 a.m.
Ohio State University	5,400,000	1963-2000	11:00 a.m.
Oklahoma City, Okla.	4,500,000	1967-1985	2:00 p.m.
Thornton, Colo.	1,750,000	-------	8:00 p.m.
April 3 (Wednesday)			
Philadelphia, Pa.	37,225,000	1964-1988	Noon
Spokane County SD No. 81, Wash.	1,500,000	1965-1986	10:00 a.m.
April 4 (Thursday)			
Jefferson Parish, East Bank Sewer District, La.	4,000,000	1964-1993	2:00 p.m.
April 9 (Tuesday)			
Brevard Co. Spec. Tex SD #1, Fla.	12,000,000	1966-1981	Noon
Detroit, Mich.	11,500,000	-------	-------
Gallatin County Sch. Dists., Mont.	2,348,000	-------	8:00 p.m.
April 10 (Wednesday)			
California (State of)	100,000,000	-------	-------
April 11 (Thursday)			
Duval Co. Spec. Tax SD No. 1, Fla.	10,000,000	1965-1981	11:00 a.m.
April 15 (Monday)			
Kenosha, Wis.	2,790,000	1966-1992	-------
Omaha City Sch. Dist., Neb.	25,000,000	-------	-------
April 16 (Tuesday)			
Detroit, Mich.	7,000,000	-------	-------

FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

Congressman Frank J. Becker of New York, a veteran member of Congress and one of the ablest members, delivered a speech in the House which is not only important in itself but in the fact that it represents what a lot of other members are thinking, and gives an idea of the trouble Mr. Kennedy's tax proposal is going to encounter. He quotes Mr. Kennedy as having said on Oct. 3, 1960:

"It is extremely important that the United States maintain a balanced budget to the extent that is possible. The only true reasons justifying an unbalanced budget would be a great national emergency — and serious unemployment."

Mr. Becker continues:

"We face no great national emergency.

"Any unemployment is too much, but the unbalanced budgets of the last few years have not decreased it. Actually, it has gone up a little while the unbalance of our budgets on the red ink side has gone up and up, including the first two years of this Administration and in the budget before us now.

"The facts are: To my knowledge, Mr. Kennedy has not sent to this Congress a single idea designed to balance the budget, but that, on the contrary, he continues to send us programs that will cost increasingly fantastic amounts of money and planned deficits.

"We all know of the Administration's tax-cut, tax-reform program now before us in the Congress. He sent it up here with the flat warning that he must have an 'all or nothing' package of tax cuts and tax reforms.

"The President's fiscal spokesman, Treasury Secretary Dillon, testified before the House Ways and Means Committee that unless the tax-cut, tax-reform proposal was adopted in a package, he would recommend a Presidential veto.

"Subsequently he [the President] began to hear from members of the House and from the people. He found they didn't agree with these 'screw-ball economics' such as a tax cut, by borrowing $12 billion; followed by tax reforms to take it back and adding to the national debt, and increased inflation.

"So on Feb. 25, last, he told the American Bankers Association he would be satisfied with a tax cut alone. He already had estimated officially that the entire package as originally requested would result in nearly a $12 billion deficit. Without the so-called tax reforms he had requested, where would the deficit go?

"Where, in fact, has the idea of a balanced budget gone in the mind of the President if, in reality, he ever did have such an idea?"

Mr. Becker pointed out Congress' constitutional responsibility in the matter which, he said, existed in spite of the President's packing of the House Rules Committee and his effort to pack the Senate Finance Committee.

He said that the time had come when the President must be made to realize that Congress represents the people and he named these groups which he said were opposed to the tax bill:

Churches, charity groups, home owners, home builders, elderly people, stockholder groups (17 million), employe groups.

Items to which they object, he said, included: Tighter rules on stock options, capital gains taxes on stocks and gifts, limits on casualty loss deductions, speed-up in payment of taxes by large companies.

"The President's frantic state of mind," Mr. Becker continued, "overcame his judgment to the point at which he actually shook the economic foundations with his forecast of a recession. For him to so predict is to undermine the confidence of investors, et al, on whose confidence rests the economic future."

Mesirow & Co. To Admit Partner

CHICAGO, Ill. — Mesirow & Co., 135 South La Salle St., members of the New York Stock Exchange, on April 1, will admit Richard S. Mesirow to partnership.

Scheinman, Hochstin & Trotta Open

Announcement has been made of the formation of a new New York Stock Exchange firm, Scheinman, Hochstin & Trotta, Incorporated, with offices at 111 Broadway, New York and 11 East Market Street, York, Pa. Roger Jay Hochstin is the Floor Partner, while Michael C. Pocaterra and Francis M. Trotta are Resident Partners in New York. Resident Partner in York is Peter W. Scheinman, formerly a Vice-President of the Cole Steel Corporation.

The new firm plans to publish a regular market letter which will introduce new concepts in investment timing techniques, discussions of current business and market trends and other informative material for both investors and traders. In keeping with modern day investment concepts, the firm will offer private consultation to its clients, and will provide periodic reviews of investment portfolios.

Jas. Stirling With H. B. Crandall Co.

James Stirling is now associated with H. B. Crandall Co., 79 Wall Street, New York City.

He was formerly Vice-President of Stirling, Linder, Prigal & Bilotti, Inc.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

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

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.

Brewing Industry—Analysis with particular reference to **Anheuser Busch, Pabst Brewing Co.** and **Jos. Schlitz Brewing Co.** — The Milwaukee Co., 207 East Michigan St., Milwaukee 2, Wis.

Chemical Industry — Analysis of outlook—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available is a detailed analysis of the **Petroleum Industry.**

Coal Industry — Memorandum — Thomson & McKinnon, 2 Broadway, New York 5, N. Y.

Commercial Banks—Comparative study of 27 leading banks—The Illinois Co., Inc., 231 South La Salle St., Chicago 4, Ill.

Connecticut Commercial Banks—Comparison of 10 institutions — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

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.**

Japanese Securities — Memorandum—Daiwa Securities Co., 149 Broadway, New York 6, N. Y.

Municipal Market — Review — Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available is a bulletin on the **Railroads.**

New York City Securities—Brochure of essential facts and information for investors in New York City securities—Comptroller, City of New York.

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.**

Rail Equipment—Analysis—Hemphill, Noyes & Co., 8 Hanover St., New York 4, N. Y.

Savings & Loan Holding Companies — Bulletin with particular reference to **First Charter Financial** and **San Diego Imperial** — Bache & Co., 36 Wall St., New York 5, N. Y. Also available are comments on **General Motors, Chrysler, American Motors, Fram Corp., Champion Spark Plug, Electric Storage Battery, Beatrice Foods** and **Beech-Nut Life Savers.**

Selected Stocks — Bulletin — Emanuel, Deetjen & Co., 120 Broadway, New York 5, N. Y.

Steel Industry—Memorandum—Shields & Co., 44 Wall St., New York 5, N. Y. Also available are memoranda on **Pittston, Grand Union, Advance Mortgage** and **Cutter Laboratories.**

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Abbott Laboratories — Review — Colby & Co., Inc., 85 State St., Boston 9, Mass. Also available are reviews of **Celanese Corp., Union Tank Car** and **Western Maryland.** (Firm requests stamped addressed envelope when writing for copies.)

Alberto Culver Co. — Memorandum—A. G. Becker & Co., Inc., 120 South La Salle St., Chicago 3, Illinois.

Algoma Steel Corp. Ltd.—Analysis—Greenshields Inc., 507 Place d'Armes, Montreal, Que., Canada.

American Can Co. — Survey — Abraham & Co., 120 Broadway, New York 5, N. Y. Also available is a survey of **Arkansas Louisiana Gas.**

American Rubber and Plastics Corp.—Analysis—Walston & Co., Inc., 111 West Jackson Blvd., Chicago 4, Ill. Also available is an analysis of **Walnut Grove Products Co.**

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

Andrew Jergens Co.—Analysis—F. S. Moseley & Co., 50 Congress St., Boston 2, Mass. Also available is a review of **Getty Oil Co.**

Anglo Canadian Telephone — Memorandum — Amott, Baker & Co., Inc., 150 Broadway, New York 38, N. Y. Also available are memoranda on **Columbia Pictures, Screen Gems, Haveg** and **National Gas & Oil.**

Armstrong Rubber Co. — Review —Van Alstyne, Noel & Co., 40 Wall St., New York 5, N. Y. Also available are reviews of **Lehigh Portland Cement Co.** and **Eastman Kodak.**

Avco Corp.—Analysis—Schweickart & Co., 29 Broadway, New York 6, N. Y.

Avnet Electronic Corp.—Detailed Analysis—Stanley Heller & Co., 44 Wall St., New York 5, N. Y.

Beech Nut Life Savers—Memorandum—F. P. Ristine & Co., 67 Broad St., New York 4, N. Y. Also available is a memorandum on **General Steel Industries.**

Canadian Dyno Mines Ltd.—Discussion — Draper Dobie & Co., Ltd., 25 Adelaide St., West, Toronto, Ont., Canada. Also available are comments on **Raglan Nickel Mines** and **Vendbar Industries.**

Central Hudson Gas & Electric Corporation — Annual report—Central Hudson Gas & Electric Corporation, South Road, Poughkeepsie, N. Y.

Coastal States Gas — Review — Hirsch & Co., 25 Broad St., New York 4, N. Y. Also available are reviews of **Smith Kline & French** and **Standard Oil of New Jersey.**

Coastal States Gas Producing Company — Report — The First Pickard Corporation, 60 Wall Street, New York 5, N. Y.

Commercial Credit — Memorandum—Steiner, Rouse & Co., 19 Rector St., New York 6, N. Y. Also available is a memorandum on **Chicago Pneumatic Tool.**

Computer Applications Inc. — Analysis—L. M. Rosenthal & Co., Inc., 5 Hanover Square, New York 4, N. Y.

Cramer Electronics — Memorandum—A. G. Edwards & Sons, 409 North Eighth St., St. Louis 1, Mo.

Creative Playthings Inc.—Analysis—Semple, Jacobs & Co., Inc., 711 St. Charles Street, St. Louis 1, Mo.

Curtiss Wright — Memorandum — H. E. Herrman & Company, 26 Broadway, New York 4, N. Y.

Distillers Corp.—Seagrams Ltd.—Memorandum — Wills, Bickle & Co., Ltd., 44 King St., West, Toronto, Ont., Canada.

Distillers Corp.-Seagrams Ltd.—Analysis—Royal Securities Corp. Ltd., 244 St. James St., West, Montreal, Que., Canada. Also available are analyses of **Hiram Walker-Gooderham & Worts Ltd. Canada Cement Co. Ltd.** and **Molson Breweries Ltd.**

Dorchester Gas Producing Co. — Memorandum—William A. Fuller & Co., 209 South La Salle St., Chicago 4, Ill.

Drackett — Memorandum — Wagenseller & Durst, Inc., 626 South Spring St., Los Angeles 14, Calif.

Duffy Mott Co., Inc.—Analysis—Hill Richards & Co., Inc., 621 South Spring St., Los Angeles 14, Calif.

First Union Realty — Memorandum — Hayden, Miller & Co., Union Commerce Bldg., Cleveland 14, Ohio.

General Steel Industries—Memorandum—E. F. Hutton & Co., Inc., 1 Chase Manhattan Plaza, New York 5, N. Y. Also available is a memorandum on **Chrysler.**

Getty Oil — Survey in current "Investment Letter"—Carreau & Co., 115 Broadway, New York 6, New York.

Gillette — Memorandum—Josephthal & Co., 120 Broadway, New York 5, N. Y.

Gillette Company—Review—D. H. Blair & Company, 5 Hanover Square, New York 4, N. Y. Also available are reviews of **Beech Nut Life Savers Inc.** and **Columbia Broadcasting System.**

Government Employees Insurance Co.—Analysis—Ferris & Company, 611 Fifteenth St., N. W., Washington 5, D. C.

Halliburton Company—Analysis—Walston & Co., Inc., 74 Wall St., New York 5, N. Y. Also available are comments on the **Television Industry.**

P. N. Hirsch—Memorandum—May & Co., Inc., 618 Southwest Yamhill St., Portland 5, Oreg.

Hollinger Consolidated Gold Mines Ltd.—Analysis—McLeod, Young, Weir & Company Limited, 50 King St., West, Toronto, Ont., Canada. Also available is an analysis of **Labrador Mining & Exploration Co.**

International Harvester—Memorandum—E. F. Hutton & Company, Inc., 1 Chase Manhattan Plaza, New York 5, N. Y. Also available are memoranda on **Electric Storage Battery, R. C. A.** and **American Radiator Standard Sanitary.**

International Harvester Co.—Analysis—Purcell & Co., 50 Broadway, New York 4, N. Y. Also available is a review of **Pittsburgh Steel Co.**

J. D. Jewell, Inc.—Report—Crow, Brourman & Chatkin, Inc., 550 Grand Street, Pittsburgh 19, Pa. Also available are reports on **Adler Electronics, Alberto Gulver, Charles Jacquin et Cie,** and **The Cross Co.**

Jim Walter—Memorandum—Halle & Stieglitz, 52 Wall St., New York 5, N. Y.

Kendall Company—Report—W. E. Hutton & Co., 14 Wall St., New York 5, N. Y. Also available is an analysis of **Pet Milk Company.**

King Seeley Thermos—Memorandum—Sincere and Company, 208 South La Salle St., Chicago 4, Ill. Also available are memoranda on **Crescent Petroleum** and **Gould National Batteries.**

S. Klein Department Stores, Inc. —Analysis—Gerstley, Sunstein & Co., 211 South Broad St., Philadelphia 7, Pa.

Koehring Company — Bulletin — De Witt Conklin Organization Inc., 120 Broadway, New York 5, N. Y.

La Salle Street Capital Corporation—Analysis—Bacon, Whipple & Co., 135 South La Salle Street, Chicago 3, Ill.

Lakewood, Ohio—Illustrated brochure on the city and its facilities —City of Lakewood, office of the Mayor, 12650 Detroit Ave., Lakewood, Ohio.

Lanvin Parfums—Memorandum—Rittmaster, Voisin & Co., 40 Exchange Place, New York 5, N. Y.

Littelfuse, Inc. — Analysis — Walston & Co., Inc., 111 West Jackson Boulevard, Chicago 4, Ill.

Litton Industries — Memorandum —Coggeshall & Hicks, 50 Broadway, New York 4, N. Y.

Lytton Financial — Memorandum —William R. Staats & Co., 640 South Spring St., Los Angeles 14, Calif.

Macco — Memorandum—Amos C. Sudler & Co., American National Bank Building, Denver 2, Colo.

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

Maryland Cup — Analysis — Watling, Lerchen & Co., Ford Building, Detroit 26, Mich.

McCandless Corp.—Memorandum —Link, Gorman, Peck & Co., 208 South La Salle Street, Chicago 4, Ill.

McIntyre Porcupine — Bulletin — Irving Weis & Company, 505 Park Avenue, New York 22, N. Y.

Minneapolis Brewing Company—Analysis—Piper, Jaffray & Hopwood, 115 South Seventh Street, Minneapolis 2, Minn.

Murray Ohio Manufacturing Co.—Analysis—Stein Bros. & Boyce, 1 Charles Center, Baltimore 1, Md.

National Propane — Analysis — Mitchum, Jones & Templeton,

Continued on page 36

Outlook for Interest Rates

By Dr. Roy L. Reierson,* *Senior Vice-President, Bankers Trust Co., New York City*

Well known banker-economist anticipates upward near future business trend, another good residential building year, and a halt to the recent decline in long-term yields. Dr. Reierson probes the possibility of less credit ease by the Federal Reserve, and a shift in mortgage yields wherein insured-guaranteed mortgages will face downward pressure on yields and conventional ones will have less downward or even some modest upward pressure.

The economic climate improved noticeably toward the close of 1962 and this improvement has carried over into the new year. The dollar output of goods and services continues to inch up to successive new peaks; consumer spending, paced by automobile sales, continues to do well; spending at all levels of government is rising; and building, construction and business investment are at high levels. Industrial production and the dollar output of the economy showed increases of about 7% last year, and new record highs were achieved by a large number of economic series.

Roy L. Reierson

Admittedly, there are some less favorable aspects. The rise in economic activity has not been sufficient to bring unemployment down to palatable levels. The index of industrial production has been on a substantial plateau since last August. While this should not be surprising, since it follows the pattern of earlier business expansion, it does, nonetheless, raise questions as to business prospects.

Pluses Will Predominate in the Months Ahead

Appraisal of the outlook is complicated by the indecisive character of current economic intelligence. The economic news comprises a mixture of what is regarded as reasonably reassuring and moderately disturbing. The behavior of the so-called leading economic indicators likewise does not portend an imminent cyclical decline in economic activity but neither is it forecasting dynamic expansion in the near future. On balance, however, it would appear that the pluses will predominate in the months ahead. Surveys of spending intentions suggest a continued satisfactory level of consumer spending; construction and business spending on plant and equipment will be at record levels; government spending is rising, both at the state and local level as well as at the Federal level. Business inventories, relative to sales, seem low judged by any standard and it would be surprising if business were not to engage in some restocking in the months ahead. There is likely to be some stocking of steel in the first half of the year, against the possibility of a reopening of the wage agreement around mid-year.

As to the business prospects for the latter half of the year, there are considerable differences of opinion among economists. The majority opinion is that the rate of economic expansion will rise in the closing months of the year; but there is a minority which is fearful of some slackening in aggregate activity. Those who fear that economic activity may taper off wonder whether the current levels of automobiles sales can be maintained throughout the year and whether business and construction may be maintained at present or higher levels. Those of a more optimistic persuasion are depending upon the impact of rising Government spending and upon a vigorous rise in the level of business investment.

For the time being, the best working assumption would seem to be for the total dollar output of goods and services to rise moderately through 1963 and for business activity to remain on a high plateau during the second half of the year. Thus, it seems reasonable at this point to plan for a Gross National Product for the year as a whole some 3-4% ahead of the $554 billion of 1962, and also to anticipate further, though probably somewhat smaller, increases in industrial production, employment, and most of the other broad economic measures. Expectations of a strong and sustained upsurge in business activity in the second half of the year, however, seem premature, based on the evidence presently at hand. Tax legislation is not likely to have a significant impact upon the course of business during 1963.

Housing Outlook

Nineteen sixty-two was a good residential building year and the prospect is that the current year will be about equal to last year. Housing starts in 1962 showed an increase of some 10-12% over the preceding year, and both permits and starts were strong in the closing months of the year. Multi-family building was an important source of strength, assisted by the tax laws and the ready availability of financing.

While 1963 is expected to be another good residential building year, it may not quite measure up to last year. The residential market, particularly for single-family homes, continues spotty and building of single-family homes will be fortunate to equal the volume in 1962. There are scattered signs of overbuilding of apartments and many builders believe that the recent Presidential order banning discrimination in Federally financed housing may have a dampening influence on starts, at least in some parts of the country.

In the credit markets, 1962 was an unusual year. Despite an increase in outstanding credit of record proportions, long-term interest rates were generally soft throughout the year, and money market rates hardened only slightly. The yield on insured mortgages drifted downward quite persistently throughout the year while yields on conventional mortgages displayed some weakness after mid-year. Other recent periods of business expansion have been accompanied by rising levels of interest rates of all categories. This was not the case last year. One reason is the increased flow of funds to savings institutions. The second, and more important factor, was the policy of credit ease followed by the Federal Reserve in 1962. Large amounts of reserves were made available to the commercial banking system and this permitted an increase in commercial bank deposits that was of record proportions for peacetime. As a consequence, the commercial banks were able to make large additions to their mortgage portfolios and to their holdings of tax exempt obligations—the two categories of earnings assets that seemed to promise the most satisfying yield.

Paradoxical Rise in Mortgage Debt

The most striking development in the long-term credit market in 1962 was the increase in outstanding real estate mortgage debt. The increase was about $24 billion, or about one-third larger than the increase in 1961 and some $5 billion larger than the rise in 1959, the previous record year. Although a reliable estimate is not yet possible, the increase in mortgage debt on 1-4 family houses was probably around $15-$16 billion, or 30%-40% larger than in 1961. The increase in mortgage debt (1-4 family homes) far outpaced the rise in home building, strongly suggesting a sharp rise in financing on existing properties to cover outlays such as for education, etc.

There is every prospect that 1963 will be another year of large credit demands. In the long-term credit area, the increases in real estate mortgage debt, corporate bonds and state and local obligations are, in each instance, not likely to be far different from 1962. In addition, the Treasury, faced with a larger deficit, may increase, but by a modest amount, its financing in the longer term area. The major impact of a tax cut upon Treasury financing needs and debt management practices will be felt after 1963.

Long-Term Yields

The flow of funds to savings institutions is likely to be maintained at high levels in 1963 and may, in fact, show a small increase over last year. Perhaps the crucial question for this year is whether the Federal Reserve will provide reserves sufficient to permit an increase in commercial bank deposits and earning assets of the record proportions of the past two years.

Credit policy in 1963 has continued to be relatively easy, although perhaps not quite as easy as was the case last year. It is doubtful, however, that the Federal Reserve will provide the banks with reserves as liberally as it did last year. There is a feeling within the Federal Reserve System that credit policy has done all it can to foster business expansion and that there are dangers in the excessive use of easy credit policy. The money supply has been rising rapidly in recent months, and liquid assets have been keeping pace with the rise in dollar output of the economy. There is some prospect that price increases may tend to overshadow price reductions in the months ahead. A large tax reduction, with its attendant prospect of huge Treasury deficits, might kindle inflation psychology and would, in any event, pose the problem of financing the deficit in a noninflationary manner. Finally, the balance of payments situation has deteriorated and this enhances the necessity, at a minimum, that money market rates in the United States be kept at levels that will not encourage the transfer of funds to foreign markets.

It is difficult to foresee forces that will generate significant upward pressures on interest rates in the near future. Nonetheless, the firmer tone in business, together with the larger Treasury financing in prospect, has contributed to the feeling that the decline in long-term yields recently under way may have substantially run its course. This might be expected to have some effect upon the behavior of mortgage yields. There may be a shift in the direction of conventional financing which might mean downward pressure on yields on insured and guaranteed mortgages, with less downward pressure, or even some modest upward pressure, upon yields on conventional mortgages.

*An address by Dr. Reierson before the 9th Annual Mortgage and Finance Conference of the Group Five Savings Banks Association of New York State, Brooklyn, N. Y., Feb. 28, 1963.

Shearson, Hammill Admits Winter

Shearson, Hammill & Co., 14 Wall Street, New York City, members of the New York Stock Exchange and nationwide bankers and brokers announce that on March 1 Proctor Winter was admitted to the firm as a general partner associated with the Corporate Underwriting Department. Mr. Winter, a graduate of Columbia University, before joining Shearson, was a Vice-President of Harriman Ripley & Co., Inc. He had been with that company for 17 years.

Proctor Winter

1963 and the Puritan Ethic

By John R. Haas,* *General Partner and Director of Economic Studies, G. C. Haas & Co., New York City, and Economics Instructor, American Institute of Banking*

Analysis of this year's and long-run economic prospects foresee a "pretty good year" in 1963 with GNP advancing 3% to $573 billion, and achieving $720 billion by 1970 in real dollars or $3,364 per capita GNP compared to last year's $2,972. Mr. Haas believes interest rates may be somewhat higher this year if we turn to a less easy monetary policy; DJIA earning per share will be $26.50 as against 1962's $26.00; and an effective tax cut may not take place before 1964. Paper reviews four basic conflicts facing us, and contains a formula and program for economic growth. Mr. Haas favors financing a tax cut from real savings with an interest rate high enough to attract savings required, and replies to Dr. Walter Heller's remarks about our Puritan Ethic standing in the way of enlarged deficits with the advice that we can use larger doses of moral discipline at the expense of political and personal expedience in the solutions of our economic problems.

I
Introduction

Speaking before the House-Senate Economic Committee on Jan. 28, 1963, Dr. Walter Heller, head of the President's Council of Economic Advisers, is reported to have complained that a "basic puritan ethic" of deficit-wary Americans stands in the way of the Administration's proposed cut in tax rates. He reportedly went on to say that we needed further "public education in economics to make clear the wisdom of a tax cut while the federal budget was still in the red."

John Ross Haas

I was asked why I chose for the title of this paper, "1963 And The Puritan Ethic." It did not seem amiss to join Doctor Heller in focusing attention on some of the Puritan virtues of prudence, honesty and thrift, but rather suggesting that proposed "solutions" of our economic problems can use larger doses of moral discipline at the expense of political and personal expediency. Let me add — that this prescription is applicable to all of us—private citizens, public officials, business leaders, everybody. Incidentally, it is a nice coincidence that the very instrument that prompted Doctor Heller's remark — our Rube Goldberg tax system—has probably done more to breed personal dishonesty than anything since the slave trade. So the long-overdue need for "reform" invites no one's objection. More on taxes later on.

Critique

Before we move along to the current year's estimates, we usually glance back to see if and where last year's forecasts for 1962 went haywire. Again we came off pretty well—with projections of GNP, FRB Index, income, prices, housing starts, retail trade and corporate profits about on target. Major "goofs" were in car output (up 25% versus plus-15% projected) and steel production (no change from 1961, against our plus-14% forecast). We also thought rising business activity would, as it always has in the past, produce higher interest rates and lower bond prices. The monetary authorities fooled us—by keeping bank reserves high for the first time during a business cycle recovery phase. Most of all, we stuck to our original forecast that 1962 would end the year on its high note, despite much persuasion to the contrary. May we always be so fortunate!

In Retrospect

The paramount goal of the American economic system is the welfare of the individual. The operation of that system is measured by the amount of goods and services it provides for every man, woman and child in the country, and the profitability to American business of providing those goods and services. How did 1962 measure up? Let's see:

(a) People employed increased from 66.8 million to 68.0 million up 1.2 million or nearly 2%.

(b) In 1961, we produced $2,800 of goods and services for each man, woman and child among 184 million people. For 1962 we produced $2,972 goods and services per capita for 186 million people.

(c) Corporate profits after taxes moved up from 4.5% of GNP in 1961 to 4.7% for last year, up 7%.

These critical plus signs deserve emphasis because they tend to be obscured by such nasty names as "high level stagnation," etc. They should be the benchmarks by which we measure each year's economic achievements, and each year's contribution to the long term growth trend. All this is a tribute to the inherent robustness of a country that can provide its people with the world's highest standard of living while supporting and defending a good part of the rest of the world.

II
Forecast For 1963

For 1963 we estimate that Gross National Product will average $573 billion—3% over 1962's $554 billion. We expect consumers' personal income after taxes to be up $17 billions, or 4% for the year, of which $4 billions will go into savings of various sorts, leaving consumers contributing $13 billion to the $19 billion rise in GNP. All government spending including Federal, state and local, will be up and should approximate $126 billion this year, an increase of $8 billion, or 7% over 1962. Domestic investment and net exports will be down $2 billion.

Here are how other major forecasts shape up:

	P1962	E1963	—Change— Amount	%
FRB Production Index (1957-59=100)	118	120	+2	+2
Steel Production (Million tons)	98	98	0	—
U. S. Car Output (Million units)	6.9	6.3	—0.6	—9
Housing Starts (Public & Private) (Million units	1.46	1.35	—0.11	—8
Retail Trade ($ Bill.)	234	241	+7	+3
Capital Expenditures ($ Bill.)	37	38	+1	+3

Interest Rates; Bond Prices; Corporate Profits, and Dividends

We expect monetary policy to become "less easy," which is another way of saying that interest rates will move somewhat higher as the year unfolds. On the "supply" side of the bond market, peak volume of tax-exempt financing and the Treasury's financing of an indicated record peacetime deficit—outside the commercial banks as much as possible—will add to the upward pressures on yields.

Profit projections involve the complication this year of 1962's revised depreciation schedules and the question of a corporate tax cut. In the absence of reliable intelligence on how much the new depreciation schedules and 7% equipment write-offs will mean to all corporations, we venture a studied judgment that All Corporation Profits After Tax for 1963 will be at or slightly above 1962's preliminary $26 billion—with, say, something of the order of $1 billion added to "cash flow" via the liberalized depreciation. Possibly slight improvement in reported earnings plus stepped-up cash flow suggest a 1963 dividend disbursement total in the neighborhood of $17 billion against last year's $16 billion. Within the framework of these overall estimates, earnings-per-share on the Dow Jones Industrial Average should approximate $36.50, versus 1962's preliminary estimate of $36. Cash dividends last year on the DJIA were $22.20—for 1963, we begin the year with an estimated $23.

III.
Pattern For 1963

I'd like to duck the forecaster's major risk this year — going wrong about the pattern. Just 24 months ago—Feb. 1961—the FRB Production Index hit its 1960-'61 "recession" low and, with some slight hesitation in recent months, has been in a generally rising trend since. We have a wide choice of forecasts this year. Most popular at the moment is the one that holds that first-half 1963 output of factories and mines will hold steady around recent levels and then resume a recovery trend for the second half and beyond.

We disagree. While we believe that Gross National Product will show moderate quarter-by-quarter improvement throughout the year, due to the sustained strength in "service" sectors, we believe the best score for the FRB Production Index will be made before mid-year, with an easier trend in the second half. Several guideposts of past reliability strongly support our positions:

(a) **Momentum** — The recovery has already run two years. In the absence of dramatic plus factors, it is hard to make a case for much more than a 24-30 month span.

(b) **Steel Inventory Build-up**— This is the first steel wage contract with an interim wage-reopening clause, beginning May 1 for 90 days before a strike can be called. Again this year we lean away from the probability of a steel strike but, like 1953 and 1959, hedge buying of steel—already in evidence—against rundown inventories is a special plus factor for first-half 1963.

(c) **Consumer Credit Cycle** — Our Economic Studies Department pays particular attention to its chart showing how much consumers borrow and pay off against installment purchases. Since last Fall the performance of our chart suggests that we are passing through the topping-out phase of our consumer credit cycle.

(d) **Car Production**—No matter which auto output estimate you favor car production customarily peaks in the first half of the year.

(e) **Monetary Policy** — Every Friday leading papers carry detailed figures on "Free Reserves" —the difference between "borrowings" by some member banks and the "excess reserves" of other member banks. We watch these figures like a hawk because they always turn up or down in advance of MAJOR turning points in business and the stock market. The trend of "free reserves" has been generally downward for some months which supports a cautious attitude toward late-1963 action of the production index.

IV.
Question Marks

Nineteen sixty-three seems likely to bring certain basic conflicts inuto sharper focus. These areas do not lend themselves to prediction — yet the forecaster cannot ignore them, nor so clutter his predictions with large IF's as to render his forecasts useless. As we have remarked before, an economist is as responsible for the reliability of his assumptions as he is for his forecasts.

(1) **Organized Labor Versus The Consumers**—1963 looms large as the show-down year for organized labor—more so than prior years. I say this because this is the first year that the general public seems to be getting mad about it—thanks to large-scale public inconvenience in the New York and Cleveland press strikes, shipping and local transportation strikes, elevator strikes. Big contract negotiations come up this year, mainly in steel, but also in several other major ones—notably the Rubber Workers and the Electrical Workers. So look for a year of disruptive news on this front.

(2) **Monetary Policy Versus Fiscal Policy**—Worry about dollar devaluation continues to arise. Last year's adverse balance of payments was $2.2 billion, including a gold loss of nearly $900 million. The monetary authorities would like to see higher interest rates—to attract and hold funds here. The Administration desires easy money and low interest rates "to fight recession and promote economic growth." The bulk of our gold stock is part of the country's "reserve credit"—in short, for every $1.00 of gold the banking system can accept deposits or make loans of $5-$6. But the loss of $1.00 of "reserve credit" works just as sharply the opposite way —we contract deposits and/or loans in like proportion. Now, since 1957, we have lost $7 billions in gold, for which the Federal Reserve System has substituted $7 billion of U. S. Government securities. So you can see the box the Administration is in—it needs the rise in deposits ("money supply") and loans to support "economic growth," but it is reluctant to see interest rates move higher to retard the gold outflow.

The problem of the tax cut and tax reform are of a piece with all this. There is belated recognition of the fact that our "progressive" tax system has been a drag on "growth." Simplest illustration would be to point out that Personal Income before Social Security and income taxes is up 54% since 1954, while these deductions are up 84%.

How can the Administration promote its big tax cut and bigger deficit without further damage to the dollar's prestige abroad? The major device being urged by leading foreign economists and others is for the Treasury to seek to finance the deficits outside the commercial banking system and to allow interest rates to rise enough to get the funds from "savings." Not a palatable dish, but makes more sense than some theories we've heard.

On the tax bill itself, we doubt that corporate income tax cuts will come before 1964. In my opinion, possible modest cuts in personal income tax rates later in the year will not provide much extra spending power after allowance is made for higher Social Security deductions that went into effect Jan. 1.

(3) **Free Trade Versus Foreign Competition**—Looking down the road a few years, I think freer trade will be a good thing for the country as a whole, for the

nation's economic growth. It seems only common sense that with most of the other nations of the world in a position to record a faster rate of economic growth than ourselves, we should seek to get in on it. If we don't, other nations will.

(4) **Communism Versus the Free World**— Now that we have Russian troops and military equipment stationed 90 miles off the Florida coast, the national posture is open to some pretty close inspection. Most recent statements by public officials appear to reflect increasing popular anger and concern at this affront to the venerable Monroe Doctrine. The Administration has a tiger to dismount, without war and without too many face-losing concessions e.g., giving up the Turkish missile bases.

V.
Formula For Growth

Earlier we remarked on what 1962 had contributed to the material well-being of the American people. Basically, "economic growth" is simply more and more people being able to afford more and more of the good things of life as the years roll by. While it gets interrupted once in awhile this happy trend has persisted in American life.

Our Economic Studies Department was asked to put together what the "measures" of such growth might reasonably achieve by, say, 1970. We began with these basic facts:

(a) Population will continue to increase roughly 1¾% per year, or not too far from that rate.

(b) Demand for goods and services (GNP) by each person, will, as it has over an extended period, continue to rise around a similar 1¾% annual rate, more or less.

(c) Because of the high birth rate of the 1940's, the mid-1960's will see stepped-up additions to the worker supply.

(d) Output-per-man hour ("productivity") will increase 2.5% per year.

(e) In the absence of valid norms to the contrary, we have assumed for 1970 an unemployment rate of 4% as "tolerable," a vast improvement over the latest 5.8% rate.

Mark Twain once said that there are "liars, damned liars, and statisticians." We share your skepticism of statistics — particularly long term forecasts—but we wanted to give you something you could get your teeth into—something against which to evaluate the economic facts and figures you read as the months go by. So we boiled the whole business down to a single sheet of paper, with a chart and table to show how we get—

A GNP of $720 billions for 1970 in 1962 dollars, that is, without allowing for probable inflation.

$3,364 of goods and services available for every man, woman and child, versus last year's $2,972

$250 of goods and services produced per man hour worked, compared with $202 for 1962.

$8,978 of GNP produced per employed worker, against 1962's $8,153.

An average work week of 35.9 hours, compared with today's approximately 40 hours.

Now that we have constructed our "Cloud Nine," how do we get there? We have presented a "Formula for Growth" — what about a "Program for Growth?"

Program For Growth

The "Formula" we have set before you seems a reasonable one to us — achievement of which should satisfy reasonable men. It will not satisfy that Ivory Tower circle that confuses swollen money supply via the federal deficit route with "demand."

But even achievement of our "Formula" calls for reorientation, for some departure from accepted patterns of thinking. We believe these goals will be constructed essentially from four sectors:

(1) The **family formation bulge** of the middle 1960's and beyond —with all its implications for accelerated needs for homes and things related to home life.

(2) **Services**—Some of you may recall the title of our 1961 talk—"The Service Sixties." Before the decade is over we can see 50% of personal consumption expenditures going for services of all sorts—education, medical, recreation, etc.

(3) **Research and Development** —Government and private outlays for research and development of new products and processes remain among the fastest growing series. By 1970, the vast sums spent for this purpose could top the $35-$40 billion we now spend for new plant and equipment.

(4) **International Trade**—Mr. de Gaulle has raised fears that the Common Market will become a protectionist bloc, and that other similar, smaller "cells" made up of other nations will spring up, to the detriment of U. S. trade expansion. It is easy to take this pessimistic view. To us, it is premature. It overlooks two things— (a) the resentment and concern other partners of the Common Market feel over Mr. de Gaulle's veto of British entry into the association, and (b) the place of the U. S. in the defense and support of the Free World. We prefer to wait and see—and meantime to view a rising standard of living around the world as holding a large potential economic advantage for us.

VI.
Summary

It is within this sort of longer term perspective that we look at 1963—essentially a year of modest gains in major economic series, running about one-third to two-thirds of those scored in 1962, and with signs of a temporary topping off of one of the inevitable interim business cycles. All in all, a pretty good year—especially if the projected corporate profits figures are realized.

And so, my chin is out again. To paraphrase the ancient poet—
"The moving finger writes,
and having writ, moves on—"

I hope that a year from now I shall not need "all my piety nor wit to lure it back to cancel half a line, nor all my tears to wash out a word of it."

*This is an edited transcript of a talk by Mr. Haas before the Fourth Annual Economic Seminar sponsored by the Hartford National Bank & Trust Co. at the Mohican Hotel, New London, Conn., Feb. 28, 1963.

Hawling V.-P. of Mitchell, Hutchins

Henry H. Hawling has been elected a Vice-President of Mitchell, Hutchins & Co., Inc., and will make his headquarters at the firm's new York City office, 1 Wall Street.

Current News in the Field

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

NEW FIRMS

AKRON, Ohio — **Molar & Company**, 3240 Nidover Drive. A. Geo. Molar is a principal.

LANCASTER, Pa.—**Selective Securities Company**, 219 West Chestnut Street, Robert A. Dana is a principal.

LINCOLN, Neb.—**Capital Investment Corporation**, Stuart Building. Michael E. Layon is a principal of the firm.

LOS ANGELES, Calif. —**Crocker & Associates Inc.**, 1246 South La Cienega Boulevard. The firm is successor to N. I. F. Distributors, Inc.

MIAMI, Fla.—**Wesco & Co.**, 1036 Southwest First St. Wesley J. Moffatt is a principal.

PORTLAND, Oregon — **Chester Shan-Management Co.**, Executive Building. Chester Shan, proprietor of the firm, was formerly with Chas. N. Tripp & Co.

VERO BEACH, Fla. — **John J. Carroll & Co.**, 2111 Fourteenth Ave. John J. Carroll was formerly active as an individual dealer.

NEW BRANCHES

CLAYTON, Mo.—**Stifel, Nicolaus & Company Incorporated**, 8001 Maryland Avenue. Vincent J. Layton is Manager.

DETROIT, Mich.—**Davis, Rowady & Nichols, Inc.**, 16415 West Eight Mile Road. Doyle J. Smart is resident manager.

LYNCHBURG, Va.—**C. F. Cassell & Co., Inc.**, Professional Bldg. D. Fred Savage, Jr. is resident manager.

MERRICK, N. Y.—**Feren & Co., Inc.**, 1695 Old Mill Road. Fay Levine is manager.

NEW YORK CITY—**Brown Securities Corp.**, 1440 Broadway. H. Rosenbaum is manager.

SANTA BARBARA, Calif.—**Costello, Russotto & Co.**, 3887 State St. T. Patrick Broderick is in charge.

SAN DIEGO, Calif.—**Grant, Jones & Co., Inc.**, 6476 Jackson Drive. Willard N. Thompson is in charge.

SOLVANG, Calif. — **Harnack & Company**, 1696 Copenhagen Drive. Lowell R. Hoff is Manager.

PERSONNEL

BOSTON, Mass.—Dante Ballerini and Angelo Boncore have become associated with **Eastern Investment Corporation**, 141 Milk Street. Both were formerly with David C. Lourie & Co.

BOSTON, Mass.—Walter F. Rutter is now associated with **Arthur W. Wood Company**, 19 Congress St. He was formerly with W. H. Coburn & Co.

CHARLOTTE, N. C. — James S. Lutz has become connected with **Powell, Kistler & Co.**, Liberty Life Building. He was previously with Goodbody & Co.

CINCINNATI, Ohio—Karl D. Hauck and David Weinig have become associated with **Tessell, Paturick & Co.**, 45 East Fourth St., members of the New York Stock Exchange. Mr. Hauck was formerly with G. H. Musekamp & Co. Mr. Weinig was with Fields Richards & Co.

CLEVELAND, Ohio—William M. Johansen has been added to the staff of **Hayden, Miller & Co.**, Union Commerce Building, members of the Midwest Stock Exchange. He was formerly with H. L. Emerson & Co., Inc. and Ross, Borton & Simon, Inc.

CLEVELAND, Ohio — Victor C. Porporad and James D. Soucek have become connected with **Murch & Co., Inc.**, Hanna Building, members of the New York Stock Exchange. Both were previously with H. L. Emerson & Co., Inc.

CLEVELAND, Ohio—Harrison E. Baumbaugh, Jr. has become affiliated with **Saunders, Stiver & Co.**, Terminal Tower, members of the Midwest Stock Exchange. He was formerly with Fulton, Reid & Co., Inc.

COLORADO SPRINGS, Colo. — Charles C. Bruner has joined the staff of **B. J. Leonard & Co.**, 415 North Tejon. He was previously with Copley & Company.

DENVER, Colo. — Howard D. Frank has become connected with **Dempsey-Tegeler & Co., Inc.**, Midland Savings Building. He yas previously with Peters, Writer & Christensen, Inc.

DENVER, Colo.—Robert E. Maxson has become affiliated with **Peters, Writer & Christensen, Inc.**, 724 Seventeenth Street. He was previously with Boettcher and Company.

LEWISTON, Maine—Hyman Merson has been added to the staff of **Morton, Hall & Rounds, Inc.** 460 Main Street.

LINCOLN, Neb.—Carl R. Brasee has become connected with **First Nebraska Securities, Inc.**, 1001 O Street, members of the New York Stock Exchange. He was previously with Ellis, Holyoke & Co.

LINCOLN, Neb.—John F. Turrentine has been added to the staff of **E. E. Henkle Investment Company**, Federal Securities Bldg.

NEWTON, N. J.—Sanford F. Sepllow is associated with John C. Leppart in the recently opened office of **Emanuel, Deetjen & Co.** in the Sussex & Merchants Bank Building.

PORTLAND, Oreg.—John P. Ballantyne has been added to the staff of **Dominick & Dominick**, 400 Southwest Sixth Avenue.

PORTLAND, Ore. — Laurence H. Lau is now connected with **Black & Company, Inc.**, American Bank Building, members of the Pacific Coast Stock Exchange. He was formerly with May & Co., Inc. and E. F. Hinkle & Co., Inc.

Investing in Small Cos.—Some Pitfalls and Favorites

By Robert W. Wilson,* *Senior Analyst, A. G. Becker & Co., Inc., New York, Members of New York Stock Exchange*

Small business companies possess first rate investment opportunities as well as certain disadvantages compared to larger companies. Rules laid down are designed to help the investor find the companies with great potential rewards and to avoid the ones with considerable risk. Mr. Wilson, for example, would screen out those firms with less than $500,000 net income, unable to achieve at least a 15% annual earnings growth, whose top management lacks integrity. The Wall Street analyst explains what makes small business firms attractive, and provides a compact, lucid appraisal of four companies which meet the tests set forth.

A major part of my time is spent studying the common stocks of small companies. In the process, I have developed a number of special analytical tools that may be of interest. Before reviewing these, however, let me define a small company. Company size can be measured in a number of ways: by the level of sales, total assets employed, net assets, common equity, or net income. Of these I have found net income to be the most useful and define a small company as one with net income of no more than about $5 million a year. Needless to say, an enterprise earning $5 million would be considered very large indeed by many businessmen, but most companies represented in institutional portfolios are much larger.

Robert W. Wilson

Investment Qualities

There are two major reasons why small companies are of particular investment interest. Our economy has reached the stage of development where increases in disposable income are directed into a wider variety of markets than in earlier stages, which were dominated by growth in heavy industries. Because the rapidly growing industries of today—such as cosmetics, toys, and textbooks—tend to be smaller than the rapidly growing industries of yesterday—such as steel, automobiles, and TV sets—the leading companies in the newer industries tend to be smaller.

The second major attraction of small companies is that, because of their generally low sales bases, they are able to grow much faster than the economy as a whole and, in many cases, faster than the industries they serve. In contrast, at any given time only a few large companies can grow faster than the economy as a whole. At a time when our economy is not growing particularly fast, it becomes increasingly necessary to seek out smaller companies for above-average capital appreciation.

Some Disadvantages

Investing in small companies has certain disadvantages. Most important, so far as institutional investors are concerned, is the limited marketability of these issues because of the generally small floating supply of stock in public hands. Limited marketability not only makes small-company stocks hard to buy, but also makes the consequences of an investment error much more serious because of the great difficulty of selling on bad news.

There are two other disadvantages of investing in small companies. The first is that a small company generally has less ability to recover from a period of adversity—caused either by a decline in the markets served or internal management difficulties. In contrast, large enterprises, such as RCA, Westinghouse, Chrysler, and Montgomery Ward, can withstand years of adversity and still be turned around into viable companies. Finally, the small company, no matter how broadly management responsibilities are diffused, tends to be the inspiration of one man—or at most, two. A small company is, therefore, vulnerable to any accident or deterioration in the health of the top men. To take extreme examples, I dare say that General Motors' long-term prospects would be impaired much less by the loss of its 20 top men than Alberto-Culver's future by the loss of its president, Leonard Lavin.

Screennig Rules

In dealing with small companies we are, therefore, faced with great potential rewards but considerable risks. Consequently, we must be exceptionally rigorous in selection. To this end I have developed certain rules for screening the large number of small companies available for investment. First, I am reluctant to recommend really small companies, with net incomes of less than $500,000 a year. The reason is that such companies can succeed up to a point, even if the top man has no real ability to delegate authority and develop a management organization; organizational problems seem to become crucially important only when the company is moving towards earnings of $1 million. Better for the investor to have these problems behind him rather than ahead.

I am reluctant to buy a small company that is similar in its growth characteristics to a large company, merely because the smaller company is selling at a lower price-earnings ratio. Other things being equal, it takes much better management to maintain a given growth rate in a large company than in a smaller one—if for no other reason than the larger company's broader sales base and necessarily more complex management organization. As an almost perfect example of what I mean, Beauty Counselors, while an admirable enterprise, strikes me as a less attractive investment at about 20 times last year's earnings than Avon Products, which is 14 times as large, has had a somewhat better growth rate, yet sells for 36 times 1962 earnings.

High Growth Rate Essential

For me to be interested in a small company, its growth rate must be high—at least 15% a year in earnings, and I personally prefer to seek much higher growth rates, even if the accompanying risks are greater. Basically, what I am saying is that the small-company investor must be well compensated for the risks he takes and must recognize that the stock of a small company that stops growing usually sinks into oblivion.

Fourth, high yield never strikes me as a good reason to own a small issue. Investors seeking yield are generally conservative and therefore rightfully seek broad marketability and large, strong enterprises. Consequently, no matter how high the yield in a small company, if it is not growing, I suspect the yield could go higher and the price lower.

Analyzing the management of a small company requires many of the same tools as in large companies; however, several aspects must be particularly stressed. The least concern of the small-company analyst is the ability of the top man. Generally, the top men of these companies have earned substantial fortunes for themselves; there can, thus, be little question that they are able. Rather, the most important question is the integrity of the top man. We analysts have been used by many managements to affect the price of their stocks; some of these executives are more concerned with the price of their stock than with disclosing absolutely accurate and unbiased information. One of the best ways to determine the integrity of the top man, in addition to evaluating his personality, is familiarizing yourselves with his business associates outside his company.

The second most important management factor is the humility of the top man. If his success has made him cocky, he may lack that indispensable ability to delegate authority to the many lesser men he must employ as he expands. Finally, I find it extremely important to talk with one or more of the management men under the top man; the attitude of these subordinates towards their company and its boss can be most revealing. If the top man seems inspired, but his subordinates are not, beware!

Poor Trading Vehicles

The small-company stock must have truly long-term investment merit. It should be bought with the reasonably based hope that, three to five years hence, it will be a considerably larger, more successful company than at present. Except for such lush bull-market periods as 1960-61, these issues make poor trading vehicles because of their limited marketability, and because those who make the markets generally have as much information about corporate developments as others do.

Unless you get in at the very beginning, it is best to avoid small companies in industries that are growing so rapidly that you have no way of appraising what management's ability will be under the more competitive circumstances that invariably follow such periods of rapid growth. Adherence to this principle would have avoided, I think, some of the losses that have been incurred in the discount field and shell homes by those who failed to "get in on the ground floor." It is best to stick with those industries that are as competitive as they are likely to get.

Companies Deemed Attractive

Having generalized about small companies, let me mention four issues that I think are attractive and which pass the various tests enumerated above. They are: Mattel, Alberto-Culver, Aileen, and Kaufman and Broad Building Company.

Mattel, by far the leading company in the toy industry, had estimated sales in the year ending Feb. 28, 1963, of $75 million and net income of $2.00 on each of the 2.6 million shares outstanding. Fiscal 1963 sales compared with almost $50 million in 1962 and $26 million in fiscal 1961. Through television advertising and extensive product development, Mattel emphasizes toys that are technically complex and/or on which the company can obtain a consumer franchise. Mattel has been able to grow at a much faster rate than the industry as a whole and has built a product line—60% dolls and the rest primarily plush toys, guns, games, and music boxes—that does not have to be changed radically from year to year in order to hold market position. Management has dealt with the financial community in an exceptionally informative, honorable, and a conservative fashion. With continued growth expected in existing product lines and new toys to be introduced at the toy show in March, we would guess that fiscal 1964 earnings might reach $2.40. Company's volume represents only about 7½% of the industry and, therefore, has room to continue growing much faster than the industry's 5%-10% annual rate.

Alberto-Culver is the most rapidly growing major toiletries company, with 1962 volume of $57 million, up from $25 million in 1961 and $15 million in 1960. Profit margins have been steadily increasing, so that 1962 earnings of $2.30 on 1 million shares outstanding compared with $0.52 in 1960. This outstanding success has been due to effective and heavy sales promotion of good products; VO-5 hair spray, hair dressing, and shampoo have been the greatest successes. The company not only spends large sums on TV advertising, but also has developed a strong sales force for servicing retailers and making sure that Alberto products receive adequate shelf space. The company operates in a manner whereby promotion expenditures can be adjusted to sales, so that there is little danger of such outlays getting out of hand and curtailing earnings should growth slow down. For 1963 I would estimate sales of at least $80 million, somewhat higher profit margins than in 1962—but still lower than the industry generally—and per-share earnings of about $3.60. While the price of this stock is high in relation to estimated current earnings, Alberto-Culver could develop into one of the very large cosmetics-toiletries-proprietaries manufacturers in the next five years.

Aileen is the leading producer of cotton-knit women's dresses and sportswear. The company has capitalized on the trend to more casual, easier-to-maintain women's wear by gaining dominance in one rather small, but exceptionally dynamic, segment of the market. Styles in this field change just enough to permit an aggressively managed company to obtain a preferred position with retailers and consumers and yet not so much as to permit easy entry by small companies with "hot" styles—as happens in the high-fashion dress industry. 1962 sales were about $15 million versus $10.6 million in 1961 and $7.5 million in 1960; earnings on the 1 million shares now outstanding were $1.08 in 1962 versus 99c the previous year—the lower profit margin being due partly to unusual expenses that will not recur this year. I would expect 1963 sales of $20 million and per-share earnings of at least $1.50, with part of this year's sales coming from new lines introduced in 1962.

Kaufman and Broad Building Company, builder of single-family dwellings and row houses in the $10,000-$15,000 price range, is unlike any of the other home-building stocks that you have lost money in over the last several years. The company does not extend any credit—using FHA and VA financing exclusively—does not speculate in land—buying property shortly before building on it—and does not build a gimmick house—a pre-fabricated, shell metal, or glass house. I think this year's sales and earnings could reach $40 million and $3.00 on the 605,000 shares outstanding versus $22 million and $1.49 in 1962, and $11.7 million and $1.06 in 1961. Management is unusually broad-based for a company this size. With the total home building market estimated at around $20 billion (excluding high rise apartments, which the company does not build), and the numerous advantages that this company has developed over its competitors, I can legitimately hope that sales will soon move into the $100 million bracket and earnings along with them.

*An address by Mr. Wilson before a group of institutional investors, Boston, Mass.

Albert Brocar, Jr. With Almstedt

LOUISVILLE, Ky. — Albert C. Brocar, Jr., well-known in the municipal bond field, became associated March 1, 1963, with Almstedt Brothers, 425 West Market Street, members of the New York Stock Exchange. He will work primarily in the Municipal Bond Department, but will continue his interest in all types of investments.

Albert C. Brocar, Jr.

Mr. Brocar, a native of Louisville, had been with J. J. B. Hilliard & Son for 34 years. Since 1953, he was Manager of that firm's Municipal Bond Department.

He served two years in the U. S. Army during which he was stationed in India for 16 months.

Mr. Brocar is a member and past President of the Bond Club of Louisville.

Key Roadblocks to Our Economic Growth Potential

By Marriner S. Eccles,* *Chairman of the Board, First Security Corp., Salt Lake City, Utah; Former Chairman of the Federal Reserve System*

Mr. Eccles wastes no time in singling out the factors he believes are responsible for our economic growth and balance of payments difficulties. What he has to say differs in stress, if not in identifying that culpably responsible, and in prescribing what should be done to alleviate our problems compared to what many others have said on the same topic. Topics covered include: compensatory fiscal-monetary policy; slowing down of the population growth, curbing labor-dictated wages, and measures to eliminate our international payments-imbalance.

Economic Growth can only be adequately considered in relationship to employment, production and prices. It has become increasingly apparent that fiscal and monetary policy alone are not adequate to produce a satisfactory rate of growth and a low level of unemployment.

Marriner S. Eccles

Our basic problem is the inability of our economy to generate sufficient growth to utilize our available resources of labor, material and productive facilities, which are our real wealth. At present the results of this are unemployment of approximately 5½% of our labor force, extensive idle facilities, an increasing Federal deficit, and fear of a recession in the economy, with a continued serious deficiency in our international balance of payments problem.

The dilemma in which we now find ourselves is not of sudden origin but is the result of an accumulation of past failures to face up to the basic economic problems that have confronted us. Our failure to recognize our economic limitations is the principal reason for the deficiency in our international balance of payments—one of our most serious problems. During the past 15 years we have disbursed approximately 100 billion dollars in economic and military aid, not including our own extensive military expenditures abroad. This, together with large private foreign loans and investments, the freedom of foreigners to sell securities in our market, and expanding foreign travel by Americans, has drastically changed the position of Western Europe from one of an acute dollar shortage to one of a large surplus. During this same period excessive increases of wages and fringe benefits of organized labor in this country have tended to price American goods and services out of the world markets and the domestic markets as well. This has, in effect, deprived us of much of the monetary and economic freedom which we formerly enjoyed since we now find ourselves locked into a world situation which we can no longer financially control.

I do not believe there are any pat, or ready solutions to these complex economic and social problems that have built up over the years, but I do feel that the present situation calls for a serious reassessment of some basic problems and action to deal with them.

The entire national tax laws need to be rewritten and simplified. The income tax law started as a 16-page document in 1913; it now consists of 1,006 pages, in fine print, plus enough rulings and interpretations to fill a five-foot bookshelf.

I believe the individual and corporation income taxes are too high. They were increased to the existing levels during the war period when it was desirable to reduce the demand for the limited supply of civilian goods and services. We are now in an entirely different situation. We have an excess of goods, labor and productive facilities. Under these conditions inflationary pressures have subsided during the past few years and, therefore, individual and corporation income taxes should be reduced now, as recommended by the President. This action would substantially increase consumer expenditures, which, in turn, creates employment, greater utilization of productive facilities and increased corporate profits, all of which stimulates new capital expenditures.

Prefers Increasing Private Spending Than Government

I think the administration must move with care relative to some of the tax reforms proposed as they will not create the kind of atmosphere that is conducive to spending or investing. Rather than increasing public expenditures (which may be badly distributed and would be slow in their effect) I believe a quicker and more satisfactory economic result is achieved by reducing individual and corporate income taxes so the taxpayer can spend the money. However, any decrease in Federal income taxes will likely be more than offset by increases in local taxes required to meet the mounting complexity of economic and social problems resulting from a too-rapid population growth.

Would Curb Too Rapid Population Growth

This population growth will also add increasingly to our unemployment problems as the resulting influx of workers will likely be among the least skilled and least experienced in the labor force (most of our present unemployed are in this class). Unless we recognize the need of reducing immigration and curbing our rapidly growing population (as Western Europe and Japan are doing) I do not believe we will be able to meet our unemployment problem and maintain an adequate rate of economic growth.

Automation increases the demand for skilled labor while at the same time reduces the need of unskilled workers. One of the reasons today for the rapid advance in automation is because of the excess demands of labor unions. Union leaders recommending a 35-hour week at the same pay and fringe benefits as a 40-hour week would hasten automation and greatly slow up employment in many of the services and other industries where automation was not applicable. It would likewise force many others out of business. It would increase production costs and lead to higher prices or a further reduction or elimination of profits. It would not solve, but would likely accentuate, the unemployment problem.

Blames Labor for Overpriced Dollar

Now I would like to consider the monopolistic powers of organized labor which are largely responsible for slowing the rate of growth in our economy, as well as the continuing deficiency in our international balance of payments. These, our two basic problems, are inseparably connected and our failure to face them is responsible for our present dilemma.

This country is finding it increasingly difficult to sell goods in the world market. With wages two to five times less in Western Europe and Japan, this should be expected, since productivity in these countries is rapidly increasing and approaching that of the United States. In the light of this situation the dollar is overpriced in relation to other currencies. If this condition persists the United States cannot maintain its position as the reserve currency country and world banker This responsibility will have to be taken over by an international monetary organization where currency values can be adjusted upward or downward over the longer period as the need is determined.

In the meantime, further increases in wages and fringe benefits, as well as salaries, must be curbed. Total profits of corporations were the same in 1958 as they were in 1947, whereas the compensation of labor in the same period increased 97%. The benefits of increased productivity should go not only to the worker but to the employer, stockholder and consumer. Foreign economic and military aid must be increasingly assumed by other Western European countries. Our overseas military expenditures should also be reduced. Foreign travel and expenditures by United States citizens should be restricted.

Controlling Capital Out-Flow

Foreign investments by United States corporations should be controlled. Borrowing in this country by foreign companies and governments should be regulated. The law requiring gold reserve backing for Federal Reserve notes should be repealed. The alternatives are tariffs, embargoes, quotas, exchange controls, with an ultimate devaluation of the dollar.

Organized labor represents about 25% of the labor force. There is a wide discrepancy between the income of the organized union workers, getting between $3.00 and $6.00 per hour, and most of the 75% of unorganized workers earning between $1.00 and $2.00 an hour. The disparity in the incomes of these groups makes it increasingly difficult to exchange goods and services, resulting in unnecessary unemployment.

How can workers earning from $1.00 to $2.00 an hour buy or rent houses or apartments built by union workers with common labor getting, in wages and fringe benefits, $3.52 per hour now and $4.02 in two years, plumbers getting $5.78 per hour now and $7.55 per hour in two years, and other union wages in proportion? These were strike-winning settlements in Northern California last summer.

Compulsory Arbitration for Today's Real Monopoly

In 1958 the total compensation of all employees was more than 14 times as much as profits of all corporations. Much has been said of the monopolistic power of business, but the real monopoly today that is creating our problems is the monopoly of organized labor. The most recent example—the longshoremen's strike covering the entire Atlantic seaboard costing directly tens of millions and indirectly hundreds of millions of dollars. This, and numerous other strikes are seriously affecting our economic growth and employment. Labor leaders are in a predicament because they hold their position to the extent they are able to obtain increased wages and other benefits. They are thus compelled to try and outdo each other. The public interest demands that laws be passed to deal with this menacing situation or there is no chance of solving the problem of economic growth and unemployment. Strikes, as well as lockouts, should be outlawed. Where there are conflicts, compulsory arbitration should be provided, with the right of appeal by either party to federal labor courts to be established. This would also tend to solve the predicament of the labor leaders.

We should not tolerate private groups dominating our government and our economy by means of organized monopolies. A few men at the top exercising such power constitutes a private dictatorship of public policy and must, in the interest of our country, as well as labor itself, be courageously dealt with by both political parties. It is a most important national issue—almost as important as national defense.

Looking to the future, an adequate rate of economic growth with a low level of unemployment and reasonably stable prices depends upon not only a compensatory fiscal and monetary policy, but upon slowing the population growth, curbing the monopolistic power of union labor and eliminating the deficiency in our international balance of payments.

*Statement by Mr. Eccles at a Symposium on Economic Growth, sponsored by the American Bankers Association, Washington, D. C., Feb. 25, 1963.

Lee to Be V.-P. Of Lee Higginson

David S. Lee, manager of the sales department, on March 14, becomes a Vice-President of Lee Higginson Corporation, 20 Broad St., New York City, member of the New York Stock Exchange and other leading national exchanges.

The New Money Market

Economists explain why: (1) Reg. "Q" increase in time-savings deposit interest rates unexpectedly failed to bring about long-term interest rate rise; (2) demand for mortgage funds went up though housing starts rose only moderately; and (3) open-market borrowing has reduced the significance of short-term bank loans. The authors, also, briefly summarize post-World War II principal new developments, and new tendencies in the markets for long-term funds influencing interest rates and changing investment and commercial banking practices.

The record increase in 1962 of time and savings deposits in commercial banks and mutual savings banks and in capital shares of


Dr. J. H. Taggart


Marcus Nadler

savings and loan associations as a result of the amendment of Regulation Q by the Federal Reserve Board and to some extent caused by the violent gyrations of the stock market in May and June had a much greater and opposite impact on the capital market than had been expected, according to a bulletin entitled "New Forces in the Money and Capital Markets," just issued by Dean Joseph H. Taggart, director, and Dr. Marcus Nadler, research director of the C. J. Devine Institute of Finance of the Graduate School of Business Administration, New York University.

Unexpected Results of Regulation "Q"

It had been anticipated, the NYU study pointed out, that the increase in the rate of interest paid on time deposits would tend to push up long-term rates generally. In fact, the effect on the capital market was just the opposite. One reason for this was the rapid upsurge in savings deposits seeking outlets in the capital market came at a time when the volume of corporate securities offered in the market was declining. The principal factor was the change in the investment policies of the commercial banks induced by the need to find higher yielding outlets to offset the increased cost of savings and time deposits. Government securities obviously were not the answer. Neither were ordinary commercial loans, particularly those commanding the prime rate, adequate to meet the high cost of savings, especially in view of the relatively moderate rise in business loans. The commercial banks therefore turned to tax-exempt securities and to mortgages. The amount of obligations of states and subdivisions held by all member banks increased between Dec. 30, 1961, and Sept. 28, 1962, from $16.7 billion to $20.1 billion. These heavy bank purchases were primarily responsible for the strength of the market for tax-exempts and the decline in yields. Similarly, the sharp increase in the demand for mortgages by commercial banks, mutual savings banks, and savings and loan associations was responsible for the decline in mortgage rates in 1962, even though the volume of mortgages rose materially.

It would appear, therefore, that the change in Regulation Q had a much greater effect on long-term interest rates than the abandonment of the "bills only" policy in February 1961 and the resumption by the Reserve authorities of buying medium- and long-term government securities in the open market. Whether the rate of growth of time and savings deposits will continue at the 1962 pace is problematical. It is quite likely that the steep rise in 1962 was caused partly by a substantial shift of equity money to savings deposits. This decreased the supply of capital available to enterprises desiring to finance their needs through the sale of stock.

Mortgage Money Demand Paradox

In discussing the mortgage market, the bulletin states that in the postwar period the mortgage market has constituted the greatest single demand for long-term capital. The amount of outstanding mortgage debt has increased rapidly, from $35.5 billion at the end of 1945 to $130 billion in 1955, $207 billion in 1960 and $250 billion at the end of 1962. The supply of mortgages is highly volatile. When building activity is at a high level the volume of mortgages incerases rapidly, as for example in 1955 and 1959, causing a sharp rise in mortgage rates and consequently in other long-term rates. When the demand for mortgage loans is slack, there is almost invariably an immediate downward pull on interest rates.

In recent years, particularly during 1962, refinancing of mortgages has played an important role in the mortgage market. Although housing starts rose only moderately in 1962 and costs of construction did not increase appreciably, the amount of mortgage debt grew by a record $24.4 billion. In part this sharp increase was due to the refinancing of outstanding mortgages at larger amounts. Over the years mortgagors, through amortization payments, have reduced their mortgages and are therefore in a position to refinance them to obtain additional funds. It is quite likely that some of this money is used to improve or enlarge the homes, to finance the education of the borrowers' children, and to purchase durable consumer goods. Thus, transactions usually financed through relatively short-term borrowing, not exceeding three years, are financed through long-term mortgage loans with a maturity of 20 years and over, usually at a lower cost. This reduces the demand for consumer loans and thus affects the operations of finance companies as well as commercial banks. It also raises the volume of mortgage debt and thus tends to affect the level of mortgage rates and long-term interest rates in general. If this should prove to be more than a temporary phenomenon, it could have a marked impact on the money and capital markets.

Open-Market Borrowing Offsets Short-Term Bank Loans

A recent money-market development, according to the bulletin, has been the increased reliance on open-market borrowing, which in turn has tended to reduce the significance of short-term bank loans. This has been due primarily to the lower rates obtainable through the sale of commercial paper or the use of bankers' acceptances. While the prime rate the commercial banks charge their best customers has remained unchanged at 4½% since August 1960, the average monthly prime commercial paper rate fluctuated between 2.7 and 3.4% during the period from August 1960 to November 1962. The rate on paper directly placed by finance companies, which are among the heaviest bank borrowers, fluctuated between 2.5 and 3.2%. Because of this wide differential, finance companies and other corporations are meeting a larger part of their credit requirements through the sale of their paper in the open market than through borrowing from the commercial banks. Moreover, in contrast to bank loans, financing through open-market paper does not involve maintenance of compensating balances.

New Postwar Developments

The principal new developments in the money market in the postwar period, and particularly in the past few years, may be briefly summarized as follows:

(1) The restoration of the international money market and the continuous large balance of payments deficit of the United States, which have greatly increased foreign-owned short-term dollar assets and have led to large losses of monetary gold in the past five years.

(2) The decreased importance of bank borrowing by finance companies and large industrial corporations and the accompanying increase in the volume of commercial paper and of bankers' acceptances in the market.

(3) The lessened significance of inventory movements and its effect on the demand for business loans.

(4) The growing tendency for large firms to finance their small customers' working capital and equipment needs, as evidenced by the constant and sharp increase in accounts receivable.

(5) The decreased dependence of business concerns on the commercial banks for credit and their increased reliance on depreciation reserves and reinvested earnings.

(6) The introduction of negotiable time certificates of deposit.

(7) The expanding role of non-bank corporations as short-term investors and suppliers of funds to the government bond houses.

(8) The sluggish growth and rising velocity of demand deposits and the great liquidity of the banks and of the economy as a whole.

New Tendencies Affecting Interest Rates

Similarly, new tendencies have emerged in the markets for long-term funds that have had a major influence on supply and demand factors and on interest rates. These include the following:

(1) The accelerated growth of savings and time deposits in commercial banks, which has affected their investment policy significantly.

(2) The greater importance of private placements as compared with public offerings of debt securities, which in turn has enhanced the importance in the capital market of the large institutional investors, notably the life insurance companies, at the expense of the smaller investing institutions.

(3) The growth of term loans by commercial banks and the declining role of self-liquidating short-term business loans in bank lending.

(4) The frequent shifting of funds between the equity market and savings institutions, which has had a marked impact on the capital markets.

(5) The tendency to refinance home mortgages at an amount higher than the outstanding balance and to utilize the additional funds obtained for buying durable consumer goods and for other purposes.

(6) Treasury debt management innovations, such as advanced refunding, utilization of debt management to prevent sharp declines in short-term rates, and competitive bidding for long-term bonds.

(7) The decreased importance of expectation of changes in interest rates, which has had an influence not only on speculative activity in the bond market but also on the timing of offering and buying of long-term obligations.

Malone, Yardley With Andresen


Sam F. Malone


Thomas K. Yardley

BIRMINGHAM, Ala. — Andresen & Co., members of the New York Stock Exchange, have opened a new Municipal Bond Department in their Birmingham office, Bank for Savings Building, Lyndon L. Pearson, resident partner, has announced. Although specifically designed to handle certain of the municipal bond needs of various banks and other institutional investors, Mr. Pearson indicated that they hoped shortly to begin handling corporate and government bonds as well.

The new department is managed by Sam F. Malone and Thomas K. Yardley. Mr. Malone had been in the Bond Department of The First National Bank of Birmingham, and Mr. Yardley had been with Hendrix & Mayes, Inc., prior to joining Andresen & Co.

The Euro-Dollar Market Has Achieved Permanency

By Paul Einzig

The inherent advantage of the "Euro-dollar" market assures its permanency even in: (1) the absence of speculative interest rate differentials and profit margins; (2) our removal of Reg. Q or imposition of tighter credit; and/or (3) the event the deficit in our payments-imbalance disappeared. Dr. Einzig doubts Americans will transfer domestic deposits to their banks' branches abroad in view of the ever present risk of exchange control. The author points out, also, that our competitive attempt to raise interest rates on deposits would cost our banks more than they could possibly gain in trying to forestall the rise of "American-owned Euro-dollars." Dr. Einzig, thus, anticipates neither a speculative expansion nor the disappearance of the Euro-dollar market but admits that a sudden change could alter his prediction of modest growth for Euro-dollars.

LONDON, England—The London market in Euro-dollars has been rather quiet during recent weeks. Its turnover is believed to have declined somewhat, its rates are lower, and, above all, profit margins on transactions in Euro-dollars are distinctly narrower. These tendencies have revived the feeling in many quarters that the trend towards the expansion of the Euro-dollar market has now become definitely reversed. Even though very few people expect the market to disappear altogether, many more expect it to decline considerably in the not too distant future.

There is no reason to believe that this will be the case. It is true, if the United States authorities should yield to pressure in favor of doing away altogether with Regulation Q, and removing the maximum limits to interest allowed on deposits, however short, it might reduce the margin of advantages for foreign and American depositors to deposit their dollars in the Euro-dollar market in preference to leaving their deposits undisturbed with banks resident in the United States. This tendency would of course become stronger if, in addition, the United States monetary authorities should also yield to pressure in favor of the adoption of a dear money policy. Even so, there is enough basic justification for the market to survive in spite of such changes.

Survival Due to Inherent Advantages

This conclusion is endorsed in an excellent article by Mr. O. L. Altmann, appearing in the March, 1963 issue of the *International Monetary Fund Staff Papers*, which brings up to date an earlier article by the same author in the same publication. He believes that the present supply of Euro-dollars is adequate to keep the market going. On my part, I believe that, such are the basic advantages of this highly flexible and adaptable device both for lenders and for borrowers that, now that banks and many non-banking investors and borrowers have got into the habit of its use, between them they will keep the market going even in the absence of spectacular interest differentials and profit margins.

There is a widesperad opinion that the market owes its expansion to the perennial balance of payments deficit of the United States, because the export surpluses placed large dolar funds into the hands of non-residents. Those who hold this view overlook that most of the foreign-owned dollar holdings had originated through the long series of balance of payments *surpluses* of the United States and to influx of foreign balances due to the confidence inspired by the perennial surpluses. It makes no difference from the point of view of the prospects of the Euro-dollar market whether the foreign-owned dollar deposits came about as a result of exports of goods to the United States, foreign economic and military aid, the influx of hot money, or the influx of foreign capital seeking permanent investment in the United States.

According to another popular misconception in the opposite sense envisages a spectacular expansion of the Euro-dollar market as a result of an increase in the volume of American-owned dollar deposits lent in foreign centers, that might take place unless Regulation Q is repealed. Admittedly, as more and more American residents discover the advantages of higher yields on their short-term investments, the proportion of American-owned "Euro-dollars" (a contradiction in terms) may increase. Should this happen, the pressures on the United States Government to do away with Regulation Q would increase.

On the face of it the case for restoring the flexibility of interest allowed on unofficial dollar deposits is a very strong one. But those in favor of the change do not apepar to realize that an increase of interest on the hundreds of billions of domestic deposits would cost American banks a great deal more than they could possibly gain by preventing the flow of a billion dollars or two into the Euro-dollar market. After all, if as a result of a heavy flow of American residents' funds into the Euro-dolar market, interest rates and profit-margins should decline, a stage is bound to be reached sooner or later at which the movement would come to an end. Competition of the increased volume of Euro-dollars would tend to lower interest rates in Europe and it might cease to be advantageous to borrow in the Euro-dollar market.

Risks in American-Owned "Euro-Dollars"

Moreover, many Americans are bound to feel that the increased yield would not compensate them for the additional risk. The practice of American banks, whose customers want to transfer their deposits to their London branch, to make them sign a declaration to the effect that they are aware that such deposits are subject to exchange control in the countries concerned, should in itself be sufficient to make them realize the extra risk. Although at the present moment there is no likelihood of any new exchange control being adopted in Britain, the possibiilty cannot be excluded altogether. The risk may appear to be negligible at present, but its unquestionable existence may be sufficient to deter the overwhelming majority of large American depositors from switching into the Euro-dollar market. And it is only the large accounts that really matter, for it is not possible to operate in Euro-dollars in small amounts.

Taking everything into consideration, it seems safe to conclude that the anticipations of a disappearance of the Euro-dollar market and the anticipations of its spectacular expansion through attracting funds of American residents are equally unjustified. The market will have its ups and downs, but it has come to stay. Its institutional development is now probably more or less complete, so that any further possible expansion is likely to be on a more modest scale than the expansion witnessed since 1957. Nevertheless, the development needs watching, as the situation and prospects are in the habit of changing with a disconcerting suddenness.

Houston Stock & Bond Club Outing

HOUSTON, Texas—The Stock and Bond Club of Houston will hold their annual field day March 22 at the Champion's Golf Club. A cocktail party at the Ramada Inn on Thursday, March 21, will precede the field day.

Tariff is $25 per guest. Checks, made payable to the Stock and Bond Club of Houston, should be mailed to Jack Currie, Moroney, Beissner & Co., Inc.

Richard Bradley, Equitable Securities Corporation, is general chairman of the event. Golf is in charge of Gene Owen, First City National Bank; special event, Rolfe Beaudry, Fridley & Frederking; Entertainment, Albert Magill, Underwood, Neuhaus & Co., Inc.; Thursday party, Marvin Demanzuk, Dempsey-Tegeler & Co., Inc.; invitations, John Greer, McClung & Knickerbocker Inc.

H. Ward Beebe, Beebe & Lavalle, is President of the Club.

Gregory & Sons In New Offices

The New York Stock Exchange firm of Gregory & Sons announces the removal of its office, effective March 18 to 40 Wall Street, New York City, where it will occupy the 26th and 27th floors.

The firm was organized in 1934 and holds memberships on the American Stock Exchange and the Midwest Stock Exchange. It also maintains direct wires to correspondents in 60 cities in the United States and Canada.

Partners include: George M. Gregory, George E. Nelson, M. Henry Townsend, Joseph D. Krasowich, Robert J. Kelly, F. Oakley Crawford, William H. Gregory III, Samuel Sloan III, J. Hampden Robb, Jr., James H. Sheils, George W. Linne, Robert H. Gregory, Seth A. Thayer, Herbert A. Hoehn, and Edith A. Gregory (limited).

The State of TRADE and INDUSTRY

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

Current economic activity continues to move sideways while liquid assets are growing at a fast pace, indicated the March issue of *Barometer of Business*, published by the Harris Trust and Savings Bank, Chicago.

The publication also states that industrial production is remaining in the narrow one-point index range of 119-120 (1957-59 = 100), which it has occupied since July, 1962.

Even though new orders for durable goods increased in early 1963, they are still within the high-to-low 5% fluctuation experienced during the last half of 1962.

Since May, 1962, seasonally adjusted civilian employment has varied less than half a million, while unemployment moved between 3.8 and 4.2 million, or 5.3-5.8% of the civilian labor force.

Retail sales for February continued to fluctuate in the $19.6-$20.2 billion range where they have been for the past eight months, pointed out the business summary.

Even though most economic indicators have been on a flat trend for the past three-quarters of a year, liquid assets of the public have increased rapidly.

Commercial bank time deposits, mutual savings deposits, and savings and loan association shares, showed record dollar increases in 1962. This growth last year followed previous record advances in both commercial bank time deposits and shares of savings and loan associations in 1961.

Total liquid assets in the form of currency and demand deposits, commercial bank, mutual savings bank and postal savings time deposits, savings and loan association shares and U. S. Government savings bonds rose $28.7 billion in 1962 compared with $27.9 billion in 1961, stated the *Barometer*.

The phenomenal rise of $15 billion, or 18%, in commercial bank time deposits held by the public last year was in part the result of the increased interest rates offered by banks on time deposits.

However, the excellent growth in mutual savings banks and savings and loan associations suggests that the record rise in the commercial bank time deposits did not come primarily at the expense of other liquid assets, but was an acceleration of the liquid asset growth of the past few years. During the three-year period 1960-1962, the public has increased time deposits at commercial banks 47%, mutual savings banks deposits 18%, and its shares in savings and loan associations 47%, states the publication.

Since the savings rate of consumers has remained nearly constant, consumers as a group have not increased their net accumulated savings relative to income. On the other hand, there has evidently occurred a substantial increase in saving by a portion of the population while others have increased their debt obligations. As a result consumer holdings of liquid assets have risen, while at the same time a marked gain is evident in consumer debt obligations, particularly mortgages.

Due to the increase in interest and dividend rates, consumers have shown a preference for saving in the form of time deposits and savings and loan association shares as opposed to marketable Government securities and corporate stocks.

Even though the economy has registered slow gains during the past year, the growth in liquid assets of the public has been of record proportions. This combination of events has been instrumental in the gradual decline of long-term interest rates during most of 1962, indicated the *Barometer of Business*.

Bank Clearings Increased 13.4% 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 9, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 13.4% above those of the corresponding week last year. Our preliminary totals stand at $32,062,300,059 against $28,261,249,493 for the same week in 1962. Our comparative summary for some of the principal money centers follows:

Week End. Mar. 9—	(000's omitted) 1963	1962	%
New York	$18,135,356	$15,558,505	+16.6
Chicago	(1,364,876	1,232,616	+10.7
Philadelphia	1,180,000	1,136,000	+ 3.9
Boston	864,229	793,792	+ 8.9
Kansas City	544,568	509,854	+ 6.8

Steel Rise of 2.3% Over Prior Week Marks Sixth Weekly Gain in a Row, But Is 8% Below Year-Ago Week

According to data compiled by the American Iron and Steel Institute, production for the week ended March 9 was 2,178,000 tons (*116.9%), as against 2,130,000 tons (*114.3%) in the week ending March 2. The week to week output increased 2.3%.

This gain was the sixth consecutive weekly increase and is attributed to an advancing current use demand for steel as well as an undercurrent of hedge-buying against a possible steel strike. Not since the seven weekly advances in a row ending Feb. 17, 1962, has there been a comparable sustained consecutive rise.

So far this year — through March 9 — the output of ingots and castings has totaled 19,868,000 net tons which comes to a 16.5% decline compared to Jan. 1-March 10, 1962 production of 23,804,000 net tons (*127.8%).

Data for the latest week ended March 9 show a production decline of 7.98% compared to last year's week output of 2,367,000 net tons (*127.1%).

District—	*Index of Ingot Production for Week Ending Mar. 9	Mar. 2
North East Coast	105	104
Buffalo	112	108
Pittsburgh	103	102
Youngstown	108	103
Cleveland	134	136
Detroit	163	167
Chicago	131	125
Cincinnati	120	122
St. Louis	117	114
Southern	108	102
Western	114	110
Total industry	116.9	114.3

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

Market Upswing in Steel Industry Accelerates

Steelmakers are scurrying to keep pace with the fastest market upswing they've seen in more than a year, *Steel* magazine reported. In the last two weeks, it said, the producers have watched orders snowball, backlogs mount, and leadtimes lengthen.

There's no runaway—no real boom—but enough acceleration to convince even skeptics that they should boost their forecasts and relight idle furnaces ahead of schedule, the metalworking weekly said.

March shipments of steel mill products will exceed those in February by 15 to 20%. *Steel* cited these reasons: (1) Inventory liquidation has ended; (2) Requirements of seasonally affected industries (such as canmaking and construction) are rising; (3) Some users are starting to hedge against the possibility of a steel strike.

The upswing in demand has tightened availability of some steel mill products—not by causing "extended" deliveries, but by forcing mills to reinstate normal leadtimes, *Steel* said.

Products in best demand are cold rolled sheets, hot rolled bars, galvanized sheets, tin plate, and terne sheets. In the Midwest, the most active buyers are automakers, farm equipment manufacturers, service centers, freight car builders, and railroads. In the East, demand for cold rolled sheets is strong from automakers, office equipment manufacturers, and producers of welded mechanical tubing. Demand for semifinished steel has picked up nicely, with much tonnage going to forgers, *Steel* noted.

Ingot Output Rises For 7th Consecutive Week

Steel predicts a seventh consecutive increase in steel ingot production this week, but noted that floods in some areas could prevent steelmakers from meeting schedules. It figures output will slightly exceed the 2,140,000 tons it estimates the industry poured in the week ended March 9. Production then was 0.5% above that of the previous week.

Sluggish demand for scrap, in the face of rising steelmaking operations, has finally forced scrap prices down, *Steel* reported. After holding steady for about a month, *Steel's* composite on the No. 1 heavy melting grade, regarded as the barometer, was shaved 33 cents to $28 a gross ton. The change was brought about by a decline in the Pittsburgh market.

Exports of U. S. metalworking goods are expected to perk up next year. That's the consensus of executives interviewed by *Steel* at the Chicago World Trade Conference. The executives agreed that marketing opportunities around the globe are still loaded with potential, but see nationalism, price competition, and inflation as problems to be overcome.

Steel Order Backlogs Are Lengthening

Steel orders are now running ahead of the shipping rate, *Iron Age* magazine reported. This means order backlogs are lengthening, and further increases in steel production are assured.

The magazine said steel mills now look for shipments to show a 15% gain in March over February, and another 15 to 20% jump in April. What happens then depends on the steel labor climate and whether or not the United Steel-

Continued on page 26

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The recently issued refunding obligations are being fitted into their rightful places in the money and capital markets. The fact that the Treasury was able to get a sizeable amount of the eligible issues to go into longer maturities made this very sizable pre-refunding and junior advance refunding operation a very successful one. Because it is of very great importance to our international balance of payments that short-term rates be kept high enough so that the readily movable funds will continue to remain here, it is imperative that the Treasury and the monetary authorities be in a position to add to the supply of these securities so that yields on near-term issues will not go down. The refunding operation just completed will allow the powers that be to do just such a thing. In addition, aside from the coming long-term financing by the Treasury under competitive bidding, the long-term sector of the Government market should have no further offerings for the foreseeable future.

Interest Rates Geared to Curbing Dollar Outflow

That the pre-refunding and junior advance refunding operation was a success is attested to by the results which showed that a respectable portion of exchangable obligations were turned in for the debt extending securities. This exchange total of 30% of the $29 billion of Government debt which was involved in this gigantic switch operation has had a favorable influence on both the money and capital markets. Because of it, the Treasury is now in a position to again use the near-term areas which were thinned out or vacated by this exchange operation to raise new funds that will be needed to finance the deficit.

It is rather evident that the Treasury and the monetary authorities in their debt management and money and capital market policies are going to keep interest rates at levels which will enable them to cut down, if not eliminate, some of the pressure of our unfavorable balance of payments problem. The money and capital markets, along with our debt management policies, are being geared to defend not only the position of the dollar but also our gold holdings. It is clear that the purely domestic purposes of our monetary policies and debt management will have to be of secondary importance for at least the foreseeable future.

Liquidity Preferred

As had been predicted, the most favored issue in the recent debt extending operation was the 3⅝% note due 1967, because it was made pretty much to order for those investors who did not want to extend the maturities of their holdings too much. In this classification were the commercial banks, since these institutions must keep a very sizable amount of their funds invested in very short-term Government obligations for purposes of liquidity. Corporations in some instances turned in the exchangeable issues for the 3⅝s of 1967, but as a group they were inclined to sell their rights or stay with the short-term obligations which they owned, because the liquidity preference is very important to them.

The medium-term bond, the 3⅞% due 1971, attracted a goodly amount of followers, since this maturity was to the liking of investors who did not want to go all the way out to the long-term sector of the capital market. It has been evident for quite a while now that a Government bond with an intermediate term maturity and a high enough coupon rate would meet the needs of certain institutional investors. Also, the fact that the 3⅞s of 1974 were not too far behind the 1971 bond seems to add weight to the opinions in the capital market that a Government bond with a maturity of between ten and twelve years will find plenty of takers, whether it be for refunding or new money raising purposes.

4s of 1980 Taken in Respectable Volume

The 4s of 1980, in spite of the fact that there was not the same appetite for longer-term Government bonds as there was for the medium-term maturities in this exchange operation, did however make a respectable showing since a sizable amount of the eligible bonds were turned in for this bond. The 1980 maturity does nonetheless meet the needs of many institutional investors and it is indicated that pension funds and savings type investors switched eligible issues into this bond. A very high grade bond with a 1980 maturity and a 4% coupon rate had attraction, especially for investors that were not too concerned with the tax-exempt privileges. Where tax shelter is needed funds have to be put to work in tax-protected issues.

Today the Treasury will sell $1.5 billion of tax anticipation bills maturing June 24. This is in addition to the $1 billion which was sold in February. Furthermore, by raising new money the Treasury will be in position to bolster short-term rates and in that way give some help to our international balance of payments problem.

Proctor, Cook To Admit to Firm

BOSTON, Mass. — On April 1, Andrew W. Pollock, Jr., will become a partner in Proctor, Cook & Co., 10 Post Office Square, members of the New York and Boston Stock Exchanges.

Phila. Secs. Ass'n to Hear at Meeting

PHILADELPHIA, Pa.—Francis L. Hine, President of Airwork Corporation, will be guest speaker at a luncheon meeting of the Philadelphia Securities Association to be held on Friday, March 22, 1963, at the Warwick Hotel.

Rubin Hardy of the First Boston Corporation, is in charge of arrangements.

BANK AND INSURANCE STOCKS

This Week — Bank Stocks

FIRST NATIONAL BANK IN ALBUQUERQUE

Price	Dividend	Earnings (Est. 1963)	Yield	P/E Ratio
$47	$1.50	$3.00	3.20%	15.8x

There have been recent discussions of many smaller banks which are paramount in areas that may experience better than average growth in deposits, the result of which should reflect itself in earnings increases. Although the deposit increase for this bank in 1962 was in the vicinity of 7%, the earnings for the year were almost at the level of 1961. This performance is unusual in view of the downward trend of both West Coast and Southwestern bank earnings due to the large portion of deposits in the "time" category. Although California institutions may have as much as 50% of deposits in this classification, the First National in Albuquerque does not have quite the heavy ratio of time deposits. There is, however, a ratio of 40% which is much higher than those for Eastern or even mid-Western commercial banks.

With the anticipation of growth in deposits at a more substantial rate the needs for additional capital will be great. The present capital account is adequate at 8.6% of deposits. With retained earnings of 50% it is possible that there will be only little need for recourse through stock subscriptions.

Although there is no growth in earnings for the past year, the performance over the past five years has been exceptional. For example, in 1960 earnings were $2.16 and had there been no increase in interest paid on time deposits, 1962 earnings would have been in the vicinity of $3.10. With this interest cost behind them the increase in earnings in 1963 should be substantial, as indicated. Also of importance among the following figures is the depreciation expense which is greater due in part to the new allowances.

Comparative Statement of the Bank's Earnings

	1962	1961
Operating Income—		
Interest on loans	$4,240,566	$3,838,422
Interest on investments	1,101,141	1,025,394
Other operating income	1,201,189	1,075,895
Total operating income	$6,542,896	$5,939,711
Operating Expense—		
Salaries and employees benefits	$1,701,483	$1,717,187
Interest on time deposits	1,280,189	962,189
Depreciation	174,527	144,924
Taxes (other than income)	397,506	365,877
Other operating expense	1,085,803	979,695
Total operating expense	$4,639,508	$4,169,872
Operating Earnings	$1,903,388	$1,769,839
Income tax on operating earnings	893,548	757,500
Net earnings after taxes	$1,009,840	$1,012,339
Per share earnings (based on 370,000 shares outstanding)	$2.73	$2.74

Comparative Statement of Condition December 31

	1962	1961
Resources—		
Cash & due from banks	$30,332,695.10	$22,742,633.93
United States Government securities	27,766,584.24	28,971,773.42
Municipal bonds & other securities	3,660,310.48	3,401,744.42
Federal Reserve bank stock	277,500.00	277,500.00
Loans and discounts*	60,995,466.00	55,715,608.82
Federal funds sold	None	4,000,000.00
Banking house, fixtures & equipment	1,071,370.98	1,134,213.83
Accrued income	704,338.67	598,782.32
Other resources	64,047.45	71,580.17
Total resources	$124,872,312.92	$116,913,836.91
Liabilities—		
Capital stock	$4,625,000.00	$4,625,000.00
Surplus	4,625,000.00	4,625,000.00
Undivided profits and reserves*	584,503.12	465,524.09
	$9,834,503.12	$9,715,524.09
Demand deposits	$71,752,194.61	$71,456,554.51
Time deposits	41,479,019.58	34,485,726.35
Total deposits	$113,231,214.19	$105,942,280.86
Reserve for taxes, interest, etc.	$671,460.42	$200,685.56
Unearned discount	981,260.79	1,055,346.40
Dividend declared—payable 1/2/63	138,750.00	None
Other liabilities	15,124.40	None
Total liabilities	$124,872,312.92	$116,913,836.91

* Loans and discounts are shown net after deduction of loan valuation reserve.

Trend of Bank Debits

	Albuquerque	% Change City	% Change 150 Cities
1958	$2,884,748,000	+18.4%	+ 1.7%
1959	3,413,896,000	+18.3	+11.7
1960	3,411,663,000	— 0.1	+ 4.3
1961	3,462,353,000	+ 1.5	+ 4.4
1961 6 mos.	1,717,474,000	----	----
1962 6 mos.	1,799,624,000	+ 4.8	+11.1

In addition to the earnings outlook, the bank is conscious of expansion and is the principal tenant of the new First National Bank Building which is the home of the East Central Branch. This building is the latest and largest in Albuquerque and should be a profitable venture.

Although population growth in Albuquerque in the decade 1950-1960 showed an increase of 107.8%, some of this increase is due to annexations. Disallowing this factor, the population increase was 83.4% for the period and is well above the average for the nation. According to past long range population studies there is a correlation between deposit and population growth and this population growth should continue. With a broadening economic base there should also be more stable growth. In the past the government installations, including the Atomic Energy Commission, were thought to be dominant and subject to employment fluctuation. In recent years, however, the city has become more important as a commercial and service center, and also the center of tourist activity for the state.

In view of the potential growth in the area, the extremely reasonable price-earnings ratio and the substantial yield, this bank stock still appears as a favorable investment. Past earnings multiples have been considerably higher as a high of $58 was reached in 1961. Although dividend increases may be minimal, the price as compared to West Coast banks is unusual. Limited branching is not a deterrent to growth at the present time in view of the concentration of New Mexico's population in Albuquerque.

Bank Earnings Outlook Termed Very Favorable

Representative Wright Patman's claims to have made revelations about chain banking are found inflated and untenable in an article in Bank Stock Quarterly published March 13 by M. A. Schapiro & Co., Inc., New York investment banking firm.

Morris A. Schapiro

The article charges that Patman's conclusions are refuted by the data of his own report: the 541-page document entitled "Chain Banking, Stockholder and Loan Links of 200 Largest Member Banks" which Patman submitted to the House Committee on Small Business. The Congressman's findings, the Quarterly contends, are derived from a loose definition of chain banking Patman has adopted. Following this definition minute holdings in two or more banks constitute chain banking and in consequence lists even the University of Cincinnati and the Seventh-Day Adventists as chain bankers.

The Schapiro periodical states that Patman's facts do not raise questions about threats to competition, that the Congressman says they do and that Patman's "views on large banks, their behavior toward small business, their impact on the number of banks operating, and the links between these banks are not substantiated by the evidence he has assembled."

Elsewhere, surveying the performance of the banks across the country the Quarterly sees net operating earnings of most banks running ahead of 1962 this year and predicts that some will surpass previous record earnings. This analysis attributes the improvement to a larger total of bank credit outstanding and to the cumulative effect of adjustments in the composition of loans and investments and finds that banks are overcoming the higher interest costs of time and savings deposits.

The study predicts first quarter net operating earnings of 25 major banks across the country of $172 million or 5.4% above the same period a year ago. Forecasting for the full year 1963 the Schapiro Quarterly expects net operating earnings of $720 million for these 25 banks or 4.7% above last year's $687.6 million and equalling the 1960 peak year.

The ratio of earnings to stockholders' equity is also expected to show improvement in 1963, the Quarterly says, putting earnings at 9.5% of capital funds this year as compared with 9.43 in 1962, 10.07 in 1961 and 11.07 in 1960. The study also compares prospective performances this year for the 11 New York Clearing House Association banks and seven major California banks. The New York banks which did better than those in California in 1962 will follow the West Coast banks in gains this year. Specifically, the Quarterly expects an 8% improvement on the relatively weaker showing of the California banks in 1962 and 3% on the New York banks' 1962 performance.

In another article, Bank Stock Quarterly examines two plans for the legislative revision of New York State's banking structure. The first is State Superintendent of Banks Oren Root's plan to enlarge the banking district within which branching and merging are permitted by reducing their number from nine to three. The second is State Senator Samuel L. Greenberg's bill that would retain present confinement on branching for the time being while permitting mergers on a statewide basis. The Quarterly finds that the proposals have similar aims but favors the Greenberg bill since it more adequately provides for the small bank's future.

H. B. Shaine Branch

MUSKEGON, Mich.—H. B. Shaine & Co., Inc., members of the New York Stock Exchange, have opened a branch office in the Liberty Life Building, under the management of Bernard F. Wendt. Henry J. Olah, Richard D. McCormick, Jr., and Walter A. Vannette are also associated with the new office. Mr. Wendt was formerly local manager for Walston & Co., Inc.

Finland (Republic of) Bonds Offered

A bond issue of $12,500,000 Republic of Finland 6% external loan bonds is being offered publicly by a group of 16 underwriters managed jointly by Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co. Inc.; Lazard Freres & Co., and Smith, Barney & Co. Inc., New York. The bonds, due March 15, 1973, are priced at 98¾% to yield 6.17%.

This is the first offering of Republic of Finland bonds in the United States since 1934. The Republic will make application to list the bonds on the New York Stock Exchange.

The bonds will not be redeemable except through operation of the sinking fund. It is provided that semi-annual sinking fund payments commencing in September, 1966, together with a payment of $930,000 in March, 1973, will retire the entire issue by maturity.

Proceeds from the sale of the bonds, after converting the U. S. dollars received into Finnish currency, will be included in the capital revenues of the Republic and used to cover in part contemplated capital expenditures during 1963. Interest on, and principal of, the bonds will be payable in U. S. currency.

The bonds are direct, unconditional general obligations of the Republic, and the full faith and credit of the Republic will be pledged for their payment.

New York Realty Syndications During 1962

More than one-half billion dollars in real estate syndications was offered to the public in New York State in 1962 according to the annual report of the Real Estate Bureau for Syndications and Co-operatives of the New York State Attorney General's office.

Attorney General Lefkowitz said the 400 offerings processed by the Bureau took the form of stocks, bonds, notes, limited and general partnerships trust certificates, mortgage participations and other securities.

The report prepared by Assistant Attorney General David Clurman, head of the Real Estate Bureau for Syndications and Co-operatives, states that 95 of the offerings processed were withdrawn mainly because of requests by the Bureau for additional disclosures and requests that the offering prospectus contain a warning to investors concerning the risks involved. An additional one hundred million dollars would have been raised from investors during the year if these offerings had not been withdrawn, the report estimates.

More than five million dollars in restitution was obtained for investors as a result of action taken by the bureau, the report states.

In a section of the report relating to cooperative apartments, other than publicly assisted ventures, it is noted that real estate valued at $300 million passed into cooperative ownership through offering plans processed by the Bureau.

The Market . . . And You

BY WALLACE STREETE

After staging a modest, though sluggish recovery from the sharp dip of late February, the stock market appears stalled on dead center. To put it another way, ever since March came in the market has acted more like a lamb than a lion—to say nothing of a bull or a bear.

True enough, stocks turned around and moved back up from February's rather sharp decline. A fairly good gain was posted in the industrial issues over the past week and the momentum, such as it is, has continued. But general lethargy has been the prevailing mood for the past half dozen or so sessions. Trading in fact, has tapered off to the slowest pace in four months. Last week's volume of 16,744,920 shares was the smallest since the week ended last Oct. 20.

Market Gains Limited

The gains, although consistent through the early part of this week, have also been consistently small and buying demand on any large scale has been conspicuous by its absence. The bulk of purchases, according to Wall Street observers, has been by institutional investors. The public has remained on the sidelines.

Observers are a bit puzzled by the lack of enthusiasm after the market had driven ahead so vigorously in the period from last October until near the end of February. Some think that stocks advanced too far too fast and that a breathing spell—in the form of the sell-off followed by a cautious rebound on a limited scale—was in order. there is certainly no general alarm about the market trend, though few at the moment are willing to predict another sharp rise in the near future.

Despite the cross-currents, there has been steady demand for selected blue chips, particularly the oils. The rails got a flurry of attention on the heels of the Supreme Court's decision that they are free to change work rules to eliminate so-called "featherbedding." Traders had some second thoughts, however, about the possibility of a prolonged labor dispute before the rule changes can be implemented, and the rails soon ran out of steam.

International Oils and Tobaccos Favored

The international oils have been the brightest spot of late in the stock picture. Performing well have been Standard of New Jersey, Royal Dutch and Cities Service. Jersey Standard hit its highest level since 1957 in recent sessions. Tobacco issues also have attracted some investor favor.

There is some opinion in Wall Street that uneasiness over the possible scope of the SEC recommendations is acting toward keeping a lid on stock prices at present. If the report is not too "tough," it is reasoned, the market will react favorably to a new surge of investor confidence. That, of course, remains in the realm of speculation (the non-financial kind).

A more valid reason for the market's undecisiveness may be simply that it is reflecting a rather cloudy economic picture. Business, in general, remains on a high plateau with little current evidence of either a notable pick-up or a serious decline in the offing. Although conditions are mixed, the latest statistical reports are more on the bearish than bullish side.

Rising Unemployment

Unemployment, for instance, took an unexpected turn for the worse in February. The seasonally adjusted rate of unemployment to the total labor force rose to 6.1% from 5.8% in mid-January. The number of jobless last month totaled 4,918,000, or 375,000 more than a year ago. It was the first time joblessness topped the year-ago mark since October, 1961. The unemployment rate was also the highest since mid-November, 1961.

Obviously, the Kennedy Administration, far from approaching a solution, is losing ground in its struggle to solve the unemployment problem. Secretary of Labor Wirtz took note of this when he said that unemployment can be expected to rise further in the coming months unless Congress acts quickly on Administration proposals to "shift the economy into high gear." Mr. Wirtz added that he was not predicting a recession in the near future but was concerned that the "growth of jobs has not kept pace with the increase in the labor force."

President Kennedy also took cognizance of the unhappy job situation. In a special manpower report to Congress, the first of its kind, the President urged approval of his tax reduction program and other proposals as steps toward ending the "intolerable" waste of unemployment. The message foresaw a rise in the jobless rate to 7% of the labor force by 1967 unless something is done to stimulate the economy. Mr. Kennedy pointed out that the nation's rate of economic growth in the last five years has been only 2.9% annually, down from 3.2% in the 1947-57 period, and well below that of other leading industrialized nations.

Tax Cut Prospects Rising

The impression seems to be growing in and out of Congress that the Administration will get some kind of tax cut this year, minus reforms in the over-complex tax structure. But many now question whether anything short of a massive tax reduction, considerably greater than the Kennedy proposal, will be sufficient to get the economy really moving ahead.

Construction activity was one of the few genuinely strong sectors in last year's lacklustre economy. But even that bright spot may be fading. The rate of spending on new construction projects in February fell off to the lowest level in 10 months. The Census Bureau put last month's building outlays at a seasonally adjusted annual rate of $59,500,000,000, down nearly 5% from the January pace, and lowest since $58,300,000,000 last April.

Officials offered an explanation of a sort for the disappointing February showing. They said that construction in January had been at an "abnormally high" rate and that a decline in February was, accordingly, not surprising.

International Trade Developments

One effect of this winter's five-week East and Gulf Coast dock strike has just showed up. In January, the U. S. had its first trade deficit — excess of imports over exports — in more than 12 years. Exports fell $111,000,000 below imports, down 47% from the December volume and the lowest for any month since March, 1954. Not since October, 1950 have imports exceeded exports.

This development is hardly likely to help the nation's persistent balance-of-payments deficit. The gap last year between funds leaving the country and those coming in was $2,200,000,000, with the outward flow of gold amounting to $912,000,000 alone. So far this year, the gold drain has added up to more than $100,000,000 and the Kennedy Administration has quietly abandoned its announced goal of eliminating the balance-of-payments deficits by the end of 1963. The target date has been moved back vaguely to sometime in 1964 or 1965.

Retail Pick-Up

On the brighter side: retail sales continue to hold at record levels. In February, cash registers rang up $20,291,000,000, up 0.2% from January's volume of $20,241,000,000. It was the second straight monthly increase in retail sales and set a new seasonally adjusted record for any month. Volume was 7% above that of February, 1962.

Retail sales, consistently strong throughout the winter, give support to those who hold that the economy is in a basically healthy condition. The New York Federal Reserve Bank commented in its latest monthly business review: "The consumer sector continues to be a major source of strength in the economy."

Steels, Autos Dominate Industry News

Among specific industries, steel and autos dominate the spotlight.

Steel production last week rose for the sixth consecutive week, up 2.3% to about 70% of the mills' capacity. The current spurt in output is the longest in 18 months. Meanwhile, incoming orders are said to be the largest since January, 1962. The sharp pickup reflects, in part, seasonal demand, but to a larger extent consumer stockpiling as a hedge against a possible strike later this year. Labor contracts can be re-opened after April 30 and the steelworkers' union can strike major producers 90 days after the re-opening date. Industry sources doubt that a strike will materialize, anticipating Federal intervention if negotiations fail to reach a quick settlement.

The auto industry continues to roll along in high gear. Output this month is now expected to total about 644,200 cars, bringing the first quarter total to 1,932,000 units, third highest, ever for the period. Production so far this year has been running 9.5% ahead of last year's rate. New car sales to date have topped the 1962 showing by 13.5% and are only 2,000 behind the record of 1955.

Dealer inventories, however, may be getting a bit top-heavy. They stood at 1,021,000 cars on March 1, up from 960,400 a month before. If the traditional spring sales spurt develops, as Detroit expects, these stocks will quickly shrink.

[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.]

COMMENTARY...

BY M. R. LEFKOE

An Open Letter to the Presidents of the Savings and Loan Holding Companies

GENTLEMEN:

During the past few years, you have achieved a record of success unprecedented in American business history. Your companies have increased their assets by over 30% per year, they have earned as much as 35% on book value, and their profits have increased by over 30% compounded annually. You are proud of this record, and you should be. But you are not proud enough.

The Federal Home Loan Bank Board is preparing a bill to regulate your industry. Although all of its features have not yet been made public, you know essentially what the bill will contain. You know — or should know — that there is no justifiable reason for the government to regulate your companies, and that each of the Board's specific legislative proposals is economically disastrous. You also know that if the FHLBB gets everything from Congress that it is asking for, it will have the power to govern your every move. You might not be able to predict just how devastating the consequences of this control will be, but you do know that it will severely impair your ability to operate as profitably as you have in the past.

Why Not Take the Offensive?

And yet, with possible disaster staring you in the face, what have you done? You have held several industry meetings in which all of you denounce the extreme provisions which the FHLBB is expected to request, but there is hardly a single regulation which has not been supported by at least one of you. Many of you are considering an alternative bill, which is not as harsh as the one being drafted by the Board, hoping that some type of compromise can be reached. But have any of you suggested that the industry defend its right to be successful? Have any of you suggested a moral defense of your right to make a profit? Have any of you suggested issuing a statement such as this:

"We have not stolen our profits from anyone, and we were not handed them on a silver platter. We earned them. We offered loans at rates borrowers were willing to pay; if it hadn't been for us, tens of thousands of homes never would have been built. We offered our savers a dividend rate which induced them to deposit their funds with us; by offering rates as high as 4.85% we were able to attract out-of-state money in order to meet the requests we had for loans, and give savers a higher return than they could have found anywhere else.

Is Success Illegal?

"We have done nothing illegal and have given no one any reason to think that we will. The government has no right to dictate how we should operate our business. We have been condemned by the State Savings & Loan Commissioner because we have been *too* successful; we have been attacked by the Internal Revenue Bureau because we have been *too* successful; and now we are in a fight for our very lives with the FHLBB because we have been *too* successful.

"If we attempt to fight the Board's proposed regulations on the basis that we do not recognize its right to regulate us, we might lose. But it is better to go down fighting than to concede the government's fundamental premise: that we have no right to be *too* successful.

"Yes, our companies have made a lot of money, and many of us have become multi-millionaires in the process. But we made our fortunes honestly, and we are proud of every cent we earned."

No, I don't think that any of you have made such a proposal. Most of you are afraid to assert and defend your right to make money; some of you are even ashamed of it.

Don't Rock the Boat Attitude

Last year, Donald I. Rogers, business and financial editor of the New York *Herald Tribune* gave a speech before a group of business executives. He told them a story which pinpoints the attitude which most of you hold, and, thus, is worth repeating here:

"There's a story going around Israel these days about two Israeli spies who got caught in an Arab country. They were given a quick trial and, quite naturally, were sentenced to death.

"They were hustled to the court yard of the prison and stood up against a wall to be shot. The Arab officer approached the first spy and offered to blindfold him. The spy glared and spit right into the Arab officer's eye.

"The second spy was horrified and shouted angrily: 'Meyer, why do you always want to make trouble?' "

Mr. Rogers then pointed out to his listeners: "I think that there is an analogy here between the second spy and many businessmen. All too many businessmen have the attitude of the second spy. Under full attack from the full might of the Federal Government, many of you too often ignore the fact that you can hardly make any trouble as bad as the trouble you are in."

You would all do well to consider Mr. Roger's warning. Instead of worrying about more extreme controls as a result of fighting the Board's proposed regulations, you should realize that the very fact you are likely to be punished for doing so is reason enough to fight even harder.

What the Industry Should Do

There are many ways to fight back: You can prepare an analysis of the FHLBB's bill and expose it for what it is—a grab for power based on the premise that success and profits are evil; you can distribute this analysis—along with a moral defense of your position —to your shareholders, your savers, your borrowers, the investment community, every business publication in the country, and every Congressman in Washington; you can speak before every group that is willing to listen. There are many other things which you can — and should—do.

If you concede the Board's premise that it has the right to manage your businesses, then you cannot win and you won't deserve to. Your only hope is to fight this battle on moral grounds, to fight for a principle: your right — and the right of every American businessman—to manage your companies without government interference, in order to make a profit.

The decision is yours to make.

Sincerely yours,
M. R. LEFKOE

Wallace Fulton to Retire in 1964

The Governors of the National Association of Securities Dealers, Inc. have announced that Wallace H. Fulton plans to retire one year hence on April 1, 1964, when he will be 68 years of age.

Wallace H. Fulton

Mr. Fulton has served the Association diligently and ably as Executive Director since the NASD was organized in 1939 and has continued as active executive officer beyond the normal retirement age of 65 at the request of the governing board. While planning to relinquish his administrative duties next year, Mr. Fulton will be available from time to time for consultation with the Board.

A Selection Committee of ten, under the Chairmanship of Avery Rockefeller, Jr., Dominick & Dominick, has been designated by the Board of Governors to recommend a successor to Mr. Fulton.

Britain May Lose New Investors Due to ECM Rebuff

The exclusion of Britain from the European Common Market probably will mean some diversion of new U. S. investment from England to the Continent, the Chase Manhattan Bank said on March 14.

"Existing operations in Britain are not likely to be transplanted, however, since few if any were established primarily to serve the Common Market," the bank said in its bimonthly newsletter, *Report on Western Europe*.

The rejection of Britain by the EEC will have two other implications for U. S. economic life, the bank said.

First, President Kennedy's authority to bargain tariffs down in exchange for reductions by EEC has been reduced, but "it still remains substantial."

Second, U. S. exporters—particularly of farm products—will gain from Britain's not being included inside EEC trade barriers.

As for the Common Market itself, the mood of cooperation that existed among the six Common Market nations before the Brussels talks has been replaced by "an atmosphere of discord," the bank said. And the EEC's internal strife over Britain has produced further economic implications.

"One probable consequence of the crisis," the report observed, "will be a slowdown in the EEC's own timetable. During the first five years the six moved ahead on an accelerated schedule and twice speeded up the original 12-15 year transition period."

Because France has blocked British membership, it now "seems likely that the other five will drag their feet on some programs of great interest to France," the report commented.

Three programs of exceptional importance to France are a treaty of association between the Six and 18 African states, most of them former French territories; implementation of the common agricultural policy to the benefit of France's farm exports; and French-style planning on the Common Market level, particularly in regard to U. S. investment in Europe.

"Although some progress will be made on these programs," the report said, "it seems unlikely that the other five will back them as quickly and as enthusiastically as before."

By excluding Britain, the bank noted, the EEC may focus its attention on internal problems rather than on its relationship with the outside world. "British membership would have helped to insure an 'outward-looking' Europe."

As for Britain, deprived of the built-in competition that comes with membership in the European Economic Community, she must now rely on domestic stimulants for her sluggish economy, the report said. "Britain had expected that entry into EEC would force her economy to adjust to competition—shifting resources into the strongest industries and modernizing plants and equipment. Now this competition will not automatically appear."

"One alternative for Britain," the bank report said, "is to work hard for further tariff reductions, in order to stimulate her exports and force her industry to modernize. Another likely move will be to stimulate the British economy through expansionary policies at home, even at the expense of the short-run balance of payments," according to the report.

While the Brussels talks have failed, the report concluded, "the interdependence of the European nations and, to a lesser degree, of the Atlantic nations is still a fact; and this is certain to assure continuing interest in the Common Market by political leaders and businessmen of Britain and the United States.

Coast Exch. Member

John P. Guerin, Jr., Vice-President of Cruttenden & Co., Inc., Los Angeles, Calif., has been elected a member of the Pacific Coast Stock Exchange.

MUTUAL FUNDS

BY JOSEPH C. POTTER

What They're Talking About

Listening to fundmen and investment counselors over the downtown luncheon hum should be followed a retreat to a quiet corner of the office where the clashing opinions may be sorted out and digested. Now, as always, there is one thing you can't get in the Financial District: unanimity.

The overriding recollection, nevertheless, is the overwhelming opinion that the stock market has been giving a good account of itself despite troublesome portents.

There was, as an example, a good deal of talk about savings bonds. The U. S. Treasury had just reported that its net cash inflow from this program last month was the biggest for any month in seven years. That would indicate that the small investor was not besieging fund offices or boardrooms.

If the little fellows have displayed considerable restraint, no less would appear to be true of many men who manage large portfolios. There was Frederick F. Robinson, President of National Aviation Corp., saying that his closed-end investment company this year had sold $3,000,000 worth of stock and bought only about one-tenth as much. He envisages a period of deflation, a downturn in the economy and a testing of the market lows of last June.

And there was Monroe C. Gutman, Chairman of Lehman Corp., taking a dim view of the basic steel industry. Last year this closed-end company sold off its U. S. Steel and Republic Steel, thus eliminating this category from the portfolio. Steels, of course, have been out of favor with the funds for quite some time.

None of the foregoing was designed to encourage the bullish contingent, yet there were those who professed to see something constructive in this budget of news. They reasoned that cash-rich investors, large and small, represented a sizable buying potential which would one day give a powerful stimulus to the market.

A reporter, not to be put off that easily, demanded to know when—give or take a few months—that day might be expected. The answers either were fuzzy or downright incoherent. The closest thing to an intelligible reply came from a veteran investment steward who argued: "People are bound to wake up to the fact that this Administration spells a continued cheapening of the dollar. In view of that, I just can't believe people are going to squirrel away their money in banks or bonds."

He could be right, but nobody rushed out to buy at the drop of these pearls of wisdom. Indeed, as one fundman, stifling a yawn, remarked: "All I know is that right now there is widespread apathy. There's no rush to buy and no pressure to sell. It's a standoff."

Now, the cross-currents in the market, typified by the buying of oils and selling of steels, and the mixed opinions arising out of such problems as unemployment, taxes, Cuba and the Securities and Exchange Commission report on the marketplace—these conditions are not necessarily bad news for fundmen. As the public becomes increasingly aware that the investor must think primarily in terms of stocks, rather than the market, the skilled professionals gain increasing stature.

Clearly, there are record sums of money seeking investment outlets. If these people who are investment-minded are not beating a path to anyone's door, it will occasion little surprise among fund managers. They know that their job is to go out and collar the customers. And they do have a splendid service to offer. As one executive in the sales department of a mutual fund stated the situation:

"Back in the recession of 1958, the head man of one corporation said that there was nothing wrong with business that some belly-to-belly selling wouldn't cure. Barring a collapse of the economy—and there's nothing like that in sight—1963 should be the best year of all for the salesman who works at his trade."

The Funds Report

Anchor Corp. reports it earned $1.06 per share on its class B common stock for the fiscal year ended Nov. 30, 1962, compared with $1.23 a share in the preceding year. Sales of fund shares were $76,391,973 for 1962, against $88,001,048 for the previous year. Total revenues for 1962 were $5,687,203, compared with $5,955,023 in 1961 and net income amounted to $1,092,622, compared with $1,250,951 for the previous year.

* * *

Canadian Investment Fund in its 13th annual report shows total net assets at the end of 1962 of $145,705,604, or $10.13 a share. This compares with assets of $151,207,106 and $10.78 per share at Dec. 31, 1961.

* * *

Chase Fund of Boston in its report for the quarter ended Jan. 31 puts total net assets at $31,700,193, or $6.35 a share. This compares with assets of $28,005,060 and $5.52 at Oct. 31, 1962.

* * *

Colonial Fund reports that at Jan. 31 net assets amounted to $101,372,379, equal to $10.98 per share. At the close of the fiscal year on Oct. 31, 1962, value per share was $9.58.

* * *

Guardian Mutual Fund reports that at Feb. 28, ending first four months of the current fiscal year, net assets at market were $17,795,062, or $20.59 per share. At the close of the fiscal year on Oct. 31, 1962, assets total $14,845,036, or $18.16 a share.

* * *

Keystone Low-Priced Bond Fund B-3 in its semi-annual report puts total net assets at Jan. 31 at $48,033,874, or $15.74 per share. This compares with assets of $45,873,609, or $15.27 a share, a year earlier.

* * *

Washington Mutual Investors Fund reports total net assets on Jan. 31 were $39,553,408, a new high, and comparing with $32,350,073 on Oct. 31, 1962. Total net assets a year earlier were $34,235,628. Net asset value was $10.28 a share, compared with $8.85 at the end of the previous quarter and $11.13 a year earlier.

During the past quarter Atlantic Refining, Mead, National Biscuit, Riegel Paper and Stauffer Chemical were added to the portfolio. Holdings eliminated in the quarter were California Packing, Colgate-Palmolive, International Minerals & Chemical, Kern County Land, May Department Stores, Richfield Oil and Sterling Drug.

* * *

Whitehall Fund has acquired substantially all of the assets of Lincoln Securities Corp., a private investment company incorporated in New Jersey. Lincoln assets were said to consist of a diverse list of marketable securities and a small amount of cash with total value of about $860,000. In exchange, Whitehall issued 65,334 of its own shares.

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Correction: In Feb. 28 edition it was stated that **Fundamental Investors, Inc.** had asset value per share of $8 at Dec. 31. The correct figure is $8.95.

Hatcher Joins Rowles, Winston

DALLAS, Texas — Maurice M. Hatcher, long-time leader in the municipal bond industry, is opening a Dallas office in the Mercantile Securities Building for Rowles, Winston & Co.

Maurice M. Hatcher

Mr. Hatcher, recently elected a Vice-President of the company, has served as President of the Municipal Securities Committee of the Investment Bankers Association of America and is well-known throughout the state in his capacity as financial advisor to the State of Texas regarding its Veteran and State Colleges bond issues. He also served for 10 years as a Vice-President of the First National Bank in Dallas.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

"If You Know You Will Believe"

Any man who has the desire to be a great salesman must be a believer. Every honest man is beset by doubts. There are times when we wonder if we are selling a worthwhile product no matter what business we are pursuing. Let us look at mutual funds for example — candidly — and with veracity.

As a possible hedge against the financial destruction of inflation, we at least know that mutual funds represent an asset, convertible at some future date, into a FIXED AMOUNT OF DOLLARS. But what about all this talk of future inflation? Is it just a popular prevailing, theoretical ideal? Let us look back a few years.

What did it mean to that father and mother who 15 years ago decided to save what was then considered sufficient dollars to finance a college education for their children. Now their children are ready for college. But, the amount acquired in a conventional FIXED DOLLAR investment is substantially below what college costs are today.

Do you think they would have had to face this discouraging problem if they had invested those savings in a sound, growth type, mutual fund? Would their children have been better off? Would the parents now have to struggle, borrow, or find some other source of funds to give those children the higher education which is so essential for the future well-being of their progeny. Isn't this what inflation (a depreciation in the dollar's buying power) means in terms of human values?

Is inflation just a word, a descriptive economic term, a cold abstract analysis of what happens to currency under certain conditions, or is it a stealthy robber creeping into every home and silently destroying the future of every self-reliant family in this land? Isn't it also the problem of millions of elderly people who have saved a surplus and put it aside so that in their declining years they could have a measure of independence, but who now look upon that rapidly dwindling sum of depreciating buying power and wonder what next year, and the year after, may bring? Isn't this what inflation means? If you agree, can you believe that you should sell protection, if it is at all possible to provide it, against such a calamity as this? Are these not the real reasons why you should sell good mutual funds as a possible inflation hedge?

And If Deflation Comes

As inconceivable as it appears today, what, you may ask, if contrary to predictions, we come up against a period of serious deflation? Isn't that, too, a hazard? So what then? For the sake of honest discussion let us admit that no one can be certain regarding the course of our nation's economic future. If deflation comes, what then do you advocate as a dedicated investment salesman? What about those who have everything in FIXED DOLLAR ASSETS, will they not be better off? Isn't that sound? The fallacy of such a policy is obvious. It means gambling on deflation, on bigger dollars, and nothing more. It entails placing all of one's assets on the line and assuming that one thing will happen. But if this reasoning proves incorrect—what then?

Isn't the sensible answer a well-balanced program, that provides a hedge against both deflation and inflation? Such a program should include FIXED DOLLAR ASSETS, and FLUCTUATING ASSETS THAT HAVE A CHANCE TO GROW, such as real property, equities; and for many people MUTUAL FUNDS, where the need is indicated.

And What About the Acquisition Cost?

Alright, you say, I agree. But what is this I have been reading and hearing about the supposedly generous commissions, or "load" that is charged the buyer of mutual funds. Isn't it excessive when compared with the commissions charged the buyer of stocks? Often an honest salesman will unknowingly allow himself to be brain-washed into acquiring an undeserved "guilt-complex" because of detrimental information circulated about his product or his profession. In many instances this information is incorrect, or only a half-truth, often proffered by well-meaning people who do not know all the facts. Let us bury this canker concerning the mutual fund "load" once and for all.

First of all, a mutual fund is not a stock. IT IS A METHOD OF INVESTING. There is positively no comparison between the one and the other. To compare the cost of buying 100 shares of A. T. & T. or a great corporation like General Motors, with the sales cost involved in selling an investor on the idea that he should acquire some mutual funds, is like comparing the cost of a dozen eggs and a basketful of oranges. If those who decry the "load" cost included in the asked price of mutual funds would like to find out how much it costs to sell this investment, let them do the expensive prospecting, make the appointments, spend the hours and hours explaining, endure the disappointments and turn-downs, make the call backs, sell some more, and finally make the sale to someone who probably needs the investment more than anything else he could buy but who does not want it. Then they will find out how costly it is in time, effort, obtaining the education required to develop the skill needed in order to successfully merchandise Mutual Funds.

And let us not forget—there is still the advertising costs, salaries for wholesale representatives, and for people who work for the sponsor of the fund. This is an industry. It is a 21 billion dollar industry and it didn't get this big because people lined up at a broker's door and bought—THEY WERE SOLD AND THAT IS EXPENSIVE.

But There Is Still More to It

When your customer buys a mutual fund he pays **only** one cost—that is the ENTERING COST. When he liquidates, when he turns his investment into cash, he pays nothing. But what does he do when he invests twenty-five to fifty thousand dollars in a group of individual securities? Over a ten year period, prudent investment management may require that he pay the cost of buying, selling, and reinvesting that portfolio possibly several times. He pays a commission every time he buys, sells, or reinvests, whether it be one share or a thousand. This is not so with a mutual fund. Once you sell a client a mutual fund that capital is invested until he liquidates. Unless he has more funds for investment, or he refers you to his friends who also may invest in funds, you have made your commission. That's it.

And let us not forget that after thirty-five years of accepted trade practice, usage, and custom, the present acquisition cost of mutual funds has been proven basically justifiable. The public has attested to that by their world-wide acceptance of this now well established investment vehicle.

In conclusion, you may ask, what about mutual funds today? What will the future hold forth? What is the answer to inflation, to possible (though improbable) deflation—where do we stand as investment men? Only this—if we believe in the growth of America, if we believe in our country's continued pursuit of economic freedom, and a continuation of our civil, religious and economic liberty, we have a message for everyone who—

Wants To Be Economically Independent—

Desires The Better Things In Life For Himself And His Children—

Who Refuses To Become A Ward Of The State In His Declining Years—

And

Who Needs A Diversified Investment Program, Supervised, Managed, Trusteed, And Operated Under Law, By Men Of Honor And Integrity.

If you believe this, you are then ready to go out AND SELL MUTUAL FUNDS.

Freehling to Admit Partner

CHICAGO, Ill.—Effective March 31, Irving Meyerhoff will retire as a partner in Freehling, Meyerhoff & Co., 120 South La Salle Street, members of the New York and Midwest Stock Exchanges, and the firm name will be changed to Freehling & Co. On April 1, William M. Martin will become a partner in the firm.

Named Director

Warren H. Woodring, treasurer and director of the Bankers Securities Corporation, Philadelphia, has been named to the Board of Trustees of Hahnemann Medical College and Hospital of Philadelphia, it was announced by Charles S. Cameron, M. D., president.

Mr. Woodring, who had been previously associated with Provident Tradesmens Bank and Trust Company for 40 years, and had been executive vice president since 1953, was elected to his current position in March, 1962, shortly after his retirement from Provident Tradesmens.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Niagara Mohawk Power Corporation

Niagara Mohawk Power Corporation, with annual revenues of $337 million, ranks among the eight largest electric-gas utility companies. It serves 16 counties of eastern, central and northern New York — an area extending from Albany to Buffalo which includes most important upstate cities except Rochester. A population of some 3.4 million is served with electricity, which contributes 76% of revenues. Gas is distributed to a smaller territory including 182 municipalities and supplies the remaining revenues. The company's headquarters are at Syracuse, although it also maintains offices at Buffalo, Albany and New York City.

Much of the service area is heavily industrialized but it also includes large farm and resort sections. Industry, which is quite well diversified, contributes 29% of electric revenues and includes abrasives, alloys, automobiles, cement products, chemicals, electric equipment, food products, metal products, mining, steel and iron, pulp and paper, and textiles.

Niagara Mohawk has 79 hydro stations with 706,000 kw capacity, 5 steam stations with 2,317,000 kw capacity, and purchase capacity under firm contracts of 1,372,000 kw, making a total of 4,395,000 kw which compares with the 1962 peak load of 3,893,000 kw. Available capability can also be increased during heavy load peak periods by purchases from neighboring interconnected systems. In 1962 expansion of transmission facilities included construction of the company's portion of the new 345,000-volt system from Niagara Falls to New York City. The new EHV line expands the power pool that has operated in the northeast for some years. Niagara Mohawk and Consolidated Edison exchange power regularly and since the upstate peak occurs in winter and the New York City peak in summer, the higher voltage transmission link should mean increased economies for both systems. Other transmission lines providing tie-ins to New England and Pennsylvania have been added or enlarged.

Niagara Mohawk is now buying about half of the 1.2 million kw capacity of the New York State Power Authority's big new hydro plants at Niagara and St. Lawrence, on a long-term contract basis. As a result the company's own generating capacity is now ample despite the loss of its large Schoellkopf Hydro Plant in 1956. Eight small generating plants were placed on standby last year, but it seems probable that four of the old units will be restored to service late this year.

Following the loss of the Schoellkopf Station (the greater part of which was undermined by a rockslide and fell into the Niagara Falls) the company had to continue supplying 25-cycle electric service to a number of large industrial customers on the Niagara frontier. The company was forced to convert some 60-cycle power and to buy substantial amounts of 25-cycle from the Ontario Hydro-Electric Commission, which involved additional expense. Now, however, the 25-cycle load, which was 650,000 kw in 1956, will soon be reduced to 80,000 kw.

Natural gas is obtained from New York State Natural Gas (Consolidated Natural Gas System) at fourteen delivery points; the latter obtains gas from the Appalachian and southwest areas and also from connections with Tennessee Gas Transmission. Beginning September 1 the company passed on to its customers a $490,000 a year reduction in the cost of purchased gas, and also began the refund of $1,690,000 received from the supplier reflecting adjustment of old rate increases. A second reduction of $983,000 a year and an additional refund of $2,317,000 began early in 1963. These changes will not affect the company's net earnings appreciably, however, since they are merely being passed on to customers in accordance with the gas price adjustment clause in rate schedules.

In 1962 the company spent about $61 million for construction, largely on transmission facilities. About $42 million was provided from internal sources, $10 million from cash left over from 1961 bond and common stock financing, and $9 million from bank loans. The 1963 construction budget of about $57 million is expected to be provided from bank loans and internal cash. No long-term financing for construction purposes appears likely until late 1964 or early 1965. The equity ratio in the past decade has ranged between 28% and 36% and is currently around 32%.

During 1953-5 the company earned 5.8% or more on year-end net plant but due to the loss of Schoellkopf, the return dropped to 4.9% in 1957. As the result of several moderate rate increases granted by the Public Service Commission, rate of return was finally restored to 5.8% in 1962. A proposed change in billing procedure will increase annual revenues by an estimated $1,153,000 (adding about 4¢ a share to earnings) if approved by the Public Service Commission.

Niagara Mohawk's growth in share earnings has been slower than that of the industry average. Earnings increased from $2.03 in 1953 to $2.22 in 1955, but due to the loss of Schoellkopf and the heavy cost of obtaining 25-cycle power to take care of industrial customers, earnings declined to $1.91 in 1957 and by 1961 had only recovered to $2.20 despite rate increases and the use of flowthrough of tax savings resulting from use of liberalized depreciation. In 1962, however, benefiting by a full year's application of a rate increase, flowthrough of the new investment tax credit, and receipt of some cheap power from the New York State Authority, earnings increased to $2.61.

Niagara Mohawk has been selling recently around 49 (1962-3 range 50-37). Based on the $2 dividend, the stock yields 4.1% and the price-earnings ratio is about 18.6.

Anderson Named By Goodbody & Co.

CHICAGO, Ill. — C. P. Anderson has been appointed manager of the midwestern municipal research and new business department of Goodbody & Co., 1 North La Salle Street, it has been announced. He was formerly with the firm's bond department in New York.

Prior to joining Goodbody & Co. in August, 1960, Mr. Anderson was vice president and treasurer of Anderson Furniture Company of Kansas City, Kansas.

Coleman Named In Fund Drive

Francis Cardinal Spellman has appointed John A. Coleman, of Adler, Coleman and Company, Chairman of the Cardinal's Committee of the Laity for the 44th annual fund appeal of New York Catholic Charities. Mr. Coleman has been on the committee for the past thirty years and serving with him will be Joseph T. Cooney, Executive Secretary. The Cardinal's Committee, composed of over 1,000 Catholic laymen, solicits special gifts from business and professional men as one phase of the annual Catholic Charities appeal. This augments the house-to-house canvass of Catholic families in the 401 parishes of the Archdiocese which will start March 24 and continue through April 3. The combined goal is $3,460,000.

John A. Coleman

"The demand for the type of welfare services that only private agencies, particularly those of religious motivation, can provide has risen steadily in the past decade," Mr. Coleman points out, "and is closely integrated with that of public agencies of welfare directed toward a common goal—the meeting of community problems through their combined efforts."

Sub-committees, each with its own chairman and vice-chairman, are now being formed to solicit individuals in their particular field. Their activities will continue for the remainder of the year.

Breaking Stranglehold on Growth for Full Potential

Continued from page 1

failure to measure up to our economic potential underlies persistent government deficits and persistent deficits in our balance of payments. Unemployment is a growing problem, and despite some quibbling about the figures which you may have heard, the hard fact is that we have not been providing enough jobs to employ a growing labor force.

The difference between a vigorous growth rate of 4% per annum and the lagging growth rate of 2½% during the past five years is significant. Slow growth has a pervasive influence, reaching into every community and virtually every business. Those displaced by automation are hard put to find other jobs. Small businesses find the going exceedingly rough. And the lag in the over-all economy is one of the important reasons why the general trend of housing starts has been level in recent years.

What can be done to accelerate economic growth? Before attempting to prescribe the appropriate remedies, an accurate diagnosis of the causes of economic lag is necessary. When you look at what has been going on in our economy since 1957, you find that there has been no lag in markets for consumer soft goods and services—purchases of these items have advanced at an average annual rate of 5.6%. There has certainly been no lag in government spending—expenditures by Federal, state and local governments have increased at an annual rate of 6.8%. Private construction has moved ahead at an average annual rate of 4½%. The general trends in all these areas have been consistent with a good rate of over-all economic growth.

However, two key areas have definitely lagged. Business investment in new plant and equipment has shown virtually no growth since 1957—last year's total was only 1% above the figure five years earlier. And spending for consumer durables has increased at an average annual rate of only 3½%. This lag in consumer durables is importantly due to the slow rise in incomes in areas of the nation where capital goods production predominates. Consequently, the critical problem is the stagnation of business capital investment.

The lack of growth in business investment reflects a sharp squeeze on profit margins after 1955 — profits after taxes as a percent of GNP have declined 15% in the past six years. One analyst has calculated that the rate of return on all new investment in plant and equipment since 1957 works out to 3%—substantially less than the return available on a savings deposit. The wonder is that business capital investment has held up so well.

The Purchasing Power Approach

The Kennedy Administration has prescribed two dosages for the malady of slow economic growth —a continued rise in Federal spending, and a $10 billion tax cut spread over three years and heavily concentrated in the low-income brackets. Spending is budgeted to rise $4 billion with increases both in defense and in most civilian programs. Actual expenditures are virtually certain to top budget estimates. While defense and space make up about half of Federal expenditures, it is significant that non-defense spending has risen 50% in five years.

The proposed tax bill makes some niggardly gestures in the direction of encouraging initiative and investment. The corporate rate would be cut from 52% now to 47% on Jan. 1, 1965, a reduction of $2½ billion. But $800 million would be recouped by changes in depletion and dividend tax treatment, and corporations would accelerate tax payments during 1964 so they would actually pay $1½ billion more each year for the next few years. The effects of rate reductions on middle and upper-middle family incomes is largely taken back by the so-called reforms. So the tax bill, advertised as an across-the-board cut, is actually designed primarily to benefit low-income families.

In essence, the Administration is pursuing the old purchasing power for prosperity line. The theory is that by pumping up purchasing power by spending and low-income tax cuts, demand can be increased and production pushed up close enough to capacity to revive business investment in new plant and equipment. History shows that if enough purchasing power is pumped in, the result can be prosperity. But this route leads almost inevitably to prosperity accompanied by a considerable amount of inflation.

However, I think it is more likely that the Administration program will not work to lift the economy to full prosperity. I do not believe the program will add sufficient purchasing power so that the amount that trickles up to encourage investment will do the trick. Thus, the program would not get the economy moving ahead vigorously, and we would continue to be plagued by slow growth and persistent deficits.

A Realistic Remedy

The hope is that the Congress in disposing of the Administration program will come up with a realistic tax measure. What is wanted is a tax cut now, and one big enough and properly designed to break the economy out of the path of slow growth. Since the main lagging area of the economy is business capital investment, the simple and direct thing to do would be to increase the incentive to invest by cutting the corporate tax rate to 45%. Families in the $10,000 to $50,000 range urgently need tax relief — the present system dulls the incentives of rising executives, professional people and small business managers. And I believe low-income families also need relief along the lines of the Administration proposal. In short, I would propose a bigger tax cut, and one that is effective sooner, say July 1, 1963. I believe the tax cut must encourage initiative and investment if it is to work.

A tax cut which operates effectively to spur the economy on to full prosperity and vigorous growth can produce balanced budgets, if expenditures are restrained. The last tax cut in 1954 did yield this result. Paradoxically, government receipts can be higher with a tax cut that lifts production up to its potential than with no tax change and continued stagnation. This is one of those rare opportunities when you can have your cake and eat it too—and one should always take advantage of such opportunities.

Control of Costs

While I believe it is very important to get the proper sort of tax action this year, we must act on other fronts, too, if we are to achieve prosperity. A major problem is to get costs under control and keep them that way. The experience of the past decade shows that costs are very important. A nation which lets costs get out of line runs into balance of payments problems. And if production costs rise in an era of price stability, profits are squeezed to the point where investment slows down and the economy stagnates.

The United States has made good progress in recent years in getting costs under control. Wage costs per unit of output in manufacturing have been stable since 1959. Management has been doing an increasingly effective job of getting salaries and other overhead costs in hand. Automation has helped hold down costs in many cases.

However, much remains to be done. The cost of government has been rising steadily. There would appear to be clear need for a reexamination of the role of government, and special attention should be given to government subsidy programs to farmers, businesses and others. It is far from evident that a national consensus underlies many government programs designed to serve special interests. The only way to reduce the cost of government is to eliminate those programs which rank on the lower end of the scale of national priorities.

Costs in some other areas are still out of control. Some unions with a strong local monopoly position are able to exact wage increases in excess of what the national interest dictates. This is a problem in some areas of construction, though most indexes of construction costs have been reasonably stable in the past five years.

Controlling costs require eternal vigilance. And the task may be more difficult as the economy moves towards full prosperity and high employment. Yet if costs are allowed to rise as this happens, the period of prosperity will be short-lived. In a sense, one of the prices of prosperity, and one well worth paying, is that costs must be held in line. This means that average wage and salary payments must not rise more rapidly than the advance in the economy's over-all efficiency—or about 3% per annum at present.

Balance of Payments

Steps to stimulate the economy by cutting taxes and to get costs under control can contribute to the solution of another pressing problem confronting the nation —that of eliminating the deficit in our international payments. Last year we paid out to foreigners $2 billion more than we took in, and in the process we lost some $900 million of our gold stock. This is an extremely serious problem, since the dollar is the bulwark of the Free World's financial structure.

It is quite difficult to place the balance of payments problem in proper perspective. It is clearly serious, since a continued gold drain would lead to possibly disastrous results for the Free World. And yet the deficit is small in relation to the total economy, and it is due in large part, not to our failure to earn a surplus on normal international transactions, but to the unprecedented responsibilities we have shouldered in support of the defense and economic development of the rest of the world.

My own feeling is that we are moving in the right direction in dealing with the balance of payments problem. However, we need to keep pressing to increase our earnings from abroad and to reduce the outflow of dollars. And I believe that a program to accelerate growth by cutting taxes and holding the line on costs could make our balance of payments position viable. Yet, I should emphasize the fact that the nation is in a precarious position. If we do not succeed in dealing with our balance of payments problem soon, we could be in deep trouble. And balance of payments considerations will affect domestic economic policies for as far ahead as one can see.

Interest Rate Trends

All of these matters which I have discussed have a bearing on trends in interest rates. For more than a year Federal Reserve and Treasury policies have been directed at holding the rate on 90-day Treasury Bills between 2¾% and 3% to minimize the incentive to move short-term funds abroad. The broad trend of longer-term rates has been tilted gently downward, but changes in the entire rate structure have been very moderate as compared with those during the 1958-59 period.

For the near-term future, meaning the months ahead, I would not expect any dramatic changes in interest rates. The balance of payments position is such that there is little leeway to ease credit in a manner which would produce a general lowering of interest rates. On the other side the flow of savings is so large that it is hard to see how rates could move up more than moderately, short of a drastic tightening by the Federal Reserve, which is unlikely unless the balance of payments should suddenly worsen.

Last year saw a record $63 billion raised in credit markets, about half of it in mortgages. That was $10 billion more than in 1961 and almost $4 billion more than in 1959, the previous high. Yet this huge demand for credit, which included $8 billion of Federal financing, was met with slightly declining long term rates. I would expect activity in capital and credit markets this year to be at about the same level as in 1962. Thus, I look for general stability in interest rates during most of the year, with perhaps some moderate increase in the Fall as the Federal Reserve moves towards a more restrictive monetary policy. With a continuing large inflow of funds seeking investment in mortgages, rates could be under some downward pressure during much of the year.

Looking further ahead, one cannot help being impressed by the volume of savings the economy has been generating in recent years. While it is, to say the least, foolhardy to make predictions about long run trends in interest rates, I would be most surprised to see a resumption of the general upward trend in rates which took place from the end of the war to 1959. My guess is that the level of rates reached at the end of 1959 may not be exceeded until late in the decade at the earliest. But I warn that this is a pure guess.

Longer-Term Housing Prospects

Lenders may not greet such a prospect with cheers. Yet they should remember that higher mortgage rates mean a lower volume of building. In this sense, a stable interest rate structure would be a favorable factor. Four other factors favor a rise in homebuilding for the remainder of the decade:

First, population trends are now working on the side of increasing housing demand. While the statistics are difficult to interpret, it seems clear that we passed the low point in household formation in 1961. Some 975,000 new households were formed in 1962 and the number should rise 50,000 a year to 1.1 million in 1965, and hold at about that level for the rest of the decade. From now to 1965 the largest increase will be in young families—with the husband under 25. But in the last half of the decade, the 25-29 year group will expand rapidly.

A second favorable factor is that we have been tearing down over half a million homes a year. With the highway program and urban renewal, we may tear down even more in the years ahead.

Third, rising incomes bring broader markets for housing. Over 75% of families with incomes above $7,500 are home owners as against 45% of those with incomes of less than $4,000. In the 60's the number of families with incomes of more than $15,000 will multiply 2½ times, while the number in the $10,000 to $15,000 group will almost double. Surveys show that people want better housing, and that they will spend for it as their incomes rise.

A fourth favorable factor is the advancing technology of the building industry. New designs, new materials and new standards can produce better and more attractive homes, thus giving the buyer more for his money. Lenders should embrace sound new ideas, for they can contribute to broadening the housing market.

For these and other reasons, I am quite optimistic about housing for the rest of the decade, assuming we can achieve vigorous growth in the general economy. My projections show starts rising to over 1.6 million by 1970. More to the point for those interested in mortgages, expenditures for residential construction could go up from $23 billion last year to $33 billion in 1970, an average annual growth of more than 4½%.

I've tried to cover a considerable amount of the economic terrain in this paper. In the process, I have indicated that I believe our nation faces a series of challenges which must be met if we are to achieve full prosperity and vigorous growth. I believe we have been making progress in coping with some of these economic problems, though much remains to be done. I believe that this nation can, and will, break out of the pattern of slow growth, and that the remainder of the decade will turn out to be a period of great prosperity and strong advance.

*An address by Dr. Butler before the Midwestern Mortgage Conference, Mortgage Bankers Association of America, Chicago, Ill., Feb. 18, 1963.

NEWS ABOUT BANKS AND BANKERS

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

The **Manufacturers Hanover Trust Co., New York,** elected Dale Y. Freed a Vice-President in the credit department.

* * *

The **United States Trust Co., New York,** is planning a two-for-one stock split and a 10% increase in the cash dividend rate commencing in July, it was announced.

A special meeting of stockholders on April 4 will consider amending the company's charter to increase the number of shares and change the par value of the stock to $10 from $20. If approved the split will become effective on April 4.

* * *

Thomas J. Shanahan, Chairman of the Board of the **Federation Bank and Trust Company, New York,** died March 7. Mr. Shanahan was 60 years old.

Mr. Shanahan joined Federation Bank and Trust in its 34th Street Office in New York in 1926 and advanced successively from Assistant Cashier; Treasurer; Vice-President; President, and Chairman of the Board. Mr. Shanahan became Chairman of the Board in July, 1962.

* * *

The **Banca Nazionale del Lavoro, Rome, Italy,** received from the banking department of the State of New York, authorization to open and occupy a branch office at 25 West 51st Street, Borough of Manhattan, City of New York, on or after Feb. 28.

Minimum assets of not less than $100,000 were made available in accordance with the requirements of the banking law.

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Perce C. Rowe has been appointed a Trustee of **Excelsior Savings Bank, New York.**

* * *

The consolidation of **First National Bank of Southampton, New York,** into **Security National Bank of Long Island, Huntington, N. Y.** has been approved by the Comptroller of the Currency according to Herman H. Maass, President of Security National Bank. Effective at the close of business March 15.

The consolidation, as approved by stockholders of both institutions in January, will be effected through an exchange of stock on the basis of four shares of Security National for one share of First National.

The resultant bank will have assets of more than $275,000,000.

* * *

Edward A. Hummel, Mortgage Officer of **The County Trust Company, White Plains, N. Y.,** March 14 completed 30 years of service. He is associated with the bank's mortgage department in Tarrytown.

* * *

Oren Root, New York State Superintendent of Banks and Chairman of the Banking Board announced March 8 that he had approved the merger of the **National Bank and Trust Company of Port Jervis, New York** into the **Sullivan County Trust Company in Monticello, N. Y.**

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The Board of Governors of the Federal Reserve System on Feb. 15 approved the application of the **Peoples Trust Company of Bergen County, Hackensack, N. J.,** to merge with **First National Bank of Wyckoff, Wyckoff, N. J.,** under the charter and title of **Peoples Trust Company of Bergen County.**

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The **Commercial Bank and Trust Company, Pittsburgh, Pa.,** elected Joseph M. Reed, Jr., Treasurer and Loan Officer; and Carl A. Person, Assistant Treasurer and Operations Officer.

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The Comptroller of the Currency James J. Saxon on March 8 approved the application to merge **The First National Bank of Middleburg, Middleburg, Pa.,** into **The First National Bank of Selins Grove, Selinsgrove, Pa.,** under the charter of the latter and with the title of **Tri-County National Bank,** effective on or after March 15.

* * *

The Comptroller of the Currency James J. Saxon on March 8 approved an application to merge **The City National Bank and Trust Company of Columbus, Columbus, Ohio,** and the **Reynoldsburg Bank, Reynoldsburg, Ohio,** effective on or after March 15.

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The Comptroller of the Currency James J. Saxon on March 8 approved the application of **The Huntington National Bank of Columbus, Columbus, Ohio,** to merge **The Columbus Savings Bank, Columbus, Ohio,** effective on or after March 15.

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The Board of Governors of the Federal Reserve System March 12 announced its approval of the consolidation of **The Elyria Savings & Trust Company, Elyria, Ohio,** with **The Grafton Savings and Banking Company, Grafton, Ohio.**

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The First National Bank of Chicago, Illinois elected Ralph Alston, Jr., Harry J. Fisher, Walter F. Gray, Milton J. Hardacre, Jr., and Willis J. Lovitt Assistant Vice-Presidents in the Trust Department.

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The Comptroller of the Currency James J. Saxon announced March 11 that he has given preliminary approval to organize a **National Bank in Turley, Okla.**

Initial capitalization of the new bank will amount to $250,000 and it will be operated under the title **First National Bank of Turley.**

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Russell T. Williams has been elected a Vice-President of the **First National Bank in St. Louis, Mo.**

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The Comptroller of the Currency James J. Saxon announced March 11, that he has given preliminary approval to organize a National Bank in Salt Lake City, Utah.

Initial capitalization of the new bank will amount to $600,000 and it will be operated under the title **American National Bank.**

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Verne P. Maple, Vice-President and Manager of **Security First National Bank, Los Angeles, Calif.,** Fullerton branch, this month is celebrating his 40th anniversary with the bank.

Mr. Maple started his banking career as a messenger with Security's Fresno Office. Advancing through the ranks, he was appointed Assistant Manager of the Lindsey branch in 1938 and was transferred to Fullerton in 1944.

He was named Manager of the local branch in 1945 and was elevated to Vice-President in 1960.

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John W. Nelson has been appointed Vice-President, central credit department, **Security First National Bank, Los Angeles, Calif.**

* * *

Robert E. Ware is the new President of the **Commerce City Bank, in City of Commerce, Calif.**

Mr. Ware, a founding Director of Commerce City Bank, recently succeeded Robert L. Gold, the bank's organizing President, who became Vice-Chairman of the Board. Richard C. Holderness is Board Chairman.

Albert J. Watson, Jr., was elected to Mr. Ware's former position as Treasurer.

To Address Fund Dinner

Henry Brout, of Henry Brout & Company, Imre J. Rosenthal, of Rosenthal & Rosenthal, and John C. Lawrence of the Chase Manhattan Bank, have been named co-Chairmen of the Accounts Division and the Factors and Finance Division of the Anti-Defamation League Appeal, it was announced by Norman Tishman, General Campaign Chairman of the Appeal. The co-Chairmen, together with other leaders in these professions, will spearhead the ADL drive to be highlighted by a testimonial dinner on Tuesday, March 26, 1963 at the Waldorf Astoria Hotel.

Leo Cherne

Guest speaker at the dinner will be Leo Cherne, Executive Director of the Research Institute of America.

The ADL, founded in 1913, celebrates its Golden Anniversary this year. It is the first agency organized expressly to combat anti-Semitism on American soil and—in the words of its original charter—"secure justice and fair treatment for all citizens." This year ADL will seek $3,940,000 for the development of a five-point educational and research program designed to combat bigotry and prejudice.

Toronto Bond Traders Dinner

TORONTO, Canada—The Toronto Bond Traders Association will hold their 31st annual dinner at the King Edward Sheraton Hotel, April 5.

M. A. Brown, Gairdner & Co., Ltd., is Chairman of the Association.

THE SECURITY I LIKE BEST...

Continued from page 2

emphasis is placed on specialty screws of non-ferrous metals—aluminum, brass, and stainless steel. The corporation was started in 1950 with a nominal investment. The rise to its present annual rate of $7½ million sales was accomplished almost entirely through internal development. Arnold Meyer was its founder and is now the President of MSL Industries.

When MSL Industries acquired Universal Screw Company, it also purchased Wisconsin Bolt and Nut Company. The latter concern is a small distributor of fasteners in Wisconsin. As Arnold Meyer was the principal officer of both corporations, this move precluded a possible conflict of interests.

In February, 1961, MSL purchased Stevens Socket Screw Company, a relatively small but highly profitable specialized fabricator and distributor of socket screws. Sales have grown from approximately $400,000 in 1956 to a current level well above $1 million.

The fifth component of MSL is the Joliet Wrought Washer Company, which was acquired in August 1961 for cash. This company stamps and distributes metal washers. It enjoys an old and respected name in the trade.

In May, 1962, MSL acquired Miami Industries of Piqua, Ohio. This division is a highly automated and efficient manufacturer of welded steel tubing. Principal customers are manufacturers of bicycles, automated components, lamps, furniture, industrial equipment, and toys. The principal area served is east of the Mississippi River. Sales have grown from $3.8 million in 1957 to a current rate of about $6½ million.

The Gene Rose Company of Elk Grove Village, Illinois, was acquired in June, 1962. Although founded as late as 1956, this is one of the country's larger private label fillers of aerosol products, including 75 types of cosmetic, automotive, industrial, specialty, pharmaceutical, and household chemical compounds in glass, aluminum, plastic and metal containers. The modern, 37,000 square foot plant is highly automated and efficient. Although the push-button aerosol field is expanding rapidly, the division is searching for new products. It is currently test-marketing a portable tire inflator with the sealant included in the package.

Also, in July, 1962, MSL purchased the Globe Aviation Supply Company of North Hollywood, California, renamed the Globe Aerospace Division. It manufactures and distributes hydraulic fittings and specially designed parts for the missile and aeronautical industries. While small in relation to the larger divisions, the growth of space and missile programs should provide broad markets for this division in the future.

As the result of these acquisitions, MSL's cash resources from the sale of its railroad assets has now been committed. $1,150,000 of a $5,000,000 bank loan is still available should an interesting acquisition arise, as well as almost 800,000 shares additional common stock authorized but unissued.

Due to the $25 million loss carry forward MSL has been able to offer prospective sellers a higher price and yet achieve a faster payout than would be possible if the 52% corporate income tax rate were in effect. While the two year history of the company as an industrial enterprise may be too short for definitive earnings regarding the success or failure of these policies, a good beginning has been made.

The current market price of 25 on the New York Stock Exchange capitalizes estimated 1962 earnings at 7.3 times. From the security analyst's point of view, non-taxed earnings do not deserve as high a multiple as would be indicated if full taxes were paid. Nevertheless, a tax benefit has real value, particularly one of this size lasting through 1965. Perhaps the fairest approach would be to omit half the tax benefit, arriving at an adjusted net income figure of 2.51 per share. In this case, the price earnings ratio works out to 10.0 times, well below that of many companies whose records have been far less impressive.

Milton Lewis to Receive Award

Milton F. Lewis, Vice-President of A. G. Becker & Co., Incorporated, 60 Broad Street, New York City, has been announced as one of the three recipients of the Xavier Insignis Award. The Trustees of Xavier, the Jesuit military high school in Manhattan, have announced that the award will be conferred on Mr. Lewis, class of '30, on Rev. Laurence J. McGinley, S. J., class of '22 and President of Fordham University, and upon Charles E. Pavarini, class of '18 and President of the Pavarini Construction Company.

Milton F. Lewis

The Xavier Insignis Award is a special testimonial to Xavier Alumni who have distinguished themselves in public life. Among the six Alumni who have received this award in the past are: Archbishop Thomas Boland of Newark, '15; the late Thomas E. Murray, '08, former member of the Atomic Energy Commission, and U. S. District Court Judge, John F. X. McGohey, '13.

The awards will be presented at a banquet in the Biltmore Hotel on March 28. Father McGinley will be the principal speaker.

Stallard With Ira Haupt & Co.

CHICAGO, Ill.—Samuel M. Stallard has been named a Registered Representative of Ira Haupt & Co., 141 West Jackson Boulevard.

Mr. Stallard has more than 14 years in the investment business. Prior to joining Ira Haupt & Co. he was Manager of the municipal bond department of Eastman Dillon Union Securities, Inc. in Chicago.

The State of TRADE and INDUSTRY

Continued from page 16

workers file notice of intent to open the labor contract.

Generally, the market is moving ahead. The advance is based on both inventory building and a moderate but definite strengthening in demand to meet current consumption rates. Flat-rolled products, particularly coated steels, are in the lead. But there is new vigor in the market for bars, plates, structurals, and other products.

Iron Age said it is difficult to separate demand for steel earmarked for inventory and steel orders for current use. But one mill estimates that 20% of its new orders are earmarked for inventory.

Another indication is that automakers are now telling mills that they must ship rimmed steel that can be kept over 45 days without age hardening. Normally, this assurance is given only with aluminum-killed steel, but this situation arises in a strike-hedge period.

Iron Age cited these indications of market strength:

One mill reports that orders for the first week of March ran a full 50% ahead of February, although this is not a typical situation.

Another mill, one that enjoys a favorable product mix and is heavily oriented to the auto and appliance industries, expects to operate at 82% of capacity in March and 88% in April.

Tinplate producers have orders on hand to sustain two months' production at 100% of tin mill capacity. Galvanized sheet backlogs have jumped and this product is likely to be the first on the tonnage products to become really tight.

However, most products are readily available. Despite a general lengthening of leadtime and growing backlogs, there is still a lot of quick delivery business and mills are competitive on delivery. But this situation is changing, and four weeks' delivery on cold-rolled sheet is virtually a thing of the past.

Auto Output Rises 13.4% Above Year-Ago Level

Auto assembly in the U. S. last week was scheduled at its highest rate of the year, *Ward's Automotive Reports* said.

The statistical agency noted that the 4,000,000th passenger car of the record-pacing 1963 model year was produced late last Friday, March 8.

Ward's said planned output last week of 151,056 units reflected a 1.6% rise from 148,689 cars made two weeks ago. Last week's expected car count was also 13.4% above 133,164 units made in the corresponding year-ago period.

The increase in car making occurred despite some cutbacks within the industry by manufacturers adjusting plant programs to a near-record field inventory built up for an expected flurry of spring car buying. Another auto maker, American Motors Corp., did not resume production until last Wednesday after shutting down a week earlier due to a shortage of underbodies.

Ford Motor Co. closed its Fairlane-Meteor car line at Dearborn (Mich.) a week ago Monday and its Kansas City plant, making the same cars, last Friday. The company's Wixom (Mich.) Lincoln-Thunderbird plant was also down two days for production adjustment. Studebaker Corp. held only a three-day assembly program.

The industry's only overtime last week was in Buick (Flint, Mich.) and Chevrolet (St. Louis, Norwood, O.) plants, plus combined Buick-Oldsmobile-Pontiac output at South Gate (Calif.). General Motors, overall, accounted for 57.7% of last week's car making.

Other shares in the 151,056-unit production will be: Ford Motor Co. 24.8%; Chrysler Corp. 12.7%; American Motors 4.1%; Studebaker Corp. 0.7%.

Rail Carloadings Fractionally Gain Over Year-Ago Week For the First Time Since Jan. 12, 1963

Loading of revenue freight in the week ended March 2, totaled 532,817 cars, the Association of American Railroads announced. This was an increase of 43,599 cars or 8.9% above the preceding holiday week.

The loadings represented an increase of 4,263 cars or eight-tenths of 1% above the corresponding week in 1962, and an increase of 31,696 cars or 6.3% above the corresponding week in 1961. This marks the second time this year that there was a gain from the 1962 week. Last Jan. 12 was the first time that carloadings rose after 27 prior weeks of decline from year-earlier levels.

There were 14,229 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Feb. 23, 1963 (which were included in that week's over-all total). This was an increase of 2,247 cars or 18.8% above the corresponding week of 1962 and 4,106 cars or 40.6% above the 1961 week.

Cumulative piggyback loadings for the first 8 weeks of 1963 totaled 107,730 cars for an increase of 12,460 cars or 13.1% above the corresponding period of 1962, and 28,611 cars or 36.2% 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 Freight Dips Fractionally Below Last Year's Week

Intercity truck tonnage in the week ended March 2 was 0.8% below the volume in the corresponding week of 1962, the American Trucking Associations announced. Truck tonnage was 8.5% ahead of the volume for the previous week of this year. Observance of the Washington's Birthday holiday by many businesses during the earlier week contributed in part, to the week-to-week increase.

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 15 localities, with 19 points reflecting decreases from the 1962 level. Trucking centers at five points registered tonnage gains ranging from 12.0 to 23.7%, while three areas reflected decreases of more than 10%.

Compared with the immediately preceding week, 28 metropolitan areas registered increased tonnage, while 5 areas reported decreases. One terminal city, Cleveland, showed no change from the previous week. The week-to-week gain is consistent with that observed during similar weeks following the Washington's Birthday holiday in previous years.

Lumber Data Unavoidable

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

Electric Output Rises to 3.9% Over Last Year's Level

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, March 9, was estimated at 17,061,000,000 kwh., according to the Edison Electric Institute. Output was 444,000,000 kwh. less than the previous week's total of 17,505,000,000 kwh., and 643,000,000 kwh. above the total output of the comparable 1962 week, or an increase over the year ago week of 3.9%.

Slight Dip in Business Failures

Following three even weeks, commercial and industrial failures dipped to 302 in the week ended March 7 from 311 in the preceding week, reports Dun & Bradstreet, Inc. Casualties ran considerably lower than a year ago when 364 occurred, but they were not far behind the 318 in the corresponding week of 1961. Compared with a pre-war level of 286 in 1939, current business mortality was 6% heavier.

Liabilities in excess of $100,000 were involved in 53 of the week's failures, up appreciably from 42 in the prior week and 40 last year. On the other hand, the toll among smaller casualties with losses under $100,000 declined to 249 from 269 a week earlier and 324 in the similar week of 1962.

Retailing accounted mostly for the lower tolls during the week—its casualties fell to 115 from 142. Construction failures took a downturn to 51 from 66. In contrast, the toll among manufacturers climbed to 61 from 42 and among wholesalers to 42 from 32. The change in service was slight, to 33 from 29. Only retail and construction failures fell below their 1962 levels, while casualties in other lines remained above last year.

The week's decline was concentrated in one geographic region, the East North Central States, where the toll dropped to 43 from 95. In five regions, failures rose during the week, with steep climbs in the New England, West North Central and West South Central States. In three other areas, casualties remained about even with the preceding week. Regional trends from 1962 also were mixed; five regions had fewer concerns failing, two had more, and two had approximately the same number as last year.

Canadian failures fell to 43 from 66 a week ago but remained above the 33 reported in the corresponding week of 1962.

Wholesale Commodity Price Index Lowest Since Early 1961

Falling daily during the past week, the general wholesale commodity price level slipped this Monday to 267.35, the lowest since Jan. 23, 1961, reports Dun & Bradstreet, Inc. The decline reflected primarily the slide in livestock and grain quotations at wholesale markets. On the other hand, the week's only appreciable rise occurred in the pricing of silver.

The Daily Wholesale Commodity Price Index continued down to 267.35 (1930-32=100) on Monday, March 11, from 268.16 a week ago and 268.59 a month ago. It was substantially lower than the 272.60 chalked up on the similar day last year.

Wholesale Food Price Index Inches Up in Latest Week

After hitting a ten-month low last week, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., edged up 0.3% to $5.78 on March 12. Every week so far in 1963, the index has remained below year-ago levels. This week, it was down 2.2% from $5.91 on the comparable date last year and was off even more strongly from $6.09 in 1961.

Eggs were priced substantially higher, and cottonseed oil and bellies also advanced. These three increases offset the slight dips in wholesale cost of eight food items: Wheat, rye, barley, hams, lard, sugar, steers and hogs.

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

Retail Sales Move at Mild Rate

Consumer buying failed to make much headway in the week ended this Wednesday, as floods and flu joined the long prevalent cold, snow and rain harassments to shopping enthusiasm. Over-all volume continued to better last year's pace, mostly because of strong gains in auto purchases. It was a lacklustre week for retailers of women's apparel, with little glimmer of spring interest as yet. However, buying of men's clothing advanced moderately from year-earlier levels. Activity in home goods remained uneven, but encouraging results were chalked up in many areas. Similarly, demand for hardware, garden and building supplies dipped or stepped up, depending primarily on temperatures.

The total dollar volume of retail trade in the week ended this Wednesday ranged from even to 4% higher than last year, accord-

Finland Underwriting Agreement Signed

Underwriting agreements are signed for the public sale of $12,500,000 Republic of Finland 10-year 6% external loan bonds through a group headed by Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co. Inc.; Lazard Freres & Co., and Smith, Barney & Co. Inc. The bonds, due March 15, 1973, are priced at 98¾ to yield 6.17%. This is the first offering of Republic of Finland bonds in the United States since 1934. Seated, left, is His Excellency, Minister Rainer von Fieandt, Republic of Finland, and seated, right, is Joseph P. Ripley, Chairman of the Board of Harriman Ripley & Co., Inc. Standing, left to right, are: Edwin H. Herzog, partner, Lazard Freres & Co.; Nathaniel Samuels, Senior Vice-President, Kuhn, Loeb & Co. Inc., and Nelson Schaenen, Senior Vice President, Smith, Barney & Co. Inc.

ing to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1962 levels by the following percentages: New England —3 to +1; Middle Atlantic, East North Central, and West South Central —1 to +3; West North Central 0 to +4; East South Central +1 to +5; South Atlantic +3 to +7; Mountain and Pacific +4 to +8.

Nationwide Department Store Sales Dip 4% Below Last Year's Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported an overall drop of 4% the week ended March 2, compared with the like period in 1962.

In the four-week period ended March 2, 1963, sales gained +1% over the corresponding period in 1962.

According to the Federal Reserve System, department store sales in New York City for the week ended March 2, declined 4% below the corresponding year-ago week.

The New York City newspaper strike by the printers' Big Six commenced 2 a.m. Saturday, Dec. 8, 1962. The bargainers agreed to a settlement last Friday, March 8, subject to rank and file approval and also, subject to settlement of contracts with other unions not directly involved in the Big Six strike. There also are optimistic reports the newspapers will be published by next Monday. 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 1% more than a year ago for the country's 12 principal retail centers which, incidentally, includes Cleveland and New York City. Cleveland's sales in the past four weeks plunged 5% below last year's period, and the sales for the week ending March 2 were 14% below the comparable week in 1962.

In contrast to the FRB department stores' 1% sales gain in the four weeks ending March 2, the Commerce Department reported *total retail sales*, unadjusted for seasonal variations, for the same four-week period rose 5% compared to last year's level. The year-ago percent change for the current weeks showed about the same relative gain. Both figures marked new historic highs.

Mutual Banks Association in New Quarters

The National Association of Mutual Savings Banks has announced the opening of its new offices in the Pan American Bldg., 200 Park Avenue, New York City.

Kalb, Voorhis to Admit E. Schwalb

On March 21, Elias Schwalb will acquire a membership in the New York Stock Exchange, and will be admitted to partnership in Kalb, Voorhis & Co., 27 William St., New York City, members of the New York Stock Exchange.

Fund's Advisory Committee Meeting

Investment Company Meeting: Pictured at the March Meeting of Investment Advisory Committee, Provident Fund for Income, Inc., of Philadelphia, Pa., are left to right: Alex D. Reid, CPA; Douglas K. Porteous, President; Ira U. Cobleigh, Economist; Donald E. Peiser, Andresen & Co. (New York); Maxwell Ohlman, Laird, Bissell & Meeds (New York).

As We See It

Continued from page 1

prepared and presented to cover some other year. By that time the politician is able to say that he can do nothing about commitments already made, even if they overload the budget.

This weakness of the rank and file has long been well enough known to the practical politician who is quite skilled in taking advantage of it. It has now become a part of the stock-in-trade of labor union officials who are well enough aware that they may make use of their monopoly power to oblige employers to promise much more in the future than is wise without turning the public against them. For a half decade and probably much longer there never has been a year in which several millions of wage earners have not been able to exact more costly arrangements with their employers by the simple expedient of demanding performance on past promises and agreements. The steel industry is now in the limelight as a result of this state of affairs, but industries such as the metal working trades, the transportation industry, the food industry and others with large payrolls are in the same predicament, and in most of them costs are already sharply reducing profit margins.

In these circumstances, one would suppose that forward looking men would be taking particular pains to eliminate or at the very least reduce the "weaknesses" of today that must be reflected in the affairs of tomorrow. We are sure that forward looking men are doing just that; the trouble is that such men are so distressingly in the minority that their protests are as voices crying in the wilderness. It is evidently too early to guess what Congress will finally do at this session. Reports, usually distressingly vague, are to the effect that opponents of the New Frontier are organizing and preparing to cut a good deal out of the spending program brought forward by the New Frontier. We can only hope that something of the sort will be brought to full fruition. It is certain that neither the President nor his close advisers have any desire to reduce outlays or even to control outlays this year, and certainly have no concern about those commitments for future years which make it doubly difficult, if not impossible, to show progress next year and the next.

In Labor Negotiations, Too

In the field of labor negotiations we find much the same sort of picture. Labor leaders are not much inclined to heed any demand of the President that they keep their wage demands for the immediate future within the improvement in "productivity," whatever that really means. Not even the White House appears much concerned about what current negotiations promise for the morrow. It would be easy to place all the blame for such a situation upon the union officials and their immediate advisers or supporters, and no one, we are sure, would feel inclined to absolve these gentlemen from all responsibility for what is taking place. But, after all, the monopoly position of the unions is a grant from the rank and file of the people, and even with such a monopoly the labor managers must in one degree or another heed popular feeling if they wish to continue their preferred status. The great rank and file simply must somehow be aroused to the need for taking thought for the morrow.

Of course, the ramifications of this general state of affairs reach far beyond the national budget and current wage negotiations. They bear directly upon the policy of the national government to "stimulate" housing construction and housing ownership by devious devices often involving outright subsidies. The total of mortgage indebtedness at the present time and the rate at which it is increasing are matters which should have the attention of all men and women who have the good of their country at heart. The situation as it exists today is a satire of our actions of yesterday and definitely shows their weakness. Nor can there be any doubt that tomorrow will be a satire on today's tally and will show its weakness. The worst of it is the absence of any general appreciation of where we are headed in all these matters.

How Much Do They Owe?

There never has been any attempt so far as we know on the part of government, or any other agency in a position to do so, to find out the total indebtedness of the average individual in the country. How much he owes already if his mortgage indebtedness is added to his instalment liabilities, and his personal borrowings from individuals or from small loan companies is unknown. Yet there can be little doubt that the cost of carrying his debt must be very large in relation to his current income. Yet far from suggesting moderation or prudence, government almost everywhere is really trying to stimulate more borrowing. Of course, such chickens must some day come home to roost. One must wonder if any other people anywhere ever lived under such a load of indebtedness.

In many directions we need to take more heed about what tomorrow's events will reveal about our actions today. As a matter of fact, we should have begun considering it long ago.

Nat'l S. E. Anniversary

The National Stock Exchange, newest in the nation and New York City's third securities exchange, celebrated its first birthday March 7, 1963. At the year's end The National Stock Exchange had 7,180,000 shares listed and eleven listed companies with 13,182 stockholders.

The National Stock Exchange membership roster stood at 120 as the Exchange rounded out its first year, with eighteen member firms having ninety-one branch offices in sixty cities. And The National Stock Exchange's trading figures were being carried in sixty-three newspapers with a total circulation of 14,000,000.

During its inaugural year The National Stock Exchange's figures have been picked up by National Ultronic System, making them available by push-button on all Ultronic units. Figures are also carried on fifty-seven National Stock Exchange tickers.

Among the twenty-two securities exchanges in North America, The National Stock Exchange now ranks twelfth in number of shares and fourteenth in value of listed shares, according to National Stock Exchange Board Chairman Lawrence H. Taylor.

Listing requirements of The National Stock Exchange are $500,000 net corporate worth, 500 shareholders and 100,000 shares in public hands. Mr. Taylor pointed out that these requirements are somewhat flexible, depending on the history and nature of the company, but that they are good indicators of the type of company The National Stock Exchange feels has the minimum requirements for successful trading.

The National Stock Exchange is sponsored by the New York Mercantile Exchange and occupies the ground floor of the New York Mercantile Exchange building at 6 Harrison Street, New York 13, N. Y.

D. H. Blair Co. To Admit to Firm

On April 1, George K. Garvin, Jr. will be admitted to partnership in D. H. Blair & Company, 66 Beaver Street, New York City, members of the New York Stock Exchange. Mr. Garvin is a partner in Garvin, Bantel & Co.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

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

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

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 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.
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. **Offering**—Imminent.

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. (3/25-29)
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.

• Atlas Finance Co., Inc. (3/18-22)
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.

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.

• Berman Leasing Co.
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 March 14, with rights to expire 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.
Nov. 26, 1962 filed 86,000 common. **Price**—$3.50. **Business**—Operation of five retail toy, stationery and variety stores, and the servicing of franchised dealers. **Proceeds**—For expansion, additional inventory, and working capital. **Office**—832 Scarsdale Ave., Scarsdale, N. Y. **Underwriter**—P. J. Gruber & Co., Inc., N. Y. **Offering**—Imminent.

• Brewmaster California Corp. (4/1-5)
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.

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.

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 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.

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.

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. (3/25-29)
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.

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 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.

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. (3/18-22)
Dec. 21, 1962 filed 500,000 common. **Price**—$10. (For an initial period the fund will also offer its shares in exchange for acceptable securities on the basis of one share for each $10 market value of securities). **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—211 S. Broad St., Philadelphia. **Underwriter**—Gerstley, Sunstein & Co., Philadelphia.

Contact Lens Guild, Inc.
Sept. 19, 1962 ("Reg. A") 75,000 class "A" common. **Price**—$4. **Business**—Manufacture and sale of a patented contact lens. **Proceeds**—For moving expenses, 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.

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. (3/25-29)
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.

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.,

Continued on page 30

NEW ISSUE CALENDAR

March 15 (Friday)
Arizona Bank (Phoenix)............Capital Stock
(Offering to stockholders—underwritten by William R. Staats & Co.) 51,834 shares

March 18 (Monday)
Atlas Finance Co., Inc............Debentures
(The Marshall Co.) $300,000
Consolidated Edison Co. of New York, Inc....Com.
(Offering to stockholders underwritten by Morgan Stanley & Co. and First Boston Corp.) 1,441,482 shares
Consultant's Mutual Investments, Inc......Common
(Gerstley, Sunstein & Co.) $5,000,000

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
Fischbach & Moore, Inc............Common
(Allen & Co.) 75,000 shares
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
North American Life & Casualty Co.....Common
(Paine, Webber, Jackson & Curtis) 1,000,000 shares
Pak-Well Paper Industries, Inc............Common
(Francis I. du Pont & Co.) 150,000 shares
Puerto Rican Cement Co., Inc............Common
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 600,000 shares

March 21 (Thursday)
General Telephone & Electronics Corp....Debens.
(Paine, Webber, Jackson & Curtis; Stone & Webster Securities Corp., and Mitchum, Jones & Templeton) $50,000,000

March 25 (Monday)
Anadite, Inc............Debentures
(Dean Witter & Co.) $800,000
Anadite, Inc............Capital Shares
(Dean Witter & Co.) 15,000 shares
Colonial Board Co............Units
(Putnam & Co.) 37,500 units
Cotton States Life Insurance Co.....Capital Stock
(First Alabama Securities, Inc.) 30,000 shares
Heck's Discount Centers, Inc............Common
(Willard Securities, Inc.) 125,000 shares
Highland Development Corp............Common
(Hyder & Co.) $300,000
Manchester Insurance Management & Investment Corp............Common
(Troster, Singer & Co.) $955,293
Norfolk & Western Ry............Equip. Trust Ctfs.
(Bids to be received) $5,475,000

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)
Robins (A. H.) Co., Inc............Common
(Goldman, Sachs & Co. and Smith, Barney & Co., Inc.) 350,000 shares
Southern Railway Co............Equip. Trust Ctfs.
(Bids 12 noon EST) $4,020,000

March 28 (Thursday)
Socony Mobil Oil Co., Inc............Debentures
(Morgan Stanley & Co.) $200,000,000

April 1 (Monday)
Brewmaster California Corp............Common
(Miller, Fox & Co.) $300,000
Commercial Credit Co............Notes
(First Boston Corp. and Kidder, Peabody & Co.) $50,000,000
General Real Estate Fund............Shares
(Baker, Simonds & Co., Inc. and Alex. Brown & Sons) $1,320,000
Recreation Industries, Inc............Common
(Costello, Russotto & Co.) $150,000

April 3 (Wednesday)
Hartford Electric Light Co............Bonds
(First Boston Corp., Putnam & Co., and Charles W. Scranton & Co.) $15,000,000
Scripps-Howard Broadcasting Co............Common
(First Boston Corp.) 375,000 shares
Southwestern Electric Power Co............Bonds
(Bids to be received) $30,000,000

April 8 (Monday)
Lunar Films, Inc............Common
(Ingram, Lambert & Stephen, Inc.) $718,750

April 9 (Tuesday)
Missouri Pacific RR............Equip. Trust Ctfs.
(Bids to be received) $4,500,000
Northern Indiana Public Service Co............Bonds
(Bids to be received) $30,000,000

April 15 (Monday)
Cabot Corp............Common
(Carl M. Loeb, Rhoades & Co., and White, Weld & Co., Inc.) 295,140 shares
Crowell-Collier Publishing Co............Debentures
(Offering to stockholders—underwritten by Carl M. Loeb, Rhoades & Co.) $5,500,000
Natural Gas & Oil Producing Co............Common
(Peter Morgan & Co.) $900,000
Utah Power & Light Co............Bonds
(Bids 11:30 a.m. EST) $15,000,000
Western Light & Telephone Co., Inc.......Common
(Offering to stockholders underwritten by Dean Witter & Co.) 115,339 shares

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

April 29 (Monday)
Holly Sugar Corp............Debentures
(Eastman Dillon, Union Securities & Co.) $10,000,000

May 9 (Thursday)
Alabama Power Co............Bonds
(Bids to be received) $16,000,000
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

August 6 (Tuesday)
Indiana & Michigan Electric Co............Bonds
(Bids to be received) $45,000,000

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

Continued from page 29

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.

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.**
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. Offering—Imminent.

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.

● **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 late April.

● **Fischbach & Moore, Inc. (3/19)**
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—Mc Donnell & 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—$5 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 (4/1)**
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.

● **General Telephone & Electronics Corp. (3/21)**
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.

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.

● **Highland Development Corp. (3/25-29)**
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.

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.

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, electro-mechanical and electronic equipment for government agencies and the military. Proceeds—For equipment, debt repayment and working capital. Office—Engineer's Hill, Plainview, L. I., N. Y. Underwriter—Leib, Skloot & Co., Inc., Clifton, N. J. Offering—Indefinite.

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). Offering—Imminent.

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.

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

● **Kenner Products Co.**
March 30, 1962 filed 522,000 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. **Note**—This registration was withdrawn.

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. **Offering**—Indefinite.

● **Lunar Films, Inc. (4/8-12)**
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.

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).

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.

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).

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 March 14, with rights to expire April 15. **Price**—By amendment. **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.**
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. **Offering**—Expected in early April.

● **Milwaukee Braves, Inc.**
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. **Offering**—Imminent.

● **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 late 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.

● **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** — To be named.

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.

Continued on page 32

Continued from page 31

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. (4/15)**
Sept. 7, 1962 filed 180,000 class A common. **Price**—$5. **Business**—Production of natural gas and oil. **Proceeds**—For drilling expenses, working capital and other corporate purposes. **Office**—Tekoil Bldg., Oklahoma City **Underwriter**—Peter Morgan & Co., N. Y.

New Campbell Island Mines Ltd.
Oct. 13, 1961 filed 475,000 common, of which 400,000 are to be offered by the company and 75,000 by a stockholder. **Price**—50c. **Business**—Exploration, development and mining. **Proceeds**—General corporate purposes **Office**—90 Industry St., Toronto, Canada. **Underwriter**—A. C. MacPherson & Co., Toronto.

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.

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).

● **North American Life & Casualty Co. (3/20)**
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.

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.

Nuclear Science & Engineering Corp.
March 29, 1962 filed 100,000 common. **Price**—By amendment (max. $15). **Business**—Research and development on contracts using radioactive tracers; precision radioactivity measurement; production of radioactive isotopes and the furnishing of consulting and radiation measurement services. **Proceeds**—For equipment, debt repayment, expansion and working capital. **Address**—P. O. Box 10901, Pittsburgh. **Underwriter**—Johnston, Lemon & Co., Washington, D. C. **Note**—This registration will be withdrawn.

Nuveen Tax-Exempt Bond Fund, Series 4
Oct. 17, 1961 filed $15,000,000 of units representing fractional interests in the Fund. **Price**—By amendment. **Business**—The Fund will invest in interest-bearing obligations of states, counties, and municipalities of the U. S., and political subdivisions thereof which are believed to be exempted from Federal Income taxes. **Proceeds**—For investment. **Office**—Chicago, Ill. **Sponsor**—John Nuveen & Co., 135 So. La Salle St., Chicago.

Orr (J. Herbert) Enterprises, Inc.
May 1, 1962 filed 200,000 common. **Price**—$5.25. **Business**—The company and its subsidiaries manufacture and distribute cartridge type tape player recorders and programs therefor; sell at retail nationally known audio visual equipment; and manufacture men's and boy's dress trousers. **Proceeds** — For additional inventory, equipment, research, and working capital. **Address**—P. O. Box 27, Opelika, Ala. **Underwriter**—First Alabama Securities, Inc., Montgomery. **Offering**—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. (3/20)**
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. **Note** — This registration was withdrawn.

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. (4/1-5)**
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.

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.

● **Robins (A. H.) Co., Inc. (3/27)**
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.

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.**
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. **Offering**—Imminent.

Shaker Properties
Oct. 19, 1962 filed 215,000 shares of beneficial interest. **Price**—$15. **Business** — A real estate investment trust. **Proceeds**—For investment and working capital. **Office**—1956 Union Commerce Bldg., Cleveland, Ohio. **Underwriter**—McDonald & Co., Cleveland. **Offering**—Indefinite.

Signalite Inc.
Jan. 29, 1962 filed 126,000 common. **Price**—$4.50. **Business**—Manufacture, sale and development of glow lamps for use as indicators and circuit components. **Proceeds**—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. **Note**—This registration was withdrawn.

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.

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 Financing 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. Note—This registration was withdrawn.

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. **Offering**—Indefinite.

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 same 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.

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-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.

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.**
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. **Offering**—Expected in mid-April.

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 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.

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. **Note**—The SEC has issued an order temporarily suspending this issue.

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.

Issues Filed With SEC This Week

★ **Amtis Corp.**
March 1, 1963 ("Reg. A") 33,000 common and 33,000 non-cumulative preferred to be offered in units of one common and one preferred share. **Price**—$9 per unit. **Business**—Importation and distribution of metal, plastic, technical and precision products manufactured in Israel. **Proceeds**—For inventory and working capital. **Office**—444 Madison Ave., N. Y. **Underwriter**—None.

★ **Cabot Corp. (4/15-19)**
March 11, 1963 filed 295,140 common. **Price**—By amendment (max. $42). **Business**—Production of carbon black, natural gas, condensate, crude oil and oil field pump-equipment. Company also operates a natural gas utility in West Virginia, and manufactures various materials for use in the rubber, paint, ceramic, and plastic industries. **Proceeds**—For selling stockholders. **Office**—125 High St., Boston. **Underwriters** — Carl M. Loeb, Rhoades & Co., and White, Weld & Co., Inc., New York.

★ **Centennial Life Insurance Co.**
March 6, 1963 filed 260,000 capital shares. **Price** — By amendment (max. $3) **Business**—Company is engaged in writing life insurance in Oregon and Washington. **Proceeds**—For additional capital and surplus. **Office**—811 S. W. Sixth, Portland, Oregon. **Underwriter**—June S. Jones Co., Portland.

★ **Commercial Credit Co. (4/1-5)**
March 13, 1963 filed $50,000,000 of notes due 1981. **Price**—By amendment. **Business** — Engaged in specialized forms of financing and insurance; company also has several manufacturing subsidiaries. **Proceeds** — For working capital. **Office**—300 St. Paul Place, Baltimore. **Underwriters**—First Boston Corp., and Kidder, Peabody & Co., Inc., N. Y.

★ **Common Market Fund, Inc.**
March 7, 1963 filed 2,000,000 capital shares. **Price**—Net asset value plus 8.5%. **Business**—A new mutual fund specializing in securities of foreign and American companies operating in the European Common Market. **Proceeds**—For investment. **Office**—9465 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Kennedy, Cabot & Co., (same address).

★ **Creative Packaging, Inc.**
March 4, 1963 ("Reg. A") 1,250 convertible preferred and 5,000 common. **Price**—For preferred, $100; for common, $10. **Business**—Manufacture of paper board packaging. **Proceeds**—For purchase of revenue bonds, and working capital. **Address**—Alabaster, Ala. **Underwriter**—None.

★ **Crowell-Collier Publishing Co. (4/15-19)**
March 11, 1963 filed $5,500,000 convertible subordinated debentures due 1983, to be offered for subscription by common stockholders on the basis of $100 of debentures for each 60 shares held. **Price**—At par. **Business**—Publication of various types of educational texts and related materials, and the operation of a home study school and radio broadcasting facilities. **Proceeds** — For working capital and loan repayment. **Office**—640 Fifth Ave., N. Y. **Underwriter**—Carl M. Loeb, Rhoades & Co., N. Y.

★ **Financial Federation, Inc.**
March 11, 1963 filed 80,000 capital shares. **Price** — By amendment (max. $60). **Business**—A holding company for 11 California savings and loan associations and an insurance agency. Company also assists in the purchase and sales of real estate loans and serves as a trustee under the deeds of trust. **Proceeds**—For selling stockholders. **Office**—615 South Flower St., Los Angeles. **Underwriters**—Kidder, Peabody & Co. and McDonnell & Co., Inc., New York.

★ **General Life Insurance Corp. of Wisconsin**
March 6, 1963 filed 311,625 common to be offered for subscription by stockholders on the basis of one new share for each four held. **Price**—By amendment. **Business**—Writing of life and endowment policies. **Proceeds** — For general corporate purposes. **Address** — 8500 W. Capital Dr., Milwaukee. **Underwriter** — Piper, Jaffray & Hopwood, Minneapolis.

Continued on page 34

Continued from page 33

★ **Great Western Assurance Co.**
March 5, 1963 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Writing of life, health and accident insurance. **Proceeds**—For securing of certificate of authority, and working capital. **Office**—First National Bank Bldg., East, Albuquerque, N. M. **Underwriter**—None.

★ **H & H Poultry Co., Inc.**
Feb. 27, 1963 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Processing of poultry. **Proceeds**—For equipment, and working capital. **Address**—Hoosier St. & Railroad Ave., Selbyville, Del. **Underwriter**—None.

★ **Hartford Electric Light Co. (4/3)**
March 13, 1963 filed $15,000,000 of first mortgage bonds due 1993. **Price**—By amendment. **Proceeds**—For construction. **Office**—176 Cumberland Ave., Wethersfield, Conn. **Underwriters**—First Boston Corp., New York, Putnam & Co., Hartford, and Charles W. Scranton & Co., New Haven, Conn.

★ **Holly Sugar Corp. (4/29)**
March 7, 1963 filed $10,000,000 convertible subordinated debentures due 1983. **Price**—At par. **Business**—Production of beet sugar and related products, and sale of livestock, beet seed, and fertilizer. **Proceeds**—For a new plant. **Address**—Holly Sugar Bldg., Colorado Springs, Colo. **Underwriter**—Eastman Dillon, Union Securities & Co., New York.

★ **Mansfield Telephone Co.**
Feb. 18, 1963 ("Reg. A") 7,500 common. **Price** — $40. **Business**—Furnishing of telephone service for City of Mansfield, Ohio. **Proceeds**—For debt repayment. **Office** —25 S. Mulberry St., Mansfield, Ohio. **Underwriter**—None.

★ **Mortgage Guaranty Insurance Corp.**
March 11, 1963, 200,000 common. **Price**—By amendment (max. $27). **Business**—Company is engaged in the insuring of lenders from loss on residential loans. **Proceeds**—For investment. **Office**—600 Marine Plaza, Milwaukee. **Underwriters**—Hornblower & Weeks, Chicago, and Robert W. Baird & Co., Inc., Milwaukee.

★ **Pictronics, Inc.**
Feb. 27, 1963 ("Reg. A") 75,000 common. **Price** — $4. **Business**—Production of TV documentary films, and the processing of colored kodachrome film. **Proceeds**—For equipment, and working capital. **Office** — 56 Bennett Bldg., Wilkes-Barre, Pa. **Underwriter**—G. K. Shields & Co., New York.

★ **Scripps-Howard Broadcasting Co. (4/3)**
March 12, 1963 filed 375,000 common. **Price**—By amendment (max. $20). **Business**—Company owns and operates four TV stations, three AM radio stations and two FM stations. **Proceeds**—For selling stockholders. **Office**—1121 Union Central Bldg., Cincinnati. **Underwriter** — First Boston Corp., New York.

★ **Socony Mobil Oil Co., Inc. (3/28)**
March 12, 1963 filed $200,000,000 of debentures due 1993. **Price**—By amendment. **Business**—Company and its subsidiaries are engaged in the production, transportation, refining and marketing of petroleum products in the U. S. and abroad. **Proceeds**—For general corporate purposes. **Office**—150 East 42nd St., New York. **Underwriter** —Morgan Stanley & Co., New York.

★ **Southwestern Electric Power Co. (4/3)**
March 11, 1963 filed $30,000,000 of first mortgage bonds due 1993. **Proceeds**—For construction, and debt repayment. **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.

★ **Utah Power & Light Co. (4/15)**
March 11, 1963 filed $15,000,000 first mortgage bonds due 1993. **Proceeds**—To refund a like amount of 5¼% bonds due Oct. 1, 1987. **Office**—1407 West 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** — April 15 (11:30 a.m. EST) at Ebasco Services, Inc., 2 Rector St., New York. **Information Meeting**—April 11 (2:30 p.m. EST) at same address.

★ **Western Light & Telephone Co., Inc. (4/15-19)**
March 12, 1963 filed 115,339 common to be offered for subscription by stockholders on the basis of one new share for each 10 shares held. **Price**—By amendment (max. $35). **Business**—Operation of electric, gas, water and telephone properties in central Kansas, and telephone properties in Iowa and Missouri. **Proceeds**—For general corporate purposes. **Office**—2015 Forest Ave., Great Bend, Kan. **Underwriter**—Dean Witter & Co., Chicago.

★ **William Penn Racing Association**
March 8, 1963 filed $1,000,000 of 6½% sinking fund debentures due 1978 and 100,000 class A non-voting common shares to be offered in units of one $100 debenture and 10 shares. **Price**—$220 per unit. **Business**—Company has been licensed to conduct harness racing with pari-mutual betting. **Proceeds** — For debt repayment and working capital. **Office**—3 Penn Center Plaza, Philadelphia. **Underwriter**—Stroud & Co., Inc., Philadelphia.

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."

Automatic Retailers of America, Inc.
$12,000,000 of 4⅞% subordinated debentures due March 1, 1983 (with warrants) offered at par and accrued interest, by White, Weld & Co. Inc., and Goldman, Sachs & Co., New York.

Central Illinois Light Co.
$9,375,000 of 4¼% first mortgage bonds due 1993 offered at par and accrued interest by Blyth & Co., Inc., Lehman Brothers and Salomon Brothers & Hutzler, New York.

Finland (Republic of)
$12,500,000 of 6% external loan bonds due March 15, 1973 offered at 98¾% to yield 6.17% by Harriman Ripley & Co., Inc., Kuhn, Loeb & Co., Inc., Lazard Freres & Co., and Smith, Barney & Co., Inc., New York.

Kansai Electric Power Co., Inc.
1,300,000 American Depositary Shares (representing 13,000,000 common) offered at $16.75 per Adrs. by Merrill Lynch, Pierce, Fenner & Smith Inc., and The Nomura Securities Co., Ltd., New York.

Oklahoma Gas & Electric Co.
$15,000,000 of 4¼% first mortgage bonds due 1993 offered at 100.25% and accrued interest, to yield 4.235%, by Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co., New York.

Roddy Recreation Products, Inc.
$1,000,000 of 6½% convertible subordinated debentures due March 1, 1978 and 60,000 common shares offered in units of $500 of debentures and 30 shares at $650 per unit, by Dempsey-Tegeler & Co., Inc., St. Louis.

Prospective Offerings

● **Alabama Power Co. (5/9)**
March 8, 1963 it was reported that this subsidiary of The Southern Co., plans to sell $16,000,000 of 30-year 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 Bros; 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.

★ **Arizona Bank (Phoenix) (3/15)**
March 12, 1963 it was reported that the bank plans to offer its stockholders the right to subscribe for an additional 51,834 $5 par shares on the basis of one new share for each 14 held of record March 15, with rights to expire March 29. **Price**—To be announced. **Proceeds**—To increase capital funds. **Office**—44 West Monroe St., Phoenix. **Underwriter**—William R. Staats & Co., Los Angeles.

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.

★ Florida Power Corp.
March 12, 1963 the company announced plans to offer stockholders, sometime in 1963, the right to subscribe for about 457,265 additional common shares on a 1-for-20 basis. **Proceeds**—For loan repayment. **Office**—101 Fifth St., South, St. Petersburg, Fla. **Underwriters**—To be named. The last rights offering in May 1959 was underwritten by Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith, Inc., New York.

Food Fair Properties, Inc.
May 11, 1962 stockholders authorized the company to issue 756,000 shares of a new convertible preferred stock which will be offered to stockholders through subscription rights on a 1-for-10 basis. **Price**—By amendment. **Business**—Development and operation of shopping centers. **Proceeds**—To retire outstanding 6% preferred stock and purchase up to $6,000,000 convertible debentures of Major Realty Corp., an affiliate. **Office**—223 East Allegheny 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.

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.

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.

★ Indiana & Michigan Electric Co. (8/6)
March 12, 1963 it was reported that this subsidiary of American Electric Power Co., Inc., plans to sell $45,000,000 of first mortgage bonds due 1993. **Office**—2101 Spy Run Ave., Fort Wayne, Ind. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.; Harriman Ripley & Co. Inc.; First Boston Corp. **Bids**—Expected Aug. 6 at American Electric Power Co., 2 Broadway, New York.

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 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.
March 12, 1963 the company announced plans to sell $14,000,000 of first mortgage bonds in September. **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.

★ Jersey Central Power & Light Co.
March 12, 1963 it was reported that this subsidiary of General Public Utilities Corp., plans to sell $10,000,000 of 30-year bonds and $9,000,000 of 25-year debentures in the fall. **Address**—Madison Ave., at Punch Bowl Rd., Morristown, N. J. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Kidder Peabody & Co.; Harriman Ripley & Co.

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).

Massachusetts Electric Co.
Jan. 16, 1963 it was reported that this company plans to sell $10,000,000 of bonds in the fourth quarter. **Office**—441 Stuart St., Boston. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co.; Blyth & Co.-White, Weld & Co. (jointly).

★ Michigan Wisconsin Pipe Line Co.
March 12, 1963 the company stated that it is considering the issuance of about $25,000,000 of bonds in the third quarter, to refund a like amount of outstanding 6¼% first pipe line bonds due June 15, 1977. Action is contingent upon successful completion of its rate case now pending with the FPC. **Office**—500 Griswold St., Detroit. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co.

● Missouri Pacific RR (4/9)
Feb. 13, 1963 it was reported that this road plans the sale of about $4,500,000 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.

★ Missouri Pacific RR
March 13, 1963 it was reported that this road plans the sale of $4,500,000 of equipment trust certificates in late May or early June. This will be the second installment of a total $9,000,000 issue. **Address**—Missouri Pacific Bldg., St. Louis 3, Mo. **Underwriters**—(Competitive). Probable bidders: Salmon Brothers & Hutzler; Halsey, Stuart & Co. Inc.

Mitsubishi Electric Mfg. Co.
Oct. 24, 1962 it was reported that the Japanese Finance Ministry had authorized the company to sell $10,000,000 of convertible bonds in the U. S. by March 31, 1963. It is expected that the bonds would mature in 15 years and bear interest of 6.5%. No decision has yet been made as to whether the issue will be sold publicly or privately. **Business**—Production of electric machinery. **Proceeds**—For expansion. **Office**—Tokyo, Japan. **Underwriter**—Kidder, Peabody & Co., New York.

New England Power Co.
Jan. 16, 1963 it was reported that this utility plans to sell $10,000,000 of bonds and $10,000,000 of preferred stock in the fourth quarter. **Office**—441 Stuart St., Boston. **Underwriters** — (Competitive). Probable bidders: (Bonds) Halsey, Stuart & Co. Inc.; Lehman Brothers-Equitable Securities Corp. (jointly); Kuhn, Loeb & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co.-White, Weld & Co. (jointly); First Boston Corp. (Preferred) First Boston Corp.; Dean Witter & Co.-Smith, Barney & Co.-Wertheim & Co. (jointly); Equitable Securities Corp.-Kidder, Peabody & Co.-Lee Higginson Corp.-White, Weld & Co. (jointly); Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith, Inc.

Nippon Telegraph & Telephone Public Corp.
Dec. 19, 1962, it was reported that the company plans to sell $20,000,000 of bonds in the United States in the fiscal year April 1, 1963 to March 31, 1964. The financing program is subject to approval by the Japanese Diet. **Business** — Nippon Telegraph, wholly-owned by the Japanese Government, furnishes domestic telephone and telegraph services, without competition, in Japan. **Proceeds**—For expansion. **Office**—Tokyo, Japan. **Underwriters**—Dillon, Read & Co.; First Boston Corp., and Smith, Barney & Co., New York.

Norfolk & Western Ry. (3/25)
Dec. 26, 1962 it was reported that this road plans to sell about $5,475,000 of 1-15 year equipment trust certificates in March. **Office**—8 N. Jefferson St., Roanoke, Va. **Underwriters**—(Competitive.) Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids** — Expected March 25.

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.
March 8, 1963 the company reported that it plans to raise $90,000,000 from outside sources to finance its $200,000,000 five-year construction program. Of this amount, $20-$25,000,000 will probably be obtained through the sale of bonds later this year. **Office**—615 Eastern Ave., Bellwood, Ill. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & 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).

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 obtained 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.

Continued on page 36

Continued from page 35

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.

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.**
March 12, 1963 it was reported that this company plans to sell $60,000,000 of bonds in the third quarter. The company stated that it will require about $60,000,000 of new money in 1964 and again in 1965. **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.

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.

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 sel $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 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.

Wisconsin Public Service Corp.
Jan. 16, 1963 it was reported that this company plans to sell $15,000,000 of bonds later this year or in 1964. **Office** —1029 North Marshall St., Milwaukee. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler (jointly); First Boston Corp.; White, Weld & Co.; Kidder, Peabody & Co.

Dealer-Broker Recommendations

Continued from page 8

Inc., 650 South Spring Street, Los Angeles 14, Calif.

North American Refractories — Memorandum—Frank Ginberg & Co., Inc., 25 Broad St., New York 4, N. Y.

Panhandle Eastern Pipe Line Co. — Annual report — Panhandle Eastern Pipe Line Co., office of the Secretary, 1 Chase Manhattan Plaza, New York 5, N. Y.

Pillsbury — Memorandum—J. W. Sparks & Co., 120 Broadway, New York 5, N. Y.

Pittsburgh Plate Glass — Chart analysis — Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

L. F. Popell Co. Inc.—Annual report for 1962 available from Strathmore Securities, Inc., Park Building, Pittsburgh 22, Pa.

Radio Corporation of America—Bulletin—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y. Also available are comments on **Boeing** and **Martin**.

Revlon, Inc.—Analysis—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y.

Richfield Oil Corp. — Analysis — Dean Witter & Co., 45 Montgomery St., San Francisco 6, Calif.

Rio Algom Mines Limited — Analytical brochure—James Richardson & Sons, Inc., 14 Wall Street, New York 5, N. Y. Also available is a brochure of **Selected Canadian Investments.**

Rolls Razor Limited—Analysis—Winslow, Cohu & Stetson Inc., 26 Broadway, New York 4, N. Y.

Royal Dutch Petroleum—Analysis in current issue of "Investornews"—Francis I. du Pont & Co., 1 Wall St., New York 5, N. Y. Also in the same issue are reports on the **New Metals, Hertz and Celanese.**

Russ Togs—Discussion in current issue of "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine St., New York 5, N. Y. Also in the same issue is a discussion of the **Airlines, Diamond Alkali, Economics Laboratory Inc., United Servomation Corp., Echlin Manufacturing Co., Standard Oil of New Jersey, International Computers & Tabulators Ltd., Scott Paper Co.,** and **Dura Corp.**

Scherr Tumico Inc. — Analysis — Irving J. Rice & Company Inc., Pioneer Building, St. Paul 1, Minn.

Screen Gems Inc. — Discussion — American Investor for March — American Investor, American Stock Exchange Building, New York 6, N. Y.—25 cents per copy, $2.00 per year. Also available in the same issue are articles on **Aerosol Techniques, Inc., Yale Express, Petroleum Industry,** and **Louis Sherry Preserves, Inc.**

Shell Oil — Memorandum — J. W. Sparks & Co., 120 Broadway, New York 5, N. Y.

Southern Nitrogen Company Inc. — Report — Dempsey-Tegeler & Co., Inc., 80 Pine Street, New York 5, N. Y.

Southern Nitrogen Company, Inc. —Comprehensive Analysis—Goldman, Sachs & Co., 20 Broad St., New York 5, N. Y.

Standard Fruit & Steamship Co.—Analysis — H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available is a report on **Southern California Edison** and **Iowa Electric Light & Power,** and a bulletin on **Railroads.**

Symington Wayne Corporation—Report—Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y.

Texize Chemicals Inc. — Analysis —Alester G. Furman Co., South Carolina National Bank Bldg., Greenville, S. C. Also available is an analysis of **Ross Builders Supplies, Inc.**

Textron, Inc. — Report — Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available are studies of the **Petroleum Industry, Chemicals,** and **Lasers.**

Trans Canada Pipe Lines—Memorandum — MacDougall, MacDougall & MacTier, 129 St. James St., West, Montreal 1, Que., Canada.

Universal Lighting Products, Inc. —Analysis—Robbins, Clark & Co., Inc., 82 Wall Street, New York 5, N. Y.

VTR Inc. — Analysis — Hardy & Co., 25 Broad St., New York 4, N. Y. Also available is a review of the **Oils.**

Volume Distributors — Memorandum—Stern Brothers & Co., 1009 Baltimore Ave., Kansas City 5, Missouri.

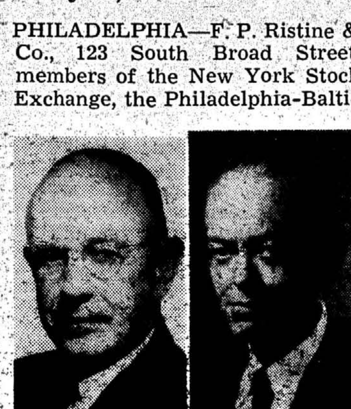
Warner & Swasey — Analysis — Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y.

Warner & Swasey Co.—Review—Equitable Securities Corp., 322 Union St., Nashville 3, Tenn.

Weldotron Corp.—Analysis—Crow, Brourman & Chatkin, Inc., Carlton House, Pittsburgh 19, Pa. Also available is a report on **J. D. Jewell Inc.**

Ristine Absorbs Thayer, Baker

PHILADELPHIA—F. P. Ristine & Co., 123 South Broad Street, members of the New York Stock Exchange, the Philadelphia-Balti-



Wallace M. McCurdy John M. Hudson

more-Washington Stock Exchange and the American Stock Exchange, announce the consolidation of the business of Thayer, Baker & Co., Inc., with their firm, and the association with them of Wallace M. McCurdy, Chairman of the Board of Thayer, Baker & Co., Inc.

The consolidation involves two of Philadelphia's long-established investment securities firms. F. P. Ristine & Co. was organized in 1902 and Thayer, Baker & Co., Inc. in 1920.

Mr. McCurdy has been active in the investment securities business since 1920 when he joined Thayer, Baker & Co., Inc.

F. P. Ristine & Co. also announced that the following have become associated with them as registered representatives: William R. W. Aiken, William R. Coyle, Jr., Joseph H. Geis, Jr., Frank W. Hood, John M. Hudson, Lewis P. Jacoby, Jr., Henry E. Sharp, Charles E. Swan, R. Wallace Troemner, Jr., and Edward M. Vinzulis.

Secondary for Aluminum Co. of America

First Boston Corp., New York, and associates report that they have completed a secondary offering of 250,000 common shares of Aluminum Co. of America at $53.50 per share. The stock was sold on the New York Stock Exchange March 13. Proceeds will go to the selling stockholder.

Alcoa, headquartered in Pittsburgh, is a leading producer and fabricator of aluminum.

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. 9	2,178,000	2,130,000	1,975,000	2,367,000
Index of production based on average weekly production for 1957-1959	Mar. 9	116.9	114.3	106.0	127.1
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Mar. 1	7,417,010	7,448,960	7,206,660	7,450,660
Crude runs to stills—daily average (bbls.)	Mar. 1	9,075,000	8,990,000	8,726,000	8,464,000
Gasoline output (bbls.)	Mar. 1	30,531,000	29,887,000	30,269,000	29,214,000
Kerosene output (bbls.)	Mar. 1	3,954,000	3,420,000	3,704,000	3,620,000
Distillate fuel oil output (bbls.)	Mar. 1	16,256,000	16,884,000	15,423,000	14,776,000
Residual fuel oil output (bbls.)	Mar. 1	7,060,000	6,549,000	6,422,000	6,516,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished gasoline (bbls.) at	Mar. 1	209,395,000	205,949,000	201,602,000	205,569,000
Kerosene (bbls.) at	Mar. 1	23,112,000	23,281,000	26,104,000	25,803,000
Distillate fuel oil (bbls.) at	Mar. 1	89,174,000	93,455,000	113,548,000	98,614,000
Residual fuel oil (bbls.) at	Mar. 1	44,752,000	45,193,000	48,565,000	41,082,000
Unfinished oils (bbls.) at	Mar. 1	81,242,000	81,461,000	80,427,000	80,839,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Mar. 2	532,817	489,218	501,294	528,554
Revenue freight received from connections (no. of cars)	Mar. 2	498,921	482,309	470,886	498,520
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Mar. 2	8,310,000	7,970,000	7,865,000	7,710,000
Pennsylvania anthracite (tons)	Mar. 2	312,000	332,000	339,000	368,000
CONSTRUCTION ADVANCE PLANNING — ENGINEERING NEWS-RECORD—NEW SERIES (000's omitted):					
Total advance planning by ownership	Mar. 7	$1,846,300	$442,400	$558,400	$230,800
Private	Mar. 7	1,654,100	265,600	273,300	130,800
Public	Mar. 7	192,200	176,800	285,100	100,000
State and Municipal	Mar. 7	176,900	168,400	256,000	97,500
Federal	Mar. 7	15,300	8,400	29,100	2,500
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100	Mar. 2	82	89	83	85
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Mar. 9	17,061,000	17,505,000	17,532,000	16,418,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Mar. 7	302	311	329	364
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Mar. 4	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Mar. 4	$63.43	$63.43	$63.43	$66.44
Scrap steel (per gross ton)	Mar. 4	$27.50	$27.50	$28.17	$32.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Mar. 8	30.600c	30.600c	30.600c	30.600c
Export refinery at	Mar. 8	28.425c	28.425c	28.425c	28.600c
Lead (New York) at	Mar. 8	10.500c	10.500c	10.500c	9.500c
Lead (St. Louis) at	Mar. 8	10.300c	10.300c	10.300c	9.300c
†Zinc (delivered at)	Mar. 8	12.000c	12.000c	12.000c	12.500c
Zinc (East St. Louis) at	Mar. 8	11.500c	11.500c	11.500c	12.000c
Aluminum (primary pig, 99.5%) at	Mar. 8	22.500c	22.500c	22.500c	24.000c
Straits tin (New York) at	Mar. 8	109.000c	108.875c	108.500c	122.375c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Mar. 12	90.23	90.23	90.21	88.04
Average corporate	Mar. 12	89.23	89.23	89.09	86.51
Aaa	Mar. 12	93.23	93.23	93.23	90.48
Aa	Mar. 12	91.05	91.05	90.91	88.27
A	Mar. 12	89.51	89.51	89.37	85.85
Baa	Mar. 12	83.66	83.79	83.53	81.66
Railroad Group	Mar. 12	86.78	86.78	86.38	83.66
Public Utilities Group	Mar. 12	90.48	90.63	90.63	87.32
Industrials Group	Mar. 12	90.48	90.48	90.63	88.54
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Mar. 12	3.72	3.72	3.71	3.89
Average corporate	Mar. 12	4.47	4.47	4.48	4.67
Aaa	Mar. 12	4.19	4.19	4.19	4.38
Aa	Mar. 12	4.34	4.34	4.35	4.54
A	Mar. 12	4.45	4.45	4.46	4.72
Baa	Mar. 12	4.89	4.88	4.90	5.05
Railroad Group	Mar. 12	4.65	4.65	4.68	4.89
Public Utilities Group	Mar. 12	4.38	4.37	4.37	4.61
Industrials Group	Mar. 12	4.38	4.38	4.37	4.52
MOODY'S COMMODITY INDEX	Mar. 12	368.4	370.0	372.4	368.5
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Mar. 2	375,457	353,874	358,699	372,414
Production (tons)	Mar. 2	348,115	358,554	349,096	349,612
Percentage of activity	Mar. 2	94	96	94	96
Unfilled orders (tons) at end of period	Mar. 2	463,601	440,778	455,175	483,209
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Mar. 8	113.04	*113.16	114.02	110.54
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Feb. 15	2,835,810	2,557,670	2,941,120	2,309,860
Short sales	Feb. 15	649,020	572,230	737,050	436,730
Other sales	Feb. 15	2,114,400	1,951,370	2,241,870	1,852,390
Total sales	Feb. 15	2,763,420	2,523,600	2,978,920	2,289,120
Other transactions initiated off the floor—					
Total purchases	Feb. 15	619,600	456,160	729,750	454,860
Short sales	Feb. 15	77,000	41,400	89,358	17,800
Other sales	Feb. 15	530,210	421,060	623,922	312,480
Total sales	Feb. 15	607,210	462,460	713,280	330,280
Other transactions initiated on the floor—					
Total purchases	Feb. 15	1,201,645	1,008,583	1,140,038	832,850
Short sales	Feb. 15	180,456	154,043	164,040	109,450
Other sales	Feb. 15	1,045,637	983,345	1,208,060	813,250
Total sales	Feb. 15	1,226,093	1,137,388	1,372,100	922,700
Total round-lot transactions for account of members—					
Total purchases	Feb. 15	4,657,055	4,022,413	4,810,908	3,597,570
Short sales	Feb. 15	906,476	767,673	990,448	563,980
Other sales	Feb. 15	3,690,247	3,355,775	4,073,852	2,978,120
Total sales	Feb. 15	4,596,723	4,123,448	5,064,300	3,542,100
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. 15	1,572,170	1,527,372	1,837,716	1,702,013
Dollar value	Feb. 15	$75,394,775	$74,906,676	$91,896,993	$88,687,138
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Feb. 15	1,871,075	1,785,943	1,993,611	1,761,777
Customers' short sales	Feb. 15	19,028	16,517	20,349	8,651
Customers' other sales	Feb. 15	1,852,047	1,769,426	1,973,262	1,753,126
Dollar value	Feb. 15	$86,988,770	$84,404,756	$99,415,044	$87,347,853
Round-lot sales by dealers—					
Number of shares—Total sales	Feb. 15	698,730	668,550	682,830	557,690
Short sales	Feb. 15				
Other sales	Feb. 15	698,730	668,550	682,830	557,690
Round-lot purchases by dealers—Number of shares	Feb. 15	404,770	383,530	518,490	499,380
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. 15	1,199,080	987,570	1,271,120	692,860
Other sales	Feb. 15	22,211,420	19,787,640	23,273,540	16,638,300
Total sales	Feb. 15	23,410,500	20,775,210	24,544,660	17,331,160
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):					
Commodity Group—					
All commodities	Mar. 5	100.1	100.2	100.4	100.7
Farm products	Mar. 5	95.9	96.8	97.7	97.8
Processed foods	Mar. 5	99.7	100.0	100.7	102.2
Meats	Mar. 5	90.5	91.5	94.1	95.4
All commodities other than farm and foods	Mar. 5	100.7	100.7	100.6	100.7

*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 TRUCKING ASSOCIATION, INC.—Month of December:			
Intercity general freight transport by 361 carriers (in tons)	5,124,135	6,038,801	5,191,575
AMERICAN ZINC INSTITUTE, INC.—Month of February:			
Slab zinc smelter output all grades (tons of 2,000 pounds)	72,232	80,013	79,243
Shipments (tons of 2,000 pounds)	74,634	72,474	84,787
Stocks at end of period (tons)	154,691	157,093	144,719
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—217 CITIES—Month of January:			
New England	$22,798,974	$22,106,744	$22,823,445
Middle Atlantic	120,376,073	55,580,918	44,310,957
South Atlantic	54,741,202	41,131,708	58,491,283
East Central	66,440,246	72,282,927	78,634,635
South Central	111,491,908	97,984,689	107,425,477
West Central	19,846,675	29,779,979	23,176,827
Mountain	31,833,105	39,271,381	19,209,413
Pacific	186,061,044	135,959,942	158,230,793
Total United States	$613,589,227	$494,098,288	$512,302,830
New York City	95,009,064	26,116,715	17,267,601
Total outside New York City	$518,580,163	$467,981,573	$495,035,229
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of January 31:			
Total consumer credit	$64,741	$63,447	$56,711
Instalment credit	48,143	48,232	43,265
Automobile	19,426	19,373	17,155
Other consumer credit	12,732	12,855	11,720
Repairs and modernization loans	3,250	3,290	3,151
Personal loans	12,735	12,714	11,239
Noninstalment credit	14,598	15,215	13,446
Single payment loans	5,511	5,579	4,930
Charge accounts	5,046	5,642	4,784
Service credit	4,041	3,994	3,732
COTTON AND LINTERS—DEPARTMENT OF COMMERCE—RUNNING BALES:			
Consumed, month of January	790,045	589,881	868,061
In consuming establishments as of Feb. 2	1,557,313	1,498,003	1,966,368
In public storage as of Feb. 2	14,231,432	14,374,133	13,094,515
Linters—Consumed month of January	113,912	98,831	128,886
Stocks—Feb. 2	811,002	728,850	623,026
Cotton spindles active as of Feb. 2	16,222,000	16,374,000	17,520,000
DEPARTMENT STORE SALES SECOND FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF NEW YORK—1957-59 Average=100—Month of January:			
Sales (average daily) unadjusted	90	216	90
Sales (average seasonally adjusted)	113	118	112
DEPARTMENT STORE SALES—FEDERAL RESERVE SYSTEM—1957-59 Average=100—Month of February:			
Adjusted for seasonal variation	113	114	111
Without seasonal adjustment	85	86	83
EDISON ELECTRIC INSTITUTE—			
Kilowatt-hour sales to ultimate consumers—Month of December (000's omitted)	65,871,915	61,029,349	62,103,824
Revenue from ultimate customers—Month of December	$1,097,101	$1,071,545	$1,038,410
Number of ultimate customers at Dec. 31	61,105,569	64,001,763	59,920,197
LIFE INSURANCE PURCHASES — INSTITUTE OF LIFE INSURANCE—Month of January (000's omitted):			
Ordinary	$4,108	$5,460	$3,949
Industrial	972	624	1,608
Group	513	2,108	489
Total	$5,593	$8,192	$6,046
MOTOR VEHICLE FACTORY SALES FROM PLANTS IN U. S. AUTOMOBILE MANUFACTURERS' ASSN.—Month of February:			
Total number of vehicles	719,332	811,997	635,010
Number of passenger cars	601,700	688,073	536,317
Number of trucks and motor coaches	117,632	123,924	98,693
MOODY'S WEIGHTED AVERAGE YIELD—100 COMMON STOCKS—Month of February:			
Industrials (125)	3.42	3.29	3.02
Railroads (25)	4.82	4.79	4.79
Utilities (not incl. Amer. Tel. & Tel.) (24)	3.10	2.99	2.93
Banks (15)	3.17	3.16	2.81
Insurance (10)	2.47	2.41	2.13
Average (200)	3.36	3.25	2.99
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of January (in billions):			
Total personal income	$452.4	$450.4	$428.8
Wages and salary receipts, total	301.5	*301.0	287.4
Commodity producing industries	117.7	117.8	113.8
Manufacturing only	93.9	*94.2	90.8
Distributing industries	77.6	*77.6	74.4
Service industries	47.7	47.5	44.9
Government	58.5	58.0	54.4
Other labor income	12.6	12.5	11.8
Business and professional	37.5	37.4	36.1
Farm	13.6	14.0	13.1
Rental income of persons	12.9	12.9	12.6
Dividends	16.3	17.0	15.6
Personal interest income	31.1	30.8	28.6
Transfer payments	38.5	*35.5	33.9
Less employees contribution for social insurance	11.6	10.6	10.3
Total nonagricultural incomes	434.5	*432.3	411.6
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS—Month of December (000's omitted):			
Exports	$1,902,000	*$1,851,100	*$1,662,000
Imports	1,366,500	1,451,600	*1,367,700
UNITED STATES GROSS DEBT DIRECT AND GUARANTEED—(000's omitted):			
As of February 28	$305,179,369	$303,948,076	$297,354,351
General funds balance	7,446,043	5,485,090	5,625,587
Net debt	$297,733,326	$298,462,986	$291,728,764
Computed annual average	3.305%	3.299%	3.180%
U. S. GOVT. STATUTORY DEBT LIMITATION As of February 28 (000's omitted):			
Total face amount that may be outstanding at any time	$308,000,000	$208,000,000	$298,000,000
Outstanding—			
Total gross public debt	304,638,386	303,417,167	296,983,221
Guaranteed obligations not owned by the Treasury	540,983	530,908	371,130
Total gross public debt & guaranteed obligations	$305,179,369	$303,948,076	$297,354,351
Deduct—Other outstanding public debt obligations not subject to debt limitation	370,321	370,824	437,037
Grand total outstanding	$304,809,048	$303,577,251	$296,917,313
Balance face amount of obligations issuable under above authority	3,190,051	4,422,748	1,082,686

Role of Self-Regulation In the Securities Industry

Continued from page 3

tween a self-regulating industry and the national Government.

My purpose is not to predict what the SEC may say or to suggest what it should say. All of us will need time to study the report and express our own views in an orderly way. The important thing is to seek a proper perspective before the event and retain the same perspective after the event.

The Chairman of the Commission, Mr. William Cary, has said the purpose of the SEC is to "find out where the industry has been moving, and accordingly, how we should redefine our responsibilities."

This is a definition of search and not a threat of seizure. In temperate words, Mr. Cary has pointed out that self-regulation in the securities industry has the imprimatur of stature and that the SEC, as the public participant in this process, "need not and should not stifle initiative for self-regulation." To illustrate the proper division of responsibility between the SEC and industry organizations, he has cited the reorganization of the American Stock Exchange as a process which "demonstrated concretely" the Commission's attitude toward self-regulation.

Since words lack full meaning until events define them, this reference has significance. Nothing in the experience of the American Exchange since the issuance of the SEC report should trouble an industry which carries a heavy public trust and acknowledges the responsibility of government to help balance the load.

Progress Made Since the SEC's Report on the A.S.E.

The SEC's report concerning our Exchange was a critique and a call for action, but the program and the action came — as they should have come—from the Exchange itself. Within a span of 12 months, the Exchange has completed the fundamental steps in a reorganization program and has positioned itself to meet its responsibilities effectively:

. . . A revised Constitution, eliminating standing committees, reserving questions of policy to the full Board of Governors and lodging responsibility for administration and operations in the President, has been adopted by a membership vote of 439 to 22.

. . . A restructured Board of Governors with representation from five major cities in addition to New York has taken office.

. . . A new Chairman elected early in 1962 and a new President installed last September have received strong support from the membership and the securities industry.

. . . Staff responsibilities have been clarified in a revised organization buttressed by 59 additional employees, including senior officers and executive personnel recruited in a summer - long screening process.

. . . Listing standards have been stiffened and followed in a year that saw 73 new issues admitted to dealings.

. . . Newly adopted standards for continued dealings have provoked removal of 31 issues in a case-by-case review of our list.

. . . A detailed system of budget and control has been established to meet the needs of an organization that spends about $6 million per year.

. . . Rules and enforcement techniques have been reviewed, changes have been made, and further important changes are under study.

. . . Sound procedures have been adopted to assure allocations of securities to specialists on the basis of the public's need for sound and orderly markets.

. . . The structure of our membership and the status of associate members is under review.

. . . A major step to improve our facilities through automation of the quotation system on an economical basis has been announced.

As this program has progressed, there has been no attempt and no need for the Exchange to struggle for its independence. There has been a recognition by all concerned that the responsibility is ours. In our relations with the SEC, there has been a continuing effort on both sides to discuss questions before they become problems; to disclose plans before they become facts; and to express dissatisfaction before it becomes conflict.

For our part, the danger of isolation from an agency with clear statutory authority and duty is as evident as the danger of abandoning the right to manage our affairs. We need to be self-starters. We are closest to our problems and responsibilities and we must meet both. But the SEC is responsible to the same public and for the same reasons. The necessity for cooperation between two public institutions interested in a single result is obvious.

The report concerning the American Stock Exchange was significant, and the report about to be issued will be significant, because of the importance of the securities industry itself. Viewed as a whole, this industry is the indispensable service mechanism of an economy nourished by millions of individual investors. In a country where private investment is the opportunity of the millions and not merely the privilege of a few, the mechanism has worked well. We do not have a class of investors; we have a population of investors.

Need for Investor Growth

Our economy thrives to the extent that risk capital flows to the support of promising business ventures, enabling energetic and imaginative people to convert ideas into products and services. The securities industry is both a response to the need for capital mobility and a catalyst that helps make the process dynamic and effective. It is an industry that finds its shape and size by reacting to the economic demands of the society it serves.

During the post-war period, the response of this industry to the investment impulses of a burgeoning population has been dynamic, altering its size and broadening its area of responsibility. This fact is dramatized by the experience of the American Exchange. In 1951, volume on our market totalled 111 million shares for the year. In 1961, Exchange volume reached an all-time record 500 million shares.

We announced on March 4 the findings of economic consultants who have projected our immediate future on the basis of statistics and trends distilled from our recent past. If economic conditions are generally sound, we are told to expect by 1970:

. . . Trading volume averaging 2.2 to 2.5 million shares daily, compared with 1.2 million shares in 1962.

. . . A stock list totalling 2.6 billion shares against 1.8 billion today.

. . . About 700 million shares traded per year, nearly double the current figure.

If conditions are generally sound, volume is expected to swell from an average of 395,000 daily in 1951 to 2.2 to 2.5 million shares each day in 1970.

If there should be a sustained bull market, average daily volume on the American Exchange by 1970 could reach 3.6 million shares with share days of 4.4 million over extended periods. It took between 30 and 40 business days to reach that total just 10 years ago.

This is a look at the future which mirrors the record of the past 10 years throughout the securities industry. It is a future we must be prepared to greet, not merely in terms of physical facilities, but also in terms of skilled people operating under procedures and a code of conduct compatible with the demands of the times.

The SEC and Self-Regulation

Our industry has experienced its growth and will meet its future under a system of self-control. The stock exchanges emerged as informal organizations in the 19th century because there was an economic need to centralize the markets in publicly-held securities. They perfected their techniques and codified their ground rules because self-control was the indispensable ingredient of continued success. It still is. The exchanges are self-regulated because their members would flounder and their business would disappear if it were otherwise.

This fact was recognized in the early 1930's when the securities laws were enacted and the SEC was born. In the flurry of legislation by a dynamic administration and Congress during that period, a move to place primary regulatory authority in the hands of the national government might have been expected. Yet Congress shunned any temptation there may have been to substitute administrative machinery within the Federal Government for the industry's own regulatory network. Stock exchanges have a duty, under the law, to regulate their operations and the conduct of their members. The SEC and the National Association of Securities Dealers have a coordinate responsibility, also envisioned in the Federal law, to set the standards for sound and orderly over-the-counter markets.

As the system has developed, the emphasis has remained with the individual, where self-control starts. The system rests on, and find its strength in, voluntary compliance by individuals. If it were otherwise, the cost of self-regulation might long since have become prohibitive. The moment there is need for enforcement by anyone—a firm, a stock exchange, the NASD, a state authority or the SEC—the system is subject to unnecessary strain. The costs can be controlled, and the confidence of the public retained, only so long as high standards of personal conduct obtain throughout the industry.

Industry regulatory authorities have their place. The SEC has its place. But none of them can take the place of individual self-control.

Sees No Excessive Regulation

It would be difficult today to locate any spokesman for the securities industry who questions the fundamental value of the Federal securities laws or the over-all effectiveness of their administration through the agency process. Discussion of the statutes nearly always prompts a comment that they were soundly conceived and have worked well. Moreover, the growth of the industry and of shareownership testify that ours is not a business stifled by over-regulation. All of us would prefer less red tape, fewer regulatory masters, clearer requirements and more freedom of action; but few if any of us would say we are paying too high a price for the confidence of the public and protection against the unscrupulous.

If this is a valid summary of the industry's view as a whole, it should be coupled with the further observation that our attitude is one of pride. Self-control has worked effectively. It is fair to say that no government agency, no matter how large and no matter how well informed, could have done the job accomplished by the industry itself. The industry has adopted standards and devised procedures for effective self-control. The duty of the SEC to be informed of our standards and activities, to review both and to make suggestions is matched by our own duty to consider suggestions and make improvements. This balance of responsibility between private organizations and the government in a highly complicated service industry is sound and it has worked well.

Balanced Appraisal

Since problems provoke progress, it is generally feasible to let sound laws and regulatory techniques improve through usage, as they have in the securities industry. On the other hand, when there is a dramatic pattern of growth, it is well to take a searching look at the whole from time to time. Few would say that such an over-all assessment is out of order. The only risk is that collateral events may distort the real purpose and value of the SEC study, lead to inflamed patches in the report itself, or stimulate an irrational response among its readers.

If there is an atmosphere of continued cooperation and a general conviction that self-examination is the proper basis of effective self-regulation, there should be no risk of hasty conclusions or inadvisable reactions in any sector.

There are times in any relationship when programs, actions or viewpoints on one side may seem ill-advised to those on the other. Nonetheless, if you believe that men of good will can bind a common ground, you can also believe that these will be times when a history of cooperation will prove helpful in avoiding useless conflicts and in producing useful results. This has been our experience at the American Stock Exchange. Our intention is to keep it so.

All of this is important on the eve of the public issuance of a report concerning our industry. It is hard to believe that the report will be free of criticism. Men of responsibility whose standards are high, whose accomplishments are self-evident, and who are close to the problems discussed, can react strongly to criticism. This is especially true because of the size, inherent authority and dispassionate nature of government. It would be well for all government officials to remember that the regulated citizen sometimes feels frustrated when confronted with the impersonal processes and demands of a Federal agency. It is when the frustration leads to unreasoned aggression that relations deteriorate. Individuals vested with governmental authority usually have the power to avoid these situations and should make a constant effort to do so.

If this industry reads statements, analyses or proposals that seem unwise or ill-informed or unfairly presented, its spokesmen have no reason to rush to a posture of self-defense and should not be asked for quick reactions; they should walk deliberately to the conference table. They should be met there by minds that are open, prepared to discuss questions that have not been foreclosed. If this is the attitude and the procedure, the discussions should end with a sense of accomplishment and not with a feeling of futility on either side.

*An address by Mr. Etherington before the Association of Customers' Brokers of Washington, D. C., Washington, D. C., March 4, 1963.

Private Financing For Bayer Foreign Investments Ltd.

Bayer Foreign Investments Limited (Bayforin), a wholly-owned subsidiary of Farbenfabriken Bayer Aktiengesellschaft, has placed privately with institutional investors in the United States $30 million of 5½% promissory notes due March 1, 1983. The financing was arranged through Morgan Stanley & Co., Kuhn, Loeb & Co. Inc. and Smith, Barney & Co. Inc., New York. The parent company, Farbenfabriken Bayer, is the largest chemical company in West Germany and one of the largest in Europe.

Bayforin, which was incorporated in Canada in late 1957 for the purpose of holding and financing virtually all the investments of its German parent in North and South America, Western Europe, and South Africa, has 68 subsidiaries and 22 affiliates in 27 countries.

Proceeds of the new financing were applied principally to retire outstanding dollar bank notes.

Farbenfabriken Bayer is an integrated and diversified chemical concern manufacturing chemicals, dyestuffs, chemical fibers, pharmaceuticals, and agricultural chemicals. A wholly-owned subsidiary, Agfa A. G., is one of the world's largest manufacturers of film, cameras, and other photographic products.

John F. Tice Joins Goodbody & Co.

DENVER, Colo.—John F. Tice has become associated with Goodbody & Co. Mr. Tice was formerly with the local office of Quinn & Co. and prior thereto with Cruttenden, Podesta & Co.

TAX-EXEMPT BOND MARKET

Continued from page 6

Haupt & Co. and associates at a 2.98% net interest cost.

Associated with Ira Haupt & Co. as major underwriters are Kidder, Peabody & Co., Butcher & Sherrerd, Hemphill, Noyes & Co., Rambo Close & Kerner, Inc., Warren W. York & Co., Harrison & Co. and Hess, Grant & Remington, Inc.

Reoffered to yield from 1.50% to 3.125%, investor demand was good with all but $565,000 of the bonds sold.

On Monday of this week only two issues of note came to market. Two Water Revenue bond issues of the City of Seattle, Washington, totaling $6,000,000, were split between the accounts headed by the *First Boston Corp.* and associates and *Blyth & Co.* and associates. The awards include $4,500,000 Revenue (1984-1993) bonds to the First Boston group for which the net interest cost was 3.2581% and $1,500,000 (1973-1983) bonds to the Blyth & Co. group for which the net interest cost bid was 2.9406%.

The runner-up bid for the $4,500,000 issue was a 3.277% net interest cost made by Halsey, Stuart & Co., Inc., and associates and the runner-up bid for the $1,500,000 issue also came from Halsey, Stuart & Co., Inc., at a 2.964% net interest cost.

Other members of the First Boston syndicate for the $4,500,000 issue include Shields & Co., F. S. Moseley & Co., Marshall & Meyer, Inc., Stein Brothers & Co., Fahnestock & Co., New York Hanseatic Corp. and Kenower, MacArthur & Co. Reoffered to yield from 3.05% to 3.25%, the present balance in account is $650,000.

The Blyth & Co. group offered its $1,500,000 of bonds to yield from 2.55% to 3.00% and today's balance is $840,000.

All Eyes on Illinois

All eyes on Tuesday were focused on the $150,000,000 State of Illinois, various purpose (1964-1988) bonds. The nationwide syndicate headed jointly by the *Continental Illinois National Bank and Trust Co.*, the *First National Bank of Chicago, Harris Trust and Savings Bank, The Northern Trust Co.* and *Halsey, Stuart & Co., Inc.*, submitted the best bid, a net interest cost of 2.87744%, to the State. The only other bid for the bonds came from William S. Morris & Co., Inc., bidding alone. The terms of this bid would have resulted in an interest cost to the State of 2.9077%.

Other major members of the winning syndicate include, in alphabetical order, A. C. Allyn & Co., Inc., Bacon, Whipple & Co., Bank of America N. T. & S. A., Bankers Trust Co., Bear, Stearns & Co., A. G. Becker & Co., Blair & Co., Inc., Wm. Blair & Co., Blyth & Co., The Chase Manhattan Bank, Chemical Bank New York Trust Co., C. J. Devine & Co., Drexel & Co., Eastman Dillon, Union Securities & Co., Equitable Securities Co., First National City Bank, Goldman, Sachs & Co., Harriman Ripley & Co., Hornblower & Weeks, The Illinois Co., Kidder, Peabody & Co., Kuhn, Loeb & Co., Lazard Freres & Co.

Also Lehman Bros, Carl M. Loeb, Rhodes & Co., Mellon National Bank and Trust Co., Mercantile Trust Co., St. Louis, Merrill Lynch, Pierce, Fenner & Smith, Morgan Guaranty Trust Co., W. H. Morton & Co., National Bank of Detroit, John Nuveen & Co., Paine, Webber, Jackson & Curtis, Phelps, Fenn & Co., Philadelphia National Bank, R. W. Pressprich & Co., L. F. Rothschild & Co., Salomon Bros. & Hutzler, Shields & Co., Smith, Barney & Co., F. S. Smithers & Co., Stone & Webster Securities Corp., United California Bank, B. J. Van Ingen & Company, Inc., Weeden & Co., White, Weld & Co. and Dean Witter & Co.

The bonds were offered to yield from 1.50% to 3.10% with various coupons. Pre-sale orders amounted to $75,000,000 of the bonds and the balance of the issue was quickly subscribed for during the order period by the two hundred and ninety-eight members of the syndicate and the account was marked closed. All maturities were trading at nominal premiums yesterday.

The State of Mississippi awarded $5,000,000 Highway Revenue (1964-1982) bonds to *Halsey, Stuart & Co., Inc.* and associates at a net interest cost of 3.0061%. The runner-up bid, a 3.010% net interest cost, came from the John Nuveen & Co. account.

Associated with Halsey, Stuart & Co., Inc. are Smith, Barney & Co., Goldman, Sachs & Co., Blair & Co., Inc., Hemphill, Noyes & Co., Hornblower & Weeks, R. S. Dickson & Co., First of Michigan Corp. and Roosevelt & Cross.

Reoffered to yield from 1.70% to 3.10%, the present balance in syndicate is $905,000.

Another Sell-Out

The long awaited $26,500,000 Bi-State Development Agency (Missouri-Illinois Metropolitan District) Serial and Term bonds were sold through negotiation to the group headed jointly by *John Nuveen & Co.* and *Stifel, Nicolaus & Co.* This sale of revenue bonds will provide funds for the Agency to acquire fifteen transit operating companies now providing bus and street car service in the St. Louis Metropolitan area and to consolidate service in this area. The Agency also has the power to purchase equipment such as cars, trolley busses and motor vehicles through the sale of equipment trust obligations but the aggregate may not exceed an amount requiring maximum annual payments in excess of 70% of the total payments to the depreciation reserve fund during the immediately preceding twelve full calendar months.

The serial bonds, maturing 1965 to 1978, were placed privately and the term bonds due 1993 were sold to insurance companies and others at a 4.10% yield for a 4⅛% coupon.

Close Bidding Featured the Hartford Award

After the furor created by the Illinois issue, bidding for Wednesday's two important issues reached new heights. The group led by *Halsey, Stuart & Co., Inc.* submitted the best bid for $9,750,000 Hartford, Connecticut, various purpose (1964-1983) bonds setting a net interest cost of 2.633%. The runner-up bid, a 2.640% net interest cost, came from the Chase Manhattan Bank and Associates.

Other major members of the Halsey, Stuart & Co., Inc. group include Eastman Dillon, Union Securities & Co., Connecticut Bank and Trust Co., First of Michigan Corp., George B. Gibbons & Co., Bramhall, Falion & Co., Inc., Bache & Co., Chas. E. Weigold & Co., and Wm. E. Pollock & Co.

The securities are offered to yield from 1.45% to 2.90% and initial sales have amounted to $3,160,000.

The syndicate headed by *Kidder, Peabody & Co.* submitted the best bid, a 2.77% net interest cost, for $5,050,000 Dayton, Ohio Limited Tax (1964-1993) bonds. The second bid, a 2.80% net interest cost, came from The Northern Trust Company group.

Other major members of the winning account include Goldman, Sachs & Co., Estabrook & Co., A. C. Allyn & Co., Inc., Ira Haupt & Co. and Paribas Corp.

Scaled to yield from 1.60% to 3.25% for a 2⅞% coupon, the present balance is $4,100,000.

Dollar Bonds Show Further Strength

Among the long term dollar quoted toll road, toll bridge and public utility revenue issues, substantial gains have been general since last reporting. The *Commercial and Financial Chronicle's* revenue bond Index averages out at a 3.419% yield this week. This .03% decrease in yield represents a ⅝ths point gain.

Among the top performers were: Chelan County, Washington PUD 5s at 119½ bid up 2½; Massachusetts Turnpike 3.30s at 99⅝ bid up 1; Texas Turnpike 2⅞s at 93½ bid up 1; West Virginia Turnpike 4⅛s at 72 bid up 1; Greater New Orleans Expressway 4s at 103½ bid up ¾ and Port of New York Authority 3⅜s at 99½ bid up ⅝.

In the public utility revenue bond sphere, two large underwritings loom on the horizon. $273,100,000 Chelan County, Washington PUD (Rocky Reach) bonds are scheduled for advance refunding through a *John Nuveen & Co., Inc.* group sometime in the near future. The proposed financing of an estimated $450,000,000 Upper Columbia River Canadian storage dam project to be constructed by a District entity involving the Chelan County PUD, Douglas County PUD and Grant County PUD, all in the State of Washington, seems shaping up as a possible 1963 underwriting.

Businessman's BOOKSHELF

American Foreign Aid Doctrines—Edward C. Banfield—American Enterprise Institute, 1012 14th Street, N. W., Washington 5, D. C. (paper), $1.

American Gas Association Annual Report for 1962—American Gas Association, 420 Lexington Ave., New York 17, N. Y. (paper).

Balance of Payments Statistical Supplement—Basic fact book tracing evolution of the U. S. balance of payments for 40 years—U. S. Government Printing Office, Washington 25, D. C., $1.25.

Bookkeeping Made Easy—Alexander L. Sheff—Paperback reprint of a simple, practical course in which rules of bookkeeping are applied to common business problems with special sections on business operation, business mathematics, and charts of weights and measures, simple and compound interest, etc.—Doubleday & Company, Inc., 575 Madison Avenue, New York 22, N. Y. (paper), $1.95.

Civilian Nuclear Power: Economic Issues and Policy Formation—Philip Mullenbach—20th Century Fund, 41 East 70th Street, New York 21, N. Y. (cloth), $8.50.

Cost Controls for Industry—Thomas S. Dudick—A book designed for use by members of operating management and their financial control counterparts who are faced with the need for cost reduction, cost control and profit improvement and are seeking an effective means of handling the problem—Prentice-Hall, Inc., Englewood Cliffs, N. J. (cloth), $15.

Economic Report of the President—January 1963—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), Part I, $1.75; part II, 55 cents.

Economics of the Free Society—Wilhelm Roepke—A study made understandable for the beginning student of the basic forces inherent in all economic activity, and an analysis of the various systems constructed to harness these elements productively—Henry Regnery Company, 14 East Jackson Boulevard, Chicago 4, Ill. (cloth), $4.95.

Facts and Figures on Government Finance—12th Edition—Prepared by the Tax Foundation, Inc.—Prentice-Hall, Inc., Englewood Cliffs, N. J. (paper), $3.50.

Fifteen Master Keys to Success, Popularity and Prestige—C. W. Bailey—A detailed analysis of 15 major steps to improve relations with others, based on scientific approaches which have proven effective by leading psychologists—includes self-rating and improvement charts. Prentice-Hall Inc., Englewood Cliffs, N. J. (cloth), $4.95.

Financing American Enterprise—The Story of Commercial Banking—Paul B. Trescott—An analysis of the role of commercial banks in the growth of the United States—Harper & Row, Inc., 49 East 33rd Street, New York 16, N. Y. (cloth), $4.50.

Free Reserves and the Money Supply—A. James Meigs—University of Chicago Press, Chicago, Ill. (cloth), $4.

Guide to American Educational Directories—B. Klein & Company, 27 East 22nd Street, New York 10, N. Y. $20.

Guiding Metropolitan Growth—Area Development Committee of the Committee for Economic Development—Committee for Economic Development, 711 Fifth Avenue, New York 22, N. Y. $1.50.

History of Foreign Exchanges—Paul Einzig—A history of foreign exchange in all its aspects from the earliest origins to our time—St. Martins Press Inc., 175 Fifth Ave., New York 10, N. Y. (cloth), $7.50.

Income Taxes 1862-1962: A History of the Internal Revenue Service—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 35 cents.

Investment Publications—A Directory—Crawford Publishing Co., 132 Nassau St., New York 38, N. Y.—Information on request.

Managing Your Money—J. K. Lasser and Sylvia Porter—Paperback reprint of volume on budgets, loans, insurance, investments, social security laws, savings banks, tax questions, etc.—Doubleday & Company, Inc., 575 Madison Avenue, New York 22, N. Y. (paper).

New Approach to Collective Bargaining?—Progress Sharing at American Motors—University of Wisconsin, School of Commerce, Madison 6, Wis. (paper), $1.

New Growth . . . New Jobs for Pennsylvania—A Dynamic Program to revitalize the economy of the Keystone State—Milton J. Shapp and Ernest H. Jurket—Shapp Foundation, 1617 Pennsylvania Boulevard, Philadelphia 3, Pa. (paper), $2 (quantity prices on request).

New York Stock Exchange Directory—Revised to Jan. 4, 1963—Commerce Clearing House, Inc., 4025 West Peterson Avenue, Chicago 46, Ill. (paper), $3.

Pricing Power and "Administrative" Inflation—Concepts, facts and policy implications—Henry W. Briefs—American Enterprise Institute for Public Policy Research, 1012 14th Street, N. W., Washington 5, D. C. (paper), $1.

Psychiatry and Responsibility—Edited by Helmut Schoeck and James W. Wiggins—D. Van Nostrand Company, Inc., 120 Alexander Street, Princeton, N. J.

Racial Discrimination in Employment—A Bibliography—Selected References, Industrial Relations Section, Princeton University, Princeton, N. J. (paper), 40¢.

Readings In Marketing—S. George Walters, Max D. Snider, and Morris L. Sweet—Containing sections on consumers, policies, functions, commodities, channels, and government—the book is designed to be used for supplementary reading in undergraduate marketing courses, but may be used as a basic text or readings book in graduate courses, and is also appropriate for business executives seeking comprehensive insights into the complexities of marketing—South-Western Publishing Co., Inc., 510 Madison Road, Cincinnati 27, Ohio (cloth), $8.

Retirement Money Guidebook—A book designed to help those facing retirement to plan for financial security—Retirement Council Inc.—Harper & Row, Publishers, 49 East 33rd Street, New York 16, N. Y. (cloth), $4.50.

IBA Releases Bond Ad Series

The Committee for Public Education on Municipal Securities of the Investment Bankers Association of America has released a new series of advertisements promoting the sale of municipal bonds to individuals. The series consists of ten one-column ads designed to attract the attention of and inform the investor as to the investment features unique to municipal bonds. The ads are being distributed free to all IBA members. To help minimize dealer advertising cost, the ads have been prepared in reproduceable form and all that is necessary is for the user to present them to his advertising agency, newspaper or magazine. Unlike the first series presented last fall, no mats are required. The cost of running the series can be pre-determined by the user from the dimensions given for each ad.

Hirsch & Co. to Admit Partner

Maurice Meyer III will acquire a membership in the New York Stock Exchange, and on March 21 will become a partner in the New York Stock Exchange member firm of Hirsch & Co., 25 Broad Street, New York City.

WASHINGTON AND YOU

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

WASHINGTON, D. C.—After a howling winter for most of the Nation, the approaching spring, as it always does, promises to fill the countryside with color and perfume. Poppies will flame out in rich orange like the sun, and irises will wave in the breeze.

Already the Rio Grande Valley and the Far South are astir with activity as the good earth is being turned, and the tempo of farm activity will soon increase at an accelerated pace in other parts of the country.

Out in the Mid-Western States the corn and hog farmers are busy even though they have not begun to plough. Many thousands of baby pigs are being born each week. Many farmers are reportedly lighting their lanterns before dawn and going to their barns to look after new-born litters. There is hope across the Prairie States that spring will burst forth overnight and very soon after a bitter winter.

Here in the Nation's Capital the Kennedy Administration unofficially is being reminded that the beginning of spring and a picture of greenness means, in all probability, more surpluses and more farm headaches.

Farm Problem Unresolved

Back in 1960 John F. Kennedy, the Democratic Presidential nominee, promised the farmers that his Administration, if elected, would lick some of the big farm problems. The young gentleman from Boston sincerely believed that he could overcome some of the major surplus problems.

Secretary of Agriculture Orville Freeman, the former Governor of Minnesota, has more problems than perhaps any cabinet officer at the moment and that includes Secretary of Treasury Douglas Dillon, who is charged with conducting our country's financing affairs — and we are head over heels in debt — and Secretary of State Dean Rusk.

Secretary Freeman, who works hard at his post, has been in one round of huddles after another in recent weeks on the farm problems. However, recently he took time out to watch some of his fellow Democrats squirm under the satire of the Washington Gridiron Club. These included President Kennedy, Vice-President Lyndon B. Johnson, and some cabinet members.

For some reason the satirical high jinks of the Gridiron Club passed over Mr. Freeman at its big 78th annual white-tie blowout, with a dinner guest list that is regarded as the most distinguished in America.

Mr. Freeman is taking his story to the country by delivering a series of addresses. In effect, the Secretary says all the surpluses are merely evidence that our capacity to produce in agriculture exceeds our capacity to consume. They are evidence that an age of abundance is at hand.

More Funds for C. C. C.

On Capitol Hill the House has passed and sent to the Senate a bill making a supplement appropriation of $508,172,000 to the Agriculture Department for 1963. The appropriation is sought to meet the fiscal 1963 expenses for the Commodity Credit Corporation in purchasing surplus commodities acquired under price support programs for sale abroad for foreign currencies. Appropriations to make up C. C. C. losses in the foreign assistance transactions are used either to repay the Treasury for borrowed capital or to finance C. C. C. operations.

The Commodity Credit Corporation is directed by law to make price support loans on, or buy any amounts of certain commodities which farmers offer it. It must also store surpluses, operate surplus disposal, special feeding and special export programs, among other things.

Meantime, the House and Senate Agriculture Committees have conducted some hearings and are preparing to hold some long sessions with hope of bringing out a farm bill to help alleviate some of the problems.

Impact of Automation

However, there appears to be little evidence that the lawmakers will pass legislation that will be of benefit to all the country. But what is the reason for all the abundance? New machines and new technology are greatly responsible. Certainly it cannot be attributed to more farmers. The number of farm workers is declining all the time, as the farms grow bigger and bigger.

Secretary of Labor W. Willard Wirtz said some time ago—and this is very important to every segment of our economy—machines are replacing 150,000 men and women each month.

Thus, the announcement a few days ago by the Department of Labor was a bit unfavorable. Unemployment increased by 250,000 persons in February to a seasonally-adjusted figure of 6.1%. The Bureau of Labor Statistics said that this was the biggest rate in 15 months.

Freeman's Philosophy

Secretary Freeman probably is correct when he maintains that surpluses and mechanization in agriculture are part of the overall automation in industry problem.

The facts are this country is faced not only with a surplus in agriculture, but a growing surplus of manpower. Yet our country is the most prosperous and most powerful major Nation in the world. Therefore, it is a bit early perhaps to admit defeat from either mounting agriculture surpluses or growing manpower surpluses.

"It is unthinkable that we should accept conditions that impose insecurity and fear upon millions of Americans because they cannot find a constructive place in our economic life—because they have been replaced by machines," said Secretary Freeman recently. "It would be a denial of our faith in democracy—a faith based on regard for the individual rather than for either material things or a political state—for us to tolerate an economy characterized by a surplus of human beings."

The Department of Agriculture, through its various career employees and the official higher-ups in the Department, is convinced that the recent phenomenal increase in agriculture productivity in America, is our No. 1 production miracle. Millions of farmers have applied new discoveries, new methods and new machines to bring about this dramatic increase.

Benefits to Consumer

No one will dispute that the consumers in this country have benefited greatly by the agricultural abundance. The housewives are getting more and better food, and they are spending only 19% of their income for food. A part of this cost, of course, is the cost of processing, packaging, and transportation to move the food stuffs to the stores and warehouses.

The Secretary of Agriculture is probably correct when he insists that those Americans who are producing this great mountain of fine foodstuffs are not fairly sharing in the benefits. But obviously some segments of the economy are gaining benefits.

Mr. Freeman contends that in spite of the average increase of 15% in net income per farm during the past two years, farmers' income still averages only 60% of nonfarm incomes. More than half of our poverty is in rural areas, although less than a third of our farm population lives there. The underemployment on the farms is equal to an added 1,400,000 unemployed, according to research conducted by the Department of Agriculture.

Common Market Threat

The European Common Market has the Administration worried concerning our agricultural exports. The United States is the world's largest exporter of farm products. Farmers of our country for the last few years have been supplying about one-fifth of the world's agricultural exports.

The exports have been the brighter side of our agricultural picture. Exports in 1961-62 amounted to $5.1 billion of our agricultural products. Of this amount there was a record of $3.5 billion in commercial sales, and $1.6 billion under the AID programs.

In the coming months the United States Government has some important trade negotiations to make concerning our important agricultural industry. We are particularly concerned with the markets in Europe.

Meantime, the time is past due when Congress should do something about the growing surplus problem which is costing the taxpayers heavily for storage alone.

[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.]

"How come cheating in school is wrong for me but all right for you on your income tax?"

COMING EVENTS

IN INVESTMENT FIELD

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 22, 1963 (Houston, Texas)
Stock and Bond Club of Houston Annual Field Day at the Champion's Golf Club.

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 5, 1963 (Toronto, Canada)
Toronto Bond Traders Association 31st Annual Dinner at the King Edward Sheraton Hotel.

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.