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EDITORIAL

As We See It

Three alleged hazards of the first order—we had almost said specters—are being repeatedly held up before Congress and the public as a warning of the consequences of not adopting the programs being proposed by the President. One of these is increasing unemployment. Another is oncoming recession, possibly depression, one of whose dire consequences would naturally be still further increases in unemployment. Finally, there is what is described as a retarded rate of growth in the economy, which is often described as the cause of persistent unemployment, and the cure of which, it is said, would just about remove all the economic ills we now suffer. Any doubt that the proposals of the Administration, and only such programs, would quickly prove the solution of all our economic problems, real and imaginary, is quickly brushed aside by the forces of the Administration, and, unfortunately, doubters do not appear to be able to make a great deal of headway, or at least not enough headway to remove the danger of the adoption of these measures should any substantial setback in business conditions presently occur.

It is little short of a tragedy that the arguments in support of such programs as the Administration has brought forward have been so often repeated by men of such large political influence that they are all too widely accepted without serious question. Indeed, many of them have become what William Graham Sumner used to call the folkways and mores of the people. This being the case, criticism of these notions becomes almost like arguing in favor of sin. Yet a little dispassionate thought should lead any intelligent citizen to serious doubts, to say the least. Current (Continued on page 22)

Growth and Changes Confronting The Gas Industry in the Long Run

By Bruce C. Netschert,* *Director, Washington Office, National Economic Research Associates, Inc.*

Economist-geologist's view of the future growth and changes in the nature of the gas industry: (1) evaluates current excess reserves; (2) emphasizes the dangers of expecting continuation of past rate of growth; (3) refers to significant difference in regulatory climate and gas purchase arrangements' details; and (4) discusses pipelines' and distributors' problem of meeting slowed industrial consumption and increased commercial-residential demand. Sees no problem in future reserve but in interfuel, and in liquefied gas import, competition and procurement of adequate storage.

I would like to begin by calling attention to a little known feature of the year 1963: it is the 25th year since the passage of the Natural Gas Act. I mention this not only because I wish to remind the industry in time for an appropriate celebration to be planned for the actual anniversary in June, in case it wishes to do so, but also because a period of 25 years is a conveniently long, long term. In the course of the remarks to follow, I would like to pay brief attention to both the past 25 years and the equivalent period in the future.

Dr. Bruce Netschert

During the preceding 25 years many things have happened to the gas industry, including changes so great and so profound that the industry of today is almost unrecognizable in comparison with that of 1938. What will happen during the next 25 years? Will equally profound changes also occur? In discussing the coming 25 years I shall not engage in the entertaining but dangerous pastime of prediction or forecast. I shall, however, point out what I think the general nature and direction of future changes will be. We cannot possibly know what the industry will be like in 1988; but we can nevertheless take it as highly probable that the changes in the industry between now and then will not be minor or insignificant, but will be profound.

It is possible to regard this last statement as merely a ponderous platitude. Of course the gas industry will undergo great changes in the next 25 years. Look at what happened in the past 25. For that matter, look at what has happened since World War II! But when I say that the gas industry will change profoundly in the next 25 years I am not thinking merely that it will grow, or even merely that it will be different. I believe that the industry will change in ways that are not yet expected, even though they are foreseeable.

I remind the reader first that the gas industry has not always been in the throes of great change. In the many decades during which the average citizen knew of gas only as the manufactured gas he burned in his kitchen range, many ingenious and cost-saving technical advances were made in the techniques of producing such gas. The nature of the industry, however, remained the same. Throughout this period the urban dweller remained a consumer of small quantities of low heating value, high cost gas. Meanwhile, back at the ranch, the almost worthless natural gas was mostly flared or shut in, while a dribble went to local towns and industries. As late as the 1930's the nature of the gas in- (Continued on page 24)

INVESTMENT OPPORTUNITIES IN JAPAN—A special section devoted to the outlook for Japan's economy and investment opportunities therein will be published on March 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

Whitin Machine Works—Bruce A. Blinn, Analyst, Jesup & Lamont, New York City. (Page 2)

General Aniline & Film Corp.—Irving Allen Greene, Senior Partner, Greene & Co., New York City. (Page 2)

BRUCE A. BLINN

Analyst, Jesup & Lamont,
New York City

Members New York Stock Exchange

Whitin Machine Works

Increasing publicity is being given the improving fortunes of the textile machinery industry. A combination of technologically advanced products, a high percent of obsolete machines now in operation, foreign competition and availability of cash on the part of the mills, thanks to the new depreciation schedules, brought 1962 shipments of textile machinery from U. S. factories to a 10-year high of $564 million, up 15% from 1961. Total spending on plant and equipment continues to grow. In the fourth quarter last year, industry expenditures reached an annual rate of $650 million. Orders for new machinery and plant will increase to an annual rate of $700 million in the current quarter, up $150 million or 21% from a year earlier.

A segment of the industry that has not shared in the prosperity of the last two years is that of the preparatory machinery. The manufacturers of the machines that perform such functions as picking, carding, drawing, combing, roving and spinning have been experiencing declining sales, resulting in price-cutting and sharply lower profit margins. However, it appears that the preparatory machinery business is experiencing the beginning of a cyclical upturn. Aided by new and perhaps revolutionary products, the group could enjoy a period of sustained prosperity. A company that is particularly well equipped to share in this improvement is Whitin Machine Works.

Whitin is a leading producer of textile preparatory machinery. It also makes graphic arts and business equipment and shoe repair machinery. Recently, it acquired a manufacturer of machinery for the potato chip industry. Last year was a difficult one for the company due to the depressed textile machinery business. The losses resulting from this sector canceled the profits from the other operations. For the year, there was a slight operating loss which was offset by profits from the company's finance subsidiary. The nominal earnings represented a substantial decline from the net profit (ex special items) of $1.31 per share in 1961. In 1960, net profits from operations equaled $4.13 per share.

New products figure prominently in the company's plans for 1963 and beyond. The most exciting prospect is the Aerodynamic Card, developed by a French company and manufactured and sold by Whitin in the U. S. The machine is believed to be the first technological breakthrough in carding since 1820. Proof of this is the fact that about 73% of the estimated 75,000 cards in operation industry-wide were built before 1920!

While it is difficult to predict the speed and scope of the machine's reception, it seems likely that sales could reach $2-5 million annually within the next two to three years. Over the next five years as many as ten thousand new cards could be installed, allowing for the number of cards in existence, average age and the increased speed of the new machine. This would represent sales well in excess of $100 million.

Another new machine Whitin will introduce soon is the Foster Muller Automat, an automatic cone winder. Whitin is the domestic licensee for this product. The machine has sold very well in Europe thanks to its economical operation, efficiency, sturdy construction and simplicity. Within two to three years, sales from the Automat could total $2-3 million annually.

The last new product is the Audomac Doffer System which Whitin produces as licensee for Deering Milliken. The machine was developed by Deering Milliken Research Corp. after six years of work. The machine has a definite place in the automated mill of the future but it may have rather limited potential in the replacement market. However, it is believed that over the intermediate term, the System could add perhaps $1 million to Whitin's annual sales.

Whitin is diversifying its activities to lessen the volatility of sales and earnings, resulting from the cyclical textile machinery business. The acquisition of American Type Founders Co., Inc., Fayscott Landis and Foster Machine represents the first step in this direction. In 1962, textile machinery sales may constitute only 30-35% of total volume. This will be achieved through further acquisitions. It is believed that both Foster Machine and J. D. Ferry, both acquired for cash in 1962 and early 1963, respectively, are very profitable. Foster Machine makes winding machinery and Ferry manufactures machines for the potato chip industry.

Because of the long lead time between orders and shipments the first quarter of 1963 may mark the bottom of the cycle for Whitin; thereafter, a steady improvement is envisioned. The year-end order backlog was up and the company is now getting more active inquiries than in the last two quarters. Because of the slow start, earnings for 1963 are tentatively estimated at $0.50-$1.00 per share. However, by the fourth quarter, Whitin could be earning at a $3.00 per share rate and perhaps better. Looking to 1964, I see a sharp jump in earnings, resulting from the combination of the upturn in the preparatory machinery cycle, the favorable reception of Whitin's new products, the recently improved operating efficiency and the contribution of J. D. Ferry's results. Per share earnings could easily reach and perhaps exceed the $4.13 per share achieved in 1960. The prospect of several years of prosperity in its major area of activity and decreasing earnings vulnerability to textile machinery sales fluctuations, thanks to the continuing diversification program, suggests that the investment stature of the stock may improve markedly.

The company's balance sheet is strong. At the end of 1961, net working capital was $30.5 million (current ratio 4.2). After deducting debt, net working capital per share was $27.92. Book value was $49.15.

At approximately 16½, the shares are selling at a very modest relationship to balance sheet values and on the low side of the range within which they have fluctuated for many years. In view of the favorable outlook for the industry in general and Whitin Machine Works in particular, the shares appear to have unusual speculative appeal. The apparently limited downside risk is an integral part of this appeal. The stock is traded in the Over-the-Counter Market; however, management is considering the idea of listing.

IRVING ALLEN GREENE

Senior Partner, Greene & Co.,
New York City

General Aniline & Film Corporation

At the outbreak of World War II, the Government seized 93.5% of the stock of General Aniline as a German asset, under the Trading With the Enemy Act. It was then administered, along with such glittering company as Schering Corp. and Rohm & Haas, by the Attorney-General. But Interhandel, a Swiss holding corporation, asserted ownership to most of the seized stock and brought a recovery action in 1943, which was resisted on the grounds that the purported Swiss ownership was just a cloak for I. G. Farben, the behemoth German chemical trust.

This is one of the oldest cases still pending in the Justice Department, and has gone to the International Court of Justice once, the Supreme Court of the United States twice, the Court of Appeals many times, and has still not come to trial, being only now before a Special Master appointed by the District Court.

But under a compromise settlement now being effected pursuant to a Bill signed into law by President Kennedy last year, permitting sale of this stock, return of the company to private ownership after more than two decades of Government control is imminent. At their April 1 annual meeting, holders of Interhandel will be asked to ratify splitting the proceeds of sale of the disputed stock with the Government, after payment of back taxes and some other claims. The Interhandel Board of Directors has advised acceptance of the settlement, rather than continue the complicated and costly court action. Following stockholder approval, a consent order from the U. S. District Court for the District of Columbia, where the litigation is pending, will be re-

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

Outlook for Bank Earnings

By Dr. William W. Amos,* *Assistant Vice-President, The First Boston Corporation, New York City.*

Dr. Amos forecasts favorable bank earnings for 1963 ranging from around 5% for New York City banks to 10% for some West Coast and other rapidly growing banks. Forecast assumes, interestingly enough, no change in the current interest rate pattern. Dr. Amos, however, does expect an eventual rise in the prime and other short term money rates. Reviewed are the principal factors unexpectedly permitting last year's slight increase in earnings despite sharp rise in interest rate requirements incurred under Reg. "Q." Last year's remarkable performance is attributed to such factors as: rise in earning assets—including heavy absorption of tax-exempts; profits from portfolio transactions; use made of EDP in keeping costs down; and progress in international banking.

In simplest terms the net operating earnings of banks are the resultant of a formula which might be expressed as V x I-E where V is volume of earnings assets, I is the average interest rate and E is expenses. The latter term comprises chiefly salaries and employee benefits, interest paid on savings and time deposits and taxes, including Federal income taxes. This is not precise because there is also the item of other income which includes chiefly fees for trust and other services rendered. For the New York City banks this item has averaged about 19% of Gross income in recent years. However, the general formula may be said to suffice for present purposes.

William W. Amos

If, as has been indicated, the volume of earnings assets is to rise further (although not as dramatically as it did in 1962) and if interest rates are to hold firm around present levels, bank operating earnings will advance moderately in 1963, assuming that expenses can be held within reasonable limits. This year there are expected to be no further major changes in the rate of interest paid on savings and time deposits, and with additional benefits accruing from greater utilization of electronic data processing equipment, the banks generally should be in a good position to hold expenses in line. Thus, prospects for improved bank earnings this year appear to be favorable.

Remarkable 1962 Performance All Things Considered

Actually, the performance of the commercial banks of the nation last year in absorbing the sharp rise in interest requirements on time and savings accounts incident to the modification of Regulation Q was little short of miraculous. In fact our figures indicate that composite figures for the nine principal banks in New York City recorded a gain of about 1% in net operating earnings last year despite a 29% rise in operating expenses, exclusive of salaries and benefits. For banks with larger percentages of savings deposits, it proved impossible to avoid declines in net operating earnings last year, but the shrinkage in net was held to relatively small proportions and the stage was set for a renewal in the uptrend in earnings in 1963.

How was this tremendous increase in expenses overcome, especially in the face of a flat or slightly declining interest rate structure and only a moderate rise in loan demand? The answer to this would appear to be that several steps were taken promptly by the banks to adjust to the changed situation—and the manner in which the adjustment was made provided a good example of the alertness, adaptability and versatility of banks and bank management generally to meet changed economic conditions.

The substantial increase in the available supply of bank credit nationally was very helpful. Our figures show that in the case of the major New York City banks total earning assets rose last year by close to $2 billion to a new all-time high figure of $32.2 billion. This figure compares with less than $28 billion at the end of 1960 and to $25.8 billion as recently as three years ago. This substantial increase in earning assets was made possible in important part by a big increase in savings deposits and by the sale of Certificates of Deposit, but the sheer size of the gain in available funds to loan and invest was helpful.

Rise in Tax-Exempt Assets

Another very important step taken by the commercial banks last year in offsetting the rise in interest expenses was the investment of a large part of available funds in tax exempts. It has been calculated that the municipal holdings of the 100 largest commercial banks were increased by $2.9 billion in 1962 to $11.7 billion, a rise of 33.5% and the largest increase in municipal holdings on record. Better than two-thirds of

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Regular Features

*Column not available this week.

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OBSERVATIONS...

BY A. WILFRED MAY

INFLATION-GROWTH LABORATORY

The visit of Brazil's decisive and thoroughly able Finance Minister, Santiago Dantas, has served to highlight the worldwide importance of his country's experience with inflation and *growth*. The Inter-American Development Bank-Alliance for Progress meeting in Caracas next month, as well as this week's Kennedy-attended Conference of Central American countries in Costa Rica, add timeliness to that situation. By far the major portion of the "Declaration of San Jose" (Costa Rica) formulated on Tuesday concerned economic progress; with the U. S. committing $6 million to finance a study to guide our future aid and its utilization.

Despite impressions to the contrary, during the interval since the late 1950's Brazil's *growth* rate has risen to only 6%-plus from 5%-plus. Since 1958 the country's inflation has been not only rampant, but accelerated; the cost of living having risen by a full 130%, 52% of which occurred in the single year 1962. (In the five years pre-1958 prices had barely doubled.)

Asked whether the inflation promoted or retarded growth, the Minister unhesitatingly endorsed the latter conclusion—with the added remark to your columnist that "the fact that there was any *growth* at all midst the inflation is nothing short of a "Brazilian miracle."

Correspondingly, Senor Dantas firmly expects his impending program for lowering the rate of price increases, and the achievement of stability by 1965, to produce a far higher growth rate.

Another timely item from this expert witness is his decisive conclusion that his country's growth record has been stimulated far more by capital investment in the private rather than the public sector.

* * *

PRESENT REFORM PICTURE

The importance of the prospective junking of the *Reform* portion of the President's tax proposals is strongly weighted on the revenue-losing as well as the ethical considerations.

This conclusion gains emphasis from the fact that some major Reform measures have already been made effective—via a combination of codified changes embodied in the Revenue Act of 1962 enacted last Oct. 12, plus tightening up by the Collector's office in administrating existing statutes.

Important in the first-mentioned legislated category are the codified changes in the taxation of the savings and loan institutions, in cutting down on the exemption of their gross earnings devoted to reserves.

Important in enforcement through combined statutory and administrative changes is the controversial "expense account" factor, now also codified in the statute.

At the same time, indications of Congressional moves for watering-down some of these already enacted reform measures by statutory amendment, manifests the possibility of the Administration's apparently assented-to present aversion to the new reforms sabotaging the newly existing ones.

Art Reform

Such statutory relaxation would not apply to the tax credit given for philanthropic donations in the field of art. Here the code remains unchanged in its simple form of merely stating that taxpayers may deduct the entire value of such gifts from taxable income. The tightening-up, which has already begun with the widely publicized "Do It Yourself" case of Baroness Rebay, Mr. Solomon Guggenheim's erstwhile "manager," is occurring through administration, in a context of changed *attitude*, by the Internal Revenue Service. To curtail "inflated" valuations for unwarranted deductibility, the Revenue agents will scrutinize them more closely with greater enlistment of outside expert help.

The importance of the administrative function here is enhanced by the impracticability of valuation formulas. (The editors of International Art Market currently suggests this rule-of-thumb formula. "Works of art given to museums may be valued at not more than double the average price paid for the five top works of the same artist in the same medium sold at auction in the United States or Europe during the year of the gift.")

In any event, the Department rightly will continue to stand on the policy of case-by-case procedure, with the extreme non-uniformity in the product as well as the market rendering the artist's "other performance" nothing more than one of several elements to be taken into account.

The Personal Deductions Brawl

The proposed changes in the limitation of personal deductions, which has elicited extreme confusion combined with opposition, seemingly has the least prospect of enactment. In addition to objections based on "unfairness" and prospective philanthropic sabotage, they embrace the complaint that the proposal increases the optional standard deduction while reducing the itemized, thereby adding to the program's disparity.

The Treasury in a *fact sheet* defending the proposed 5% floor on itemized deductions points out that it is not a ceiling; and that "virtually every itemizer . . . will receive a tax reduction."

But this explanation does not effectively deny that any floor is limiting. And stating that coupled with the rate cut, the taxpayer is still better off *net*, seems to make the rate cut *Indian giving*—or raising the question: "Is the bucket half empty, or half full?"

* * *

QUOTE-OF-THE-TIME ON DEVALUATION

"The wage inflation that is now going on in Europe is doing more to correct our international balance of payments than anything we have yet contrived. Perhaps its continuation or luck will bring us the assurance that the dollar, at present gold parities, is not an overvalued currency. But what if the American dollar, because of productivity trends abroad or for any reason, should be found to be truly overvalued? No one in New York or Washington cares to contemplate such a contingency. From the safety of my ivory tower in Cambridge, I dare discuss any possibility. In such a case, rather than rely on fiats and restrictions (which are defensible at times but usually only as second-best weapons), American policy should be to alter the parity of the dollar. To say that this can never be done is to say that what may need to be done cannot be done, a pessimistic conclusion not dictated by historical experience or economic analysis. People often say that the rest of the nations would not permit any change in dollar exchange rates, but people often say things that are not really true.

"Time does not permit me to go into these matters, but I must conclude on the following note: If the dollar is overvalued, adjusting to that situation by running a sluggish slow-growth economy is a remedy worse than the disease. We should do the correct things and if that should reveal to us the untenability of present parties, it will have been high time to learn about the hard facts of life."—

From an address by PROF. PAUL A. SAMUELSON, of M. I. T., reputedly trusted adviser to President Kennedy, and former President, American Economic Association; to a symposium on Economic Growth sponsored by the American Bankers Association, Washington, Feb. 25, 1963. From official text released by the A. B. A., but omitted by Prof. Samuelson on delivery.

Bond Club To Hear Sen. Goldwater

Senator Barry Goldwater of Arizona will speak before members of The Bond Club of New York at the Club's Annual Dinner being held today (March 21) at the Starlight Roof of the Waldorf Astoria, it was announced by Lawrence Bogert, Jr., Eastman Dillon, Union Securities & Co., President of the Club.

Hon. B. Goldwater

Three Partners For Putnam & Co.

HARTFORD, Conn.—An April 1, Clifton M. Bockstoce, Kent M. White and John B. Russell, will be admitted to partnership in Putnam & Co., 6 Central Row, members of the New York Stock Exchange. Mr. Russell is manager of the firm's research department.

Sartorius Will Admit New Partner

On April 1, Sartorius & Co., 39 Broadway, New York City, members of the New York Stock Exchange, will admit Bennett M. Schlenger to partnership. Mr. Schlenger is a member of the New York Stock Exchange.

FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

Southern Republicans who have shown a remarkable resurgency in the last few years are coming to be right troublesome for the national GOP. They are coming to demand a larger voice in the party. The national GOP is moving right along towards the nomination of Nelson Rockefeller for the Presidency. George Romney of Michigan and Governor Scranton of Pennsylvania are mentioned for the sake of variety but not very seriously.

In the meantime, the Southerners who have elected a Senator, several Congressman and state legislators, are demanding Senator Goldwater. In some quarters, they are threatening a third party if he isn't given the nomination.

The first explosion for Senator Goldwater occurred in 1960. Now the Chairman of the Republican Party in Texas, Peter O'Donnell, is claiming that the Republican Senator, the chief rallying point for the Conservatives, can carry every Southern state except possibly Louisiana, against President Kennedy next year—and win the national election. The South, the Midwest, and the Mountain States, he says, can elect Senator Goldwater.

Conservative leadership in the Republican party has moved from section to section. In the earlier days, its bastion was in the East, in New England and the Middle Atlantic states. Aldrich, Hale and Penrose were the great names in the Republican party. The Mid-West was turning then what was called Progressive with Dolliver of Iowa, LaFollette of Wisconsin and Norris of Nebraska as pioneers.

Republicans in the Southern States were mighty scarce and many of them were Negroes. They were effective only when they went to the Republican National Conventions where Presidential candidates were being nominated. They were usually found voting for conservative candidates. Eventually, conservatism moved into states of the Mid-West. The "Sons of the Wild Jackass," as the late New Hampshire Senator called the ultra-progressives, have been overshadowed. In the East today, the trend of the party leaders has been more towards progressive thinking—a trend that really had its start in the GOP with President Theodore Roosevelt who had spent some of his earlier years in the West. The two Republican Governors of great Eastern states—Rockefeller of New York, and Scranton of Pennsylvania, are not classed as conservatives.

The conservative role is not new for the Republicans of the South. The late Senator Robert A. Taft of Ohio, in his campaigns for the Republican Presidential nomination, always had his full quota of strength in that region — and he was the darling of the conservatives as is Senator Goldwater today. General Dwight D. Eisenhower had to face this kind of opposition but he was able to break through the wall here and there, mostly on charges of primary irregularities which were trumped up.

The Texan, Mr. O'Donnell, was not content with his statement of support for Senator Goldwater. He declared that if the Republicans nominated Governor Rockefeller he would be defeated. He predicted that Rockefeller would not even carry New York.

To date, Goldwater has declined to become a candidate, even a receptive candidate for the Presidential nomination. He insists he is candidate for Senator, period.

The Arizona Senator is an attractive figure, a strong speaker for the causes he supports. He has admirers all over the country.

IBA Seminar Addressed by Cobleigh on OTC

Dr. Ira U. Cobleigh, Economist and Feature Columnist for *The Commercial and Financial Chronicle*, addressed a Seminar Session of the Investment Bankers Association, at the Wharton School, University of Pennsylvania, last Thursday, March 14.

Ira U. Cobleigh

His topic was "The OTC Market—Readjustment and Revaluation."

Dr. Cobleigh is a recognized authority on the OTC market and his observations on the breadth of this panoramic trading arena and timely suggestions for its improvement were attentively received by his audience of about 300 members of IBA.

Andresen To Admit Partner

On March 28 Michael R. Sciortino will acquire a membership in the New York Stock Exchange and will become a partner in Andresen & Co., 30 Broad St., New York City, members of the Exchange.

Orvis Bros. to Admit Partners

On April 1, Alfred E. Frisbie, Donald Eucker and John W. Hemmer, will be admitted to partnership in Orvis Brothers & Co., 30 Broad St., New York City, members of the New York Stock Exchange. Mr. Frisbie, is manager of the Washington office in the Woodward Building.

Tobey & Kirk To Admit Scott

Tobey & Kirk, 52 Wall Street, New York City, members of the New York Stock Exchange, on April 1, will admit John E. Scott to partnership.

Fifty Years of Sulphur

By Dr. Ira U. Cobleigh, Economist

A consideration of Freeport Sulphur Company, the oldest producer of sulphur in the United States, and pioneer in many significant technological advances in the industry.

In Biblical days they called it brimstone. We call it sulphur and it's one of our most versatile and indispensable minerals. About 40% of total sulphur consumed in the world goes into agricultural fertilizers; the balance finds wide use in chemicals (sulphuric acid), in detergents, films, dyes, plastics, refrigerants, etc.; in paper, where it takes 250 pounds of sulphur to make a long ton of sulphite paper; in mining, oil refining and drugs; and in rayons and nylons. The world consumption is in a continuous long-range uptrend and, in the United States, per capita consumption has risen from 25 pounds per year 30 years ago to 75 pounds a year today.

A Half Century of Production

Freeport Sulphur Co., the first American company in the business, began its production in the fall of 1912 at Bryanmound, Tex.; and since that time has produced over 50 million long tons. Sulphur is principally mined by the Frasch process, which surfaces the mineral from sulphur-bearing geological dome formations by piping down massive injections of hot water, and by booster applications of compressed air. Sulphur for years was brought up to ground level in liquid form and, as it cooled and dried, it became a yellow powder like substance. In this form it was sold and transported by land and water to industrial and processing centers all over the world.

Liquid Delivery

Since most sulphur is actually used as a liquid, however, Freeport Sulphur in 1960 undertook the most extensive program in the industry to move sulphur in liquid, rather than solid, form; and now delivers 75% of its domestic tonnage to shipment terminals or direct to customers in specially designed tankers or tank-barges. These carry the molten sulphur at a temperature of 285 degrees Fahrenheit, eliminating remelting costs, contamination, and losses from dust or stockpile erosion.

Actual production, which in 1962 amounted to around 2.3 million long tons, comes from a series of mines off the Louisiana Coast, including a major offshore deepwater platform mine in the Gulf of Mexico at Grand Isle, La. Freeport Sulphur now has the largest developed sulphur reserves, the greatest productive capacity, the most extensive and efficient distribution system (including nine regional terminals) and the finest technical resources in its history.

Sulphur is a competitive business and Freeport has to cope not only with other American producers, but with the output from Mexican, Canadian and French mines. Abroad, its sales are made by Sulphur Export Corp., owned by Freeport, and three other domestic producers. Sales of United States produced sulphur, outside the North American continent, actually climbed 5% last year to a total of 1,350,000 tons. Freeport sells about 25% of its output abroad.

Pioneering

Freeport was not only the earliest American producer but it had the first offshore mine, was first to use sea water for mining, and pioneered in liquid sulphur transportation.

Diversification

Freeport Sulphur over the years has aggressively sought to diversify its business. It acquired Cuban American Manganese Corp. in the 1930s, which between 1932 and 1946 (when it closed down), was the largest producer of manganese in the Western Hemisphere. In December, 1943, its subsidiary, Nicaro Nickel Co., began nickel production under a government contract at Nicaro, Cuba. This was a major producer of nickel during World War II and since. It paid $1,100,000 in dividends to Freeport in 1961, but is now grounded, with its assets confiscated by the Castro government. Another Cuban facility, Moa Bay Mining Co., which began nickel/cobalt production in 1959 has also been a victim of Cuban bearded brigandage.

Oil and Potash

More fortunate were Freeport's entries into oil and potash. In January, 1956, Freeport Oil Co. was formed to carry on the Freeport oil and gas business in Louisiana, Kansas, Texas and New Mexico. In October, 1958, the company's extensive interests in the Lake Washington field in Louisiana were sold to Magnolia Petroleum Co. for about $100 million. Freeport Oil Co. continues as an operating division, and a modest revenue producer. National Potash Co., in which Freeport Sulphur and Consolidation Coal share a 95% interest, is a substantial earner ($1,201,000 net income in 1962) with excellent potash reserves and a modern refinery near Carlsbad, New Mexico.

Financial Strength

From a banker's viewpoint, Freeport Sulphur Co. is almost an ideal company. Its balance sheet at the 1962 yearend revealed current assets of $80,986,917 against current liabilities of $12,285,478; and of these assets, $44.5 million were in marketable securities, principally government bonds. The company has no funded debt and the 7,556,525 common shares outstanding constitute its sole capitalization. This common stock was split 3-for-1 in 1951, and 3-for-1 again in 1959. Cash dividends have been paid without hiatus for 36 years in a row.

Investors have been a little diffident recently about FT common possibly because of the write-offs of Cuban investments. While these were unhappy events, the company has weathered them excellently and may ultimately make some recoveries. It actually had a higher investment income in 1962 than in 1961, even though there were no dividends from Nicaro last year. Ahead lie the expanding world demands for sulphur, the possibilities for rewarding mergers and expansions, which Freeport's rich cash resources can easily finance, and the expansion of a new subsidiary, Freeport International, Inc., designed to assist in the development of overseas ventures.

While FT common may not be as bouncy or sprightly in the market as space age equities, its 1962 net earnings of $1.68 per share amply support the current $1.20 dividend, and, at 24, the stock yields 5%. Historically, the shares are not high, ranging in 1962-63 between 19¼ and 29⅝. Management is distinguished, the Board of Directors quite impressive, and FT common (listed NYSE) is owned by some 20,000 stockholders including 38 institutions.

Investors attracted by balance sheet strength, above average yield, and an entrenched company in a basic industry may find considerable merit in FT common at prevailing prices.

NSTA NOTES

ALABAMA SECURITY DEALERS ASSOCIATION

The following officers for 1963 have been elected by the Alabama Security Dealers Association:


Edwin A. Gentry


Sam F. Malone


H. R. Straughan

President: Edwin A. Gentry, Pierce, Carrison, Wulbern, Inc.

Vice-Presidents: Arthur B. Durkee, Sterne, Agee & Leach, and Sam F. Malone, Andresen & Company.

Secretary: Roger C. Clayton, Hugo Marx & Co.

Treasurer: Howard R. Straughan, Birmingham Trust National Bank.

BALTIMORE SECURITY TRADERS ASSOCIATION

The Baltimore Security Traders Association will hold its 28th Annual Spring Outing on Friday, May 17, 1963 at the Country Club of Maryland.

INVESTMENT TRADERS ASSOCIATION OF PHILADELPHIA

On Friday, June 21, 1963 the Investment Traders Association of Philadelphia will hold the Annual Summer Outing and will host New York in a Golf Match. As in the past, the events will take place at Whitemarsh Country Club in Whitemarsh, Pennsylvania.

Elected Director

The election of Ragnar D. Naess as a Director of the International Holdings Corporation, a closed-end investment company, was announced. Mr. Naess is the senior partner of Naess & Thomas, investment counsel in New York City. He is a Director of several corporations, including Naess Shipping Co., Christiania General Insurance Corporation of New York and The Estate Fund Management Corp. of Salt Lake City, Utah.

Tax-Exempt Bond Market

BY DONALD D. MACKEY

Since last reporting, the state and municipal bond market has continued to show forthright strength. Although the overall activity has been moderately reduced from the high level of a week ago, business continues to reflect a broad investor interest in tax-exempts even with escalating prices.

Tax-Exempt Market at Highest Level Since 1958

With this resurging demand for all types of state and municipal bonds the market generally has reached a higher level than at any time since mid-1958, according to our records. *The Commercial and Financial Chronicle's* high grade 20-year general obligation bond yield Index averages out at a 2.896% yield on March 20 against 2.913% a week ago and against 2.903% in early November 1962 which latter level had previously marked the market's high point since the 1958 surge. In itself, this fact has no particular significance to the dealer or to the investor in that the price transition has been a gradual one with irregular variations and inconsistencies interrupting the trend. Now it might seem that the innumerable market factors involved have been adjudged favorable enough to encourage dealing in a definitely new price area with some prospect that the trend will continue at least for a while and perhaps for quite a while.

It has been obvious for a year or more that important changes in investor habits were gradually being brought about due to many powerful considerations. As a matter of basic policy, money has been made as easy as might seem necessary to induce economic activity with growth. While there has been growth, and the economy is relatively sound and resourceful, it has lacked the ephemeral dynamics that are politically as well as fiscally desirable. Since a new order of economic growth has been discounted and, since something less is being realized, the profit squeeze among other things is forcing a change in investment procedures.

Bull Market Likely to Be Sustained

The banks, surfeited with funds, and other investors have absorbed a record volume of tax-exempts over the last 18 months and from present indications the volume will be continual and the market can be counted on to be receptive for a lengthy period ahead. Moreover, this virile interest is not restricted to the so-called "bank maturities" or even to the so-called "high grade" issues. It runs the limit of maturity schedules and the whole gamut of quality.

Many months ago, when tax reduction talk was first ruminated, there were those who visualized some reduction in tax-exempt bond prices. This has been a factor in the periodic dampening of the market trend during recent months. Now it would seem that the tax cut, whatever it is and whenever it comes, seems likely to have but little market meaning excepting in its immediate psychological impact.

The "give and take" official attitude toward a tax reduction, when confused with madly increasing state and local taxation, not limited to property, income or sales, but including almost all phases of human activity excepting perhaps the beating of the heart and the breath of life, has eliminated the investor's serious thought of effective tax reduction. Actually he expects a greater net tax take.

In superficially considering all of the broad market factors it is difficult to visualize other than a steady to strong municipal market in the months ahead, aside from the late spring-early summer markdown due to the unthinking indulgence in overpricing that inevitably catches up with most underwriters.

Good Volume of New Business Impending

The new issue calendar continues to broaden both in numbers and types of new issues and in volume. The visible supply although less than it was a week ago remains at a relatively high level. For the next month the competitive issue total stands presently at about $675,000,000. This sort of volume will help balance bidding as against demand with a resultant better distribution.

There are two king size issues thus far involved in the month's schedule. On April 10, California calls for bids on $100,000,000 bonds and on April 17 the Washington Public Power Supply System wants bids for $130,000,000 of bonds. Both issues are set up for competitive bidding and several are ready to bid in each instance. Otherwise, the largest issue requiring bids is an offering of $41,600,000 Massachusetts bonds on March 26.

The street inventory situation continues to be apparently very favorable. The daily offerings recently appearing in the *Blue List* have totaled considerably under the $500,000,000 mean amount. Currently the total is $457,013,450. Under present money market conditions this total represents a moderate collective commitment. It might well go higher in the weeks ahead and in so doing could help to better balance the market.

Frenzied Bidding Indifferent To Bond Ratings

This week has been another active one in the field of municipal bond underwriting, with a total of just over $237,000,000 of bonds selling at competitive bidding. The frenzy by dealers and banks to buy these issues moved prices ahead by about ten basis points and spreads narrowed considerably. The differences in yields between the highest rated bonds and bonds of medium quality has also narrowed considerably as underwriters ignore ratings in an effort to buy almost any new issue.

Recent Awards

Last Thursday two issues of note were offered for public bidding. The Port of New York Authority awarded $8,250,000 New York State Guaranteed Commuter Car (1963-1987) bonds to the *First National City Bank* group on a 2.717% net interest cost bid. There was a better bid, a 2.715% net interest cost, made for this issue by the Chemical Bank New York Trust Co. and associates but this bid was rejected on the grounds that it had arrived two minutes late. It is interesting to note that there were four additional bids ranging in interest cost from 2.718% to 2.73% made for this well secured issue.

Other major members of the winning group include Smith, Barney & Co., Harriman Ripley & Co. and Roosevelt & Cross, Inc.

Scaled to yield from 1.45% to 2.95% for various coupons, this issue to date has not attracted much demand, with the present balance in group $3,922,000.

Portsmouth, Virginia awarded $4,600,000 general obligation water (1964-1983) bonds to the *First National Bank of Chicago* and *Bankers Trust Co.* and associates at a 2.792% net interest cost. The runner-up bid, a 2.803% net interest cost, came from the Continental Illinois National Bank and Trust Co. syndicate.

Other major members of the winning group include Kuhn, Loeb & Co., L. F. Rothschild & Co., Weeden & Co., Stroud & Co., Spencer Trask & Co., Henry L. Harris & Sons, Robert Garrett & Sons, Folger, Nolan, Flemming & Co. and Kean, Taylor & Co.

Reoffered to yield from 1.60% in 1964 to 2.95% in 1981, the present balance is $3,310,000. The 1982 and 1983 maturities were sold presale.

Monday Heavily Larded With Business

On Monday of the current week several sizeable flotations in California, Texas, Minnesota and Illinois shared the spotlight. The City and County of San Francisco sold four issues totaling $37,215,000 of various purpose (1964-1983) bonds to the *Bank of America N. T. & S. A.* at interest cost ranging from 2.51% to 2.68%. Halsey, Stuart & Co., Inc. was the runner-up bidder for $32,800,000 of the bonds and the interest costs ranged from 2.53% to 2.694%.

Associated with Bank of America as major underwriters are the Chase Manhattan Bank, First National City Bank, Blyth & Co., The First Boston Corp., Harriman Ripley & Co., The Northern Trust

Continued on page 40

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	2.65%	2.50%
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	3.15%	3.00%
Baltimore, Maryland	3¼%	1981	3.05%	2.90%
Cincinnati, Ohio (U.T.)	3½%	1981	3.05%	2.90%
Philadelphia, Pennsylvania	3½%	1981	3.20%	3.05%
*Chicago, Illinois	3¼%	1981	3.20%	3.05%
New York, New York	3%	1980	3.07%	3.00%

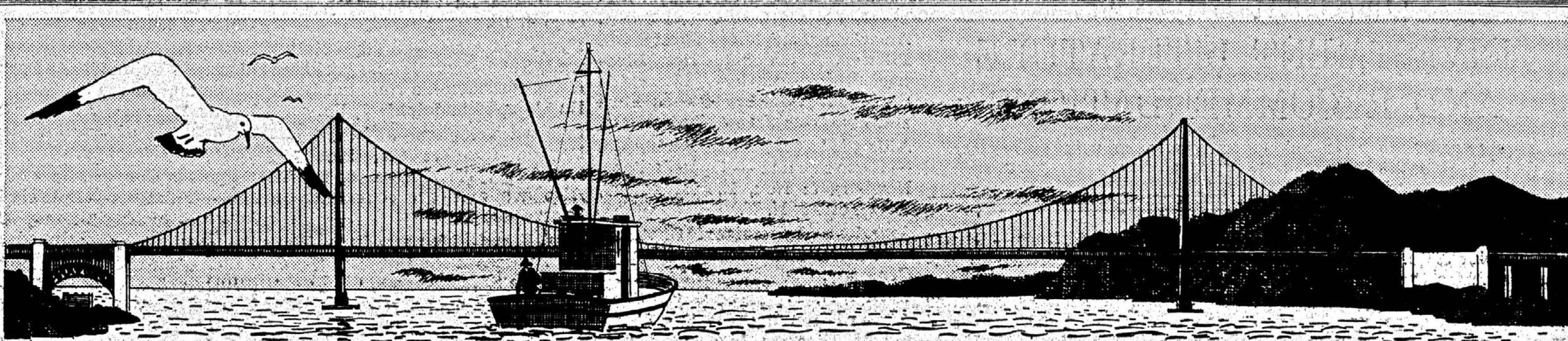
March 20, 1963 Index=2.896%

*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 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.	3,000,000	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.
Jackson, Miss.	9,260,000	1964-1988	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)	41,600,000	1964-1983	Noon
Midwest City, Okla.	2,280,000	1965-1988	6:30 p.m.
Radcliff, Ky.	1,080,000	1967-1999	7:30 p.m.
Riverview Gardens Sch. Dist., Mo.	1,200,000	1964-1983	8:00 p.m.
Salem, N. H.	1,620,000	1964-1993	11:00 a.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
Dothan, Ala.	3,900,000	1964-1981	10:00 a.m.
Grand Island, N. Y.	1,470,000	1964-1991	2:00 p.m.
Puerto Rico Water Resources Authority, San Juan, P. R.	15,000,000	1965-1999	--------
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.
Minneapolis Spec. S.D. #1, Minn.	2,050,000	1965-1974	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.
Sudbury Sch. Project Loan, Mass.	1,500,000	1964-1983	11:00 a.m.
Thornton, Colo.	1,750,000	--------	8:00 p.m.
Wilson County, N. C.	2,420,000	1966-1984	11:00 a.m.
April 3 (Wednesday)			
Colorado State University	1,870,000	1965-2002	2:00 p.m.
Cook County New Trier Township High School District No. 203, Ill.	8,750,000	--------	--------
Corpus Christi Indep. S. D., Texas	1,000,000	1964-1981	4:00 p.m.
Frederick County, Md.	2,500,000	1964-1988	11:00 a.m.
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)			
Clarenceville Sch. Dist., Mich.	1,500,000	1964-1991	8:00 p.m.
Clarenceville Sch. Dist., Mich.	1,500,000	1964-1991	--------
Jefferson Parish, East Bank Sewer District, La.	4,000,000	1964-1993	2:00 p.m.
April 8 (Monday)			
Dupage & Cook Counties Hinsdale Township High S. D. No. 86, Ill.	4,000,000	--------	--------
Missoula Special Improvement District No. 281 & 282, Mont.	1,175,000	1963-1978	8:00 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	1963-1973	8:00 p.m.
Lompac, Calif.	1,660,000	1964-1991	7:30 p.m.
Omaha City Sch. Dist., Neb.	25,000,000	--------	--------
April 10 (Wednesday)			
California (State of)	100,000,000	--------	--------
California State Construction & State School Building	100,000,000	--------	10:00 a.m.
April 11 (Thursday)			
Duval Co. Spec. Tax SD No. 1, Fla.	10,000,000	1965-1981	11:00 a.m.
Essex County, N. J.	5,299,000	--------	11.15 a.m.
North East Indep. Sch. Dist., Texas	2,300,000	1964-1988	7:30 p.m.
April 15 (Monday)			
Kenosha, Wis.	2,790,000	1966-1992	--------
April 16 (Tuesday)			
Detroit, Mich.	7,000,000	--------	--------
Omaha City Sch. Dist., Neb.	25,000,000	--------	--------



New Issues

$37,215,000 CITY AND COUNTY OF SAN FRANCISCO

CALIFORNIA

ISSUES, AMOUNTS, RATES, MATURITIES AND YIELDS OR PRICES

(Accrued interest to be added)

$9,800,000 6%, 2%, 2¼%, 2½% and 2¾% Airport Bonds—1962, Series A
Due: $250,000 April 1, 1964-67, incl.
800,000 April 1, 1968-78, incl.

$2,725,000 5%, 2%, 2¼%, 2½% and 2¾% Museum Bonds—1960, Series A
Due: $180,000 April 1, 1964-73, incl.
185,000 April 1, 1974-78, incl.

$1,690,000 5%, 2%, 2¼%, 2½% and 2¾% Sewer Bonds—1954, Series E
Due: $115,000 April 1, 1964-71, incl.
110,000 April 1, 1972-78, incl.

$23,000,000 6%, 2¼%, 2½% and 2¾% Municipal Water System Bonds 1961, Series B
Due: $ 575,000 April 1, 1964-67, incl.
1,290,000 April 1, 1968-71, incl.
1,295,000 April 1, 1972-83, incl.

	Coupon Rates				
Amount	Airport	Museum & Sewer	Water	Due	Yield or Price
$1,120,000	6%	5%	6%	1964	1.50%
1,120,000	6	5	6	1965	1.70%
1,120,000	6	2	6	1966	1.85%
1,120,000	2	2	6	1967	100 & 2.00%†
2,385,000	2	2	2¼	1968	2.10%
2,385,000	2¼	2¼	2¼	1969	2.20%
2,385,000	2¼	2¼	2¼	1970	100
2,385,000	2¼	2¼	2¼	1971	2.35%
2,385,000	2½	2½	2½	1972	2.40%
2,385,000	2½	2½	2½	1973	2.45%
2,390,000	2½	2½	2½	1974	100
2,390,000	2½	2½	2½	1975	2.55%
2,390,000	2½	2½	2½	1976	2.60%
2,390,000	2¾	2¾	2¾	1977	2.65%
2,390,000	2¾	2¾	2¾	1978	2.70%
1,295,000			2¾	1979	100
1,295,000			2¾	1980	100
1,295,000			2¾	1981	2.80%
1,295,000			2¾	1982	2.85%
1,295,000			2¾	1983	2.90%

†Airport, Museum and Sewer 2% Bonds are offered at a dollar price of par; Water 6% Bonds are offered at a price to yield of 2.00%.

6%, 5%, 2%, 2¼%, 2½% and 2¾%
VARIOUS PURPOSES BONDS

Dated April 1, 1963 ***Due April 1, 1964-82, incl.***

Payment and Registration—Principal and semi-annual interest (April 1 and October 1) payable, at the option of the holder, at the office of the Treasurer of the City and County of San Francisco, California, or at the fiscal agency of the City and County in New York, N. Y. Coupon bonds in denomination of $1,000 registrable only as to both principal and interest.

Tax Exemption—In the opinion of counsel, interest payable by the City and County upon its bonds is exempt from all present Federal and State of California personal income taxes under existing statutes, regulations and court decisions.

Legality for Investment—We believe that these bonds are legal investments in New York for savings banks and trust funds, in Connecticut for savings banks, and in California for savings banks, subject to the legal limitations upon the amount of a bank's investment, and are likewise legal investments in California for other funds which may be invested in bonds which are legal investments for savings banks, and are eligible as security for deposits of public moneys in California.

Purpose and Security—These bonds, issued under provisions of the Charter of the City and County of San Francisco and the laws of the State of California for various purposes, in the opinion of counsel constitute valid and legally binding obligations of the City and County of San Francisco and the Board of Supervisors thereof has power and is obligated to levy ad valorem taxes for the payment of said bonds and the interest thereon upon all property within said City and County of San Francisco subject to taxation by said City and County (except certain intangible personal property, which is taxable at limited rates), without limitation of rate or amount.

***Tax Gain, Amortization of Premium**—These bonds will be initially issued by the above named political subdivision at not less than their par value, and a taxable gain may accrue on bonds purchased at a discount. Investors are required under existing regulations to amortize any premium paid thereon.*

***Legal Opinion**—The above bonds are offered when, as and if issued and received by the underwriters listed below, as well as other underwriters not shown whose names will be furnished on request, and subject to approval of legality by Messrs. Orrick, Dahlquist, Herrington & Sutcliffe, Attorneys, San Francisco, California, a copy of whose legal opinion will be printed on each bond.*

Bank of America *N. T. & S. A.* — **The Chase Manhattan Bank** — **First National City Bank** *New York* — **Blyth & Co., Inc.** — **The First Boston Corporation** — **Harriman Ripley & Co.** *Incorporated* — **The Northern Trust Company**

Wells Fargo Bank — **Security First National Bank** — **Crocker-Anglo National Bank** — **Phelps, Fenn & Co.** — **Merrill Lynch, Pierce, Fenner & Smith** *Incorporated* — **R. H. Moulton & Company**

Weeden & Co. *Incorporated* — **The First National Bank** *of Oregon* — **Seattle-First National Bank** — **R. W. Pressprich & Co.** — **Mellon National Bank and Trust Company** — **William R. Staats & Co.**

First National Bank in Dallas — **Republic National Bank** *of Dallas* — **Bacon, Whipple & Co.** — **F. S. Moseley & Co.** — **New York Hanseatic Corporation** — **Wm. E. Pollock & Co., Inc.** — **Roosevelt & Cross** *Incorporated*

Schwabacher & Co. — **Stone & Youngberg** — **Walston & Co.** *Inc.* — **James A. Andrews & Co.** *Incorporated* — **William Blair & Company** — **Estabrook & Co.** — **Federation Bank and Trust Co.** — **The Illinois Company** *Incorporated*

Kean, Taylor & Co. — **Wells & Christensen** *Incorporated* — **American Fletcher National Bank** *and Trust Company* — **Dempsey-Tegeler & Co., Inc.** — **A. G. Edwards & Sons** — **Fidelity-Philadelphia Trust Company** — **First National Bank** *in St. Louis*

First Southwest Company — **J. B. Hanauer & Co.** — **J. A. Hogle & Co.** — **Johnston, Lemon & Co.** — **Koenig, Keating & Stead, Incorporated** — **Mercantile National Bank at Dallas** — **Model, Roland & Co.**

The National Bank of Commerce *of Seattle* — **Northwestern National Bank** *of Minneapolis* — **Stern Brothers & Co.** — **R. D. White & Company** — **Brush, Slocumb & Co., Inc.** — **The First National Bank and Trust Company** *Oklahoma City, Okla.*

Industrial National Bank of Rhode Island — **Kalman & Company, Inc.** — **Kenower, MacArthur & Co.** — **William S. Morris & Co., Inc.** — **The Provident Bank** — **State Street Bank and Trust Company**

Townsend, Dabney & Tyson — **The White-Phillips Company, Inc.** — **Anderson & Strudwick** — **Cavalier & Otto** — **The Continental Bank and Trust Company** *of Salt Lake City* — **Dallas Union Securities Co., Inc.**

Davis, Skaggs & Co. — **Dittmar & Company, Inc.** — **Dreyfus & Co.** — **Elkins, Morris, Stokes & Co.** — **Freeman & Company** — **Green, Ellis & Anderson** — **Hallowell, Sulzberger, Jenks, Kirkland & Co.**

Jones, Kreeger & Co. — **Lawson, Levy, Williams & Stern** — **Irving Lundborg & Co.** — **A. E. Masten & Company** — **Pohl & Company, Inc.** — **Reinholdt & Gardner** — **Irving J. Rice & Company** *Incorporated*

H. A. Riecke & Co. *Incorporated* — **Rodman & Renshaw** — **Rotan, Mosle & Co.** — **Schaffer, Necker & Co.** — **Shuman, Agnew & Co.** — **Walter Stokes & Co.** — **Sutro & Co.** — **Sutro Bros. & Co.**

Underwood, Neuhaus & Co. *Incorporated* — **Wagenseller & Durst, Inc.** — **J. C. Wheat & Co.** — **C. N. White & Co.** — **J. R. Williston & Beane** — **Yates, Heitner & Woods**

March 19, 1963 ***A circular relating to these bonds may be obtained from any of the above underwriters, as well as other underwriters not shown whose names will be furnished on request.***

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Australian Oil—Review—Dempsey-Tegeler & Co., Inc., Americana Building, Houston 2, Texas.

Auto Industry—Bulletin—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available is a review of the **Municipal Market.**

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.

Canadian Industrial Stocks—Review of 21 base metals and 8 oil and gas issues—Draper Dobie & Company Ltd., 25 Adelaide St., West, Toronto, Ont., Canada.

Canadian Stocks—Brief data on 50 active traders—Canadian Forecaster, 238 Adelaide Street, West, Toronto, Ont., Canada.

Chicago Bank Stocks—Study of Growth characteristics of **American National Bank & Trust Company, Continental Illinois National Bank & Trust Company, First National Bank of Chicago, Harris Trust and Savings Bank, and Northern Trust Company**—Hornblower & Weeks, 134 South La Salle St., Chicago 3, Ill.

Convertible Bonds—Bulletin—Evans & Co., Incorporated, 300 Park Avenue, New York 22, N. Y.

Flying Iron Horse—Analysis of the rails—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, New York.

Foreign Securities—Report—Watling, Lerchen & Co., Ford Building Detroit 26, Mich.

Japanese Investment Outlook—Discussion—Yamaichi Securities Co. of New York Inc. 111 Broadway, New York 6, N. Y.

Japanese Machinery Industry—Review—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is an analysis of **Ajinomoto Co. Inc.**

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

Local Service Airlines—Report with particular reference to **Allegheny Airlines, Bonanza Airlines, Mohawk Airlines, Frontier Airlines, Southern Airways** and **Lake Central Airlines**—H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available are memoranda on **Consolidated Foods** and **General Mills.**

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

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

Portfolio—Bulletin—Schweickart & Co., 29 Broadway, New York 4, New York.

Puerto Rican Securities—Quarterly report to investors—Government Development Bank for Puerto Rico, San Juan, Puerto Rico.

Saving & Loan Holding Companies—Analysis—David L. Babson and Company Incorporated, 89 Broad St., New York 10, N. Y.

Tax Free Utilities—Bulletin—Paine, Webber, Jackson & Curtis, 25 Broad St., New York 4, N. Y.

Texas Bank Stocks—Memorandum—Rotan, Mosle & Co., Bank of the Southwest Building, Houston 2, Texas.

U. S. Business Cycles—Review—Greenshields Incorporated, 507 Place d'Armes, Montreal, Quebec, Canada.

Virginia Bank Stocks—Annual review—J. C. Wheat & Co., 1001 East Main St., Richmond 19, Va.

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

Alco Products—Comments—Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y. Also available are comments on **Thor Power Tool, Eastern Stainless Steel, Whirlpool, Pittsburgh Plate Glass, Chrysler, American Telephone, Skelly Oil, Pittston, Arvin Industries, Electric Storage Battery, Champion Spark Plug, Libbey Owens Ford** and **Firestone Tire & Rubber Co.**

Allis Chalmers Manufacturing Co.—Comments—Oppenheimer, Newborg & Neu, 120 Broadway, New York 5, N. Y.

American Agricultural Chemical—Memorandum—Joseph Mayr & Company, 50 Broadway, New York 4, N. Y.

American Broadcasting Paramount Theatres Inc.—Report—Purcell & Co., 50 Broadway, New York 4, N. Y. Also available are reports on **United Aircraft Corp., White Motor Company, Chicago Pneumatic Tool** and **Thiokol Chemical Corp.**

American Metal Products—Report—Colby & Company Inc., 85 State St., Boston 9, Mass. Also available are reports on **Interlake Iron, Mueller Brass** and **Warner Electric.**

Anelex Corp.—Analysis—Putnam Co., 6 Central Row, Hartford 4, Conn.

Armour & Company—Analysis—Emanuel, Deetjen & Co., 120 Broadway, New York 5, N. Y.

Associated Truck Lines Inc. of Michigan—Analysis—Walston & Co., Inc., Ill. West Jackson Blvd., Chicago 4, Ill.

Baker Oil Tools—Report—Newburger & Company, 1401 Walnut St., Philadelphia 2, Pa. Also available are comments on **Bestwall Gypsum, Du Bois Chemicals, Fidelity Philadelphia Trust, Harvey Hubbell, Lehigh Portland Cement** and the **Rails.**

Beneficial Finance Co.—1962 annual report—Beneficial Finance Co., Beneficial Building, Wilmington, Del.

Briggs & Stratton—Memorandum—F. P. Ristine & Co., 67 Broad St., New York 4, N. Y. Also available is a memorandum on **Chrysler.**

Canada Cement—Memorandum—Molson & Co., Ltd., 500 St. James St., West, Montreal, Que. Canada.

Canadian International Power Co. Ltd.—Analysis—Royal Securities Corporation Ltd., 244 St. James Street, West, Montreal 1, Quebec Canada.

Canadian Western Natural Gas Company Ltd.—Analysis—Watt & Watt Limited 7 King Street, East Toronto 1, Ont., Canada.

Carborundum Company—Analysis—Reynolds & Co., 120 Broadway, New York 5, N. Y.

Central National Bank of Cleveland—Analysis—McDonald & Co., Union Commerce Building, Cleveland 14, Ohio.

Chrysler Corp.—Memorandum—Baker, Simonds & Co., Inc., 151 West Congress St., Detroit 26, Michigan.

Chrysler Corp.—Review—Carl M. Loeb, Rhoades & Co. 42 Wall St., New York 5, N. Y. Also available are reviews of **Beech Nut, Eastman Kodak, National Steel Inspiration Consolidated Copper Co. Standard & Poor's Corp., American Enka Corp.,** and **Wm. Wrigley, Jr. Company.**

Commonwealth Oil Refining—Memorandum—Stein Bros. & Boyce, 1 Charles Center, Baltimore 1, Md.

Detroit Edison Company—1962 Annual report—The Detroit Edison Company, Edward M. Spencer, Treasurer, 2000 Second Avenue, Detroit 26, Mich.

Doughboy Industries, Inc.—Brochure—William A. Fuller & Co., 209 South La Salle Street, Chicago 4, Ill.

Dymo Industries—Study—Hallowell, Sulzberger, Jenks, Kirkland & Co. Philadelphia National Bank Building, Philadelphia 7, Pa.

Ericsson Telephone—Discussion—Reuben Rose & Co., Inc., 115 Broadway, New York 6, N. Y. Also available are comments on **Breeze Corp.**

First Flight—Memorandum—Wm. H. Tegtmeyer & Co., 105 South La Salle St., Chicago 3, Ill.

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

General Tire & Rubber Co.—Review—Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a record of **Thomas & Betts Co.**

Gillette—Memorandum—Penington, Colket & Co., 70 Pine Street, New York 5, N. Y. Also available are memoranda on **Revlon** and **Frito Lay.**

Ginn Co.—Analysis—Courts & Co., 11 Marietta St., N. W. Atlanta 1, Georgia.

Great Western Financial Corp—Analysis—Blair & Co. Inc., 20 Broad St., New York 5, N. Y. Also available is an analysis of **Veeder Root Inc.**

Hawaiian Telephone—Memorandum—New York Hanseatic Corp., 60 Broad St., New York 4, N. Y.

Household Finance Corporation—1962 Annual report—Household Finance Corporation, 3200 Prudential Plaza, Chicago 1, Ill.

Independent Security Life Insurance Co.—Memorandum—W. B. Wolf & Company, Penobscot Building, Detroit 26, Michigan.

International Silver—Report—Bache & Co. 36 Wall St., New York 5, N. Y. Also available are comments on **Whirlpool, Maytag, White Motor, Mack Trucks, Lorillard** and **Philip Morris.**

Interprovincial Steel & Pipe Corp., Ltd.—Analysis—Annett & Company Limited, 220 Bay Street, Toronto 1, Ont., Canada.

Kerr McGee Oil Industries Inc.—Analysis—A. C. Allyn & Co., 122 South La Salle St., Chicago 3, Ill. Also available is an analysis of **Melnor Industries, Inc.**

King Seeley Thermos Company—Report—Herzfeld & Stern, 30 Broad St., New York 4, N. Y.

Lincoln American Life Insurance Company of Memphis—Analysis—Johnson, Lane, Space Corporation, Columbus Bank & Trust Company Building, Columbus, Georgia.

Lone Star Cement Corp.—1962 Annual report—Lone Star Cement Corporation, Secretary's office, 100 Park Avenue, New York 17, New York.

Manhattan Shirt—Bulletin—Thomson & McKinnon, 2 Broadway, New York 4, N. Y. Also available are comments on **General Aniline & Film Corp.** and **Scott Paper.**

Marine Petroleum Trust—Report—Brown, Allen & Co., Texas Bank Building, Dallas 2, Tex.

Massey Ferguson Limited—Analysis—James Richardson & Sons, Inc., 14 Wall St., New York 5, N. Y. Also available is an analysis of **Moore Corporation Ltd.**

McKesson & Robbins Inc.—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y. Also available is an analysis of **Christiana Securities Company.**

Metropolis Bowling Centers Inc.—Report—Russell & Saxe, 50 Broad St., New York 4, N. Y.

Montgomery Ward & Co., Inc.—Analysis—The Illinois Company, Inc., 231 South La Salle Street, Chicago 4, Ill.

National Tank Company—Analysis—Schneider, Bernet & Hickman, Inc. 1505 Elm Street, Dallas 1, Texas. Also available is an analysis of **Southwestern Investment Company.**

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

Paddington Corp.—Analysis—D. H. Blair & Company, 5 Hanover Square, New York 4, N. Y. Also available are reviews of **Hart Schaffner & Marx** and **General Electric.**

Radio Corporation of America—Analysis—Butcher & Sherrerd, 1500 Walnut St., Philadelphia 2, Pa.

Riegel Paper Corp.—Report—Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y.

Rockwell Standard Corporation—1962 Annual report—Rockwell Standard Corporation, Secretary's Office Coraopolis, Pa.

Seaboard Life Insurance—Memorandum—Kleiner, Bell & Co., 315 South Beverly Drive, Beverly Hills, Calif.

Security Insurance Company of New Haven—Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also available are reviews of **U. S. Fidelity and Guaranty Company** and **Springfield Insurance Company.**

Southern California Edison Company—1962 Annual report—Southern California Edison Co., C. D. Lester, Secretary, 601 West Fifth St., Los Angeles 53, Calif.

Southern Equitable Life Insurance Company—Analysis—Charles A. Taggart & Co., Inc., 1516 Locust St., Philadelphia 2, Pa.

Suburban Propane Gas—Analysis—Hardy & Co., 25 Broad St., New York 4, New York.

Texas Eastern Transmission—Memorandum—Shields & Company, 44 Wall St., New York 5, New York.

Textron Electronics, Inc.—Analysis—Peter P. McDermott & Co. 42 Broadway, New York 4, N. Y.

Textron Inc.—Report—Harris, Upham & Co., 120 Broadway, New York 5, New York.

Uarco—Memorandum—Birr, Wilson & Co., Inc., 155 Sansome St., San Francisco 4, Calif.

Weyenberg Shoe—Report—Robert W. Baird & Co. Incorporated, 731 North Water St., Milwaukee 1, Wis. Also available are comments on **Consolidated Foods Corp.,** and **Greyhound Corp.**

Xerox—Memorandum—Chas W. Scranton & Co., 209 Church St., New Haven 7, Conn.

Lieberbaum Names Dept. Execs.

Richard Auslander has been appointed manager of the Research and Analysis department of Lieberbaum & Co., 50 Broad St., New York City, members of the New York Stock Exchange.

Other departmental executives appointed are J. Richard Leyner, manager of the mutual fund department, and Michael J. Friedlander, associate manager of the department of private financing.

Opens in New York City

NEW YORK CITY—**David Gracer Company,** 50 Broad Street. David A. Gracer, proprietor of the firm, was formerly with Carl M. Loeb, Rhoades & Co.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The fact that investors are still faced with the placement of large amounts of funds in fixed income bearing obligations makes the outlook favorable for Government obligations from the shortest to the longest ones. There is as large a demand as ever for the short-term liquid Treasury securities and the Government in its debt management policy has been able to supply the issues to take care of this need so that yields on these obligations have been kept from going down.

[The Treasury announced late yesterday that on April 9 bids will be opened on an issue of $300 million bonds to mature May 15, 1994, but callable on and after May 15, 1989. The first auction award of Treasury bonds took place last January at which time $250 million bonds were sold. The offering attracted four competitive bids.]

The intermediate and long-term sectors of the Government market have been able to absorb both refunding and new money raising offerings very much in stride because of this same force, namely, the large amount of money seeking investment in the highest quality issues. Long-term Federal bonds meet this test very readily.

Dillon's Views on 4¼% Interest Rate Ceiling

Secretary of the Treasury Douglas Dillon has indicated that the Government will not ask for repeal this year of the 4¼% interest rate ceiling on new long-term Federal bonds. In addition, Mr. Dillon does not intend to use a 1961 opinion by Attorney General Kennedy that the Treasury could, by discounting, legally exceed the 4¼% interest rate ceiling on Government bonds. The Treasury by selling new bonds (over five years in maturity) at prices below the face value or par value (100) could raise the issue's yield to maturity above the 4¼% interest coupon rate.

Mr. Dillon told the House Ways and Means Committee that the Treasury will respect the spirit as well as the law of the interest rate ceiling for long-term Government bonds. However, if conditions should change, the Secretary indicated that the Government might have to ask Congress to repeal the 4¼% interest rate ceiling in order to finance the national debt on a non-inflationary basis.

This testimony by Secretary Dillon seems to put forward the opinion that during the foreseeable future interest rates are not going to advance a great deal even though there will be offerings of long-term Government bonds for new money raising purposes. It will probably be quite a bit in the future before the effects of tax legislation, the urgency of our balance of payments problem, the changed conditions of the Common Market and the inflation factor, will become forceful enough to necessitate different policies being adopted by the Treasury and the monetary authorities towards the money and capital markets.

Pressure of Funds Keeping Lid On Interest Rates

It seems as though rates in the short-term area or money market will be kept high enough so that the readily movable funds will continue to stay here and not be transferred to other free world money centers because of the more attractive rates of return available there. The long-term sector or the capital market will continue to be under the influence of the very large amounts of money that are available for investment in bonds.

There is no question but what the heavy pressure from funds seeking an outlet in fixed income bearing obligations is a very favorable force in keeping all rates of interest, whether they be short, intermediate or long from moving up to any extent. As long as these funds are available for investment in the money and capital markets, it most likely means that any uptrend in rates in either of these areas will come about mainly because of action taken by the Treasury or the monetary authorities.

Martin Viewed as Source of Strength

The reappointment of William McChesney Martin to another four-year term as Chairman of the Federal Reserve Board was received with gratification in the financial district. Mr. Martin is known as an advocate of "sound money" and one who believes that the Federal Reserve System should remain independent of pressure or force from the Administration or any other legislative body or organization. There appears to be no question in the minds of most money market specialists but that the Federal Reserve Board, under the guidance of Mr. Martin, has done a very good job in keeping the money and capital markets on an even keel under trying domestic and international conditions. The Chairman of the Federal Reserve Board is looked upon as a source of strength as far as the dollar and our gold holdings are concerned.

The pre-refunding and junior advance refunding showed that $8 billion were taken in new securities by the owners of the exchangeable obligations. The public's exchanges for the refunding obligations amounted to $7.7 billion or 38%, the largest dollar amount of any of the seven Government advance refundings.

Ralph Dimpel With Mackay & Co.

Ralph T. Dimpel has become associated with Mackay & Co., 50 Broad St., New York City, as co-manager of the trading department. Mr. Dimpel recently was with John J. Laver & Co. Prior thereto he was with Lubetkin, Regan & Kennedy for ten years.

Charles O'Brien Murphy III is resident manager of the New York office of Mackay & Co. Headquarters of the firm, established in 1931, are located in Reading, Pa.

The Uranium Industry And Its Potential Market

By Jesse C. Johnson,* Director, Division of Raw Materials, U. S. Atomic Energy Commission, Washington, D. C.

Authoritative progress report on the anticipated near- and long-term demand for uranium and, concomitantly, on the development of commercial nuclear power market, is designed to help uranium industry to plan its operations. Producers now have the choice of sustained high level operations until the end of 1966 and phasing out without Government buying thereafter, or stretching out their Government contracts on a reduced output basis until 1970 when favorable commercial prospects are expected to come into fruition. Producers are alerted to benefits anticipated from "toll enrichment," to the long-run prospect of not being dependent on Government buying, and to the fact that our domestic reserve will be reduced to 50% by 1970 unless additional reserves are explored and developed. Strides being taken and planned to achieve competitive nuclear power here and abroad are recounted.

Important developments during the past year have clarified the near-term outlook for our uranium industry and provided a much sounder basis for longer range planning. The new procurement program announced by the Commission on Nov. 17, 1962, offers the domestic industry an opportunity to extend its operations under government contracts to the end of 1970. This should bridge the most critical period in the transition from a government to a commercial uranium market.


Jesse C. Johnson

The year also brought tangible evidence that the development of nuclear power in this country has moved from the pilot plant stage to the construction of commercial-size plants. The estimated cost of generating electricity with nuclear power is being revised downward as new information becomes available from the construction and operation of large prototype plants. This is a reversal of the trend which followed the overoptimism of four or five years ago. Renewed confidence in planning large nuclear power stations is not confined to the United States but prevails in nearly all of the industrial nations of the non-Communist world.

Nuclear power is expected to be competitive throughout Europe by 1970. Once the competitive position has been firmly established by the successful operation of a few commercial nuclear-powered generating stations, and this may be before 1970, the use of nuclear power should increase rapidly. The alternative for meeting the projected growing demand for electricity is large importations of fossil fuels with a heavy drain on foreign exchange and probably increased power costs as well.

Dr. Sigvard Eklund, Director General of the International Atomic Energy Agency, recently stated that it would be realistic to estimate that by 1980 half of the electric generating capacity installed each year would be nuclear, from that year on this 50-50 ratio would maintain itself or the nuclear share would increase until the whole of newly installed capacity becomes nuclear. This statement, as reported in the November, 1962 issue of *Nuclear Power*, was made in Salzburg at an international seminar for diplomats.

The United Kingdom estimates that its electrical generating capacity will have doubled in ten years and that by the end of the 1970s, electrical generation alone will require annually the equivalent of 180 million tons of coal, close to the maximum production capability forecast for the U. K. coal industry. However, much of this coal is required for industrial and domestic uses other than the generation of electricity.

In Western Europe, production of electricity is expected to double from 1960 to 1970 and show nearly a threefold increase by 1975. Japan is a highly industrialized nation without adequate domestic supplies of fossil fuels. Its electricity requirements also are expected to double by 1970 and treble by 1975.

Nuclear power is counted upon to provide an increasing percentage of these requirements.

Canada, India, and several other countries, also are planning extensive use of nuclear power in their future industrial development. Nuclear power stations already are being constructed, or are about to be built, in both Canada and India.

Need to Revive the Uranium Industry

Although it is difficult to estimate the nuclear power capacity which will be installed during the seventies, the total, including that of the United States, is expected to be in the range of 60,000 to 80,000 megawatts. Depending upon reactor characteristics, this could mean a total uranium requirement for the ten-year period of between 150,000 and 250,000 tons of U_3O_8.

To meet such requirements would call for a general revival of the uranium industry, and to maintain an expanding production from this level would require a resumption of intensive exploration. Total Western World concentrate production is expected to decline from nearly 30,000 tons of U_3O_8 in 1963 to about 13,000 tons in 1967. The United States will account for about 8,000 tons of the 1967 production. These figures are based upon deliveries under existing contracts with adjustments for the domestic stretch-out, and plans announced by some countries to continue operations and to stockpile production, if necessary. No allowance is made for commercial sales. In 1959, world production was in excess of 40,000 tons of U_3O_8.

There has been virtually no exploration in the major uranium-producing countries since 1958. As a result, we have been depending upon the reserves discovered in the 1950s to meet the large military requirements of recent years and have not been preparing for the expanding requirements for the civilian nuclear power now foreseen in the 1970s. Concern has been expressed that uranium demand could overtake availability by the middle 1970s.

The reported reserves of the United States already have been reduced through depletion and reassessment, due to experience gained in extensive underground mining, from a high of 240,000 tons of U_3O_8 in ore to a present estimate of 167,000 tons. These reserves will be reduced by about 50%, to 86,000 tons, by 1970 unless additional reserves are developed in the course of mining or by renewed exploration. In 1962, approximately 17,500 tons of U_3O_8 in ore were mined but reserves were reduced only about 8,000 tons because of the addition of about 9,500 tons by further development of properties being mined. This rate of replacement is not likely to continue, however, unless exploration is undertaken to develop new properties.

Canadian reserves, once reported at nearly 400,000 tons of U_3O_8, are now estimated on a recoverable basis to be less than 300,000 tons. With only one company scheduled to be producing in Canada by 1970, revival of Canadian production will be a major undertaking. South Africa, which reports the largest uranium reserves of any country, produces uranium as a by-product from gold mining operations. Gold mining determines the capability of uranium production, and maximum production probably will be limited for many years to between 6,000 and 10,000 tons of U_3O_8 annually, except for processing uranium-bearing tailings which may accumulate as a result of the cutback in uranium production. There are no substantial accumulations at present.

No Need for Concern If Exploration Is Undertaken

There need be no concern about a uranium shortage if exploration is undertaken well in advance of the expanding requirements. The discovery rate in this country was in direct relation to the exploration effort and there is no reason to believe that it would not have continued at a high rate had exploration been maintained. A similar statement would hold true for Canada and Australia.

For the long range—30 or 40 years from now — breeder reactors are expected to become the principal source of nuclear power. With their increased fuel efficiencies, unlimited supplies of high-cost uranium and thorium should become economic as a source of reactor fuel. In the meantime, nuclear power development will depend upon the use of converter reactors which, to be economic, should have available relatively low-cost uranium — uranium at less than $10 per pound of U_3O_8 in concentrate. After the introduction of breeder reactors, converter reactors may continue to be built as there will be a good revenue from the sale of plutonium for use in breeder reactors. In fact, this source of plutonium may be important for a long time to provide for an expanding use of breeder reactors. Thorium reactors will continue to require U-235 for their initial loading. Breeder reactors do not pose a threat to the uranium industry but should assure its permanency by making the more abundant high-cost uranium resources economic for nuclear fuel. Based upon the long-range projections of the growth of nuclear power, the total quantity of nuclear fuel required will continue to increase even with the expected greater fuel efficiency.

Progress in Competitive Nuclear Power

Of particular interest to our uranium producers is the current progress in achieving competitive nuclear power. The developments taking place in this country are of prime importance, not only for the domestic power program, but for the foreign programs as well.

Nuclear power plants operating in this country in 1962 had a total capacity of about 850 megawatts and an additional 250 megawatts are scheduled for operation in 1963. Three large nuclear plants, Shippingport, Yankee and Dresden, have been able to increase electrical generating capacity substantially above originally designed levels, thus reducing the capital charges and thereby lowering the cost of electricity. The reliability and safety of all three have been convincingly demonstrated. Confidence in the commercial application of nuclear energy is shown by recent decisions of several large utility companies to proceed with the installation of large nuclear power plants, in some instances without government assistance.

Construction applications for two large commercial nuclear power plants recently were received by the Atomic Energy Commission. One is proposed for location in the New York City area and would generate the equivalent of about 700 megawatts of electricity from nuclear sources, plus another 300 megawatts from oil-fired superheaters. The other, to be located on Bodega Bay, north of San Francisco, would have a generating capacity of 325 megawatts. In the past two weeks, two other utility organizations have submitted proposals involving design assistance for large nuclear power projects scheduled for operation in 1968. One, in Los Angeles, would have a gross electrical capacity of 490 megawatts, and the other, in western Connecticut, a capacity of 500 megawatts. Another large project, that of the Southern California Edison Company, appears to be approaching the construction stage. Permission, subject to Congressional action, has been received from the Navy to locate a 395 megawatt nuclear plant on a site in Camp Pendleton, the Marine training center between Los Angeles and San Diego.

Still another major nuclear power project which is about to get underway after a controversial history, is the turbo-generator plant to use steam from AEC's plutonium plant near Hanford, Wash. Bids, substantially less than estimated, have been received for the two immense turbine generators having a combined capacity of about 800 megawatts of electricity. The Washington Public Power Supply System, which will build and operate the plant, offered participation in the project to both private and public power groups on a 50-50 basis. The total available power was oversubscribed. An important aspect of this project is that the Hanford reactor is expected to be operated after there no longer is a defense requirement for production of plutonium. In that event, the Washington Public Power Supply System would lease and operate the reactor to supply steam for the power generating plant.

These new projects, and the generally more favorable outlook, have tended to firm up the estimates which the AEC submitted to the Joint Committee on Atomic Energy at the June, 1962, Hearings of the Subcommittee on Raw Materials. It is too early to determine whether these estimates should be revised but the estimates for the 1970-1980 period may prove to be conservative.

Fuel Requirements

These estimates placed installed U. S. nuclear capacity at about 5,000 megawatts by 1970 and 37,000 by 1980. The total U_3O_8 fuel requirements for the ten-year period, F.Y. 1971 through F.Y. 1980, were estimated to lie in the range of 75,000 to 110,000 tons. Annual requirements at the beginning of the period were estimated at 3,000 to 4,000 tons U_3O_8, increasing to 10,000 to 20,000 tons by 1980.

In arriving at the 1962 estimates, it was assumed that nuclear power costs would decrease gradually from seven mills per kilowatt hour in 1970 to six mills in 1980. It was also stated that the estimates for nuclear capacity would be subject to upward revision if more rapid progress is made in reducing power costs.

Recent studies based upon latest operating experience and technology indicate good progress toward achieving lower power costs. For example, the current thinking is that 500-megawatt plants which can be built now are likely to produce the electricity for less than six mills per kilowatt hour over the plant life. These are plants which could begin operating between 1966 and 1970. In the early 1970s, costs may approach five mills, and by 1980, less than four mills. It should be emphasized that these latter figures are speculative, in that they are contingent upon resolution of various developmental programs currently in progress. On the other hand, no radical technical advances are assumed.

If these more optimistic possibilities of lower power costs should materialize, or even be approached, nuclear power rapidly will become competitive for a larger and larger share of the power market. Uranium requirements should increase correspondingly but the rate of increase may be somewhat less because of the better fuel efficiency anticipated.

The potentialities for nuclear power growth are indicated by the size of the market in which nuclear power will be competing. The installed electric generating capacity of the United States is now approximately 200,000 megawatts, and the total for non-Communist countries, including the United States, is about 470,000. The Federal Power Commission estimates that the generating capacity of the United States will grow to 350,000 megawatts by 1970 and to 600,000 by 1980. Nuclear power in this country now represents less than one-half of 1% of our electrical capacity; in 1970 it would be equivalent to about 1.5% and in 1980, 6%, on the assumption of 5,000 megawatts of installed nuclear capacity in 1970 and 37,000 in 1980.

No reference has been made to the possibility of a military requirement for uranium after 1970. The possibility of such a requirement cannot be ruled out, but because of the uncertainties, it should not be assumed that military requirements will contribute significantly to the post-1970 uranium market.

Declining Military Needs

Although there is general agreement on the favorable long-range market outlook, the immediate prospect is for reduced uranium production because of declining military requirements. World production will be reaching its lowest level when industry should be building up reserves and planning expansion. There is danger that future planning may be neglected because of concern with the more immediate problems.

Until the recent announcement by the Commission, our domestic uranium industry was in a particularly difficult position. The current procurement program provided for a sustained high level of operations to the end of 1966, but after that virtually the entire industry would be forced to close unless government buying was extended. Industry had no basis, as in the past, for assuming further extensions of the procurement program. The Commission had already stated that its uranium purchase commitments were in excess of its requirements to the end of 1966.

Toll Enrichment

The procurement program announced in November provides industry the opportunity of extending its operations through 1970 at an economic production rate based on government purchases. Industry also may compete for commercial sales. The commercial market should become considerably more important if "toll enrichment" is adopted. In its recent *Report to the President on Civilian Nuclear Power*, the Commission stated: "A further step to be considered is that of undertaking 'toll enrichment.' With this available, industry could buy its raw materials on the open market, use privately-owned plants to prepare them for enrichment, and depend upon the Government only for the actual enrichment process in the diffusion plants." An amendment to the Atomic Energy Act would be required to permit private ownership of enriched nuclear fuel in this country. It is believed that the availability of the toll enrichment service could give further encouragement to the growth of nuclear power as well as establish the basis for a broad commercial uranium market.

The new procurement program provides that in return for a deferral by industry until 1967 and 1968 of a portion of the uranium now contracted for delivery prior to the end of 1966, the Commission will purchase for delivery in 1969 and 1970 a quantity, up to a maximum of 16,000 ton U_3O_8, equal to the amount deferred. The price to be paid the producers for the additional quantity will be determined by the application of a formula to their 1963-1968 production costs, with a maximum price of $6.70 per pound of U_3O_8 in concentrate. Since the terms of the new program are set forth in detail in the public announcement, and seem to be well understood by industry, I need not review them further.

In developing a program, it was necessary for the Commission to limit its commitment for additional uranium to an amount which could be justified on the basis of its projected requirements. The need for the additional uranium, as well as the financial implications of the new program, was the subject of extensive study and review. Industry has a choice of participating in the new program or completing its present contracts by the end of 1966.

Most milling companies have advised us of their interest in participating and are studying the financial aspects. Some already have submitted formal proposals. The principal incentive for participation is the opportunity to stay in business through 1970, rather than the profits from the additional sales. If the uranium industry has confidence in the future market, the commercial market of the seventies, the new program will be attractive.

I am firmly convinced that the new program is attractive for those producers with prospects for a long-range ore supply. Those in business in 1970 should be able to stay in business if they have, or can develop, the ore to be competitive. By 1975, or before, the outlook is for a rapidly expanding market. Aggressive exploration, starting well before 1975, will be required if this country is to be in position to supply a major portion of domestic requirements.

*An address by Mr. Johnson at the National Western Mining Conference, Denver, Colo., Feb. 8, 1963.

United California Representative

United California Bank has announced that James G. Couffer, Jr., assistant Vice-President and his staff have opened offices at 1 Chase Manhattan Plaza, New York City, to represent the Bank's bond department.

W. Burns Joins Paine, Webber Co.

CLEVELAND, Ohio—Wilmeth G. Burns has become associated with Paine, Webber, Jackson & Curtis, Union Commerce Building. Mr. Burns was Vice-President of H. L. Emerson & Co. Inc.

DuPont Absorbing H. A. Riecke Co.

PHILADELPHIA, Pa. — H. A. Riecke & Co., New York Stock Exchange member firm with headquarters in Philadelphia, will become part of Francis I. duPont & Co., as of April 1, it is announced by Edmond duPont, senior partner of Francis I. duPont & Co.

The two firms' Philadelphia offices will be consolidated at 1620 Chestnut St.

Riecke & Co. offices in Reading, Pa., Hazleton, Pa., and Daytona Beach, Fla., will also become part of the Francis I. duPont & Co. network.

Albert A. R. Wenzel, who has been Manager of the existing Philadelphia offices of Francis I. duPont & Co. for the past five years, will head the combined offices. John E. Parker, President of H. A. Riecke & Co., will become co-Manager with Mr. Wenzel, Darrah Ribble, Senior Vice-President of Riecke, has also become associated with Francis I. duPont & Co.

Mr. Wenzel has been in the securities and banking business in Philadelphia since 1939, with two years out for service with the U. S. Navy during World War II (1944-46). He is a member of the Bond Club of Philadelphia and the Philadelphia Securities Association.

Mr. Parker has been in the investment business in Philadelphia since 1937. He joined Riecke & Co. in 1940, when the firm was incorporated in Camden, N. J., becoming President in 1948. He is a member of the Philadelphia Investment Traders Association and Philadelphia Securities Association.

Riecke Managers John B. Bunting of Daytona Beach and Joseph L. Anderko of Reading have been named Managers of the new Francis I. duPont & Co. offices in those cities. In Hazleton, Pa., Norman Shupeck and Gilbert S. Meyer will continue as co-Managers of the Francis I. duPont & Co. office.

With Clark, Dodge

BOSTON, Mass. — Theodore S. Brown has become associated with Clark, Dodge & Co., Inc., members of the New York Stock Exchange. He was formerly with Harriman Ripley Co. Inc.

Anomalous Contradictions In Silver Monetary Proposal

By Paul Einzig

Dr. Einzig refers to contradictions between intent and purpose in Secretary Dillon's plan to demonetize Silver certificates advanced under the argument that it would assure continued coinage of silver. The noted economist would cease monetization of silver entirely and issue coins of less intrinsic value than face value. He warns we stand to lose our silver as soon as market value equals mint value, which is now almost the situation, and says silver's unexpected significance for balance of payments purpose should preclude retention of silver holdings for "an entirely useless purpose." Dr. Einzig likens those advocating silver's domestic circulation and redemption to the "cranks and freaks" who would have "wasted a considerable part" of our gold reserves if they had succeeded in the gold standard's continuation.

LONDON, England—It seems that at long last progress will now be made towards the repeal of the various measures which have hitherto tied down the substantial stock of silver held by the United States Treasury as a reserve for the greenbacks. The maintenance of such a metallic reserve for the conversion of $1 notes while Federal Reserve notes of larger denomination, though based on gold, are inconvertible, is one of the curious anomalies of the American monetary system.

The repeal of the obsolete provisions that have survived from the distant past must be welcomed by anyone with a logical mind, since it will do away with an untidy situation. Rejoicing over this is apt to be more than offset, however, by the declared purpose for which the changes are made.

According to the statement made by the Secretary of the United States Treasury, Mr. Dillon on March 11 before the House of Representatives Banking and Currency Committee, the freeing of the silver backing of the outstanding $1 notes—which are to be replaced by Federal Reserve notes—would allow the silver to be used for the purposes of coinage. He argued that, unless this is done, the Treasury would have to cover its requirements for silver coinage though purchases in the market, which would raise the market price of silver considerably above the figure of $1.29. That price has now been virtually reached. It would be clearly absurd for the Treasury to buy silver at a higher price, coin it and then resell the silver at a lower price to holders of notes. But it would be only slightly less absurd to use the existing silver stock for the purpose of issuing silver coins.

Advises Coins of No Intrinsic Value

The public in the United States, as in every other country, has long grown use to a monetary circulation which consists of inconvertible notes and of token moneys with an intrinsic value inferior to their face value. There seems to be no valid reason why the $1 pieces should be singled out for upholding the long-lost tradition to full-value metallic currencies. It seems certain that, in so far as it is necessary to supplement the Federal Reserve notes of $1, which are to take the place of the greenbacks, through the issue of additional $1 metallic moneys, coins made of base metals would satisfy all conceivable requirements for moneys of that denomination.

Why, then, in the sacred name of reason and common sense, it is necessary for the United States Treasury to use up its silver holdings for an entirely useless purpose? If this had been done at the time when the gold reserve was over $25 billion and when the price of silver was low and falling, there might have been some excuse for such a waste. In possession of a huge gold reserve and with the balance of payments producing a surplus year after year, the United States Treasury could have well imagined that it could afford to pour its unwanted silver stock into the bottomless drain of public circulation. At that time the gold reserve appeared to be ample for safeguarding the dollar in any conceivable circumstance. It was large and was increasing, and very few people could possibly have had sufficient foresight and imagination to visualize the possibility of a reversal of the trend.

Much as I would like to claim to have foreseen the change, I could not honestly do so.

In the late forties I suggested in an article appearing in *Banking* that Fort Knox should adopt as its motto a quotation from Edmund Spenser's *Faerie Queene:*

> "Round about him there stood on every side great heapes of gold *that never could be spent."*

Whether the remark put in italics was true to Mammon's cave to which the above quotation referred, I don't pretend to know. But its application to Fort Knox certainly proved to be unduly optimistic Something like $10 billion of the American gold has already been lost in recent years, and much of what is left has for a counterpart foreign short-term claims that could be withdrawn in the form of gold at any moment.

At the time when it appeared reasonable to assume that the American gold reserve was really inexhaustible, a great many cranks and freaks were working overtime in pursuing a determined campaign to induce the United States Administration and Congress to waste a considerable part of that reserve by issuing gold coins for domestic circulation, making the Federal Reserve notes convertible into coins.

Had that advice been followed, at least $10 billions, probably more, would have been swallowed up by the circulation. The withdrawal of additional $10 billion through the perennial balance of payments deficit would then have reduced the gold reserve well below danger level. The United States would have found themselves in a situation similar to that of post-war Britain, with a very narrow margin of gold reserve. Frequently recurrent dollar scares would have necessitated either devaluation or very drastic and painful deflation, with unemployment reaching 10 million or more.

With the gold reserve down at its present level and with the balance of payments still at a persistent deficit, the utter foolishness of the suggestion to issue gold coins must now be obvious to everybody—except possibly those who had put it forward. And yet this lesson does not appear to have been enough to make United States Treasury realise the absurdity of wasting its silver stock at a moment when the main problem is how to maintain the strength of the dollar's defenses.

Balance of Payments Use

Thanks to the rise in the price of silver and the resulting increase of the prestige of that metal, its limited use for international payments has become a distinct possibility. In any case, even in the absence of some international agreement to ensure such a use, the United States Treasury would be in a position to sell its stock gradually in the world market, thereby to meet much of the balance of payments deficit and obviate to a corresponding extent the necessity of selling gold or borrowing abroad.

To have a full-valued metallic currency in circulation is an expensive luxury which very few nations could afford today. The United States might have been able to afford it, as far as silver currency was concerned, towards the middle fifties. But if the experts of the United States Treasury think they can still afford it, their attitude is perturbing, because it indicates that even now they have failed to grasp the basic change in the international economic situation of the United States. Evidently they are unaware of the imperative need for husbanding valuable international assets such as the silver stock in order to reinforce the dollar's defenses.

In any case, why, oh why put the clock back? Those experts who still think in terms of metallic currencies disclose a hopelessly antediluvian (or at any rate pre-Keynesian) mentality. This is a disquieting thought. Although the decision to issue silver coins is primarily a domestic matter for the United States, any attitude that tends to weaken the defenses of the dollar is of grave concern to the entire free world.

ABOUT THE AUTHOR

"The History of Foreign Exchange" (St. Martin's Press, Inc., 175 Fifth Ave., New York 10, N. Y.) published last Monday, March 18, is Paul Einzig's latest book. It is a sequel to "The Theory of Forward Exchange" (London, 1937) and "A Dynamic Theory of Forward Exchange" (New York, 1962). Dr. Einzig's distinguished career includes authorship of 45 other books on economic and political problems, fulfilling various responsible posts on the London "Financial News" and "Financial Times" between 1921 and 1956 and, for the past two decades, serving as the esteemed London correspondent for the "Chronicle."

Fundamental Guidelines For Successful Investing

By Edward N. Chapman, M. D., *Financial Counselor, Colorado Springs National Bank; Director, North American Investment Corporation, San Francisco; Associate Research Director, Webb-Waring Institute for Medical Research, Denver*

Outline of prerequisites for successful investing provides a handy guide for the investor willing to work hard at investing. Author cites his own study showing only 20% of 400 leading U. S. corporations maintained or increased their profit margins since 1952; notes that only a rare few can forecast market turns; and observes that only a small percentage of traders make money. An expert amateur, Dr. Chapman suggests what to look for and to ignore in selecting stocks, and he explains why he believes stocks are a preferable investment medium to bonds and mortgages

Certain prerequisites appear to be necessary to make a successful investor. A sense of money value is important. The investor should be able to recognize roughly when something is overvalued or when something is undervalued or is a real bargain. Much of this comes from experience, although an innate interest in the field of economics, finance and investment may come to us through our inheritance and is essential. A person must have a willingness to work. One never gets something for nothing for very long. This is especially true in the investment field where the competition is keen. Success comes from hard work at reading the leading financial journals and at analysis and not from taking tips from friends and acquaintances. In fact, tips must be completely disregarded.

Dr. E. N. Chapman

Let me emphasize that there is no known way to accurately forecast the stock market. A very few people, and I do not think that I am one of them, seem to have a keen sense of market timing and this is invaluable. Minor market moves have, as a rule, a psychological component in their motivation and this is not subject to mathematical analysis. Those fortunate individuals who have a keen sense of timing must either have a sixth sense not given to most of us, or they have a unusual ability mentally to weigh a number of variables which affect market action at any given time and to come up with an answer which is usually correct.

Stock-Bond Yield Rule of Thumb Has Changed

In this latter connection, the market's response to news is probably important. A market that has risen to the point at which it is no longer stimulated by good news, or fallen to the point where bad news causes no further drop, is frequently a market that is about to change direction. It used to be an axiom that when bond yields are lower than stock yields, a turn in the major market trend is in the making, but this is no longer assured. Stocks are safer investments than they were thirty years ago, thanks to built-in safeguards in our economy and to the SEC. Also, some stocks are desirable as inflation hedges. Hence, this rule of thumb no longer has the authority that it once had.

If one does not have a good sense of timing, trading in the stock market is extremely hazardous. Indeed, most brokers find that only a small percentage of traders make money. Thus, investments should generally be purchased with the idea of holding them for a very minimum of six months. Usually the old New England custom of letting profits run and, therefore, in not selling a security as long as the outlook remains favorable for the company, is probably a good one, irrespective of which way the market is going. Money is invested when available.

Admit Errors by Selling Them Off

Another very important prerequisite for successful investing is the ability to admit mistakes and to correct them promptly. Everyone makes mistakes, but most people are so egotistical that they are unable to admit to themselves a mistake. How many times one hears a person say, "I have a loss in XYZ stock and perhaps should not have bought it, but when it gets back to the price I paid for it, I'll sell." This type of individual seems to be psychologically unable to take a loss because the loss represents a mistake in judgment. The important thing to determine is, has XYZ stock done worse than the market during the period in which it has been held, allowing, of course, for the leverage factor, if the stock has one. If it has done worse over a period of time, it should be sold and the money reinvested in something else. It is this inability to admit a mistake and to take a loss that is fatal to so many investors, even though the government stands ready to share some of this loss.

It is a wise rule never to borrow to buy securities through margin operations or from banks. When in debt, the time for repayment never seems very opportune and often an individual's judgment is so warped by anxiety over the debt that he is unable to make a good decision as to when to sell.

Stocks Are Better Investments Than Bonds

In a country like the United States, which has a growing economy, stocks are a better medium for investment than bonds or mortgages. In fact, if one studies the financial history of the world over a period of centuries, one finds that debts are rarely paid off in money equivalent in purchasing power to the purchasing power of the money borrowed. This is because periods of inflation have far outlasted and outweighed periods of deflation. Inflation is a favorite way for the world to pay its debts. The author's private fund has been 85 to

95% invested in common stocks since 1941 at all times.

There is no substitute for diversification in investment. After setting aside sufficient funds in cash, short term bonds or in a savings account, or its equivalent, to take care of living expenses for a year or two, in cases of emergency, so that the investor will not be forced to sell stocks at a time other than of his own choosing, the balance of funds should be diversified between at least ten to twenty different companies. If the funds involved are quite limited, the investor will probably do better to buy the shares of several investment trusts with good management records, either of the closed-end or open-end type. Some of the former with excellent management records are available at a discount from asset value.

Selecting Stocks

In picking stocks, the investor should select the stocks of companies in a growing, constructive industry — an industry growing faster than the rate of growth of the country—and he should pick the stock of the best managed and best situated company in that industry. The last ten years should be a period of consistant growth in earnings per share, adjusted for all changes in capitalization.

In order to avoid the risks inherent in a new and unproved company that is here and very successful today but gone tomorrow, like some of the specialized electronic companies, the securities of the company should have a total market value of at least $10 million. Industries should be picked that have an ability to stand on their own feet with little or no government assistance. Constructive industries are those which help make this country a better place in which to live. Quite possibly stocks of cigarette companies would not be included in the category of constructive industries since the link between cigarette smoking and lung cancer and other diseases seems to be strengthening with each year.

Examples of companies which seem unable to stand securely on their own feet without government help are the beet sugar companies, some of the airlines and many small companies quite dependent on defense orders.

Proper Price-Earnings Ratio

Unless earnings per share of a company are growing at an annual rate of 10% or more, it is unwise to pay more than fifteen times earnings per share for the stock. The old yardstick of thirty years ago used to be ten times earnings as an upper limit but since then, as mentioned above, certain safeguards have been built into our economy which tend to socialize the costs of depression and thus to lessen the depth of the less severe ones. These safeguards make good stocks a much safer medium for investment, except perhaps for periods of wild speculation, which seem to be inherent in human nature and which ordinarily come about once during each person's lifetime.

Rarely is a stock worth over twenty times per share earnings since it is impossible to project earnings far into the future. Stocks are not automatically sold if they rise in market price to over twenty times earnings. One has to individualize as best one can regarding the outlook; also, the capital gain tax on profits of the security sold must be considered a deterrent to selling if the outlook for the company remains one of fast growth.

The stocks of industries should be selected which have a low labor cost per unit of value of output. Such industries would include insurance, public utilities and petroleum. Pick industries that have had little labor trouble and which have had a record of fair dealing with labor. Industries that have profit-sharing plans are especially desirable.

20% of Leading Companies Maintain or Increase Profit-Margins

The stocks of companies in industries that have been able to maintain their margin of profit during the past ten years are especially favored. A recent study of profit margins made by me indicated that of four hundred of our leading corporations in this country, only about 20% have been able to maintain or increase their margin of profit since 1952. Increased profits resulting from increased management efficiencies should be shared equally by labor and the company, not go to labor alone, as seems to be the present philosophy of our government and labor leaders, if there is to be an incentive for increasing efficiency, and we must have this increase in efficiency if we are going to compete successfully abroad.

Finally, performance should be checked as assiduously as possible against the market averages and the performance of others. Change in total value of the capital under supervision should be compared with the change in the market averages — possibly each three months — in any event, at least once a year. Also, whenever a purchase or sale is made, jot down the market averages of the same day. Six months or a year later, the wisdom of that purchase or sale can be determined by a comparison with the percentage change in the averages for the same period. These comparisons will tell after a few years how good or how poor the selection of securities has been. If the selection has been poor but the total fund has increased percentage-wise more than the increase in the averages, the result has obviously been due to the selection of a few stocks that have far outrun the average and the other selections.

Measuring Margin of Error

If an individual has enough purchases and sales to make what statisticians call a statistically significant sample, he can determine in a few years his margin of error. It is amazing how constant this can remain, although one should naturally expect with greater experience as time goes on a slow improvement (lessening) in the margin of error. This is usually observed. All this, as I say, can be determined under proper conditions with mathematical exactness which permits the individual to know whether he is fitted for investment management or whether he should be in some other line of endeavor.

In summary, success in handling investments may be expected over a period of years through following the guidelines enumerated above, granting most of the prerequisites listed. Do not try to forecast the market, except in very broad outline, unless you are one of those rare people with a keen sense of timing. Good stocks which are safer investments now than thirty years ago are to be preferred to bonds for the bulk of one's investments for the long pull. Admit mistakes when made and "sell your losses", do not borrow, select stocks of growing constructive companies with ten years "seasoning", selling at not over twenty times earnings—rarely more, that have been able to maintain their margin of profit and finally, test your ability in the field of investment mathematically by the methods outlined above.

Characteristics Which Imply Inflation Hedge Protection

By Roger W. Babson

What should a company possess, and where should one look, for hedge-protection against price inflation? Mr. Babson outlines prerequisites and names the industries, including sample companies, of what he has in mind in the way of desirous inflation hedge characteristics.

Several factors can help to insulate a company against the effects of inflation: (1) **Growth.** A company experiencing rapid growth will find that its rate of business increase can lift profits at a faster pace than the rise in costs. (2) **Vital Industry.** This includes companies in industries which are vital to the economy or to consumers and which can pass on increased costs by raising prices. (3) **Diversification and Integration.** Companies whose profits are squeezed by inflating costs can bolster their position through diversification and integration. (4) **Valuable Assets.** Some companies are in the enviable position of possessing assets which are vital to their principal business and also potentially valuable in other respects.

Building Materials

Companies in the building materials field also possess inflation hedge characteristics. Their timber and minerals properties should gradually become more valuable. Population growth and migration are favorable to the building industry's future.

U. S. Gypsum is the largest company in its field; it supplies half the domestic requirements of gypsum w. lboard and plaster, and also 20% of the building industry's metal lath needs. The company also produces roofing material, siding, insulating material, and paints. Its properties include strategically located quarries and acreage.

Masonite Corporation is the largest domestic producer of hardwood. It has large timber holdings in Mississippi and California. Company also derives oil revenues from its properties.

Diamond National Corporation produces paperboard, folding cartons, containers, matches, and wooden ware. It also sells lumber and building materials. Company owns 500,000 acres of timberland.

Coal Industry

This industry has been subjected to a long shakedown. Elimination of marginal producers and the shift to mechanical mining has enabled the surviving companies to emerge in a stronger position to benefit from the growth in coal consumption by steel and electric power plants. Also, research being conducted could lead to discovery of new uses for coal. In addition, many companies are diversifying into other fields.

Consolidation Coal is the largest domestic producer of bituminous coal, and has substantial coal reserves. The company is a joint owner—with Freeport Sulphur—in a potash mining venture.

Eastern Gas and Fuel Associates is a large bituminous coal producer, rapidly becoming a gas utility. Its wholly owned Boston Consolidated Gas is a consistently important contributor to profits. Company just recently exchanged its holdings in Norfolk and Western railway (dividends from which had provided about half of Eastern's earnings in late years) for its own shares, and also called some of its bonds. This reduced Eastern's number of outstanding common shares and simplified its capitalization. Insofar as future income is concerned, the company's coal, river barge, and other operations will from now on become far more significant than in the past.

Columbia Gas System is one of the largest gas utility systems in the country, serving the Eastern, Central, and Mid-Atlantic regions. It owns over 400,000 acres of land in the Atlantic-Appalachian region which contain large coal, oil, and gas reserves.

Chemical Companies

I believe **American Agricultural Chemical** is one of the oldest and largest producers and distributors of fertilizers. It also manufactures phosphoric and sulphuric acids, phosphates, and fluorides. The company owns 60,000 acres of land in Florida, underlaid by beds of phosphate rock sufficient to sustain production for 60 years.

International Minerals and Chemical is an important producer of mixed fertilizer, and a major producer of phosphate rock. It also produces potash and phosphate-based industrial chemicals. Extensive mineral and land holdings are located in Florida, Tennessee, Idaho, New Mexico, and Canada.

Four Join Staff Of Hayden, Miller

CLEVELAND, Ohio — Fred H. Emery, Leonard O. Ross, Paul A. Sihler and Joseph M. Streifender have become associated with Hayden, Miller & Co., Commerce Building, members of the Midwest Stock Exchange. All were formerly Vice-Presidents of H. L. Emerson & Co., Inc.

Oppenheimer Names

Gerald B. Cramer has been appointed sales manager of the New York office of Oppenheimer & Co., 5 Hanover Square, New York City, members of the New York Stock Exchange.

The State of TRADE and INDUSTRY

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

Economic activity generally continued to change little in February. Wholesale prices of meats and livestock declined further from mid-February to mid-March. Commercial bank credit continued to expand, while security markets were relatively stable.

This conclusion is contained in the mid-March national summary of business conditions recently issued by the Federal Reserve's Board of Governors, Washington, D. C. The monthly summary pointed out:

Industrial Production

"Industrial production in February was 119% of the 1957-59 average, the same as in January and about 3% above a year earlier. Output of final products was somewhat higher than in other recent months and a rise in production of iron and steel was offset by declines in some other materials.

"Auto assemblies, while down slightly, were close to the advanced level prevailing since mid-1962, and preliminary March schedules indicate another month of high output. Production of home goods increased further in February and output of consumer staples remained at record rates. In the business equipment industries, production of industrial and commercial machinery increased and output of freight and passenger equipment changed little. New orders for machinery had generally increased further in January, but shipments of these and other durable goods were limited by the dock strike which sharply curtailed total U. S. merchandise exports.

"A rise of 5% in steel ingot production in February has been followed by a further increase in early March. Output of construction materials generally increased in February. Production of petroleum products also increased but crude oil was curtailed further and output of some other nondurable materials declined.

Construction Activity

"New construction activity, which had edged upward in January, declined 5% in February, but was about 5% above a year earlier. The decline from January reflected mainly a further drop in residential construction, which — as last year — was hampered by unusually bad weather in some regions. Public construction activity, which was revised sharply upward for January, also declined in February.

Distribution

"Total retail sales were maintained at record levels in February. Sales of general merchandise continued to be limited by weather and by newspaper strikes. Deliveries of new autos increased somewhat further and were at an annual rate in excess of 7½ million units, including imported cars. This was 15% larger than a year earlier, while total retail sales were up 7%.

Commodity Prices

"The general wholesale price level declined about 0.5% from January to mid-March reflecting relatively sharp decreases in meat and livestock prices. The largest declines were in beef cattle prices as the volume of slaughter expanded about one-tenth from the end of last year. Wholesale prices of industrial commodities continued to change little.

"The consumer price index rose 0.2% in January and was 1.4% higher than a year earlier. Severe weather contributed to a 6% rise in fruit and vegetable prices. Retail prices of most other goods and services, except apparel and autos, continued slightly higher.

Bank Credit, Money Supply, And Reserves

"Total commercial bank credit, seasonally adjusted, increased substantially further in February. The rise was larger than in other recent months as loans to U. S. Government security dealers increased sharply and bank holdings of securities also rose. The seasonally adjusted money supply showed little change in February, and time and savings deposits rose somewhat less rapidly than in other recent months. U. S. Government deposits, however, rose much more than usual in February.

"Total and required reserves of member banks declined in February as is usual. Excess reserves at $475 million were about unchanged but member bank borrowings from the Federal Reserve increased to an average $175 million. Reserves were absorbed principally through a reduction in float and through an increase in Treasury and other deposits at the Reserve Banks. Reserves were supplied mainly by currency inflow and an increase of $345 million in System holdings of U. S. Government securities.

Security Markets

"Yields on U. S. Government notes and bonds and on State and local government bonds rose somewhat further between mid-February and mid-March, but yields on corporate bonds continued to change little. Rates on three-month Treasury bills declined slightly to below 2.90%.

"Common stock prices were somewhat lower in mid-March than a month earlier, as a rather sharp drop in late February was only partly offset by an increase in early March."

Bank Clearings Increased Fractionally 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 16, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 0.8% above those of the corresponding week last year. Our preliminary totals stand at $32,258,158,318 against $32,002,051,048 for the same week in 1962. Our comparative summary for some of the principal money centers follows:

Week End. Mar. 16—	(000s omitted) 1963	1962		%
New York	$18,611,015	$18,094,024	+	2.9
Chicago	1,381,450	1,392,392	—	0.8
Philadelphia	1,189,000	1,187,000	+	0.2
Boston	851,413	878,224	—	3.1
Kansas City	523,645	525,830	—	0.4

Steel Rise of 2.2% Over Prior Week Marks Seventh Weekly Gain in a Row, and Is 6.8% Below Year-Ago Week

According to data compiled by the American Iron and Steel Institute, production for the week ended March 16 was 2,225,000 tons (*119.4%), as against 2,178,000 tons (*116.9%) in the week ending March 9. The week to week output increased 2.2%.

This gain was the seventh 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 16 — the output of ingots and castings has totaled 22,091,000 net tons which comes to a 15.7% decline compared to Jan. 1-March 17, 1962 production of 26,191,000 net tons (*127.8%).

Data for the latest week ended March 16 show a production decline of 6.8% compared to last year's week output of 2,387,000 net tons (*128.1%).

District—	*Index of Ingot Production for Week Ending Mar. 16	Mar. 9
North East Coast	110	105
Buffalo	114	112
Pittsburgh	113	103
Youngstown	103	108
Cleveland	136	134
Detroit	160	163
Chicago	130	131
Cincinnati	120	120
St. Louis	114	117
Southern	108	108
Western	119	114
Total industry	119.4	116.9

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

Automakers, Other Consumers Start to Hedge Buy

Automakers and other big users are starting to hedge buy against the possibility of an August steel strike, and smaller consumers are beginning to follow suit, *Steel* magazine said.

Market analysts are not certain how much stockpiling is being done, but they estimate that orders are running about 20%

Continued on page 42

Watkins Elected Long Co. V.-P.

ELIZABETH, N. J. — Bruce R. Watkins has been elected a Vice-President of Hugh W. Long and Company, Westminster at Parker, national distributor for Fundamental Investors, Diversified Investment Fund and Diversified Growth Stock Fund.

Bruce R. Watkins

Mr. Watkins joined the firm in 1960 as a regional representative in Northern New Jersey and New York City. He was named assistant to the President last Spring.

Before his association with the Long Company, Mr. Watkins was a securities salesman for Chas. W. Scranton & Co. in New Haven, Conn.

Geo. Searight Now With D. H. Magid

George A. Searight has become associated with D. H. Magid & Co., Inc., One Chase Manhattan Plaza, New York City, to continue dealing in Over the counter and listed securities. Mr. Searight has been active in Wall St. and in various organizations related to the securities industry since the early twenties.

To Be V.-P. of S. R. Arias Inc.

Philip Greer will become a Vice-President of S. R. Arias Incorporated, 60 Broad St., New York City, members of the New York Stock Exchange, as of April 1.

Francis I. du Pont To Admit Two

On April 1, Paul P. Wisman of Lynchburg and Peter R. du Pont will become partners in Francis I. du Pont & Co., 1 Wall Street, New York City, members of the New York Stock Exchange.

Hecker & Co. To Admit to Firm

PHILADELPHIA, Pa.—Hecker & Co., Liberty Trust Building, members of the New York Stock Exchange and other leading exchanges, will admit Haroldyn J. Morris to partnership on April 1.

W. E. Hutton & Co. Names Phila. Mgr.

PHILADELPHIA, Pa. — W. E. Hutton & Co. has appointed George B. Zendt manager of the Philadelphia office, 1530 Chestnut St. J. Browning Clement Jr. is associate manager.

Life Insurance Industry's Views on Tax Cut Proposals

By Donald C. Slichter,* *President, Northeastern Mutual Life Insurance Co., Milwaukee, Wis.*

Life insurance industry's spokesman concurs with the Administration as to the burdensomeness of our tax structure and as to the necessary size of an over-all tax cut but differs as to where the incidence should be for the proposed lowered tax rates. Mr. Slichter favors a flat reduction through most income brackets with a top 60% ceiling, and a phased out lowering of corporate rate to 47% succeeded ultimately by a 42% rate when the budget is balanced. Moreover, he advocates tax cuts ahead of tax reform, opposes rising trend of Government expenditures, and clearly specifies under what conditions a deficit could become a worthwhile risk. Review of our economy's problems amidst prosperity shows how capital spending lag has hurt the economy and the extent to which excess capacity argument is fallacious. Mr. Slichter warns Federal deficit should be financed in a non-inflationary manner which may require removal of 4¼% ceiling on Government securities.

Viewed broadly, the Administration's tax proposals raise the question of the fiscal policy required at this point in our country's economic history to encourage high employment of our resources, vigorous and sustained economic growth, but at the same time maintenance of a sound dollar both at home and in foreign exchange markets. No other business supports these objectives more strongly than life insurance. Our continued healthy growth is closely linked with a sound and vigorously growing national economy and with a stable dollar.


Donald C. Slichter

The life insurance business is close to the forces affecting our country's economic growth. A total of $125 billion of savings have been accumulated by millions of policyholders, most of whom are persons of modest means. The life companies have been the greatest single channel of savings in the United States. These savings, plus at least $60 billion from repayments of investments, have been invested in manufacturing concerns, public utilities, transportation, commercial properties, farms, homes, mines, public improvements, and in many other ways, and have thus contributed enormously to the economic growth of the country.

Our interest in the successful functioning of the national economy is demonstrated by the fact that during the past 15 years the life insurance business has made over $2 million of grants to private research organizations and universities for basic economic research, especially in the area of saving, investment, capital formation and economic growth. One of the projects we are currently sponsoring is of direct interest to your Committee, namely, **The Study of Taxation and Economic Growth**, which is being conducted by the National Bureau of Economic Research.

The Economic Background. I shall begin by outlining the general economic background, as we view it, against which the decision about tax reduction and fiscal policy in general must be made.

The level of general business activity has moved to considerably higher ground since the recession of 1960-61. Personal income has risen steadily and is now 12% above the level of February, 1961. The physical volume of total output has advanced 11%. Employment in non-agricultural jobs has increased by about two million. These gains have lifted economic activity to the highest level in our country's history. Total employment is close to a record. The aggregate output of goods and services is larger than ever before, and the same is true of personal income and consumer spending. In fact, both the income and the spending of the average American are at a record level even after complete allowance is made for the greater taxes and the higher prices that he has to pay.

Prosperity and Problems

It is evident, then, that the country **as a whole** is enjoying considerable prosperity. But this is not to deny that we face serious economic problems.

One of these is that our prosperity is unevenly distributed. Certain industries — steel, railroads, airlines, and various branches of machinery and the building trades—have lagged in the general business expansion. There are pockets of substantial unemployment in different parts of the country, particularly in chronically depressed areas. While many men are working overtime or at extra jobs, many others are completely or partially unemployed. However, much of the unemployment is structural in nature, that is, it is concentrated in certain groups such as the unskilled and the younger workers. The cure for this particular problem is not so much a rise in total demand as it is job retraining and improved mobility of labor.

Secondly, the expansion of total production in this recovery has fallen somewhat short of the average rate of past recoveries. This of itself would not be too alarming. However, taken together with the excess unemployment which still existed after the expansion of 1958-60, it accounts for the fact that we now have an unemployment rate which is still too high.

Thirdly, the tempo of expansion has slowed down noticeably during the past several months. The FRB index of industrial production has shown little advance since last July.

Why Has the Expansion Lagged? Why has the current expansion failed to be stronger? The main answer is clear. Business investment has not risen with any real strength. Despite a doubling in privately financed industrial research and development expenditures in the past decade (from $2.2 billion in 1953 to about $5 billion in 1962), the rate of investment spending in the past several years to lower costs, to introduce new products, and to improve the quality of existing products has been disappointing.

Slowdown in Investment Spending

The evidence is conclusive. In the last quarter of 1962 the GNP was running at an annual rate of $563.5 billion, or $121 billion higher than in 1957. Despite this rise in GNP, business expenditures for plant and equipment today are not much higher than the level in 1957. In this recovery, between the cyclical trough of February, 1961 and 24 months later, plant and equipment expenditures rose about 11%, compared with the nearly 20% rise in the corresponding period from the trough of April, 1958. But these increases are much lower than those which occurred in other comparable periods of recovery in the postwar period and earlier. For example, for a corresponding period they rose 49% from the trough of October, 1949 (aided by the Korean War), and nearly 34% from August, 1954. Annual investment in fixed capital in relation to GNP has fallen from an average of 10-11% in the 1949-1957 period—and even 12% in 1947-48—to an average of only 9% in the past five years. The existing stock of business plant and equipment is estimated by the Department of Commerce to have increased by less than 2% annually since 1957, compared with 4% a year in the 1947-1957 period.

Accordingly, there is little question that weakness in business capital investment has been the prime factor retarding economic recovery and more vigorous growth.

The President's Economic Report and the accompanying Economic Report of the Council of Economic Advisers also stress the crucial importance of lagging capital expenditures since 1957. They hold however, that excess plant capacity is the primary factor discouraging capital expenditures, and they propose a fiscal policy directed primarily toward expanding consumer demand in order to absorb excess capacity and thus to provide a more favorable climate for capital spending. Although a rise in consumer spending would be of aid in stimulating a higher rate of capital spending, this may be a rather slow and indirect process. Moreover, the evidence is not convincing that the economy is suffering today from sluggishness in consumer spending or from lack of consumer buying power. As indicated earlier, consumer expenditures have been rising quite briskly. We are well on our way to a second year of booming automobile sales, and other sales are doing very well. The liquid assets in the hands of the general public have been increasing at a very fast rate—in 1962 alone by $34 billion to a record peacetime total of over $458 billion.

How Excessive Is Our Capacity?

Excess capacity can easily be exaggerated as a deterrent to capital spending. Much of the apparent excess capacity probably includes plant and equipment that is obsolete and expensive to operate—capacity that would be replaced if profit expectations were more promising. Furthermore, the excess capacity argument does not give sufficient weight to the capital outlays which would be made to start new industries, to produce new products, and to improve old ones if profit margins were more attractive. In addition, it is easy to overlook the close interrelationship between a rise in capital spending and a rise in consumer spending. Economists have long recognized the powerful effect which increasing investment expenditures have on creating new and better jobs, expanding the flow of wages and other personal income, and thus increasing consumer spending in step with rising investment spending.

There must, of course, be a balance between consumption and investment. As we shall state later, however, we believe that the Administration's tax program is tipped too far toward stimulating consumption and not far enough toward providing direct encouragement to a rising rate of capital spending, as well as to strengthening personal incentives to work harder, to save and invest, to innovate, and to assume business risks. It is the latter emphasis which offers the better possibilities for a prompt and sustained response toward stronger business expansion and more vigorous economic growth.

The Need for a Reduced Tax Burden. An important factor in the failure of our national economy to expand more vigorously is the heavy burden of Federal taxation—especially the burden upon business capital expenditures and upon personal incen-

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Life Insurance Industry's Views on Tax Cut Proposals

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tives. The drag of our tax system is by no means the only factor, but it is an important one on which effective action can be taken. The dynamic qualities and energy of our market economy revolve around the incentives for profit and reward for a job well done. These incentives are certainly weakened by our tax system.

Burden of All Government Taxes

The Federal tax system is the product of the Great Depression, World War II and the Korean War. Federal tax policy during the '30s was directed toward redistributing income and stimulating consumption. On the theory that opportunities for business investment were very limited and would remain so, corporate taxes were raised and the individual income tax was made more progressive in order to discourage saving. During World War II tax rates moved still higher. The objective of national economic policy then was to restrict both consumption and private investment so as to maintain stability of the general price level and to free the resources needed to carry on the war. Despite various revisions in tax rates since the war, the general level of personal income taxes is now only a little lower than in World War II. The basic tax rate on corporate profits is even higher than it was in 1946-49, when it was 38% compared with 52% today.

But this is not the entire story, because state and local taxes have also risen sharply. In 1929 the combined revenues of the Federal, state, and local governments accounted for 10.8% of the dollar value of GNP. This figure rose to 16.9% in 1939, to 24.3% in 1946, to 26.1% in 1956, and to 28.6% in 1962.

Not only is the Federal tax burden heavy, but the very high rates of taxation of individual incomes, and of corporate profits, act to dull economic incentives. A tax system bred of depression and war is poorly suited to present conditions when our country's pressing economic need is to stimulate enterprise, innovation, risk-taking and capital spending.

Making a Deficit a Worthwhile Risk

The case for prompt action to reduce the burden of the restrictive tax structure seems very strong. We recognize with deep concern that reducing taxes in the face of a large Federal deficit involves the serious risk of reviving inflation and damaging confidence abroad in the value of the dollar. The risk in tax reduction at this time can in our opinion be justified if three conditions are satisfied. First, vigorous action should be taken to avoid any further rise in aggregate Federal spending in fiscal 1964 and the proposed budget should be carefully studied to achieve additional economies, wherever possible. If certain expenditures, such as for defense, must be increased, other less essential spending should be curtailed. Secondly, the government must be prepared to bring monetary debt management, and other policy measures into play promptly to avoid building up inflationary pressures and to protect the international value of the dollar. Thirdly, the tax reduction program which is adopted must give real promise of success in promptly stimulating a large and sustained expansion in national income, increasing Federal revenues, and hence accomplishing an earlier balancing of the budget.

The purpose is not to give the national economy a "shot in the arm" to accelerate business recovery. It is rather to begin revising our tax system to lay a sound basis for vigorous and sustained economic growth over an extended period.

What Kind of Tax Program?

What kind of a tax program and fiscal policy does the life insurance business favor? We believe that tax rate reduction, both for individuals and corporations, is of paramount importance. The need to stimulate the incentives of individuals to work harder, to save and invest, to assume risks, to innovate, and in general to reduce the drag of present high individual income tax rates on our economy is urgent. So is the need to reduce corporate income tax rates promptly in order to encourage a rising level of capital spending. Rate reduction is, in fact, the most important single reform we can adopt to help move our economy into high gear and to keep it there.

Tax Cuts Ahead of Reform

We therefore urge the Congress to enact reductions in individual and corporate income tax rates promptly. There is a serious danger that to make cuts in tax rates depend upon finding solutions to the many complex structural problems would postpone and might even defeat rate reductions which are sorely needed now. For this reason, we believe that the wisest course would be for Congress to act first to correct the rate structures of the individual income and corporate income taxes and then to consider other tax reforms in separate legislation. On the other hand, if workable solutions could readily be found for some of the problems in the tax structure, without endangering prompt action on rate reduction, we would hope they would be adopted.

While it is important to schedule rate reductions promptly, it is equally vital to maintain fiscal responsibility by keeping the budget deficit within manageable limits, aiming as soon as possible at a balanced budget as an expanding economy produces larger receipts with lower rates. The revenue loss resulting from reductions in individual and corporate income tax rates should be kept within the same order of magnitude as the net reduction proposed in the Administration's tax package, including the structural revisions. This would amount to about $10 billion when the reductions were fully effective. The rate reductions should also take effect in stages and be phased over two or possibly three years to avoid undue immediate impact on the budget.

The tax reductions should be designed to produce the maximum invigorating effect on the economy consistent with the immediate revenue loss. The new individual income tax rates should be directed to achieving a balance between stimulating consumption, on the one hand, and stronger incentives to work, save, invest, innovate, and to assume risks, on the other. As noted earlier, the combined tax rate reduction and structural reform package of the Administration does not in our opinion achieve this balance. It grants relatively small tax reductions in the middle and upper brackets compared with those at the lower end of the income scale, particularly if the structural reforms were adopted. As a result, the Administration's program would actually make our individual income tax structure relatively *more* progressive than it is now. It therefore falls short of achieving the beneficial effects on incentives that would be possible under a tax program that spreads the relief more evenly among taxpayers at all income levels.

Where to Cut Tax Rates

The reduction of individual income tax rates proposed by the Administration, taken by itself, provides smaller cuts in the middle brackets than at the lower end of the income scale. It is especially in the middle brackets where we have a great potential for stimulating personal incentives. For example, according to Federal Reserve-University of Michigan estimates, 47.5% of the aggregate saving in the U. S. is done by spending units, or families, with incomes from $5,000-$10,000, and another 35% of the total by units with incomes of $10,000 and over. Moreover, if consumer spending needs stimulus, why should we provide a lesser tax cut to middle-income families which are a vital segment of the market for durable consumer goods? For these reasons, we believe that the impact on the economy could be strengthened considerably if the equivalent revenue were used to provide a flat percentage reduction through most of the income scale with a specified maximum rate of about 60%. As you know, the Committee for Economic Development and other groups have proposed a tax reform program along these general lines, and we think that as a basis for growth it is a much better program.

Reduction of the corporate income tax rate should be an integral part of the program of rate reduction and should proceed step by step with individual rate reductions. A substantial reduction of the corporate tax rate would enable many more capital projects to meet the basic test of profitability and would encourage a pronounced rise in capital spending. This is extremely important because a higher level of investment spending is essential not only to provide new and better jobs but also to improve the rate of economic growth. The investment tax credit and the liberalized depreciation guidelines, provided last year, took an important step in the direction of encouraging business investment. But further action is needed and should not be delayed. Specifically, we favor prompt action to reduce the corporate rate to 47%, phased over a sufficient period to avoid an undue immediate impact on the budget. Just as soon as budgetary conditions permit, we favor a further reduction to 42%.

Restraint on Federal Spending. It should be emphasized again that the life insurance business believes that any substantial reduction in Federal taxation must be accompanied by a determined effort to curb the further rise of Federal spending. The Administration's budget for fiscal 1964 calls for an expenditure increase of $4.5 billion. We appreciate that this increase is largely attributable to added spending for defense, space programs, and interest. However, the projected Federal expenditures for fiscal 1964, particularly for civilian purposes, must be subjected to unremitting scrutiny to reduce them at least to the level of fiscal 1963.

The life insurance business would be greatly alarmed about an enlarged deficit occasioned by a tax cut if the further increase in Federal spending were not checked. The trend of Government spending has been rising rapidly. Federal budget expenditures are scheduled to go up $6.5 billion this fiscal year (1963). The increase last year was $6.3 billion. The average since 1957 has been a little over $4 billion per year. As noted, the increase projected for fiscal 1964 is $4.5 billion. However, the new obligational authority requested for fiscal 1964 exceeds the estimated expenditures by $9 billion, with the bulk of this excess in spending areas other than defense and space. There is no sign here that Federal expenditures will soon stop rising. The danger is that even though taxes are cut and national income rises, expenditures will continue to increase and we will be faced with persisting deficits. Under such conditions, we would certainly go rapidly down the disastrous road of renewed inflation and devaluation of the dollar.

Must Halt and Reverse Government Spending Trend

If over the longer run we are to have a helpful reduction in the burden of taxation, we must exert an uncompromising effort to restrain further increases in Federal spending. As Simon Kuznets, distinguished Harvard professor and internationally recognized authority on economic growth, points out in his exhaustive study *Capital Formation and Financing*, the expanding level of Federal expenditures, and the increasing tax burden it has required, has been a major cause for the slowing down in private capital spending and hence in the economic growth of this country. We must halt and reverse this trend if we are to achieve vigorous growth.

Monetary and Debt Management Policy. Finally, it should be reiterated that if Congress should enact a substantial reduction in the tax burden, with a resultant heavy Federal deficit, great care would have to be exercised to avoid the building up of inflationary tinder and loss of confidence abroad in the value of the dollar. This means that, as the economy expanded, the enlarged Federal deficit would have to be financed in a non-inflationary manner, that is, with individual savers, savings institutions, and business concerns. An increased proportion of the Federal financing would have to be in other than highly liquid, short-term securities. To accomplish this, Congress should be prepared to remove the 4¼% ceiling on government bonds. Beyond this, the Federal Reserve authorities would have to be alert to shift their policy toward credit restraint should developments require it.

Summary

(1) While our economy is at the highest level in history, we face serious problems. Prosperity is not evenly distributed, and the rate of business expansion, especially in recent months, has been disappointing.

(2) The record shows that currently, and since 1957, weakness in business capital investment has been the prime factor retarding more vigorous economic expansion and growth. The Administration ascribes this primarily to excess plant capacity and concentrates fiscal policy on stimulating consumption. We see little convincing evidence of sluggishness in consumer spending or lack of consumer buying power, and we believe excess capacity can easily be exaggerated as a deterrent to capital spending.

(3) The burden of Federal taxation—especially its effects upon business capital expenditures and upon the incentives of individuals to work harder, to assume business risks, to innovate, and to save and invest—is critical to the problem of improved economic growth. We favor prompt action on a properly conceived tax reduction program accompanied by adequate steps to achieve economies in the Federal budget and at least to hold the line on Federal spending, and by monetary, debt management and other measures to avoid building up inflationary pressures and to protect the dollar.

(4) The life insurance business believes that tax rate reduction, both for individuals and corporations, is of paramount importance. Therefore, we urge Congress to enact such reductions promptly, leaving structural reform to separate legislation later except to the extent it can be agreed on without endangering timely action on rate reductions.

(5) The combined individual income tax rate reduction and reform package of the Administration provides too small cuts in the middle and upper income brackets to achieve the needed effects on personal incentives. Similarly, the revision of individual income tax rates proposed by the Administration, taken by itself, affords smaller cuts in the middle brackets than in the lower. We believe that the growth impact on the economy would be strengthened considerably by an across-the-board flat percentage reduction with a specified maximum of about 60%, so phased as to avoid an undue strain on the budget.

(6) Reduction in the corporate income tax rate without delay should be an integral part of the program. We favor a reduction to 47%, also so phased as to avoid undue impact on the budget, with a further reduction to 42% as soon as budgetary conditions permit.

(7) The life insurance business is highly fearful of the inflationary dangers in any program involving the threat of persisting Federal deficits. We emphasize again the essential conditions of any ultimately helpful reduction in the burden of taxation. There must be an uncompromising effort to achieve economies in the federal budget and at least to restrain further increases in Federal spending. Increased deficits from any tax cut must be financed in a noninflationary manner. And the authorities should be alert to adjust monetary policy to avoid a buildup of inflationary tinder and a threat to the value of the dollar.

*Statement by Mr. Slichter before the House Ways and Means Committee, Washington, D. C., March 12, 1963, speaking on behalf of the American Life Convention; Life Insurers Conference; and the Life Insurance Association of America.

The Market . . . And You

BY WALLACE STREETE

The stock market, considered collectively in its present sideways motion, shows few signs of any definite trend for the short term. Its sharp advance from last October's lows has petered out instead of being stopped dead in its tracks.

While market technicians contend that a correction is still needed to establish a base for a solid advance, this liklihood dwindles amid declining volume. Incentives for new commitments have lessened sufficiently for institutional buyers while uncertainty on tax legislation and other matters have cut down on interest for the professionals.

The all-too-apparent result: a fairly lackadaisical market that is generally unmoved to any major degree by either good or bad business news.

Yet it must be admitted that a market follower has a wide choice these days if he is to make his judgment merely on overall economic trends.

Steel Outlook

Specifically, we can find optimism in the fact that steel output has hit the fastest pace in nearly a year. Last week's production gain of 2.3% will undoubtedly have helped ingot makers' profits for the quarter. But what about the future if there is no strike and a consequent cutback to eat up swollen inventories?

The steel stocks reflect this great uncertainty. Obviously they were a better buy a month ago than they would seem now, although some observers feel they may have over-discounted the unfavorable over the last year.

A current study by one member firm of eight major steel makers indicates current price-earnings ratios ranging from 11-to-1 to 15-to-1. These relatively low P/E ratios are based not only on estimated profits this year, but also on the projected production of slightly over 100 million tons, the lack of any major work stoppage and no price increases.

Mixed News

Elsewhere we see other industrial news of a mixed nature, much of which could seem to confuse rather than clarify the stock market outlook.

Consider the fact that unemployment rates are up, but consumers are expected to spend more in the coming months than they did a year ago. Meanwhile, personal incomes declined slightly last month, but would have topped January's total if it had not been for a special payment of life insurance dividends to veterans by the Veterans Administration in January.

Wage and salaries hit a record annual pace of $94.6 billion in manufacturing industries last month although industrial output was the same as in January and December.

Add to this the fact that corporate profit margins appear to be lower, but total corporate profits are headed for new highs this quarter and next, according to the best available signs. Good news is also cited in a new survey by the Commerce Department that corporate managers will step up their capital expenditures to record levels in the coming months.

Planned increases in the second quarter would not only reverse slight dips in the December and current quarters, but would push total outlays this year to a record $39.1 billion, for a gain of nearly 5% over 1962.

Another good token: Housing starts last month reversed a one-month decline to zoom 11% over the year-ago level. The 4% rise in the seasonally adjusted volume to an annual rate of 1,280,000 units should help firm building supply and household goods stocks.

But much of the market place continues to shrug off both the good and not so good news, in favor of inaction.

Lethargic "D. J."

The fact that the Dow-Jones Industrials have held to a narrow trading range of ten points for intraday highs and lows for the past week confirms the lethargy. The 30 point range of the last four weeks is not unusual; neither is it encouraging.

More significant are scant day-to-day changes among the most heavily traded issues. Changes are generally fractional even among the higher-priced stocks where turnover is 30,000 to 60,000 shares daily.

Uncertainties over the proposed tax reduction program are undoubtedly taking their toll in the board rooms. The low daily turnover confirms that many investors are standing pat. Many have also built up their cash positions, but will not move until they get more assurance from Washington on what the future dollar will be worth.

Other uncertainties emanating from Washington with particular reference to Wall Street concern defense spending and rail merger decisions.

Impact of Defense Spending

While defense spending is important for most business areas today, it is the lifeblood of the aircraft, missile, and allied industries.

Consider Martin-Marietta and what happens when a single contract is let. Soon after the Army announced award of a relatively small ($5 million) order to Martin-Marietta for development of a new anti-missile missile, the company's common stock traded 55,600 shares for the second most active stock of the session.

Martin, now in the low 20's, has shown little change in recent months despite the surge of industrial averages from the October levels. Martin's low last year of 17 came in May while its high of 28⅞ was posted in the opening month of 1962.

Another space-age stock to fare better has been Lockheed. Currently trading in the low 50's, it has rebounded from a low of 34½ made last May and is not far from its top of 56 reached in December. Its yield on an indicated dividend of $1.20 would be 2.3% more.

Lockheed can also point to record profits last year of $37.2 million, equal to $4.76 a share. This is up sharply from 1961's net of $26 million, or $3.46 a share, and does not include an added capital gain last year of $13.1 million from sales of Transamerica preferred stock.

Lockheed officials credit the higher profits to higher sales, cost savings on Government programs and success in its diversification plans. But they also concede that all but one of the companies purchased for diversification are still operating in the red, although combined sales rose to $76 million from $61 million in 1961. Only one unit, Lockheed Electronics is expected to turn in a profit this year.

Lockheed continues to count on government work, both U. S. and foreign, for 97% of its revenues. Airplanes and related services, with 49% of total sales last year, continue to overshadow, but only slightly, revenues from missile and space activities. The latter functions brought in 47% or $823 million of Lockheed's total sales of $1.7 billion last year.

But space age not withstanding, investors' eyes are also on the ground these days. A fair-sized mutual fund, Delaware, announced this week that it had boosted its commitments in rail shares to 10% of its portfolio at the start of this year from 2% a year earlier.

This percentage of Delaware Fund's holdings has since grown to 12½% through purchase of 100,000 shares of Pennsylvania RR. Yet this nearly unheard-of commitment in rail stocks is "as far as we will go, according to Linton W. Nelson, President of the fund.

Tobacco-Cancer Picture

Another omen for the marketplace may be Mr. Nelson's decision to switch out of tobaccos. Delaware's holding have been cut to less than 3% from better than 8½% a year ago. The fund has assets of about $100 million. Although a report on cigarettes is expected to be released soon by the Surgeon General's office, some observers feel the tobacco stocks have been thoroughly discounted.

News that the American Medical Association has decided to abandon its research and reports on tobacco and cigarette smoking as a cause of cancer has turned some attention back to the tobacco stocks.

Although Reynolds and American Tobacco still have a large following, some observers lean toward the more speculative issues of Lorillard and Philip Morris.

A small cloud on the rail merger horizon may have appeared this week with news that decision on the projected merger between the Atlantic Coast Line and the Seaboard Air Line Railroad may be postponed until this summer. Although the Interstate Commerce Commission has set May 7 as the day for oral argument, it is likely that the ruling could take several weeks or months, thus stalling decisions on other pending mergers, including the critical Pennsy-Central deal.

The original application in the Coast Line-Seaboard case was filed by the two roads in July 1960 and the ICC examiner recommended approval last August.

[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.]

Beauchamp, West Partner

On April 1 Robert C. Stava will be admitted to limited partnership in Beauchamp, West & Stava, 115 Broadway, New York City, members of the New York Stock Exch.

COMMENTARY...

BY M. R. LEFKOE

Although the Constitution guarantees freedom of speech to every American citizen, the National Labor Relations Board has taken it upon itself to single out businessmen as a group and deny them this basic right in the area of management-labor relations.

In order to pursue its blatant policy of denying employers the right of free speech, the Board also has been forced to ignore the Taft-Hartley Act which it is pledged to uphold. Section 8 (c) of the Act specifically guarantees employers freedom of speech in communications with their employees. "The expressing of any views, argument, or opinion, or the dissemination thereof, whether in written, printed, graphic, or visual form, shall not constitute or be evidence of an unfair labor practice under any of the provisions of this act, if such expression contains no threat of reprisal or force or promise of benefit."

Gagging the Employer

In a scathing attack on the NLRB's avowed disregard for both the spirit and the letter of the law, Rep. Phil M. Landrum (co-author of the Landrum-Griffin Labor Act of 1959) stated on the floor of the House last year: ". . . if this is to be the Board's standard regarding free speech—and I fear events promise it will be—we will have returned to the pre-Taft-Hartley situation when an employer could not safely express to his employees any views or opinions on Labor matters. The inevitable result was then—and will be again—that during an organizing campaign employees were forbidden to hear both sides, and could not, therefore, secure the full information necessary for an intelligent and informed decision."

In documenting his charges, Rep. Landrum pointed out that "in two recent cases [1961] involving employers' remarks to employees, the Board did not find that an unfair labor practice had been committed. However, because of the employers' statements, it set aside elections (which the union had lost) and ordered that new ones be held.

"In one of these cases *(Somismo, Inc.)*, the Board held that the employer interfered with the election when he said that the union's promises were ridiculous, and that if the union demanded the benefits it was promising the company might have to go out of business. In the other case *(Cole Mfg.)* the Board held that the employer interfered with the election when he said prior organizing efforts had resulted in the loss of business and that business would improve and working conditions would be better if the union lost. . . .

"Moreover, the *Worth Mfg.* case adds a new and dangerous dimension. It indicates a return to the discredited practice of viewing an employer's utterances in the light of what the Board has called 'all the surrounding circumstances.' In the *Worth* case, this meant that lawful speech and other lawful conduct—occurring separately—were coupled to support a finding that an unfair labor practice had been committed."

The Board's "Free Speech" Philosophy

The reasoning employed by the Board in finding Union Carbide guilty of making misleading statements to its employees (a decision eventually overturned by the court) shows the extent to which the NLRB has gone in perverting the meaning of the Section 8 (c) free speech guarantee.

In speeches to employees before an election on a union bargaining agent, Union Carbide made the following statement: "Customers are buying products on the basis of prices, delivery, and dependability. The facts are that in some cases we are the sole source of supply at present for some of our customers. We have been told that we would not continue to be the sole source of supply if we became unionized, due to the ever-present possibility of a work stoppage due to strikes or walkouts."

In finding the company guilty of anti-union conduct and ordering a new representation election, the majority opinion of the Board stated: "The statements involved here indicate that a loss of orders, and hence a loss of jobs, would result merely by virtue of the employee's designation of the union, and were accompanied by constant reference to the probability of strikes if the union won the election. Further, we find, contrary to the trial examiner, that the respondent [Union Carbide] materially misrepresented the facts when it stated that 'some of [its] customers' would seek other sources of supply, whereas only one customer had so informed the respondent. It is also highly significant that the respondent failed to name the customers involved or supply any other information."

Thus, because there was only *one* customer, instead of *"some,"* and because the company failed to give the name of the customer, the NLRB found that Union Carbide had "materially misrepresented the facts." The Board completely ignored Section 8 (c) which guarantees free speech to an employer unless his statements contain a "threat of reprisal or force or promise of benefit."

As a result of these and other NLRB decisions during the past two years, employers have been effectively prohibited from saying anything whatsoever to their employees which might induce them to reject union representation—even if the employer's statements are indisputably true.

"Only the Beginning"

But the Board's policy of denying free speech to an employer in the area of union representation election was only the beginning. Not content with the damage it has done in this one area, the NLRB has now moved to outlaw any statements made by a company to its employees on management-labor affairs in general.

In the *General Electric* case, where the decision of the NLRB trial examiner is still pending, the company is charged with violating the Taft-Hartley Act during its negotiations with the International Union of Electrical, Radio & Machine Workers in 1960. Specifically, GE is accused of engaging in unfair labor practices by communicating directly with employees on the bargaining issues, by promptly explaining to employees the terms of its contract proposal to the union, and by criticizing the actions and questioning the motives of a few top IUE officials. A question also has been raised as to the legality of a request GE made of its employees: "We urge that you consider these [GE contract] proposals carefully —weigh their real value—discuss them with your families—decide whether this is a program you want—*and then advise your union representatives of your decision.*"

According to the union's charges, which the NLRB found substantial enough to warrant a full investigation, these actions by GE tended to "undermine the union" and, thus, were illegal.

The Ultimate Result

Steel Magazine pointed out the seriousness of the issue at stake in this case when it wrote: "Do employees have the right to full information on both sides of controversial issues in collective bargaining? Or should they be forbidden to hear their company's view and get only the union officials' version of facts and conditions?

"Answers to both questions and the course of free speech in our industrial democracy are expected to be determined in the [GE] case now before the National Labor Relations Board."

If GE's long-standing and continuous program of informing its employees on all management-labor issues is found illegal, every corporation in the country will be afraid to say anything to their employees on labor matters—and free speech will have been totally destroyed. As GE put it in its brief for the NLRB trial examiner, "the prosecutor's goal in this case would not merely *circumscribe* free speech, it would *extinguish* it."

Consol. Edison Rights Offering To Stockholders

Consolidated Edison Co. of New York, Inc. announces that it is offering the holders of its common stock, the right to subscribe at $80 per share for an additional 1,343,117 shares on the basis of one new share for each 12 shares held of record March 15, 1963. Subscription rights will expire April 5, 1963.

The offering is being underwritten by a group headed by Morgan Stanley & Co., and The First Boston Corp., New York.

Consolidated Edison proposes to apply part of the proceeds from the sale of the new common shares to retirement of approximately $13,000,000 of short-term bank loans, incurred in connection with its construction program, and to use the remaining proceeds to finance future construction or for other corporate purposes. The company is engaged in a construction program which it is estimated will involve expenditures for the years 1963 through 1967 of approximately $1,300,000,000.

Lloyd to Be V.-P. Of Walston

DENVER, Colorado—Kenneth W. Lloyd on April 1 will become a Vice-President of Walston & Co., Inc. He will make his headquarters at the firm's Denver office in the Denver U. S. National Center. Mr. Lloyd has been with the firm in Denver for some years.

$37,215,000 Bonds Of San Francisco Publicly Offered

An underwriting group managed by Bank of America N.T. & S.A., on March 18 purchased $37,215,000 City and County of San Francisco various purpose bonds, comprised of $23,000,000 Municipal Water Systems Bonds 1961, series B; $9,800,000 Airport Bonds, 1962, Series A; $2,725,000 Museum Bonds, 1960 Series A; and $1,690,000 Sewer Bonds, 1954, Series E.

For the Municipal Water System obligations, due 1964 through 1983, the group bid 100.026% for 6%, 2¼%, 2½% and 2¾% coupons, setting an annual net interest cost of 2.68%. On reoffering the securities were scaled to yield from 1.50% out to 2.90%.

The airport issue, due 1964 through 1978, brought a bid of 100.049% for coupons of 6%, 2%, 2¼%, 2½% and 2¾%, setting a net interest cost of 2.54%. On reoffering these obligations were priced to yield from 1.50% out to 2.70%.

For the museum issue, due 1964 through 1978, with coupons of 5%, 2%, 2¼%, 2½% and 2¾%, the group bid 100.079% for a net interest cost of 2.52%. These securities were scaled to yield from 1.50% out to 2.70%.

The Sewer bonds, due 1964-78, with coupons of 5%, 2%, 2¼%, 2½% and 2¾% brought a bid of 100.095% for a net interest cost of 2.51%. On reoffering this issue was priced to yield from 1.50% out to 2.70%.

Included in the offering group are:

The Chase Manhattan Bank; First National City Bank, New York; Blyth & Co., Inc.; The First Boston Corp.; Harriman Ripley & Co. Inc.; The Northern Trust Co.; Wells Fargo Bank; Security First National Bank; Crocker-Anglo National Bank;

Phelps, Fenn & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.; R. H. Moulton & Co.; Weeden & Co., Inc.; The First National Bank of Oregon; Seattle-First National Bank; R. W. Pressprich & Co.; Mellon National Bank & Trust Co.; William R. Staats & Co.; First National Bank in Dallas; Republic National Bank of Dallas.

Drexel & Co. to Admit Partners

Drexel & Co., members of the New York Stock Exchange, and other exchanges, on April 1, will admit David T. Guernsey, John J. F. Sherrerd, John W. Boyer, Jr., and James J. Hughes, Jr. to partnership. Mr. Guernsey and Mr. Hughes will make their headquarters at the New York office, 45 Wall Street; Mr. Sherrerd and Mr. Boyer will be at the Philadelphia office, 1500 Walnut Street.

MUTUAL FUNDS

BY JOSEPH C. POTTER

Gone With the Land

"Land," said the Nineteenth Century author, Anthony Trollope, "is about the only thing that can't fly away." For the investment-minded man of moderate means, confining himself almost wholly to buying stocks, the land has always seemed beyond his reach. The lure of the land was strong, but he lacked both the wherewithal and the know-how.

However, with the building boom that followed World War II and the demonstrated ability of the mutual funds to draw out billions of dollars in savings, the promoters were not long in getting around to satisfying the little man's dream of a share in real estate. They even had an added attraction that no mutual fund could match: pledged cash disbursements each month to investors, even in the absence of earning power. Since real estate syndication concentrated largely on new buildings — commercial structures and apartment dwellings were most popular—the syndicate managers often found themselves paying out to their investors the money that these people had put up.

Returns of 10% to 12% were widely heralded. Such yields in stocks, of course, would serve as a bright-red warning light to investors in equities, but they apparently had a magnetic effect on the little people who wanted in on real estate syndication.

The day of reckoning already is here for some of these companies and serious troubles loom for many more. A report by the office of the Attorney General of New York State declares that 12% of the realty syndicates set up in 1961 have failed to make cash payments to their investors at the rates originally anticipated. Far worse, a number of investigations are under way and one such investigation has resulted in indictment of one man on charges of stealing more than $1,000,000 from realty investors.

Louis Lefkowitz, the able Attorney General of New York, is on the job here, as he was several years ago when Canadian peddlers of moose pasture were fleecing Yankee yokels. Mr. Lefkowitz, of course, is determined not to hamper legitimate investment and enterprise, but he'll be riding herd on the fast-buck operators.

What Mr. Lefkowitz wants right now is legislation that would compel these syndicators to provide detailed disclosure of the source of the cash disbursements that are made to their investors. No doubt, it would come as qiute a jolt to an investor, however lacking in sophistication, to learn that he was receiving as "a dividend" some of the money that he put into the pool in the first place.

Such a law may not be to the liking of some syndicators, but unless they are prepared to operate in a goldfish bowl, then the end can't be far away. Already, much of the enthusiasm for these promotions has begun to wane. Thus, in New York State last year, the Attorney General's office cleared 305 offerings totaling $563.6 million. This compares with 400 offerings adding up to $1.3 billion one year earlier. The decline is ascribed to changes in the market for these holdings and voluntary withdrawal by promoters whose prospectuses did not comply with state regulations.

So what started out as a worthy competitor to mutual funds in the contest for the investor's dollar has sustained a setback from which it will be many years in recovering. And there is reason to believe, given wholesale sponsorship, that it will revive. For the basic idea of realty syndication is commendable—indeed, a natural. It does offer the investor of modest means a chance at the land-and-building business. Going it alone in stocks may be difficult, but in real estate it's well nigh impossible.

But men who, for legitimate or other reasons, surrender the flexibility of their operation by making unsound promises to their stockholders must be replaced with conservative management. Not until then will realty syndication attain a major role in the investment field.

The Funds Report

Boston Fund's net asset value per share increased more than 10% during the final quarter of the Fund's 31st fiscal year ended Jan. 31.

The per share value at the year-end was $9.30. When adjusted for a capital gain distribution of 13 cents, the share value was equal to $9.43, up from $8.55 three months earlier.

On an annual basis, the adjusted figure of $9.43 represents a decline of only about 2% over the corresponding asset value of $9.635 last year.

Total net assets increased during the final three months from $278,980,669 to a fiscal year-end figure of $308,489,041. This compares with assets of $305,124,104 on Jan. 31, 1962.

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Income Fund of Boston, Inc. reported to shareholders for the fiscal year ended Jan. 31, 1963 that total and net assets are the highest in its history. Total assets on Jan. 31, 1963 were $48,983,517 an increase over $46,349,082 on the same date a year ago. Net assets were $43,133,376, also a substantial increase over $41,519,971 on the same date a year ago. The Fund began operations with net assets of $3,994,277 on Feb. 8, 1955. In its first eight years, the Fund has now paid a total of $11,101,181 in dividends from Net Investment Income after payment of all expenses. This is a total of $3.579 per share on the initial net asset value of $7.625 per share on Feb. 8, 1955.

In addition, in its first eight years the Fund has also paid to shareholders a total of $6,025,723 from Realized Capital Gains, which is a total of $1.7016 per share on the initial net asset value of $7.625 per share on Feb. 8, 1955.

* * *

Incorporated Income Fund reports that at the close of the quarter on Jan. 31 total net assets amounted to $136,604,976, equal to $9.26 per share. This compares with $121,625,051, or $8.69 a share, at Oct. 31, 1962.

Although the balance in the portfolio remained substantially the same (55% common stocks, 45% fixed income), within it the following major changes were made in common holdings: Associates Investment Co., Borg-Warner, Ford Motor, Gillette, B. F. Goodrich, Gulf Oil, Johns Manville, Mesabi Trust and United States Steel were added while Metro-Goldwyn-Mayer and United Aircraft were sold.

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B. C. Morton Organization reports sales for the first two months of 1963 totaled $26.7 million, against $15.4 million in the last two months of 1962.

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Name Change — The Convertible Securities Fund, Inc., a Los Angeles based mutual fund, has become the new name of the Kerr Income Fund, Inc., as a result of a recent vote of shareholders.

Mr. Douglas B. Fletcher, President, stated that the new policy of the Fund, under its new management, is to invest its assets in convertible securities, both bonds and preferred stocks. This is the only mutual fund in the United States to confine its investment activities to these securities, and its assets have increased over 60% during the last six months according to Mr. Fletcher.

* * *

Puritan Fund, member of the Fidelity Group, reported record highs in net assets, shares outstanding, and shareholders for the quarter ended Jan. 31, 1963.

Total net assets climbed 20% to $141,400,000 at the end of Jan., 1963, from $117,000,000 at the end of the previous quarter. This increase put total net assets 14½% above $123,400,000 held by the Fund on Jan. 31, 1962. The Fund's per share net asset value was $8.07 on Jan. 31, 1963, 14% above the Oct. quarter end figure of $7.08, and compared with $8.54 a year ago.

New securities added to the Portfolio during the quarter included: Collins Radio Co. conv. sub. deb. 4¾%, 1983; Japan Development Bank gtd. ext. loan bonds 6%, 1978; Southeastern Public Service Co. 5½% cum. ser. pfd. "A"; Virginia Carolina Chemical Corp. 5%, cum. prior pfd.; Cleveland-Cliffs Iron Co.; Hall (W. F.) Printing Co.; Lone Star Cement Corp.; National Distillers & Chemical; National Gypsum; Republic Steel; and St. Regis Paper Co.

Eliminations included the following securities: American Radiator & Standard Sanitary Corp.; American Viscose Corp.; Armstrong Rubber: Consolidation Coal Co.; Joy Manufacturing; and Torrington Co.

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Shares in American Industry, Inc. reports that at the end of the fiscal year on Jan. 31 net assets amounted to $3,069.860, or $13.73 per share, compared with $2,769,206 of assets and $16.30 a share at the close of the preceding year.

* * *

Texas Fund shares more than recovered the ground lost in the whole fiscal year ended Aug. 31, 1962, President Clive Runnells, Jr. stated in the semi-annual report dated Feb. 28, 1963. Net asset value per share increased by 11.2% in the past six months, from $10.14 on Aug. 31, 1962 to $11.28 on Feb. 28, 1963. In the same period the total net assets of the Fund increased by 16.4%, from $46,091,796 to $53,647,413. Directors declared a dividend of five cents a share from investment income, payable March 18 to shareholders of record on Feb. 25. This was Texas Fund's 54th consecutive quarterly dividend.

Loftus V.-P. of American Secs.

PHILADELPHIA, Pa.—American Securities Corporation has announced that Edgar J. Loftus has been elected a Vice-President and has been named manager of the firm's Philadelphia office, 123 So. Broad Street. Associated with Mr. Loftus will be John R. Woolford.

Edgar J. Loftus

Mr. Loftus is a member of District Committee 11 of the National Association of Securities Dealers; and of the Executive Committee of the Eastern Pennsylvania Group of the Investment Bankers Association of America. He is a past President of The Bond Club of Philadelphia.

Crown Cork & Seal Co., Inc. Securities Sold

Francis I. duPont & Co., New York, and associates are offering publicly new issues of $30,000,000 Crown Cork & Seal Co., Inc., 4⅜% sinking fund debentures, due March 15, 1988, and 400,000 shares of its common stock. The debentures are priced at 101.25%, to yield 4.29%, and the common stock at $31.25 per share.

Proceeds from the sale of the securities will be applied to the repayment of outstanding indebtedness, as follows: $11,424,000 to the prepayment of a 4⅜% note, due Feb. 1, 1972; $17,100,000 to the prepayment of a loan payable serially until Dec. 1, 1967; and the balance to the repayment of a major portion of short term indebtedness to banks.

The debentures are not redeemable at a lower interest cost prior to March 15, 1968. Otherwise, they are redeemable at optional redemption prices ranging from 105.63% to 100%; and at sinking fund redemption prices ranging from 101.25% to 100%.

Headquartered in New York, the company manufactures a wide variety of tinplate and aluminum cans for the food, citrus, brewing, soft-drink, oil, paint, toiletries, drug, anti-freeze, chemical and pet-food industries. In addition, Crown Cork believes that it is one of the three lealing producers of aerosol cans. It also manufactures a complete variety of tinplate crowns (bottle caps) and is one of the two leading designers and manufacturers of high-speed filling and crowning equipment for the brewing, soft-drink, dairy and wine industries. Foreign operations are conducted by 16 subsidiaries, the major portion of whose operations is carried on in Europe, Canada and Mexico.

The Security I Like Best

Continued from page 2

quired. The Government will then be in a position to entertain bids for the stock.

I have detailed these complicated legal maneuverings at length, because their resolution is a most vital factor bearing on General Aniline's future. Although the record is outstanding, with company sales and net worth having quadrupled since 1942, it is a fact that Government control inclines to the patronage, rather than the profit, system. Due to this same situation, personnel turnover has been higher than normal, while during this period of Government ownership, merger growth by exchange of shares has been precluded, as has been the field of joint corporate ventures, owing to the uncertainties of future ownership pattern. Creditable as the achievements to date have been, under the fairer climates of private ownership, the future appears to be really exciting.

General Aniline & Film Corporation is a technology-based industrial giant, operating 12 plants, a large research laboratory in Pennsylvania and 30 branches across the country, and employing over 7,700 people to produce and sell a broad range of products, numbering in the thousands of items. The operating divisions are two: the Dyestuff & Chemical and the Photo & Repro Divisions. The former produces a line of general dyestuffs for textiles, leather, paper and other uses; pigments for paints and plastics; and a line of basic and intermediate chemicals including surfactants, detergents, organic intermediates, chlorine, caustic soda, ethylene glycol, ethylene oxide, carbonyl iron, and high-pressure acetylene derivatives. Their line of dyestuffs is one of the broadest in the world, employed with natural materials and with a growing list of synthetic fibers. The company also makes ultra-violet absorbers, oil well drilling additives, optical brighteners, corrosion inhibitors, beer clarifiers, and specialty iron powders.

The Photo & Repro Division product line includes world-famous Ansco photographic film, paper and chemicals for the amateur, professional, industrial, X-ray and graphic arts field; and Ozalid reproduction diazo coated papers, photocopy machines and paper, audio-visual products and accessories. The company pioneered the dry diazo process, still the leading mode of reproduction for engineering and architectural drawings. This basic line has been expanded over the years, and the photocopy field entered with diffusion transfer equipment and paper.

General Aniline is adding new products, improving existing lines, where possible, and with a very heavy research effort, continues to add to its store of some 4,000 patents. Concretely, the synthetic fiber dye line was considerably broadened last year, while a number of new chemicals are under development, with several expected to graduate to the commercial stage this year, particularly the new acetylene derivatives, for which a commercial unit is now being built. Additionally, an expanded chlorine-caustic plant will go on stream this year. Ansco cameras, films and papers are also the subject of continual attention to better their market position.

As the accompanying table indicates, sales growth has been strong, but profit margins have wandered somewhat at times:

But the just-released 1962 annual report indicates that costs were taken firmly in hand last year — reported 1962 earnings were a record $9.6 million, or $11.99 per class A common share. This was almost twice the $4.8 million, or $6.03 earned a share in 1961. Sales climbed to a new peak of $179 million, from $163 million a year earlier. While the year-to-year rate of gain itself is inspiring, the momentum of the advance, as seen in December quarter figures, is even higher. Earnings per class A common share in the last quarter of 1962 totaled $3.52, compared with 64 cents a year earlier, while sales in the respective periods were $44.3 million and $42.1 million.

In the postwar period, over $105 a share in earnings has been plowed back into the business, and net worth at the close of 1962 approximated $150 million, up from $142 million a year earlier. Book value thus approximate $188 a share. Long term debt stands at $24.5 million, while the current position is exceptionally strong.

The capitalization consists of 2,050,000 shares of class B common stock, entirely owned by the Government, and 592,742 shares of class A common, of which the Justice Department holds 540,894 shares. The class A stock enjoys a $75 a share asset preference in liquidation, but apart from this, is a sort of "heavy" B stock, by a factor of ten. The respective stocks share equally in dividends, in the ratio of $1 of dividends on class A shares to each ten cents per class B share. In connection with the future sale of government-owned stock, a split or re-capitalization to reduce ownership to a single class of stock will probably be undertaken.

The class A shares are traded in the Over-the-Counter Market, at approximately $345 each, some one-third under the peak price of two years ago, and purchase is recommended in accounts seeking capital gain in quality issues.

Historical Summary

Year	Sales (Millions)	Earned Cl. A Shs.
1962	$179.4	$11.99
1961	163.2	6.03
1960	159.8	9.00
1959	159.0	8.83
1958	142.8	7.20
1957	138.4	6.75
1956	133.6	6.42
1955	121.2	5.29
1954	105.0	3.16
1953	109.6	3.71
1952	99.7	5.13
1951	99.5	6.22
1950	95.1	9.55
1949	80.3	3.99
1948	90.8	11.74
1947	75.0	4.55
1946	64.2	4.35
1945	68.7	5.32
1944	73.3	6.57
1943	58.8	4.95
1942	43.2	4.75

NEWS ABOUT BANKS AND BANKERS

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

The first American banking office in the newly independent nation of Trinidad and Tobago was officially opened March 18 by the **Chase Manhattan Bank, New York,** in the capital city of Port-of-Spain, Trinidad.

The recently completed branch, at 53 Independence Square, was the scene of a ribbon cutting ceremony at which President David Rockefeller officiated. Also present were Vice-Presidents Glenn C. Bassett, Jr., and Thomas J. McGarry.

Manager Donald L. Porter and Assistant Manager Lionel G. Tildesley will head a staff of 20.

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Chemical Bank New York Trust Company, New York, has elected Gordon Patterson to its Midtown Advisory Board, it was announced March 14 by Chairman Harold H. Helm.

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The Rego Park Branch of **First National City Brank, New York,** moved to permanent quarters on March 12 at 63rd Road and Queens Boulevard, Queens, N. Y.

Heading the branch is Jack T. Connaughton, Manager, who has nearly 33 years banking experience with First National City. He is assisted by Walter C. Luhr, Assistant Manager, and Edward J. De Peter, personal loan specialist.

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The **First National City Bank, New York,** opened its 92nd overseas branch and its second in Ecuador, March 11 at Calle Venezuela 1000 in Quito.

Thomas L. O'Donoghue, Assistant Manager, has been named officer in charge.

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The **Long Island Trust Company, Garden City, N. Y.** elected J. Walter Reider and Peter C. Berger Assistant Secretaries.

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The County Trust Company, White Plains, N. Y., named Frank S. Baglieri an Assistant Treasurer.

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The Banking Department of the State of New York gave approval on March 11 to **The Peoples Bank of Rockland County, New City, N. Y.,** to increase its capital stock from $300,000 consisting of 12,000 shares of the par value of $25 each, to $330,000 consisting of 13,200 shares of the same par value.

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On March 7, the **Industrial Bank of Commerce, Albany, N. Y.,** was admitted to active membership in Clearing House Association of Albany.

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The **National Bank of Cohoes, Cohoes, New York,** (assets $8,400,000), will be merged into The **Manufacturers National Bank of Troy, New York,** (assets $85,000,000), a Marine Midland bank, subject to approval of the respective banks' stockholders and regulatory banking authorities. The proposed merger was announced jointly by the three presidents: Norman V. Kavanaugh, National Bank of Cohoes; Chester F. Millhouse, Manufacturers National; and Baldwin Maull, Marine Midland Corp. Directors of both banks and the bank holding company already have approved a plan of merger which provides for the National Bank of Cohoes stock stockholders to receive Marine Midland Corp. common stock.

Included in the tentative plan is the appointment of the present Bank of Cohoes Board of Directors as an advisory board to the Troy bank. Mr. Kavanaugh will become a director of the Manufacturers National Bank and will continue in charge of the Cohoes Office as Vice-President.

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The merger of the **Palisades Trust Company of Englewood** and of **Peoples Trust Company of Bergen County, Hackensack,** has been approved by the Boards of Directors of both institutions according to a statement issued jointly by Douglas W. Morgan, President of the Palisades Trust Co., and by Edward A. Jesser, Jr., President of the Peoples Trust Co.

The merger plan, which will be submitted to the shareholders of the respective banks for approval, provides for a consolidation of the two institutions under the name of **Peoples Trust Company of Bergen County** on the basis of an exchange of stock. The shareholders of the Palisades Trust Co. of Englewood will receive 3⅜ shares of Peoples Trust Co. stock for each share of the Palisades Trust Co. stock at the time of the merger. The shareholders of the Peoples Trust Co. will be asked to approve the issuance of 163,731 new shares of Peoples Trust Co. stock which will be offered in exchange for the 48,513.26 shares of the Palisades Trust Co. now outstanding.

Before the merger can be effected it is necessary that it be approved by holders of not less than two-thirds of the outstanding stock of both banks. It must likewise be approved by the Department of Banking and Insurance of the State of New Jersey and by the Federal Reserve Bank of the Second Federal District in New York, as well as other federal authorities.

When the merger is completed, Peoples Trust Co. will have total resources of $271,000,000, based on Dec. 31, 1962 figures. The capital of the combined institution will be $4,462,280, and surplus will be $11,037,720. Peoples Trust Company's unsecured loaning limit to any one borrower will be increased to $1,550,000.

Douglas W Morgan, President of the Palisades Trust Co. of Englewood, will become Vice-Chairman of the Board and a Director of Peoples Trust Co. Fred J. Brotherton, Victor W. Farris, and Harold H. Sherwood, will also become Directors of the merged Bank.

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The **Commonwealth Bank and Trust Company of Pittsburgh, Pa.** honored Willard Perry's 50th anniversary with the Bank by marking March 15 "Willard Perry Day"

Mr. Perry, who became executive Vice-President on Jan. 23, 1942, started in March 1913, as a stenographer and messenger. He recalls working in almost every position in the Bank. He was elected to the Commonwealth Board of Directors in 1950.

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The **Commercial Bank and Trust Company, Pittsburgh, Pa.** the first the first independent and newly chartered bank to open in Pittsburgh in over 30 years, will open its doors for business on March 25.

The new Bank is located at 801-811 Penn Avenue.

Bernard Halpern is President and the Executive Vice-President is Lloyd H. Vaughn, Jr., who was Vice-President and member of the executive committee of the **First National Bank of Canton.**

Other officers include: Harry Menzer, Esq., Secretary and Trust Officer; Joseph M. Reed, Jr., Treasurer; and Carl A. Person, Assistant Treasurer.

The Bank is starting business with invested capital of $5,000,000.

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Proposal to merge **The Bank of Henrico, Sandston, Va.,** with **The Bank of Virginia, Richmond, Va.,** will be submitted to stockholders of the two banks at special meetings called for April 12. Directors of both banks have approved the step.

The Bank of Henrico has total assets of $5,354,701, by Feb. 28 figures.

Applications for prior consent cf the Board of Governors of the Federal Reserve System and of the State Corporation Commission are being filed.

Stockholders of The Bank of Virginia also will be asked to approve a restatement of the bank's charter which would include an increase in the number of authorized shares of stock. There now are 400,000 shares outstanding of 460,000 shares authorized. In the proposed charter restatement, the number of authorized shares would be increased to 750,000 shares.

* * *

Henry C. Kinkaid, Vice-President and head of the savings department, **Harris Trust and Savings Bank, Chicago, Ill.** retires March 31 after 40 years with the Bank.

Mr. Kinkaid was associated with the **First State Bank of Rochester, Minn.,** before joining Harris Bank in 1923. He was elected Assistant Manager of the savings department in 1926, Manager in 1928 and Vice-President in 1951.

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The formal opening of **The Bank of Lansing, Lansing, Ill.** was made on March 19.

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Thomas G. Rutledge, was elected a Director of **St. Louis Union Trust Company, St. Louis Mo.**

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The Comptroller of the Currency James J. Saxon March 18 announced that he has given preliminary approval to organize a National Bank in Houston, Texas.

Initial capitalization of the new bank will amount of $500,000, and it will be operated under the title **Northshore National Bank.**

* * *

The Comptroller of the Currency James J. Saxon March 18 announced that he has given preliminary approval to organize a National Bank in Sundown, Texas.

Initial capitalization of the new bank will amount to $500,000, and will be operated under the title **The First National Bank of Sundown.**

* * *

The Comptroller of the Currency James J. Saxon March 18 announced that he has given preliminary approval to organize a National Bank in Los Alamos, New Mexico.

Initial capitalization of the new bank will amount to $350,000, and it will be operated under the title **Los Alamos National Bank,**

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The Comptroller of the Currency James J. Saxon announced on March 19 that he has given preliminary approval to organize a National Bank in Brighton, Colo.

Initial capitalization of the new bank will amount to $500,000, and it will be operated under the title, **The First National Bank of Brighton.**

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The Comptroller of the Currency James J. Saxon March 18 announced that he has given preliminary approval to organize a National Bank in Montpelier, Idaho.

Initial capitalization of the new bank will amount to $200,000, and it will be operated under the title **Tri State National Bank of Montpelier.**

* * *

The Board of Directors of **The Bank of California, N. A., San Francisco, Calif.** holding their regular meeting on March 12 advanced William S. Pfeifle to Vice-President and Manager of the Bank's San Jose Main Office. He has been Manager of the office since it was opened in 1957.

Also appointed Vice-President was John M. Miller.

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The **United California Bank, Los Angeles, Calif.,** elected Hal Mendon, Senior Executive Vice-President and H. V. Grice, E. Herrick Low, and W. E. Palmer, Executive Vice-Presidents.

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The **Union Bank, Los Angeles, Calif.** elected Edwin C. McDonald a Director.

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The **Bank of Sacramento, California** elected Dan A. Kimball, Chairman of the Board, an dL. F. Ward President and Chief Executive Officer.

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The Comptroller of the Currency James J. Saxon March 18 announced that he has given preliminary approval to organize a National Bank in Oakland, Calif.

Initial capitalization of the new bank will amount to $3,000,000, and it will be operated under the title **First National Bank of Oakland.**

* * *

Directors of the **Seattle-First National Bank, Seattle, Wash.** have approved the promotions of Thomas E. Duff and P. Victor Snyder, to Trust Officer. Bruce C. Gifford, was elected Assistant Trust Officer.

John C. Herber, and Charles E. Wollam were advanced to Assistant Cashier.

Chicago Analysts To Hear

CHICAGO, Ill.—The Ampex Corporation will be the subject of discussion at the luncheon meeting of the Investment Analysts Society of Chicago to be held today, March 21, at the La Salle Hotel. Officials of the company who will be guests at the luncheon will not duplicate the comments made before the New York Society of Analysts in December, but will emphasize the international aspects, and the computer division.

As We See It

Continued from page 1

indexes and other statistical measurements computed and published by the Federal Government have likewise become almost sacrosanct, it apparently never occurring to anyone, or at least not to many, that such figures may not be all that they purport to be or mean all that is currently attributed to them.

We, however, feel constrained to raise some questions about some of these figures which are so widely taken at face value without hesitation. In the first place the unemployment figures bandied about so frequently are open to much closer scrutiny than they usually get. Even the definition of such things as "the labor force"—which is fundamental to any estimate of unemployment—is open to question at various points. If to this infirmity we add that which is inherent in any such procedures as those employed in applying the definition, it becomes necessary, we think, to assume a large margin of error in the final figures. And even if we find the figures as published substantially correct, we still wonder if they mean just what is currently attributed to them—just as any over-all figure which purports to represent a heterogeneous mass of phenomena must tend to stand somewhat suspect to say the least.

We have often expressed doubt about the meaning of that ubiquitous GNP figure, to say nothing of the margin of error which must be allowed at all times in a concentrated sort of average covering a great many diverse and involved matters, a good many of which must be "estimated." Intelligent use of the figure, in any event, requires a much closer study of the components than is customary, even in some of the circles of the very elect. As customarily used, one would suppose that what is being produced is of little consequence. The over-all figures may be enlarged chiefly by the production of agricultural commodities for which no market can be found, or by vastly expanded operations of government which yield nothing of economic value. These, of course, are but a few examples of the question marks which the prudent, we believe, would tend to place alongside of this now almost sacred composite figure of the statisticians.

Those Growth Figures

Then there are the conclusions about the rate of economic growth in this country—and, for that matter, in other countries—even of Russia, where all figures given to the public are deeply suspect. To begin with, most of these "rates of growth" are calculated from current estimates of our old friend, Gross National Product, and must of course in one degree or another suffer from the shortcomings of that figure. In any event, even GNP as we now know it is a figure of recent origin, and true rates of growth must be measured over sufficiently long periods of time to avoid distortion by the ordinary ups and downs of business conditions.

What is more, there may well be a definite rule or "law" governing the normal rates of advance at different stages of the economy. Common sense and the record of individual basic industries such as steel, copper and the like, strongly suggest that something of the sort is true. Who then can say that any given rate over a recent period of any substantial length is to be regarded as abnormal?

All such questions go to the very root of much that is being said about the recent record of production in this country. They strongly suggest that much of the statistical and other data now so profusely employed to convince us that something is radically wrong must be taken with a substantial sprinkling of salt. Maybe the rate of growth of industry and trade in this country is lower than might be considered normal—and maybe it is not. Maybe the rate of growth—whatever it may really be—is unduly influenced by growth in the production of the wrong things. Maybe true unemployment is directly and simply correlated with the total production of all goods and services — and maybe such is not the case at all. There is, as a matter of fact, good ground for doubting that there is any such simple relationship between the two.

Why Unemployed?

Anyhow, precisely what do we mean by "unemployed?" There is the fellow who will not work because he does not like the kind of employment that is available—and can in one way or another draw unemployment insurance. It may be that he is unemployed because he and his union have driven the cost of production up so high, that operations in his area are no longer profitable and the plant has either shut down and given up the ghost or else moved its operations to some other locality. It may be that he is unemployed because he has been employed in an industry that is fading out—there are always such industries which are being replaced by others that are somehow meeting the requirements of the day more adequately — and for one reason or another is unwilling or unable to move into some other area and go to work in a different kind of plant.

All such cases, and many more that might be cited, are definite possibilities. They may or may not be the faults of the worker who is the victim of them. The question, though, is whether the programs now being proposed by the Administration can reasonably be expected to solve such conditions. One guess is easy and that is no matter what Washington does we shall continue to have ups and downs in business, call them by whatever name we may. Let us take heed less we aggravate them.

S. Abrahams Partner

Albert Marks, member of the American Stock Exchange, has become a partner in Samuel Abrahams & Co., 25 Broad Street, New York City, member of the American Stock Exchange.

To Be Treasurer Of Milwaukee Co.

MILWAUKEE, Wis.—As of March 28, Dennis H. Willms will become Treasurer of The Milwaukee Company, 207 East Michigan St., members of the New York and Midwest Stock Exchanges.

Sade & Co. to Admit

WASHINGTON, D. C. — Sade & Co., 905 Sixteenth Street, N. W., members of the New York Stock Exchange, on March 28 will admit Phyllis S. Peterson to partnership.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

United Utilities, Inc.

United Utilities Inc. is a mid-western holding company which owns (with some minor exceptions), the common stocks of 14 operating telephone companies, a gas and electric company and a merchandising firm. Gross plant in 1962 approximated $208 million and annual revenues $56 million. The telephone subsidiaries, with over 534,000 telephones, form the second largest independent telephone system. Exchanges are located in 15 states—California, Oregon, Washington, Wyoming, Nebraska, Kansas, Missouri, Arkansas, Iowa, Indiana, Ohio, Pennsylvania, New Jersey, North Carolina and South Carolina. Industries in the areas served by the system are generally non-cyclical, with the exception of coal and oil in the mid-west. Telephone service in 1961 accounted for 90% of revenues, electricity 7%, and water, gas and miscellaneous receipts 3%.

Some 34% of the telephones serviced are in New Jersey, Pennsylvania, North Carolina; 23% in Ohio and Indiana; 22% in Arkansas and Missouri, and 12% in Iowa, California, Nebraska, Oregon and Washington. Service is provided mainly in medium-sized and small municipalities, many of which have enjoyed better growth in the past decade than the large cities.

The system has enjoyed remarkable growth. Acquisitions totaling 120,000 telephones were made in the past decade while operations with about 7,000 installations were sold. Revenues have increased from $15 million in 1952 to $56 million in 1962. However, while acquisitions provided much of the growth in the years 1953-58, they have become less important in recent years. The management remains interested in obtaining additional properties but competition from new holding companies such as Telephones Inc. and Independent Telephone has perhaps narrowed the availability of acquisitions which meet management requirements.

The broad modernization program is probably a major factor in the rapid growth in share earnings in recent years. Equipment of some of the companies acquired was generally old, but remarkable progress has been made in converting to dial service, etc. With only two exchanges yet to be converted, the United System in 1963 will reach 100% dial operation—the first major telephone system in the nation to attain this degree of modernization. All-dial exchanges, facilities for long distance dialing and other technical improvements have been built into the system. By the end of 1963 the major expenditures for this purpose will be completed. This program has provided the company with unused capacity, creating room for internal growth through sales promotion.

The management is now concentrating its efforts on merchandising additional services, etc. Although acquisition of additional telephone properties in 1962 and scattered increases in charges for subscriber services made minor contributions to revenue gains, internal growth and renewed emphasis on merchandising of additional telecommunications services accounted for the bulk of the 10% increase in 1962 revenues. Improved toll allocations from the Bell System added about five cents to share earnings. The sharp increase in earnings from $1.36 in 1961 to $1.61 in 1962 may also have included the 3% tax credit—information on this point is not available at this writing, but should be disclosed by the annual report now being distributed.

Construction expenditures are estimated at $22 million for 1962, only slightly below the level of recent years. With completion of the modernization program, however, future expenditures should be substantially lower. Cash flow is estimated at $12 million for 1963.

Another factor in the favorable showing of recent years was the success of system companies in obtaining rate increases, which raised the rate of return on year-end net plant from 5.4% in 1957 to 6.4% in 1961 (and possibly a higher figure in 1962). Only one minor rate case has been pending recently. While some additional possibilities for rate increases remain, the rate of return is now approaching a level where gains will be smaller. In general, telephone systems are allowed returns of around 6½-7%, since the business is considered more cyclical than that of the electric utilities.

To recompense the independent telephone companies for the use of their facilities in transmitting long distance calls, the Bell System has agreed to pay approximately $24 million to the independents, and United Utilities will receive about $1,250,000 for the 12 months ending June 1, 1963. There have been several similar allocations in past years and others are possible in the future although the amounts have declined relative to the total amount of the company's toll business.

The stock has been quoted recently over the counter around 36½. The company's application to list on the New York Stock Exchange has been approved by the Exchange's Board of Governors and trading of common shares is expected to begin April 10. The stock is currently paying $1.04 to yield 2.8%. The price-earnings ratio is 22.7, which does not seem out of line with ratios for other "growth" utilities at present, considering the average gain of 16% in share earnings in the past five years.

			Common Stock Record		
Year	Revenues (Millions)	Earnings	Increase In Earnings	Dividends	Approximate Range
1962	$55.7	$1.61	18%	$1.00*	34 - 21
1961	50.5	1.37	14	.84	34 - 23
1960	47.2	1.20	22	.73	23 - 19
1959	42.4	.98	20	.68	22 - 14
1958	38.2	.82	6	.63	16 - 10
1957	34.3	.77	D 6	.63	12 - 10
1956	30.8	.82	D 5	.60	12 - 10
1955	27.8	.86	18	.59	12 - 9
1954	24.4	.73	1	.55	10 - 9
1953	22.8	.72	--	.50	9 - 8
1952	15.0	.72	†	.50	8 - 7

*Present rate $1.04 †Not calculated.

Growth and Changes Confronting Gas Industry

Continued from page 1

dustry, as it developed after World War II, remained unimaginable.

Things were different after the close of World War II. The new course events in the industry would take quickly became apparent, and well before 1950 most people in the industry could foresee what it would be like today. The industry was going to grow, and grow it did. But—and this is the second thing of which I would remind you—growth is not the same thing as change.

I refer here to what the social scientist calls "institutions"—accepted business practices and customs. By and large, the gas industry's institutions are the same now as they were in 1950. The gas industry is doing its business in the same manner as then, but on a larger scale. It is certainly true, nevertheless, that we have seen 15 years of steady growth—heady growth, comfortable and comforting growth. And what of the future? Why, of course, more growth.

I think there is great danger in this attitude. As the psychologists have proved to us, we are creatures of habit, in thought as well as action. We tend to judge things and see things in terms of what we have become accustomed to, and the longer we have been accustomed, the more difficult it becomes to envisage large-scale change. The expectation of more of the same dies hard.

Let me turn now to a consideration of the future and of the differences between the future and past course of events. Consider first, demand. During the postwar period the industry has been blessed with a very high rate of growth in demand. To the financial community, it was a growth industry; and well it might be, with an average rate of 7% annual increase in net production over the period 1946-1961.

But recent growth has been much less and this is, in my opinion, one of the aspects of the industry in which we are at a watershed. At the most obvious level, some simple arithmetic will show that for the industry to continue its past rate of growth very much longer it would have to take over virtually the entire energy market in the United States.

Competitive Advantage Has Declined

It is obvious that the enormous market growth of previous years has been largely a one-time, unrepeatable affair. The takeover of a high percentage of the existing home-heating market and the invasion of practically all geographical markets has been accomplished and cannot be repeated. The growth rate that can be expected henceforth is much more closely tied to the growth of the population and the economy, both of which exhibit a more modest (and to some, a disappointing) growth rate.

Not only is the pace of demand growth slackening, but the level of gas prices at the burnertip is now such that a further price rise should intensify the forces of inter-fuel competition. This will, of course, be felt in the industrial and electric utility boiler fuel markets, where it is the Btu cost that matters. In this connection it is significant that the relative cost of the competing fuels used by utilities has undergone a significant change over the past decade. The National Coal Association has reported that in 1952, for example, the average Btu cost of coal to Middle Atlantic utility steam plants, as consumed, was 10% greater than that of natural gas; the oil Btu cost was 33% greater than the gas cost. By 1961, gas had lost this advantage. And, of course, we are all familiar with the intensive advertising that the oil distributors are doing to build up their sales of domestic heating oil.

Nor can the gas industry relax in the confidence that it will retain the markets it already has.

"The Dutch love a glowing stove; five years ago 30% of Dutch domestic heating was provided by oil, but in face of a strong sales campaign by the coal producers and the introduction of modern stoves, the share of oil has now sunk to 10%." (*The Economist*, June 2, 1962.)

Note the circumstances: new stoves and a good sales campaign actually gave coal a market gain at the expense of oil. I'm not suggesting for a minute that I expect the American housewife to begin developing a preference for a coal stove over a gas furnace. (For one thing, the American Gas Association isn't about to let that happen!) But I can't help but think the Dutch fuel oil people got a nasty shock, of which the moral is, never take anything for granted. A large portion of the future demand growth must take place under strongly competitive conditions, hence *there cannot be both continued demand growth and a continuation of the past rate of field price increase*. Thus on the price front, also, we are at a watershed.

Drop in Reserve-Life Index

Turn now to supply. The postwar era began with a large stock of reserves accumulated over the previous two decades or so—testimony to the previous minimal value of natural gas and the by-product nature of reserve additions as a concomitant of the search for oil. The reserve was large, the level of production small; thus the reserve-life index, or reserves-production ratio, was high. In 1946 it was 32.5 to one.

The industry is familiar with the course of that relationship in subsequent years. With the exception of a single year, it declined uninterruptedly and now stands at 19.9. This decline was not the result of the failure of reserves to grow. At the end of 1946 proved reserves totaled 161 trillion cubic feet; since that time we have added 250 trillion cubic feet to reserves, a figure some 1½ times the 1946 stock. Yet, because production increased so greatly during this period — by 2.7 times —reserves at the end of 1961 amounted to slightly less than 20 times annual production.

There is, of course, nothing alarming in this. In the course of events this was eminently natural. In view of the enormous additional exploratory effort and its attendant cost, no one would argue that it would have been desirable to maintain the 1946 reserve life index of 32.5 years, so that current reserves would now be 437 trillion cubic feet. Nevertheless, now that the reserve index has broken through the level of 20 there has been a good deal of concern in some quarters. Will the life index continue to decline? Would it be possible to prevent a further decline? How far can a decline take us before the gas industry is doomed?

The reserve-life index is, of course, simply the quotient of proved reserves divided by annual production. With any given level of production, whether or not the index will decline depends upon the total remaining resources of natural gas yet to be discovered from which additions to proved reserves will be made, and the effort made to find those reserves. Authoritative opinion is that the U. S. is still in a relatively early stage of development of its natural gas resources, with perhaps some 1,200-1,500 trillion cubic feet remaining, including the 268 trillion that have been established with enough certainty to be reported as proved by the producers, accepted by the financial community, and generally used by government agencies. With our current production rate of some 14 trillion cubic feet per year, it would be possible, by increasing the exploratory effort, to add to our proved reserves rapidly enough so that the recent trend in the reserve-life index would be reversed and would rise. As an alternative, it could be held at approximately its present level, as the crude oil reserve-life index has been held somewhere near 12 years since the 1920's. The average over the past three years is almost identical with that for the entire 35 years since 1927.

No Need for Concern About Reserves

The gas reserve-life index need be only sufficient to maintain deliverability of gas, and the confidence of the financial world and of the investor in the industry. Exploratory effort need be no greater than is necessary to assure this level. In the case of crude oil production the acceptable level has been established at around 12 years. A comparable level for natural gas has not yet been ascertained, but such authorities as the Chase Manhattan Bank; the American Gas Association; Dr. John Boatwright, formerly of Standard Oil of Indiana; Ralph E. Davis Associates, an outstanding firm of petroleum geologists; and the National Petroleum Council agree that there is no need for concern over a level between 15 and 20 years. Furthermore, given present and prospective trends in production and findings, it now appears t h a t an 18-year level would not be reached before 1970, and a 15-year level not until the 1980's, indicating a decline so gradual that if, at that time, for any reason the ability to meet the load appeared likely to be impaired, appropriate steps to forestall such a development could easily be taken.

One such step, of course, could be a somewhat higher price for new gas at such time. According to the producers, this would then result in increased exploratory effort and a more rapid rate of additions to proved reserves. In my opinion, however, price stability is likely for a number of years, and I have recently heard the view expressed that pipeline rates might decline by one-half cent to a cent in the next few years. (It would appear that the rate of price increase over the past few years was, to say the least, greater than necessary.)

No Problem in Next 20 Years

To sum up, authoritative opinion indicates no problem in gas supply for at least the next 20 years.

Nevertheless, in looking so far into the future our vision is illuminated by, at best, a dim light: what now appears likely over the next 20 years will not *inevitably* occur. As an example of how our view might be distorted, I give you a forecast of future coal consumption made in 1905 by H. S. Fleming, Secretary of the Bituminous Coal Association. His forecast of 1950 total energy consumption was off by only 1.5%. If you've ever tried any crystal ball work yourself, you'll recognize that this is a fantastic long-range bull's-eye.

Yet despite this, his estimate of 1950 coal consumption was nearly three times the actual figure for that year, because of his assumption (by no means unreasonable in 1905, when oil and gas reserves were considered to be relatively short-lived) that by 1950 the entire energy needs of the United States would be satisfied from coal.

Difficulties of Forecasting Supply

I realize that 45 years is considerably longer than 20 years, but if anything, there may be more technical changes in the next 20 than in Fleming's 45. In oil and gas production we are already witnessing the successful application of powerful new techniques, such as multiple well completions and formation fracturing, which are making possible the utilization of gas occurrences that previously could never have constituted proved reserves. Developments such as these have, indeed, been responsible for more or less completely offsetting the tendency for the cost of oil and gas to rise in the postwar period because of the need to look further and drill deeper.

At the same time, there must be acknowledged the *possibility* that our vision might be as faulty as Fleming's. What if gas resources are not on the scale of 1,200 to 1,500 trillion cubic feet, as I suggested earlier, but are, on the contrary, much smaller? And what if our present bright technical promise tarnishes in the coming decades, for reasons not now apparent? Please understand, I am not suggesting for a moment that our gas resources *are* overestimated and that our technical progress *will* falter. But these possibilities must, in all prudence, be considered.

Suppose it turns out that by drilling deeper and in new areas we do not uncover as much new natural gas in the future as we now expect we will. Does this mean that we will rapidly consume the 20-year supply of proved reserves now available and will, before that 20-year period is up, begin to encounter problems of maintaining the necessary deliverability of gas to pipelines and other customers? Not at all. To begin with, we have each year been adding more new reserves than the volume of gas produced in that year, and there is no indication that this condition is going to change. Further, we have a substantial factor of safety in the present pattern of gas consumption—a pattern which demonstrates the fundamental belief of the producers and all others engaged in the industry that ample supplies of gas will be available over the coming decades.

Waste in Gas Usage

For the fact is, gas is not being consumed as a product in potentially short supply. The present pattern of consumption is clearly one of affluence. True, the venting and flaring of gas has been enormously reduced (though not entirely eliminated) by the watchfulness of state regulatory authorities, as well as by the enlightened self-interest of the operators. Nevertheless, gas is used in many ways and is frequently sold at relatively low prices where other fuels could be substituted without difficulty.

At the present time there is a recognized oversupply in the Gulf Coast area which may or may not be temporary. In Texas some producers have formed an organization to help them market gas for which there does not appear to be an immediate demand. During 1961, of the 13.3 trillion cubic feet of marketed production, only about 32% was used for residential and commercial purposes, although t h i s consumption was spread among some 30 million gas consumers of the type that comprises the bulk of the industry's customers. Of the remaining 68% sold to industrial customers, more than half, about 5 trillion cubic feet, was utilized in the state where it was produced, at a relatively low average price.

Statistics are frequently misleading—and indeed, the 20-year reserve-life index I have spoken of is, I believe, in many respects misleading—but it is reassuring to note that measured against the 1961 annual consumption of do-

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mestic and commercial consumers, the consumers who would suffer the greatest hardship if compelled to convert to another fuel, our present proved reserves of 268 trillion cubic feet would represent the equivalent of approximately a 62-year supply.

End-Use Control

I am by no means implying that I favor, or would even suggest, a form of end-use control that would channel all our existing reserves to the domestic and commercial customers. However, the question of the desirability of some end-use control has been raised from time to time, and Congress has reviewed it in the public interest. Most recently this question was brought up in 1960 by the coal industry, which contended that such control was desirable and necessary to assure that the limited supplies (as they claimed) of natural gas and oil go to the consumers most dependent on them. A study group appointed by the Senate Interior Committee made an exhaustive review of the situation and has recently submitted its report to Senator Anderson, the Committee Chairman. It is entirely reassuring to the consumers of gas and oil, for it finds no indication whatever of potential shortage of supply for at least the next 2 decades.

But let us assume the findings on supply had not been so reassuring: Would the Committee recommend measures to assure that the interstate pipelines and the domestic and commercial customers dependent upon them would be protected, even if this entailed limiting some less essential usage of natural gas? I believe it would, not only because of the interest of the tens of millions of such consumers that Congress would wish to protect, but because the coal industry is watching this situation closely. It would like to recapture much of the industrial market now served with gas, and it would insist on the fullest possible investigation and action if it appeared that the supply of natural gas were likely to become inadequate in the near future. Fortunately, we do not face this situation and, as I have said, I am convinced that we will not for many years. The group which prepared the study for the Senate Committee was a competent one, representing the oil, gas and coal industries, and we may be certain that its findings are conservative. The competence of the report itself has been attested to by all segments of the industry.

Ample Energy Fuels Here and Abroad

It is clear that the future will not simply repeat the past. There is, to begin with, the changing world energy situation, well described in a recent *Oil & Gas Journal* editorial (Dec. 31, 1962):

"One basic fact stands out prominently in a look at the oil industry around the globe:

"The world is now in an era of plentiful and low-cost supplies of energy, and this condition is likely to continue almost indefinitely.

"The significance of this is not yet fully appreciated by all producers of oil and other fuels, nor by the governments of many nations.

"For several years most of the world's oil men have been waiting hopefully for an end to the world-wide surplus of crude. It should now be apparent that this is a vain hope.

"The philosophy of scarcity which rather dominated oil's thinking for a century is being snowed under by an economy of abundance—abundance of energy sources, abundance of consumer choices, abundance of competition among fuels suppliers."

As the *Journal* suggests, this is a novel situation. Never before has there been a world-wide circumstance of energy plenty. Its consequences outside the U. S. are already being felt in the tightening of inter-fuel competition in Europe; and the insidious menace of the Soviet oil offensive arises in part from this circumstance.

Oversupply in Oil and Gas

I do not need to point out that there is a domestic oversupply of oil parallel to the international oversupply. It should be remembered, however, that the one does not follow from nor is it a part of the other. The domestic market is well insulated from the international one by the oil import control program. Some oil producers, to be sure, might dispute the accuracy of the term "well insulated," but considering what would happen to the industry in the face of unrestricted oil imports, the term is fully justified. Under the import control program the domestic price of crude has sagged only slightly, whereas with unrestricted imports, it would most certainly fall sharply.

The domestic oversupply of oil is in part a tribute to the efficacy of the tax incentives given the industry. It is also a reflection of the national security policy that we should have reserves and capacity in being large enough to make us self-sufficient in an emergency. To the extent—and it is not inconsiderable—that gas discoveries result from the search for oil, both tend to stimulate additions to gas reserves and contribute to the circumstance that was first rumored, then discussed discreetly, and finally openly acknowledged during the past year: that there is at present a general oversupply of uncommitted gas reserves.

Now this in itself, one might say, is no change. What about the great backlog of uncommitted reserves that grew up during the manufactured gas era? There is a difference, however. Those reserves were not excess when measured against the potential demand. Consider, for example, the situation in the late 1940's when Gulf Coast reserves were being peddled in the Northeast at the same time that the great home heating market in that area lay untapped.

In contrast, the excess reserves of today are excess because there is simply no need for them at this time. Such a condition, in which there has been brought to market more than buyers are willing to purchase, suggests to the economist that someone, somewhere, has made a miscalculation. There is nothing reprehensible in this, for it is the way our free enterprise system runs. Judgments must be made with respect to the future and they can't always be right.

Excess Due to Two Miscalculations

Where were they wrong in this instance? There were two miscalculations, as I see it. The first was the expectation that we would not at this time have the present regulatory climate. In anticipation of ever-higher prices, substantial blocks of gas were held off the market. The second miscalculation was the failure to foresee the downturn in the rate of growth in gas consumption. When the downturn occurred, the offering of previously uncommitted blocks combined with the continued accretion of new reserves contributed largely to the present excess reserve situation. All of this was the consequence of the attitude that expects more of the same, to which I have previously referred.

I said at the beginning of this paper that I thought the great distinction between the changes in the gas industry over the coming 25 years and those of the postwar period would be the importance in the future of changes in the nature of the industry. I turn now to a consideration of those changes.

I have made passing reference to the regulatory climate. In the 25 years since the industry was first made subject to regulation the most important and far reaching change was the inclusion of the producer within the provisions of the Natural Gas Act. I suspect there would be unanimous agreement that this was the outstanding development in the postwar history of the industry.

This being so, the only development of equal import on the regulatory front during the coming 25 years would be the reverse: the removal of producers from price, or rate regulation. Here I will make an exception to my earlier statement that I would not venture to make predictions, and state that in my opinion, field price regulation of producers is here to stay.

Controversy Over Field Price Regulation

The fundamental desirability of field price regulation has, in my opinion, been demonstrated beyond doubt. I am aware, however, that the question of the workability of such regulation is still a matter of controversy. In that connection let me read from some communications received by the Commission protesting a proposed Commission action:

The Commission's proposed action "may prove wholly impracticable if not impossible," and — to paraphrase — could adversely affect the financing and financial integrity of many companies in that "existing contracts and rates would have to be modified, and the business judgment and discretion of management will be hampered and interfered with." Further, it would be "practically unworkable in so far as some natural gas companies are concerned, since it would require a complete revision of their rate structure in order to comply with its provisions. This would work an unduly extreme hardship on them considering the ends that would be accomplished."

Neither the object of the protest nor the parties doing the protesting are what one might think. These statements were made to the Commission not by producers but by pipelines, and the subject was not area pricing but the occasion of the Commission's adoption, in 1948, of Regulation 154.1, establishing uniform tariffs for pipelines. The point I am making is that the pipeline tariff, now established for some 15 years and today accepted without question, was characterized in much the same fashion at the time of its adoption as producer regulation is now. Things have a way of working out.

Other Institutional Changes

Much of the same thing can be said of the institutional changes currently under consideration in rule-making dockets, involving rate-of-take and minimum-quality provisions. In addition, the recent focusing of interest on the problems of gas purchase arrangements in the Permian Basin area rate proceeding, and the discussion of these matters in the trade journals and at meetings such as this, all make it evident that before too long there will be important changes affecting contractual arrangements. It is my belief that if the decisions of the Federal Power Commission do not themselves involve fundamental changes they will so set the direction of events that fundamental changes will be the inevitable result.

Changing Demand for Gas

In addition to the institutional changes generated on the regulatory front there will be changes arising from the changing character of the gas market and the nature of demand growth. Here, problems are created for the distributors and pipelines. I have emphasized the difference between the growth that can be expected in the future and that which has already occurred. Demand will not just grow, period—the growth that occurs will be accompanied by changes in the demand pattern. The problem will be how best to provide for this changing pattern.

I have in mind the probability of more vigorous growth in residential and commercial consumption than in industrial consumption. It is with the latter that interfuel competition is already showing its restraining hand, a hand, incidentally, that may well have been strengthened by the recent easing of import restrictions on residual fuel oil. Thus far, with the growth of the residential and commercial load, it has been possible to maintain a satisfactory load factor by taking on more interruptible load. The market was always there.

Unfortunately, as I observed earlier, the matter is no longer so simple. The saturation rate of the interruptible market, if I may use that term, must now be fairly high, and the existing level of gas prices no longer gives gas the large, clear-cut, and unbeatable price advantage it once had. How, then, does one meet the problem of growing residential and commercial demand, with its unbalancing effect on the load factor, at the same time that the ability to counteract this through additional interruptible load is declining?

Theoretical Storage Use Possibility

The solution has already made itself apparent: storage. Let me suggest the possibilities of a more aggressive use of this means of balancing the load equation. Suppose the distributor were to inject into storage, to help meet the increased winter requirements of additional house-heating customers, some of the gas already under contract that is now being sold for interruptible (including central power station) use. This would reduce the distributor's requirements for new, year-round, high-load-factor gas from the pipeline. The pipeline, in turn, would have less need to purchase new gas through the traditional 20-year contract and more opportunity to meet its lesser increased requirements through the purchase of spot gas. The pipeline would be less impelled to shop for gas on a regular basis to assure additional supplies to meet delivery deadlines, and would be better able to pick up whatever lower-priced gas becomes available from time to time.

Whatever the beneficial effects of such action would be, there is still the matter of costs to be considered. I repeat, I am only making a suggestion, and I do not know what the actual cost situation would be for any specific company or area of the country. But if the incremental residential and commercial demand were taken care of in this manner I feel certain that for *some* situations, at least, the costs would be less than the costs of obtaining *new* gas in the field and building *new* facilities to take it to the distributor. Moreover, although the revenue that would have been received from the interruptible sale would be lost, there is an offsetting benefit in lessening the risk of triggering escalation clauses in the field by the purchase of new gas there, and thus raising the cost of the entire gas supply. The FPC, to be sure, has made such clauses in new contracts ineffective, but they are still widespread in existing contracts and the issue has not been settled.

It would be interesting, of course, to know the quantities that are potentially available for switching from interruptible to storage. An illustration of the magnitude is provided by central power station consumption of gas in New England and the Middle Atlantic states in 1961. This was about one hundred billion cubic feet. There would appear to be a good reservoir of gas now flowing through pipelines from which at least a part of future requirements might be met.

There remain the physical aspects to be considered. It is all very well to talk of the aggressive use of storage here and now; there is, after all, a good backlog of storage potential that can be put to use. But it is idle speculation to talk of more aggressive development of storage over the long term unless it is physically possible to provide the capacity that would be required.

Imponderables of Storage

Does sufficient potential storage capacity exist? I don't know, nor does anyone else. When one looks at such information as that provided by the Interstate Oil Compact Commission's survey of storage potential in the United States, one is struck by what is not known more than by what is known.

I am aware that certain generalizations can be made from a knowledge of the general geology of an area even in the absence of specific subsurface knowledge such as is obtained from drilling. Nevertheless, the parallelism between knowledge of the existence of storage potential and knowledge of the occurrence of oil and gas is so strong and so complete that extreme caution should be exercised in writing off an area out of hand.

One of the extraordinary features of the oil industry is the repeated discovery of commercial oil and gas occurrences in areas that had been so written off categorically. And one of the industry bromides is the statement "the only finding tool that counts in the end is the drill." The same applies to storage potential. The general geology may be unfavorable, but the only sure way of finding out the true potential is with the drill.

Liquefied Natural Gas

Another development — liquefied natural gas—reduces somewhat the necessity for resorting to structural traps for underground storage. With a volume reduction factor of 600 it becomes feasible to use mined-out caverns instead of natural rock porosity for the underground reservoir. Recently announced projects appear to have carried this approach out of the level of speculation. The costs are, of course, high, but the economies of scale, or the reduction of unit costs with increasing size, apply very well.

Again, this invites the imaginative approach. Where the loads are large enough in the great metropolitan centers, why not have LNG storage projects for the combined needs of two or more pipelines?

Incidentally, in pointing out LNG as an economic reality, it is worth noting the significance of the recent bid to supply a West Coast contract need via LNG from Alaska. The cost of imported LNG will shortly constitute the ceiling for the city-gate price of natural gas in the large metropolitan centers of the East and West Coasts, just as the cost of shale oil constitutes the ceiling for the price of crude oil in this country. Given the circumstances in the oil markets, the latter ceiling is likely to remain more potential than effective for the indefinite future. If natural gas prices resume their upward romp, however, the effectiveness of the LNG price ceiling will rather quickly be tested.

The Federal Power Commission has indicated its awareness of this in announcing its intention of asserting its jurisdiction over LNG imports. In so doing, it is not engaging in idle pronouncements of theoretical possibilities but is preparing for what soon will be hard fact. I am sure the Commission is thinking of Venezuela's production of over three billion cubic feet a day, virtually all casinghead gas, one-half of which is flared. The price of gas to local distributing companies, interestingly, is reported to range between 4 and 14 cents per Mcf, and gas for export is said to be available at a 10 cent-but-we'll-bargain price.

I began this paper with reference to the passage of the Natural Gas Act 25 years ago and then went on to speculate about the coming 25 years. I have pointed out that there have been periods of growth and periods of change, and that because growth and change are not necessarily synonymous, the problems associated with each are likely to be different. They will also be difficult, yet I am certain that in solving the emerging problems the gas industry at all three stages, production, transmission, and distribution, will be able to remain healthy and prosperous.

I can best illustrate my view of the industry's long-term prospects with the following verse, contained in a poem called "From the Sublime to the Ridiculous" which was published in the mid-19th century. I have no doubt that the activity to which this verse refers will still be going on in 1988 as it has been now for well over a century.

"'Old man, for whom diggest thou this grave
In the heart of London town?'
And the deep-toned voice of the digger replied—
'We're laying a gas pipe down!'"

*An address by Mr. Netschert before the General Management Section Conference of American Gas Association, Philadelphia, Pa., March 11, 1963.

Michigan Consol. Gas Bonds Sold

Blyth & Co., Inc., New York, is manager of an underwriting syndicate which is offering publicly an issue of $30,000,000 Michigan Consolidated Gas Co. 4½% first mortgage bonds due Mar. 15, 1988. The bonds are being offered at 102.426% and accrued interest to yield 4.34%. Award of the issue was won by the underwriters at competitive sale March 19 on a bid of 101.70%.

Of the net proceeds from the financing, $27,750,000 will be used for the redemption of all of the company's outstanding first mortgage bonds, 6¼% series due 1982, and the balance will be applied toward the cost of the company's construction program.

The 1988 bonds will be redeemable at general redemption prices ranging from 106.926% to par, and for the sinking fund at redemption prices receding from 102.35% to par, plus accrued interest in each case.

Michigan Consolidated Gas, a subsidiary of American Natural Gas Co., distributes natural gas to approximately 880,000 customers in more than 170 cities, villages and townships in the State of Michigan. About 77% of the company's operating revenues are derived from sales in the Detroit area. Population of the territory served by the company is estimated at about 3,340,000, on the basis of the 1960 census.

H. Hentz Co. To Admit Partner

H. Hentz & Co., 72 Wall Street, New York City, members of the New York Stock Exchange and other leading exchanges, on April 1, will admit Andre Hirschler to partnership.

W. L. Lyons Co. To Admit Partner

BOWLING GREEN, Ky.—Murray Hill, Jr., resident manager of W. L. Lyons & Co., members of the New York Stock Exchange, will become a partner in the firm as of April 1. The Bowling Green office is located in the Helm Hotel Building.

Analysts Seminar August 19-24

CHICAGO, Ill.—The 1963 session of the Financial Analysts Seminar will be held from Aug. 19 to 24 at Beloit College, Beloit, Wis., in association with the University of Chicago Graduate School of Business.

The Seminar is open to all members of constituent societies of the Financial Analysts Federation. It should be emphasized however, that the Seminar is not a training school for beginning analysts. Rather it is organized for those who have gained experience, maturity, and responsibility in the field of investment analysis and management. Seminarians are expected to be qualified to participate in the analyiss and interpretation of the subject matter with the faculty and fellow analysts. The Board of Regents, in considering applications, will place emphasis upon the maturity of the applicant in financial analysis as demonstrated by age, education, number of years of experience, and number of years that the applicant has been a member of a constituent society of the Federation. As a rule, qualification for admission includes the requirement that the applicant shall have had a minimum of five years' experience in a field that qualifies him for membership in a constituent society.

To achieve the objectives of the Seminar, attendance is limited to 125. All qualified members of constituent societies, with the exception of those who attended the 1962 session, are encouraged to apply for admission. No limit is imposed on the number applying from any one firm. Arrangements can be made for qualified women analysts if a sufficient number apply.

Applications for admission should be sent to Marshall D. Ketchum, Director of the Seminar, University of Chicago, as soon as possible and in any case no later than April 15. No application received after this date will be accepted.

Named Officer Of Merrill, Turben

CLEVELAND, Ohio — John F. Turben on April 1, will become an Assistant Vice-President of Merrill, Turben & Co., Inc., Union Commerce Building, members of the New York and Midwest Stock Exchanges.

N. Y. U. Course in Secs. Trading

"Trading in Securities and Commodities," a survey course for investors, will be offered this spring at New York University by the Division of General Education as part of its program of non-degree courses open to the general public.

Classes will meet from 8:10 to 9:55 p.m. on seven Wednesdays, beginning April 3, under the supervision of Daniel Delan, a broker with the firm of Goodbody and Company and a contributor to the New York Law Journal.

The course is designed primarily for those with previous investing experience, but there are no academic prerequisites for registration. Among the subjects to be covered are benefits to traders under the present tax structure, the various methods of market analysis, and techniques and precepts for successful trading.

Further information can be obtained from Division of General Education, New York University, 1 Washington Square North, New York 3, N. Y. (telephone: SPring 7-2000, extension 8043).

Hospital Supply Industry's Burgeoning Growth Prospects

The Northern Trust Company's "Business Comment" concisely covers the factors portending increasing growing expenditures for, and use of, hospitals and hospital supplies. At present, 500 companies are competing for the hospital market of which a small number of growing firms operate nationally.

The challenging costs of, and need for, hospital services has brought into existence a newly growing industry. An assessment of the hospital supply industry was recently made by the Chicago bank, The Northern Trust Company, in its mid-March *Business Comment.*

The Bank's monthly publication points out that "the value of hospitals in providing for the treatment and care of patients is well known, but their economic importance is not so widely recognized. Hospitals represent a major market for innumerable goods and services. It is estimated that hospitals employed over 1,800,000 people and spent over $8 billion last year for supplies, wage and salary payments and for construction. Approximately $2.4 billion were used to purchase hospital supply items, many of which are disposable or used only a limited number of times. These include hypodermic syringes and needles, dressings, sutures, thermometers, diagnostic and surgical instruments, operating and clinical supplies, rubber gloves and surgical soaps. In addition to these products, hospital supplies include operating room equipment, furnishings for patient rooms, rehabilitation products, dietary foods and kitchen and food service equipment.

Rising Participation in Health Insurance Programs

"The pattern of rising demand for hospital services over the past two decades has been spurred by a number of important developments. Major advances in medical knowledge, treatment and technology have been achieved, while the rise in personal incomes per capita during this period has led individuals to seek more and improved medical care. The rapid extension of health insurance programs to cover a large proportion of the population also has been of vital importance in the growing use of hospital services.

"Today 75% of our population have hospital insurance protection, in contrast with about 50% in 1950 and only 9% in 1940. Moreover, more than 60% of hospital expenses are now covered by insurance compared with only 27% in 1950. Despite the continuing growth in private hospital insurance, efforts to legislate a Federal program of health insurance have intensified in recent years. Combined Federal and State support for medical care is currently provided by the Kerr-Mills Act, covering older persons unable to afford proper medical treatment.

Other Factors in Growing Demand for Hospital Supplies

"The increasing number of older persons in the United States is another important reason for the growing use of hospitals and hospital supplies. Not only do older persons generally require more frequent medical attention, but recovery from illnesses is usually slower. Individuals in the 65 and over age group require an average stay of 14.6 days when hospitalized, compared with the average patient's experience of a 7.6 day confinement. Between 1940 and 1962 the number of persons 65 and over nearly doubled, increasing from 9.0 million to 17.3 million, and the Census Bureau projects a growth to 20 million by 1970. Also contributing to the expanding demand for hospital facilities and supplies are increasingly better understanding by the general public of the value of professional medical care, greater use of hospital facilities as diagnostic and treatment centers, and the increase in urbanization.

Large Expenditures for Hospital Construction

"Expenditures for hospital construction have expanded substantially during the postwar years, stimulated by the shortage of beds accumulated during the 1930's and World War II and by the growing demand for hospital services. In the last three years, hospital construction expenditures have exceeded $1 billion annually, and totalled $1.3 billion in 1962. Between 1950 and 1961 total net hospital bed capacity increased by 14%. Although the number of annual hospital admissions rose by 37%, the estimated shortage of civilian hospital beds did not increase in this period, according to figures reported by the Department of Health, Education & Welfare.

Hospitals were able to meet this more rapid growth in admissions by increased efficiency in the use of existing beds and a further decline in the average length of patient stay, although this downward trend has tended to stabilize in more recent years. Older people and the mentally ill are also being cared for in nursing homes and mental hospitals, the construction of which has also expanded sharply.

"Characteristic of an industry with above average prospects for growth, competitive forces in the hospital supply industry are substantial.

Over 500 Companies Provide Hospital Supplies

"Over 500 companies compete for a share of the hospital market. The great majority of firms are local in scope; many of these also market relatively narrow product lines which often include highly specialized products. However, there are a growing number of firms which operate nationally. Most of these companies carry a line of products numbering in the thousands, capable of completely outfitting a new hospital.

"The need to assure prompt delivery of essential hospital items has led to greater geographic diversification of manufacturing and warehouse facilities. Industry competition is also evidenced by the rate of product innovation. A noteworthy recent example is the development of disposable items resigned to reduce hospital wage costs. Disposable items eliminate such costly labor processes as laundering, sterilizing and sorting reusable products. Because 62 cents of each dollar of hospital expense is directly attributable to labor costs, concentrated effort is being given to the further development of labor saving products. Competition from imports has been limited to selected lines, reflecting the inability of foreign firms to assure delivery to urgently needed products or to meet the exacting specifications for more technical items.

Rising Hospital Costs Challenge Industry

"An expanding population better able to pay for medical care through insurance and rising income and better educated to the value of hospital care should contribute to a growing demand for hospital supply products. Together with the opportunities of the future are certain challenges. Additional hospital space and equipment will need to emphasize economy and efficiency to stem the tide of rising hospital expenses. A major goal is the control of labor costs. New disposable items and other totally new products will be sought. Increased development work may prove fruitful in such areas as electronic equipment to monitor the critically ill and eventually even regular patients, providing thereby for increasing hospital admissions without a corresponding growth in staff. The combination of new product development and greater hospital needs should result in a steady expansion of demand for hospital supplies in the years ahead.

Harriman Ripley Elects Directors

Joseph P. Ripley, Board Chairman of Harriman Ripley & Co. Incorporated, 63 Wall Street, New York City, has announced the election of John C. Dillon, F. Donald Kenney, George M. Mackintosh, Franklin T. McClintock and John M. Walsh as Directors of


John C. Dillon


F. Donald Kenney


G. M. Mackintosh


F. T. McClintock


John M. Walsh

the company. All of the new Directors are affiliated with the New York office.

Mr. Dillon joined the firm in 1953 as sales representative, and was elected a Vice-President in 1961.

Mr. Kenney entered the employ of Harriman Ripley in 1951 as a member of the buying department. He became a Vice-President in 1961.

Mr. Mackintosh came to the firm from Moody's Investors' Service in 1945, and has served in the buying department as Manager of the industrial division. He has been a Vice-President since 1950.

Mr. McClintock joined the firm when it was organized in June, 1934, having been with Brown Brothers Harriman for the previous six years. He advanced successively to head of sales correspondence and publicity division, Manager of sales department, and Manager of the buying department. He was elected a Vice-President in 1943 and a Director in 1947. In March of 1956 he resigned as an officer and Director and became financial consultant of the corporation, which position he still occupies.

Mr. Walsh joined the Harriman Ripley organization at the time of its organization in 1934. Previously, he had been associated with The National City Company for 14 years. He became Manager of the municipal division of Harriman Ripley in 1951, and was elected a Vice-President in December of 1955.

Fischbach & Moore Secondary Offered

A secondary offering of 75,000 common shares of Fischbach & Moore, Inc., is being made by Allen & Co., New York $19.625 per share with concession to dealers of 55 cents per share.

The principal business of the company is electrical contracting. It maintains headquarters at 545 Madison Avenue, New York and has 22 offices throughout the United States and Canada.

Capitalization of the company as of Dec. 31, 1962, consisted of $1,597,000 in notes payable and 943,624 shares of common stock.

Johnston Treas. of R. J. Henderson

LOS ANGELES—Harry Z. Johnston, former president of Los Angeles Stock Clearing Corp., has been appointed treasurer of R. J. Henderson & Co., 621 South Spring Street, members of the Pacific Coast Stock Exchange.

Mr. Johnston, widely known in investment banking circles, was president of Los Angeles Stock Clearing, a subsidiary of the Pacific Coast Stock Exchange, Los Angeles Division, for three years and before that, beginning in 1955, served successively as auditor and a vice president of the Exchange.

He was associated with Willis and Christy, investment counselors, from 1953 to 1955 and prior to that was with Dean Witter & Co., for 10 years.

Johnston is a past president of the Association of Investment House Cashiers, Los Angeles Chapter, and a member of the Los Angeles Stock Exchange Club.

Appointed by N. Y. Money Mkt.

Tom B. Coughran, executive vice president of Bank of America; George L. Farnsworth, executive vice president of Chemical Bank New York Trust Company; August Maffry, Senior Vice-President of Irving Trust Company, and Andrew N. Overby, vice-president of First Boston Corporation, have been appointed members of the Foreign Exchange Committee of the New York Money Market, Alfred Hayes, President of the Federal Reserve Bank of New York, announced over the weekend.

The Foreign Exchange Committee was established in 1939 to create a closer contact and a more efficient channel of communication between the Federal Reserve Bank of New York and the foreign exchange market than had previously existed.

The present membership of the Committee and its two Sub-Committees follows:

Foreign Exchange Committee: Charles Cain, Jr., Chairman, The Chase Manhattan Bank; Andrew L. Gomory, Vice-Chairman, Manufacturers Hanover Trust Co.; Luis Aguirre-Edwards, Grace National Bank of New York; Tom B. Coughran, Bank of America; George T. Davies, Bankers Trust Company; George L. Farnsworth, Chemical Bank New York Trust Co.; August Maffry, Irving Trust Company; John M. Meyer, Jr., Morgan Guaranty Trust Co.; Andrew N. Overby, The First Boston Corporation; Walter B. Wriston, The First National City Bank.

Sub-Committee on A. I. D. Matters: John L. O'Halloran, Chairman, Manufacturers Hanover Trust Co.; Edward G. Grimm, Vice Chairman, Bankers Trust Company; Arthur Bardenhagen, Irving Trust Company; Milton S. Coe, The Chase Manhattan Bank; Arthur C. Krymer, Chemical Bank New York Trust Co.; Lloyd B. Mansfield, The First National City Bank; Vincent G. Potter, Morgan Guaranty Trust Company; Henry Reuter, The Marine Midland Trust Company of New York.

Sub-Committee on Foreign Assets Control: George J. Messemer, Chairman, Irving Trust Company; Milton S. Coe, The Chase Manhattan Bank; Alec Drysdale, The First National City Bank; J. C. Lucey, Brown Brothers Harriman & Co.

Bank of Japan Cuts Bank Rate

"An important cut in the Bank of Japan's official discount rate announced today marks another significant step forward in Japan's assumption of its international monetary responsibilities."

Shozo Saji

This statement was made March 20 by Shozo Saji, New York Agent of the Fuji Bank, Ltd., Japan's largest commercial bank.

The new bank rate of 6.205%, lowest since 1955, became effective March 20 and marks the third reduction since Oct. 26, 1962. Each reduction has been for 0.365%.

Noting that Japan's money rates are among the highest in the Free World, Mr. Saji stated:

"Japanese banking circles applaud the lowering of the official discount rate. Japan must progressively drop its money rates to international levels if it is to liberalize trade, currency and capital movements, and eventually gain the same economic strength as the United States and Western Europe.

"Interest rates cannot be lowered artificially, however, in an economy where capital is still in short supply. Higher interest rates invariably stem from strong demands for funds compared with the country's limited supply.

"Greater efforts must still be made to create an environment that will facilitate the lowering of money rates by both the government and private circles.

"Japan's interest rates for long-term loans are higher than those for short-term loans in most advanced industrial nations, while our current rates for short-term loans are also very high.

"Even a discount rate of 6.205% is still high in comparison with a discount rate of 4.5% in Great Britain, 3.5% in France and Italy, and 3% in West Germany and the United States. A comparison of interest rates for long-term loans shows 8.22% for Japan, 7.5% in West Germany, 5.5% in Great Britain, 5% in Italy, 3.9% in France and 3.27% in the United States. The call rate in Japan has been 8.76%, nearly double the 4.5% rate in the U. S.; 2⅞% to 3⅞% in Great Britain and 3.48% in France.

"Most Japanese financial circles agree that Japan's greatest need is to lower rates for short-term loans. Such action will greatly assist in cutting the cost of operating funds for Japanese firms and thus, in turn, reduce production costs. Reductions in short-term loan rates would also eventually help achieve lower rates for long-term loans.

"Financial and industrial circles are now preparing for an across-the-board cut of annual interest rates to the 5% to 6% level. The Bank of Japan's action may be considered the first step in this process."

A. B. A. Western Conference

The 37th Western Regional Trust Conference of The American Bankers Association will be held at the Hotel Del Coronado, San Diego, Calif., Sept. 26 and 27, according to LeRoy B. Staver, president of the A. B. A. Trust Division and executive vice president, United States National Bank, Portland, Ore.

James M. Gillean, vice president, Bank of America N. T. & S. A., San Diego, has been named general conference chairman.

Host to the conference, which annually brings together trust officers of banks from Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming, will be The San Diego Trust Officers Association.

Chairmen of committees planning the meeting include: Program, Claude C. Blakemore, senior vice president, The First National Trust and Savings Bank; Finance, Harry E. Parker Jr., vice president and trust officer, The First National Trust and Savings Bank; Publicity, Oliver B. James, vice president and senior trust officer, San Diego Trust & Savings Bank; Entertainment, Byron M. Randall, vice president and senior trust officer, United States National Bank; Hotel and Registration, Lloyd Baldridge, vice president and trust officer, Title Insurance and Trust Company; and Transportation, Gerald F. Willmont, vice president and trust officer, Security First National Bank.

Reynolds & Co. To Admit Partner

WINSTON-SALEM, N. C. — On March 28, William E. Hollan will become a partner in the New York Stock Exchange firm of Reynolds & Co. He will make his headquarters at the Winston-Salem office, Reynolds Building.

BANK AND INSURANCE STOCKS

This Week — Insurance Stocks

FIRE & CASUALTY INSURANCE 1962 UNDERWRITING RESULTS—

Readers of recently released 1962 annual reports of fire and casualty insurance companies are finding that the underwriting results for the year were mixed, with only a small majority of the companies reporting higher underwriting earnings than in the previous year. The reports indicate that homeowners' and automobile liability insurance continue to be major problems within the industry.

After significant improvement over the disastrous 1957-1959 period in the years 1960 and 1961, automobile insurance results appear to be headed downward again. The year 1962 was not significantly different from the results in 1961, but the inadequacy in rates due to continuing and increasing high loss ratios remains. This will soon be reflected in higher rates. Recently announced rate increases include Illinois—9.2%; Virginia—8%; California—8%; New Jersey—7%; Michigan—13%; Arkansas—15%; Florida—5%; and Massachusetts—1%. Higher rates are needed throughout the country in order to put automobile liability insurance on a profitable basis, as a significant reduction in losses appears impossible.

In the property field, the homeowners' line continues unprofitable due to keen competition despite impressive premium volume gains. Straight fire results are also not satisfactory. Estimated fire losses in 1962 reached a new high, 4.6% above the 1961 total. January fire losses were also disappointingly high, 6.4% above the high loss month of January, 1962. The inadequacy of fire rates is reflected in the recent 5% rate increase granted in the State of New York. It was the first significant increase in that state since 1947.

Generally, quarterly underwriting results tended to improve throughout the year after the heavy losses incurred during the first quarter from the severe winter weather conditions experienced throughout the year. The fourth quarter was the year's best for many companies, providing some encouragement for 1963.

Selected Underwriting Profit Margins

	Quarterly 1962 1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1962 Full Year	1961 Full Year
Aetna Casualty	—3.1%	1.5%	5.6%	4.1%	2.4%	0.4%
Aetna Insurance	0.3	2.1	1.6	6.0	2.6	1.1
Boston Insurance	—7.2	0.3	—4.8	—11.4	—5.7	—9.9
Continental Casualty	—5.1	2.6	0.8	5.4	1.1	3.0
Continental Insurance	—5.9	—4.8	—2.6	0.9	—3.1	—8.8
Fidelity & Deposit	18.3	13.9	20.8	8.0	15.3	11.3
Gov't. Employees Ins.	3.9	9.6	13.6	9.6	7.9	10.0
Great American	—2.8	2.5	0.4	—6.8	—1.6	—3.7
Hartford Fire	0.3	0.1	—0.8	1.3	0.3	0.7
Hartford Steam Boiler	—1.0	—5.4	12.3	1.4	2.1	3.8
Insurance Co. of N. A.	—1.8	3.0	5.4	2.3	2.3	1.2
National Union	—6.4	—3.4	—2.3	—8.1	—5.1	—2.5
Peerless Insurance	—5.0	10.2	1.5	—2.3	0.8	—6.8
Phoenix Insurance	—4.9	1.3	—0.9	0.2	—0.9	—5.5
Security (Group)	1.1	3.0	1.2	5.0	2.6	0.9
St. Paul F & M	—1.5	—0.5	2.5	1.3	0.4	0.0
Western Casualty	1.6	2.4	—2.1	1.8	0.9	3.2

* * *

MERGER TREND CONTINUES

The merger trend, so evident in the insurance field in recent years in the effort to provide all insurance line coverages and cut costs, continues into 1963. In a major merger Fireman's Fund has announced that 80% of the holders of American Insurance have accepted the exchange offer. Great American Insurance Co. has recently announced that it plans to acquire the First Insurance Co. of Hawaii, Ltd. in an exchange of common stock. In addition, Hartford Fire Insurance Co. is discussing the possible merger of Pacific Insurance Co., Honolulu through issuance of common stock. The proposed mergers of these two Hawaiian companies by major mainland underwriters will undoubtedly be followed by numerous other mergers throughout the year as small specialized fire and casualty underwriters find it is impossible to compete successfully in today's insurance market.

* * *

DIVIDEND INCREASES

A number of insurance companies, both life and fire and casualty, have recently announced dividend increases for their stockholders. The raises are based primarily on the continued growth of net investment income. Over the past few weeks, increases in the quarterly cash rates were posted by Aetna Casualty, Corroon & Reynolds, Employers Group, U. S. F. & G., Commonwealth Life, Crown Life, Jefferson Standard, and Seaboard Surety. In addition, stock dividends were announced by Hartford Fire, National Old Line Life, Life Insurance Co. of Georgia, Republic National Life, United Insurance, Continental Insurance and Life and Casualty. Both Reliance Insurance and Government Employees Life have announced stock splits and cash dividend increases.

Outlook for Bank Earnings

Continued from page 3

the increase took place in the first half of the year.

EDP Cost-Cutting

Increased efficiency is the third measure by which the banks have attacked the problem of higher interest costs on savings and time deposits. Greater economies of operation have been pursued all along the line, but perhaps the principal factor has been in the increased utilization of EDP (Electronic Data Processing) equipment. This is a difficult matter to trace or on which to obtain precise information as to savings. However, the 1962 annual stockholders report of The First National Bank of Boston provides a few items of interest along this line, pointing out that during 1962 the bank processed 50 million of its own checks, most of which were handled an average of 6 times. Automation will reduce this to 2 manual handlings—the computer will do the rest. They further state that all checking customers have been assigned account numbers and more than 90% have been supplied with the new magnetic-ink encoded checks. Bookkeeping has almost concluded its changeover from alphabetical to numerical account order. This operational revolution, they say, will change the character of many traditional bank jobs almost beyond recognition. Instead of confining its attention to the check-processing operation, this bank, like many others, has approached the problem from a system-wide concept which looks to the eventual automation of all routine operations. Tangible benefits in improved operations have already been noted, and further benefits are expected to be realized in the form of reduced costs per unit of production. For the first time in many years, and in the face of a continued increase in the volume of work handled, First National of Boston's permanent staff showed a modest drop of 13 to a total of 4,052. The Bank hopes that this is the start of a new trend which will enable it with automation to process a greater volume of work with fewer hands.

As the commercial banks move further into the acquisition and use of electronic data processing equipment, they are beginning to take on additional service functions, generally on a fee or compensating deposit balance basis. This involves such activities as handling employee payroll records and payments for customers and doing many bookkeeping operations, in effect, leasing the free time of the machines. This type of business apparently holds much in store for future development of banking services, and a number of banks have been quick to capitalize on it.

International Banking Progress

Another interesting area in which the large commercial banks (especially the institutions along the eastern seaboard) have been pushing forward recently is the field of international banking. First National City Bank, Chase Manhattan and Morgan Guaranty have been in the news recently in connection with investments in foreign affiliates. Through a subsidiary, First National City acquired a 16⅔ interest in M. Samuel & Co., a London investment banking firm, for about $5,400,000. Morgan Guaranty, through Morgan Guaranty International Finance Corp. has announced acquisition of interests in several foreign banking operations. These and a rapidly growing number of other major banks throughout the country now have Edge Act Corporations in being for the apparent purpose of engaging in foreign financial operations, chiefly pertaining to investment in equity securities. Ten such corporations were formed in 1962.

Just how important international banking and finance will be in contributing to the future earnings of banks in the United States is not now known. But, certainly there is a movement toward increased emphasis on world-wide trade and banking which appears to be moving forward rapidly. The commercial banks are getting into position to meet the challenge, and once again showing their versatility in adapting their operations to new conditions.

Earnings Ability During Business Decline

Closely associated with the concept of versatility or adaptibility as related to the commercial banks is the quality of balance. While the banks turn in their best operating earnings performances during periods of business recovery or prosperity when the demand for credit and interest rates are on the rise, there are several compensatory factors influencing their operating results which make it possible for the banks to maintain earnings even when the general level of activity in business turns downward. The principal balancing factor is the increase in the volume of available credit reserves and bank earning assets which the Federal Reserve Board's easy money policy tends to create when the level of business activity turns down. Thus when interest rates decline, the volume of bank earning assets rises—tending to offset the restrictive effect on earnings of lower interest rates. In the case of the major New York City banks, interest rates held fairly steady last year but earning assets rose sharply enough to keep earnings on an even keel and to absorb the higher interest costs.

Profits From Portfolio Transactions

Another compensatory factor for the banks is the tendency for profits on security transactions to build up during easy money periods when bond prices are rising. This contrasts with a tendency for losses on bond purchases and sales to develop during periods of rising interest rates when bond prices are declining. Profits on security transactions are particularly welcome to the banks since the effective tax rate on capital gains is only 25% while security losses may be charged against earnings with a consequent 52% tax credit. Thus, if gains and losses before taxes match perfectly, the net after-tax effect is an over-all net gain. Last year most of the banks showed profits on their portfolio transactions.

In evaluating the current outlook for bank earnings, it would appear that the potentials are of greater significance than the actualities of the moment. The basic fact of the balance of payments problem presents a strong potential element favoring increases rather than decreases in short-term interest rates. The "constraint" in our balance of payments which necessitates reasonably firm short-term money rates in the United States has been referred to repeatedly by our monetary and credit leaders and administrators. It promises to persist and to remain a potential for higher short-term interest rates.

Another big potential for the banks lies in the fact that there is room for a large increase in the business and income of the banks. The actual and potential market for bank services is enormous. As population and personal disposable income continues to grow in the balance of the present decade, there will be a virtually untapped market of over 25 million new bank customers for an ever-expanding number of bank services. In recent years the banks have developed many new personal banking services such as revolving credit plans, special checking accounts and thrift plans. Consumer instalment loans have been another area in which the banks have been making substantial progress. There is room for the development and implementation of a number of other personal and corporate banking services in the years ahead.

Sees Eventual Rise in Short Term Rates

While there are no immediate indications of an early rise in the prime loaning rate from the 4½% level, which has continued unchanged since Oct. 1960, in my opinion it is reasonable to expect an eventual increase in this and other short-term money rates. An increase in the prime lending rate would be particularly favorable for bank earnings assuming that the present large base of earning assets would suffer no more than a moderate shrinkage as short term money rates firmed. This is perhaps the biggest potential of all for the banks since it might make possible a substantial gain in bank operating earnings.

Coming back to the question of the outlook for bank earnings in 1963, it is expected that over-all modest gains in net operating earnings on the order of 5% to 10% should be possible. Most of the burden of the rise in interest expense was absorbed in 1962, with only a small over-all decline in bank earnings last year and this bulge in expenses is now mostly behind the banks. In individual cases, there may be wide differences in comparative results because of special factors such as increases in rental costs or other expenses. First quarter results may be particularly confusing because of accrual for taxes or because of special expense related to either 1962 or 1963; i.e., the merger expenses incurred by Manufacturers Hanover Bank last year. On the average, however, it would seem that this year the banks should be able to achieve net operating earnings gains of between 5% and 10%. The lower percentage is expected for New York City banks with the 10% figure being applicable to some West Coast banks and to some of the more rapidly growing banks in other growth areas around the country.

*From a talk by Mr. Amos before the New York Society of Security Analysts, New York City, March 13, 1963.

Japan's Leading Beer Companies Talking Merger

SAN FRANCISCO, Calif. — Two of Japan's largest brewing companies — the Asahi Brewery and Nippon Brewery — have been discussing the possibility of a merger, it was announced here by Kenji Hatanaka, President of Nikko Kasai Securities Co. Nikko Kasai is an affiliate of The Nikko Securities Co., Ltd., one of Japan's "Big Four."

If plans are realized, the merged firm will become the largest brewer in Japan, and should claim 53% of the national beer market, Hatanaka said. Presently the dominant position in the brewing industry is maintained by Kirin Brewery Company which enjoys a 45% share of the market.

Proposal for the merger is said to have been made by Kokoro Uemura, an executive of Nippon Brewery, and a major figure in Japan's financial world.

Japan's postwar brewing industry has been the scene of intense competition among Kirin, Asahi and Nippon. More recently Takara Shuzo Company has joined the scene.

It is expected that competition will become even more fierce next April when Suntory Limited, formerly Kotobukiya, Ltd., joins the sales war with one of the four. Suntory, Japan's oldest and largest distillery, known the world over for its Suntory-brand whisky, has been for some time undergoing plans to add brewing to its other activities.

As long as its rivals operate individually, Kirin's superiority over the others is hardly likely to be shaken.

The Fair Trade Commission, which is said to have been notified about the considered merger, is reportedly inclined toward approving the plan, Hatanaka said.

Coffin & Burr Adds

Coffin & Burr, members of the New York and Boston Stock Exchanges announce that; Charles R. Thompson, Registered Representative and William J. O'Hagan, Stock Trader, have joined their New York office, 64 Wall Street.

Coffin & Burr have also announced that John W. MacDuffie and Hans Paschen have become Registered Representatives in their Boston office, 141 Milk Street.

Growth Expectations In the Sugar Industry

By Ody H. Lamborn,* *President, Lamborn & Co., Inc., New York City*

Conservative estimates provided point up growth prospects of the sugar industry. Mr. Lamborn's depiction of job opportunities present in that industry underscores the intriguing and impressive potentials present in the endless horizons and challenges of volatile, turbulent sugar.

I am, and always have been, an enthusiast about the sugar business. It is an exciting business. Something new is happening in it constantly.

Ody H. Lamborn

And I foresee a tremendous expansion in it. This expansion will be so large that managements will be faced increasingly with a serious problem, namely, the induction and training of young men, rapidly enough, for key positions.

Were it not for the fact that, quite properly, my remarks must be limited because of the limits of this paper, I should have liked to give, in some detail, my views on the extensive opportunities the sugar industry presents to young men—men ambitious to make a mark in the world and anxious to serve their fellow men. But I shall at least touch on this subject briefly since I consider it important—not only to young men but also to our industry.

I fear that, all too unfortunately, the undergraduates of our nation, in considering plans for their careers, are not fully conscious of the great opportunities presented by the sugar industry. To the contrary, I have heard that many young men consider that our industry does not have the glamour, the growth potential, or the opportunities present in many other industries. But those of us engaged in this industry know that this concept is in error. We know that the industry has had a romantic, historically colorful past; that it has an exciting and kaleidoscopic present; that it is completely challenging in its manifold fields and that, as for the future, it is one of the fastest growing industries of the world.

Sugar Consumption-Growth

On the growth factor alone we need only to look at the record of the past quarter century. In that period the sugar consumption of the United States has increased from 6,700,000 short tons to almost 10,000,000 tons — a gain of about 50%. The sugar consumption of the world has jumped from 31,000,000 short tons to 57,000,000 tons, a gain of 84%. And the world's annual per capita consumption has increased from 32 pounds to 38 pounds.

Presently, world consumption of sugar is growing at the rate of about 4% per annum. If that rate continues, the sugar industry of the world has a tremendous job before it. Even if world per capita consumption does not increase one iota, we shall need, by 1975, a sugar production of 75,000,000 short tons. Putting it another way, based solely on population increase we shall need, in thirteen short years, 18 million more tons than are presently being consumed in order to maintain only the current level of the per capita consumption figure of 38 pounds. And if we consider this matter on a 25-year basis, the world should require in 1987—assuming an unchanging per capita—95 millions of tons, or approximately 67% more than the current world consumption of 57,000,000 tons.

It is reasonable to assume that the world per capita consumption of sugar will continue to increase as the standards of living improve throughout the world. Hence, it will be seen that the estimates I have given above for 1975 and 1987 are on the conservative side.

If we were to assume a constant increase in consumption of 4% per annum, the world sugar requirements for 1975 would be 95,000,000 short tons and for 1987 a startling figure of 152,000,000 tons!

The sugar industry is a progressive one. In the past quarter century many revolutionary innovations have occurred in the field, in the factory and in the movement and the use of sugar. These changes have brought about advanced methods in planting, harvesting, processing, shipping and storage. The development of the bulk handling of raw and refined sugars, and the increasing popularity of refined sugar in liquid form, have wrought prodigious alterations in the industry. Changes have occurred in the market places and in merchandising. The politico-economic sugar structures, here and abroad, have undergone vast alterations.

Any objective study of our industry will disclose impressive and intriguing potentials — to be developed in the years to come. This industry, as never before, is on the move and is approaching its problems in a dynamic fashion.

Perhaps, in good time, some of our sugar associations, individually or collectively, will counter this ignorance of the opportunities in sugar by publishing and distributing a booklet which will graphically portray, for the benefit of undergraduates, the vast scope of the sugar industry, its many variations and ramifications. Such a portrayal will interest a young man whether he leans towards agronomy, chemistry, engineering, accounting, finance, international trade, politics, commodity markets, merchandising, advertising, or a host of other specialized pursuits—for, indeed, the business of sugar has an infinite number of facets.

And the booklet well might point out that one never ceases to learn in the sugar industry; that its horizons are endless and that there is a constant flow of new challenges. I recall that, when I was a very young man, a well-seasoned and prominent sugar man told me that the sugar business constantly humbled him. He said that daily he discovered there was still so much to learn about it — so much he did not know. I could not believe him—then. But for many many years I have known that he had uttered an unassailable and unchanging truth.

Yes, the sugar industry is a great educator. It is a stern disciplinarian. It is a hard taskmaster. Assuredly, it is not an industry for those seeking quick and easy goals—or a smooth road to success. It has always demanded the best of men. It has demanded men indefatigable in their efforts, men of constancy and men completely dedicated. The industry quickly disposes of those who will not walk the extra mile. It presents no bed of roses to its men. It requires men of courage and stamina. It tolerates no sluggards.

And because of the industry's sensitivity to an infinite number of influences, affecting production and price trends, it is as treacherous as the seas and requires wariness at all times Any zephyr may suddenly develop into a squall. Crops can be heavily injured overnight. Market trends can be completely reversed. As a sailor respects the sea, so one in sugar must respect this, at times, volatile and turbulent industry. But despite this, those who manage to meet the challenges have the inexpressible satisfaction that comes with accomplishment—with safely reaching port.

*Remarks made by Mr. Lamborn upon the occasion of his acceptance of the Dyer Award, New York City, March 12, 1963.

Quail & Co. Names VPs.

DAVENPORT, Iowa — Hugo C. Arp, Jr. and Robert B. Ausdal have been elected vice-presidents of Quail & Co., Inc., Davenport Bank Building, members of the New York and Midwest Stock Exchanges.

I. B. A. Report on Mun. Bond Sales

WASHINGTON, D. C.—Municipal bond sales during 1962 reached a record of nearly $8.7 billion, up $205 million from the previous sales record set last year, according to the latest issue of the IBA Statistical Bulletin published by the Investment Bankers Association of America. Elementary and Secondary school bond sales during 1962 totaled over $2.4 billion off about $100 million from the 1961 record for sales of this type of issue.

A breakdown of total municipal bond sales by states shows New York ahead of the nation with sales of nearly $1.3 billion, or roughly 16% of total sales. California was second with sales of $868 million, followed by Pennsylvania with sales of $544 million, Texas with $441 million, and Illinois with $425 million.

In a separate breakdown of elementary and secondary school bond sales by state, California again is the leader with sales of nearly $344 million. New York was second with sales of $263 million in this category, followed by Pennsylvania with sales of $244 million to finance education.

New Indiana Firm

LAFAYETTE, Ind. — **Amosand, Inc.**, Lafayette Life Building. Officers are Donald M. Amos, President and Treasurer; Alvin M. Halverson, Vice-President and Secretary; and George Spitz and Charles M. Maddox, Vice-Presidents.

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).

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. (4/8-12)**
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. (3/25-29)**
Sept. 28, 1962, filed 100,000 common. **Price**—$5.50. **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**—Emanuel, Deetjen & Co., New York.

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.

● **Atlas Finance Co., Inc.**
Feb. 25, 1963 ("Reg. A") $300,000 of 6¼% series A junior subordinated debentures due March 1, 1978. **Price**—At par. **Business**—Consumer finance. **Proceeds**—For working capital and debt repayment. **Office**—262-264 Spring St., N. W., Atlanta. **Underwriter**—The Marshall Co., Milwaukee. **Offering**—Imminent.

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 $5,439,800 of 5½% convertible subordinated debentures due 1983, being 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**—At par. **Business**—Leasing of trucks, tractors, trailers and related equipment, and the sale of used and new vehicles. **Proceeds**—For debt repayment. **Address** — Pennsburg, Pa. **Underwirter**—Eastman Dillon, Union Securities & Co., N. Y.

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

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.

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.

● **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 mid-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.

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.

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 Credit Co. (4/3)**
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.

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.

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).

● **Consolidated Edison Co. of New York, Inc.**
Feb. 26, 1963, filed 1,343,117 common being 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**—$80. **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. (4/1-5)**
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. (3/25-29)**
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.

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.

● **Crowell-Collier Publishing Co. (4/11)**
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 of record April 11, with rights to expire April 25. **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.

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

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NEW ISSUE CALENDAR

March 25 (Monday)

Antenna Systems, Inc. __________ Common
(Emanuel, Deetjen & Co.) 100,000 shares

Colonial Board Co. __________ Units
(Putnam & Co.) 37,500 units

Continental Device Corp. __________ Common
(Carl M. Loeb, Rhoades & Co., Inc.) 275,000 shares

Cotton States Life Insurance Co. ____ Capital Stock
(First Alabama Securities, Inc.) 30,000 shares

Norfolk & Western Ry. ________ Equip. Trust Ctfs.
(Bids 12 noon EST) $5,475,000

Pak-Well Paper Industries, Inc. ________ Common
(Francis I. du Pont & Co.) 150,000 shares

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)

Puerto Rican Cement Co., Inc. __________ Common
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 600,000 shares

Recreation Industries, Inc. __________ Common
(Costello, Russotto & Co.) $150,000

Robins (A. H.) Co., Inc. __________ Common
(Goldman, Sachs & Co. and Smith, Barney & Co., Inc.) 350,000 shares

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

Consultant's Mutual Investments, Inc. ___ Common
(Gerstley, Sunstein & Co.) $5,000,000

General Real Estate Fund __________ Shares
(Baker, Simonds & Co., Inc. and Alex. Brown & Sons) $1,320,000

Highland Development Corp. __________ Common
(Hyder & Co.) $300,000

Investors Trading Co. __________ Capital Stock
(Nemrava & Co.) 200,000 shares

Manchester Insurance Management & Investment Corp. __________ Common
(Troster, Singer & Co.) $955,293

Sony Corp. __________ Shares
(Smith, Barney & Co., Inc. and The Nomura Securities Co., Ltd.) 300,000 ADS

April 3 (Wednesday)

Commercial Credit Co. __________ Notes
(First Boston Corp. and Kidder, Peabody & Co.) $50,000,000

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)

Anadite, Inc. __________ Capital Shares
(Dean Witter & Co.) 15,000 shares

Anadite, Inc. __________ Debentures
(Dean Witter & Co.) $800,000

Financial Federation, Inc. ________ Capital Stock
(Kidder, Peabody & Co. and McDonnell & Co., Inc.) 800,000 shs.

Lunar Films, Inc. __________ Common
(Ingram, Lambert & Stephen, Inc.) $718,750

Western Light & Telephone Co., Inc. _____ Common
(Offering to stockholders underwritten by Dean Witter & Co.) 115,339 shares

April 9 (Tuesday)

Copenhagen Telephone Co., Inc. _______ Debentures
(Smith, Barney & Co., Inc.; Kuhn, Loeb & Co., Inc.; Harriman Ripley & Co., Inc.; Lazard Freres & Co.) $15,000,000

Missouri Pacific RR. ________ Equip. Trust Ctfs.
(Bids 12 noon CST) $4,500,000

Northern Indiana Public Service Co. ______ Bonds
(Bids 11 a.m. CST) $30,000,000

Wisconsin Michigan Power Co. __________ Bonds
(Bids 11 a.m. EST) $6,000,000

April 11 (Thursday)

Crowell-Collier Publishing Co. ________ Debentures
(Offering to stockholders—underwritten by Carl M. Loeb, Rhoades & Co.) $5,500,000

April 15 (Monday)

Cabot Corp. __________ Common
(Carl M. Loeb, Rhoades & Co., and White, Weld & Co., Inc.) 295,140 shares

Life & Casualty Insurance Co. of Tennessee __ Com.
(Goldman, Sachs & Co. and Equitable Securities Corp.) 500,000 shares

Natural Gas & Oil Producing Co. ________ Common
(Peter Morgan & Co.) $900,000

Reynolds & Reynolds Co. ______ Class A Common
(Glore, Forgan & Co. and Grant-Brownell & Co.) 120,000 shares

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

April 16 (Tuesday)

Pacific Northwest Bell Telephone Co. ____ Debens.
(Bids 11 a.m. EST) $50,000,000

April 22 (Monday)

Mil National Corp. __________ Common
(Herbert Young & Co., Inc.) $376,000

Mortgage Guaranty Insurance Co. ________ Common
(Hornblower & Weeks and Robert W. Baird & Co., Inc.) 200,000 shares

Norfolk & Western Ry. ________ Equip. Trust Ctfs.
(Bids 12 noon EST) $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 8 (Wednesday)

Chicago Burlington & Quincy RR. Equip. Trust Ctfs.
(Bids 12 noon CDST) $4,500,000

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)

Chicago Union Station Co. __________ Bonds
(Bids to be received) $49,000,000

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 6 (Thursday)

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

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 33

certification of models, train service personnel, repay debt, etc. **Address**—Municipal Airport, Danbury, Conn. **Underwriter**—None. **Note**—The SEC has questioned the accuracy and adequacy of this statement.

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

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

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

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

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.

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.

● **Financial Federation, Inc. (4/8-12)**
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.

● **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 May.

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

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

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

Freoplex, Inc.
Jan. 2, 1963 ("Reg. A") $200,000 of 7% convertible subordinated debentures due March 1, 1975. **Price**—At par. **Business**—Operation of retail meat supermarkets. **Proceeds**—For debt repayment and working capital. **Address**—Route 18, Tices Lane, East Brunswick, N. J. **Underwriter**—Alessandrini & Co., Inc., N. Y. **Offering**—Indefinite.

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

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

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

General 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.

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.**
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. **Offering**—Imminent.

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.

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.

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

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

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. (4/1-5)**
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.

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.

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

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

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

● **Investors Trading Co. (4/1-5)**
Jan. 17, 1963 filed 200,000 capital shares. **Price** — Net asset value (max. $5), plus 8% sales charge. **Business**—A mutual fund. **Proceeds**—For investment. **Office**—460 Denver Club Building, Denver. **Distributor**—Nemrava & Co. (same address).

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

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

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.

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. Note—This registration will be withdrawn.

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. (4/1-5)**
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.

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 being offered for subscription by stockholders on the basis of one share for each three held of record Dec. 31, 1962, with rights to expire April 15. **Price**—$19.50. **Business**—A multiple line insurance carrier. **Proceeds**—For additional capital and surplus. **Office**—6901 Wooster Pike, Cincinnati. **Underwriters**—W. D. Gradison & Co., Cincinnati, and Greene & Ladd, Dayton.

● **Mil National Corp. (4/22-26)**
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.

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.

● **Mortgage Guaranty Insurance Corp. (4/22-26)**
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.

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**—Hyder & Co., Albuquerque. Note—This registration has become effective. **Offering**—Indefinite.

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,

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on a share-for-share basis. **Price**—By amendment (max. $2). **Business**—Writing of participating and non-participating ordinary life insurance. **Proceeds** — To expand operations. **Office**—6225 University Ave., Madison, Wis. **Underwriter**—None.

National Telepix, Inc.
July 30, 1962 filed $150,000 of 6½% conv. subord. debentures due 1972. **Price**—At par. **Business**—Production of motion pictures. **Proceeds**—For production and distribution expenses and working capital. **Office**—1270 Ave. of the Americas, N. Y. **Underwriter**—None.

National Uni-Pac, Inc.
July 31, 1962 filed 85,000 common. **Price**—By amendment (max. $4). **Business**—Company plans to sell or lease coin operated vending machines. **Proceeds**—For debt repayment, equipment and working capital. **Office**—15 Peachtree St., Atlanta. **Underwriter**—None. **Note**—This registration will be withdrawn.

Natural Gas & Oil Producing Co. (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).

● **Nordon Corp., Ltd.**
March 29, 1963, filed 255,000 capital shares being offered for subscription by stockholders on the basis of one new share for each five held of record March 8, with rights to expire March 31. **Price**—$2.25. **Business**—Acquisition and development of oil and natural gas properties. **Proceeds**—For drilling expenses, and working capital. **Office**—5455 Wilshire Boulevard, Los Angeles. **Underwriter**—Gregory-Massari, Inc., Beverly Hills, Calif.

● **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** — April 9 (11 a.m. CST) at 111 West Monroe St. (8th floor), Chicago.

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. (3/25-29)**
March 30, 1962 filed 150,000 class A common. **Price**—By amendment (max. $13). **Business**—Manufacture of envelopes, packaging materials of various kinds, wrapping paper, stationery, and school supplies. **Proceeds**—For selling stockholders. **Office**—198 W. Alameda, Denver. **Underwriter**—Francis I. du Pont & Co., N. Y.

Pan American Beryllium Corp.
Feb. 28, 1962 filed 100,000 common. **Price**—$5. **Business**—Company plans to mine for beryl ore in Argentina. **Proceeds** — For debt repayment, equipment, and other corporate purposes. **Office**—39 Broadway, N. Y. **Underwriter**—To be named.

PanAm Realty & Development Corp.
March 12, 1962 filed 400,000 class A stock. **Price**—$10. **Business**—A real estate holding and development company. **Proceeds**—For general corporate purposes. **Office**—70 N. Main St., Freeport, L. I., N. Y. **Underwriter**—To be named.

Parkway Laboratories, Inc.
Dec. 6, 1961 filed 160,000 common. **Price**—$5. **Business**—Manufacture of drugs and pharmaceuticals. **Proceeds**—For an acquisition, research and other corporate purposes. **Office** — 2301 Pennsylvania Ave., Philadelphia. **Underwriter**—Arnold Malkan & Co., Inc., N. Y. **Note**—This registration will be withdrawn.

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.

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

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 was withdrawn.

● **Puerto Rican Cement Co., Inc. (3/27)**
Feb. 21, 1963, filed 600,000 common, of which 400,000 will be sold by company and 200,000 by stockholders. **Price**—By amendment (max. $21). **Business**—Manufacture of Portland cement, and multiwall paper bags. **Proceeds** — For debt repayment, and expansion. **Office**—Calle Real No. 16, Playa de Ponce, Ponce, Puerto Rico. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

Putnam Management Co., Inc.
Aug. 22, 1962 filed 150,000 common (non-voting). **Price**—By amendment (max. $14). **Business**—An investment adviser and distributor of mutual funds. **Proceeds**—For selling stockholders. **Office**—60 Congress St., Boston. **Underwriter**—To be named.

Quick-N-Clean Corp. of Minnesota, Inc.
Oct. 1, 1962 ("Reg. A") 205,000 common. **Price**—$1.15 **Business**—Company plans to open a chain of coin operated dry cleaning stores. **Proceeds**—Advertising, expansion and working capital. **Office**—712 Fir St., Brainerd, Minn. **Underwriter**—Northwest Securities, Inc., Detroit Lakes, Minn. **Offering**—Expected in late April.

● **Recreation Industries, Inc. (3/27)**
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., Bevely Hills, Calif. **Note**—This registration was withdrawn.

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.

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.

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.

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.

● **Southwest Forest Industries, Inc.**
Jan. 11, 1963 filed 638,237 common being offered for subscription by stockholders on the basis of three new shares for each five held of record March 14, with rights to expire March 28. **Price**—$5. **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.

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.

● **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. **Offering**—In late April.

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.

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 some address.

Texas Plastics, Inc.
July 27, 1962 filed 313,108 common. **Price**—$3.50. **Business**—Operation of a plant producing plastic film and packaging products. **Proceeds**—For working capital. **Address**—Elsa, Texas. **Underwriter**—Crow, Brourman & Chatkin, Inc., N. Y.

Top Dollar Stores, Inc.
May 1, 1962 filed 200,000 common, of which 100,000 are to be offered by company and 100,000 by stockholders **Price**—$5. **Business**—Operation of a chain of self-service retail stores selling clothing, housewares, etc. **Proceeds**—For expansion, equipment and working capital **Office**—2220 Florida Ave., Jasper, Ala. **Underwriter**—Philips, Appel & Walden, 115 Broadway, N. Y. **Offering**—Temporarily postponed.

Transarizona Resources, Inc.
May 28, 1962 filed 500,000 capital shares. **Price**—$1.50 **Business**—Exploration, development and production of the Lake Shore copper deposit near Casa Grande, Ariz **Proceeds**—For equipment, exploration and working capital. **Office**—201 E. 4th St., Casa Grande, Ariz. **Underwriter**—None.

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

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.

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 Light & Telephone Co., Inc. (4/8)**
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 of record April 5, with rights to expire April 23. **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.

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.

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.

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

★ **Bonanza Gold, Inc.**
March 4, 1963 ("Reg. A") 750,000 common. **Price**—20 cents. **Business**—Exploration and development of gold placer claims in Alaska. **Proceeds**—For general corporate purposes. **Office**—E. 15 Walton Ave., Spokane. **Underwriter**—Duval Securities, Spokane.

★ **Bush Hog, Inc.**
March 19, 1963 filed $1,000,000 of 6½% convertible subordinated debentures due 1973, to be sold by the company; and 200,000 common to be sold by stockholders. The offering will be made in units of one $10 debenture and two common shares. **Price**—$28 per unit. **Business**—Manufacture of farm machinery. **Proceeds**—For debt repayment, inventory, and working capital. **Address**—P. O. Box 1039 Selma, Ala. **Underwriter**—Courts & Co., Atlanta, Ga.

★ **Compass Exploration, Inc.**
Feb. 27, 1963 ("Reg. A") 30,000 common. **Price** — $10. **Business**—Exploration, development and operation of oil and gas properties. **Proceeds**—For working capital and other corporate purposes. **Office**—101 University Blvd., Denver. **Underwriter**—None.

★ **Copenhagen Telephone Co., Inc. (4/9)**
March 20, 1963 filed $15,000,000 sinking fund dollar debentures due 1978. **Price**—By amendment. **Proceeds**—For construction. **Address**—Copenhagen, Denmark. **Underwriters**—Smith, Barney & Co., Inc.; Kuhn, Loeb & Co., Inc.; Harriman Ripley & Co., Inc.; Lazard Freres & Co., New York.

★ **Homestead Packers, Inc.**
March 13, 1963 filed 5,000 shares of 6% non-cumulative preferred stock, and 5,000 common, to be offered for sale in units of one common and one preferred share. **Price**—$150 per unit. **Business**—Company plans to construct

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and operate a beef and pork packing plant. **Proceeds**—For construction, equipment, and working capital. **Address**—Beatrice, Nebr. **Underwriter**—None.

★ Life & Casualty Insurance Co. of Tennessee (4/15-19)
March 15, 1963 filed 500,000 common. **Price**—By amendment (max. $36). **Business**—Writing of life, accident and health insurance. **Proceeds** — For selling stockholders. **Office**—Life and Casualty Tower, Nashville, Tenn. **Underwriters** — Goldman, Sachs & Co., New York and Equitable Securities Corp., Nashville.

★ National Aviation Corp.
March 14, 1963 filed 253,478 capital shares to be offered for subscription by stockholders on the basis of one new share for each five held of record April 11, 1963. **Price**—By amendment. **Business**—A closed-end investment company specializing in aviation and aerospace stocks. **Proceeds** — For investment. **Office** — 111 Broadway, New York. **Underwriter**—None.

★ Reynolds & Reynolds Co. (4/15-19)
March 18, 1963 filed 120,000 class A common. **Price**—By amendment (max. $28). **Business**—Manufacture of business and accounting forms and systems, and allied products. **Proceeds**—For selling stockholders. **Office** — 800 Germantown St., Dayton, Ohio. **Underwriters** — Glore, Forgan & Co., New York, and Grant-Brownell & Co., Dayton.

★ Sony Corp. (4/1-5)
March 13, 1963 filed 300,000 American Depositary Shares. **Price**—By amendment (max. $20). **Business**—Manufacture of transistorized radio and television receivers, tape recorders, and other electronic equipment. **Proceeds**—For expansion. **Address**—Tokyo, Japan. **Underwriters**—Smith, Barney & Co., Inc., and The Nomura Securities Co., Ltd., New York.

★ Tampa Electric Co. (4/24)
March 15, 1963 filed $48,000,000 first mortgage bonds due May 1, 1993. **Proceeds**—For refunding of outstanding 5% bonds due 1990, loan repayment, and construction. **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) at 90 Broad St., New York. **Information Meeting** — April 19 (11 a.m. EST) same address.

★ Wisconsin Michigan Power Co. (4/9)
March 13, 1963 filed $6,000,000 of first mortgage bonds due 1993. **Proceeds**—For refunding of 5⅝% bonds due 1989, loan repayment and construction. **Office**—231 West Michigan St., Milwaukee. **Underwriters** — (Competitive) Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Salomon Brothers & Hutzler (jointly); Kidder, Peabody & Co.-White, Weld & Co. (jointly). **Bids**—Expected April 9 (11 a.m. EST) in Room 1306, 48 Wall St., New York. **Information Meeting**—April 8 (11 a.m. EST) at Bankers Trust Co., 16 Wall St., New York.

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."

AMP, Inc.
225,000 common offered at $27.375 per share by Kidder, Peabody & Co., Inc., and Blyth & Co., Inc., New York.

Berman Leasing Co.
$5,439,800 of 5½% convertible subordinated debentures due March 1, 1983 being offered for subscription by common stockholders, at par, on the basis of $100 of debentures for each 20 shares held of record March 14. Rights will expire March 28. Eastman Dillon, Union Securities & Co., New York, is the principal underwriter.

Consolidated Edison Co. of New York, Inc.
1,343,117 common being offered to stockholders at $80 per share on the basis of one new share for each 12 held of record March 15. Rights will expire April 5. Morgan Stanley & Co., and First Boston Corp., New York, are the principal underwriters.

Crown Cork & Seal Co., Inc.
$30,000,000 of 4⅜% sinking fund debentures due March 15, 1988 offered at 101.25% and accrued interest, to yield 4.29%; also 400,000 common shares offered at $31.25 per share by Francis I. duPont & Co., New York.

Fischbach & Moore, Inc.
75,000 common offered at $19.625 per share by Allen & Co., New York.

Michigan Consolidated Gas Co.
$30,000,000 of 4½% first mortgage bonds due March 15, 1988, offered at 102.426% and accrued interest, to yield 4.34% by Blyth & Co., Inc., New York.

Midwestern Indemnity Co.
25,495 common being offered for subscription by stockholders, at $19.50 per share, on the basis of one new share for each three held of record Dec. 31, 1962. Rights will expire April 15. W. D. Gradison & Co., Cincinnati and Greene & Ladd, Dayton, are the principal underwriters.

Milwaukee Braves, Inc.
115,000 common offered at $11.375 per share (to Wisconsin residents only) by Robert W. Baird & Co., Inc., Milwaukee.

North American Life & Casualty Co.
1,000,000 common offered at $19.50 per share by Paine, Webber, Jackson & Curtis, New York.

Seimer (H. & A.) Inc.
120,000 common offered at $15.75 per share by Clark, Dodge & Co., Inc., New York.

Southwest Forest Industries, Inc.
638,237 common being offered for subscription by stockholders at $5 per share on the basis of three new shares for each five shares held of record March 14. Rights will expire March 28. No underwriting is involved.

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)
March 12, 1963 it was reported that the bank is offering 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** — $29.50. **Proceeds** — To increase capital funds. **Office** — 44 West Monroe St., Phoenix. **Underwriter**—William R. Staats & Co., Los Angeles.

★ Arkansas Louisiana Gas Co.
March 20, 1963 it was reported that the company had filed an application with the State Public Service Commission for permission to issue $45,000,000 of 20-year first mortgage bonds. **Proceeds**—For construction, investment in subsidiaries, and loan repayment. **Address**—Slattery Bldg., Shreveport, La. **Underwriter** — Eastman Dillon, Union Securities & Co., New York. **Offering**—Expected in early April.

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 Dr., Chicago.

● Chicago Burlington & Quincy RR (5/8)
March 18, 1963 the company announced plans to sell $4,500,000 of equipment trust certificates in May. Two additional issues, totaling about $10,200,000, are tentatively scheduled for Aug. 1, and Oct. 1. **Office**—547 W. Jackson Blvd., Chicago. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—May 8 (12 noon CDST) at above address.

● Chicago Union Station Co. (5/14)
March 19, 1963 it was reported that this company, owned by four major railroads, plans to sell $20,000,000 of 1-10 year serial bonds and $29,600,000 of sinking fund bonds due 1988. **Proceeds** — To repay bank loans, and refund outstanding first 3⅛% and first 2⅞% bonds maturing July 1, 1963. **Office**—210 So. Canal St., Chicago. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Kidder, Peabody & Co.; Blyth & Co. **Bids**—Expected May 14.

● Columbia Gas System, Inc. (6/6)
March 18, 1963 the company stated that it has made tentative plans to sell $25,000,000 of 25-year debentures in June, for possible refunding operations. It has definite plans to sell $25,000,000 of debentures in October to raise money for construction. **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. Inc.; Blyth & Co.-Lehman Brothers-Salomon Brothers & Hutzler. **Bids**—Expected June 6.

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 current rights offering, 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 subscrip-

tion 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**—June 6 (2:30 p.m. EDST) at same address.

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.

★ Japan (Government of)
March 20, 1963 it was reported that the Diet is considering the Government's budget for fiscal 1964, which includes plans to sell $60,000,000 of external loan bonds and $20,000,000 City of Tokyo bonds in the U. S. during the fiscal year April 1, 1963 to March 31, 1964. If approved, it is expected that $30,000,000 of the external loan bonds would be offered in May. **Underwriters**—To be named. The last sale of external loan bonds in February 1959, was underwritten by First Boston Corp. The last issue of Tokyo bonds in March 1927, was handled by Kuhn, Loeb & Co., and associates.

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.

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**—April 9 (12 noon CST) in St. Louis.

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.

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** — March 25 (12 noon EST).

● 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**—April 22 (12 noon EST).

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: 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.
March 18, 1963 the company stated that it expects to sell $75,000,000 of bonds in the period 1963 through 1967. **Proceeds** — For construction and the retirement of $8,000,000 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.

● 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** —June 13 (2 p.m. EDST) at One Chase Manhattan Plaza, New York.

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.

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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.

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).

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.

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 Electric Co.
March 19, 1963 the company stated that it plans to issue $20,000,000 of preferred stock and $40,000,000 of bonds by the end of 1964. **Office**—315 N. 12th Blvd., St. Louis. **Underwriters**—(Competitive). Probable bidders: (Preferred): First Boston Corp.; Dillon, Read & Co., Inc.; Lehman Brothers; White, Weld & Co.; Blyth & Co., Inc. (Bonds): Halsey, Stuart & Co. Inc.; Lehman Brothers-Blyth & Co., Inc. (jointly); White, Weld & Co.-Shields & Co. (jointly); First Boston Corp.

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 sell $12,000,000 of 25-year bonds, in the second quarter of 1963. **Office**—1100 H. St., N. W., Washington, D. C. **Underwriters**—(Competitive): Probable bidders: Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; Kidder, Peabody & Co.; First Boston Corp.; Halsey, Stuart & Co. Inc.

Western 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.
March 19, 1963 it was reported that this company plans to sell $15,000,000 of bonds later this year. **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.

TAX-EXEMPT BOND MARKET

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Co., Wells Fargo Bank, Security First National Bank, Crocker-Anglo National Bank, Phelps, Fenn & Co., Merrill Lynch, Pierce, Fenner & Smith, R. H. Moulton & Co., Weeden & Co., Inc., The First National Bank of Oregon, Seattle-First National Bank, R. W. Pressprich & Co., Mellon National Bank and Trust Co., Wm. R. Staats & Co., First National Bank in Dallas and Republic National Bank of Dallas.

Scaled to yield from 1.50% to 2.90% for various coupons, initial sales have amounted to $18,000,000. As we go to press a balance of $15,385,000 remains in account.

The syndicate headed by *The Northern Trust Co.* was the successful bidder for $8,500,000 Dallas, Texas limited tax (1964-1983) bonds at a net interest cost of 2.72904%. The second best bid for the bonds figured a 2.742% net interest cost and came from the group headed jointly by The First Boston Corp. and Bankers Trust Co.

Other members of the winning syndicate include First National Bank of Chicago, Continental Illinois National Bank and Trust Co., First National Bank of Oregon, Seattle-First National Bank, First National Bank of Dallas, Carl M. Loeb, Rhoades & Co., Wertheim & Co., United California Bank, W. E. Hutton & Co. and Dallas Union Securities Co.

The securities are offered to yield from 1.50% to 2.95% and the present balance in syndicate totals $6,090,000.

Duluth, Minnesota, an infrequent borrower and a city which enjoys a high credit rating, awarded $3,100,000 general obligation (1964-1993) bonds to the group composed of *Wertheim & Co., Hemphill, Noyes & Co., Connecticut Bank and Trust Co.* and *National Shawmut Bank of Boston* on a net interest cost bid of 2.896%. The second bid, a 2.933% net interest cost, came from The First Boston Corp. and associates.

Scaled to yield from 1.60% in 1964 to 3.10% in 1990, the present balance is $1,560,000. The 1991 to 1993 maturities carried a 1/10 of 1% coupon and were sold at a 4.15% yield.

Monday's final sale involved $2,400,000 Eastern Illinois University Residence Hall Revenue (1965-2002) bonds which were purchased by *Kidder, Peabody & Co.* and associates on a 3.5175% net interest cost bid. The runner-up bid, a 3.55% net interest cost, was made by the Bear, Stearns & Co. account.

Other members of the winning group include Equitable Securities Corp., Lee Higginson Corp., Dick & Merle-Smith, Francis I. du Pont & Co., Spencer Trask & Co., New York Hanseatic Corp., J. B. Hanauer & Co., Park, Ryan & Co. and R. James Foster & Co.

Reoffered to yield from 2.00% to 3.60%, today's balance is $1,485,000.

Tuesday was a quiet day with only one sale of mention on the calendar. The group led by the *Chase Manhattan Bank* submitted the best bid for $4,265,000 West Allis, Wisconsin Corporate Purpose (1964-1983) bonds with a net interest cost bid of 2.794%. The runner-up bid, a 2.82% net interest cost, came from Halsey, Stuart & Co., Inc. and associates.

Other major members of the winning group include Chemical Bank New York Trust Co., Francis I. du Pont & Co., First of Michigan Corp., Gregory & Sons, Baxter & Co., Fidelity Philadelphia Trust Co., Folger, Nolan, Fleming & Co. and National Boulevard Bank, Chicago.

Scaled to yield from 1.60% in 1964 to 3.00% in 1982, the present balance in group totals $2,175,000. The 1992 maturity carried a 1/10 of 1% coupon and was sold at a 4.00% yield.

Housing Award Fragmentized

The Public Housing Authority came to market Wednesday with a total of $137,920,000 various New Housing Authority bonds. Involved were 31 local agencies and the maturity schedule ran from 1963 to 2003. The group headed jointly by *Goodbody & Co.* and *F. S. Smithers & Co.* submitted the best bids for $42,880,000 of bonds, which included $37,140,000 New York City 3⅛s; $3,510,000 Summerville, Georgia 3⅛s and $2,230,000 Westmoreland County, Pennsylvania bonds as 3s.

The account headed jointly by *Phelps, Fenn & Co., Lehman Bros.* and *Blyth & Co.*, in association with the *First National City Bank* and the group headed by *Chase Manhattan Bank* and *Bankers Trust Co.*, submitted the best bids for four issues totaling $38,770,000 of bonds. This group was the high bidder for $30,800,000 Chicago, Illinois bonds as 3⅛s, $4,805,000 Trumann, Arkansas 3¼s, $2,695,000 Birmingham, Alabama 3⅛s and $470,000 Gallitan County, Illinois bonds as 3¼s.

The account which included *Equitable Securities Corp., Dean Witter & Co., Ira Haupt & Co.* and *Childs Securities Corp.* submitted the best bids for eight issues totaling $17,000,000. This account purchased the following issues, all of which carried a 3⅛% coupon; $7,835,000 Paducah, Ky.; $1,665,000 Edison Township, N. J.; $1,600,000 Knoxville, Tenn.; $1,465,000 Morristown, Tenn.; $1,365,000 McMinnville, Tenn.; $1,215,000 Fayetteville, Tenn.; $1,030,000 Long Branch, N. J.; and $835,000 Freeport, N. Y.

Wm. S. Morris & Co., bidding alone, was the high bidder for eight issues totaling $8,155,000 as follows: $2,215,000 Poplar Bluff, Missouri bonds as 3⅛s, $1,120,000 Granite City, Illinois 3¼s, $1,030,000 Williamson County, Ill., 3¼s, $935,000 Ripley, Tenn. 3¼s, $925,000 Madison County, Ill. 3¼s, $835,000 Phenix City, Ala. 2¾s (only matured to 1981), $555,000 Pope County, Illinois 3¼s and $540,000 Athens, Ga. bonds as 2⅝s (serial to 1981).

B. J. Van Ingen & Co., Inc., bidding alone, was the high bidder for two issues totaling $21,255,000 of bonds as follows: $15,200,000 San Juan, Puerto Rico bonds as 3s and $6,055,000 Youngstown, Ohio bonds also as 3s.

John Nuveen & Co., bidding alone, was the high bidder for $3,980,000 Minneapolis, Minnesota bonds as 3⅛s. *Bank of America N. T. & S. A.* and associates were high bidders for four issues totaling $4,680,000 of bonds. These issues are $1,950,000 Las Vegas, Nevada 3⅛s, $1,255,000 Trinidad, Colo. 3⅛s, $860,000 Robstown, Texas 3⅛s and $615,000 Taft, Texas 3⅛s. The *Hartford National Bank and Trust Co.*, bidding alone, was high bidder for $1,190,000 Bridgeport, Conn. bonds as 3⅛s.

Reoffering scales generally ran from 1.50% to 3.30% with some issues, because of local tax considerations, yielding a little less. Due to the complexity of the bidding, most of the underwriting groups spent all of Wednesday just trying to figure out who won what issues and there is at present no report as to how the bonds are being received by investors.

The *First Boston Corp., Drexel & Co.* and associates bought $21,000,000 Los Angeles, California Department of Water & Power (1964-1993) bonds on a 2.969% net interest cost bid. Second bid for the issue, setting a 2.98% net interest cost, came from Harriman Ripley & Co. and associates.

Reoffered to yield from 1.55% to 3.20%, the present balance is $11,160,000.

Dollar Bonds Go Higher

Long-term dollar quoted toll road, toll bridge, public utility and general authority issues have gained considerably again this week. Our revenue bond Index averages out at a 3.369% yield on March 20 against a 3.419% Index a week back. The 23 issues represented in our Index have thus, on an average, gained about a point since last writing.

Some of the issues leading the market are as follows: Kentucky Turnpike, West 4.85% at 113½ bid, up 1¼; Kentucky Turnpike 3.40% at 101 bid, up one; Kansas Turnpike 3⅜% at 91½ bid, up ⅞; Chicago-O'Hare Airport 4¾% at 115 bid, up one; Mackinac Bridge 4% at 103½ bid, up 1⅛; Oklahoma Turnpike 4¾% at 109½ bid, up one; Richmond-Petersburg Turnpike 3.45% at 99 bid, up one; Virginia Toll 3% at 99 bid, up one.

The entire list has generally participated in the rise as individual investors continue to seek out the better yields and ready marketability available in this type of security.

Indications of Current Business Activity

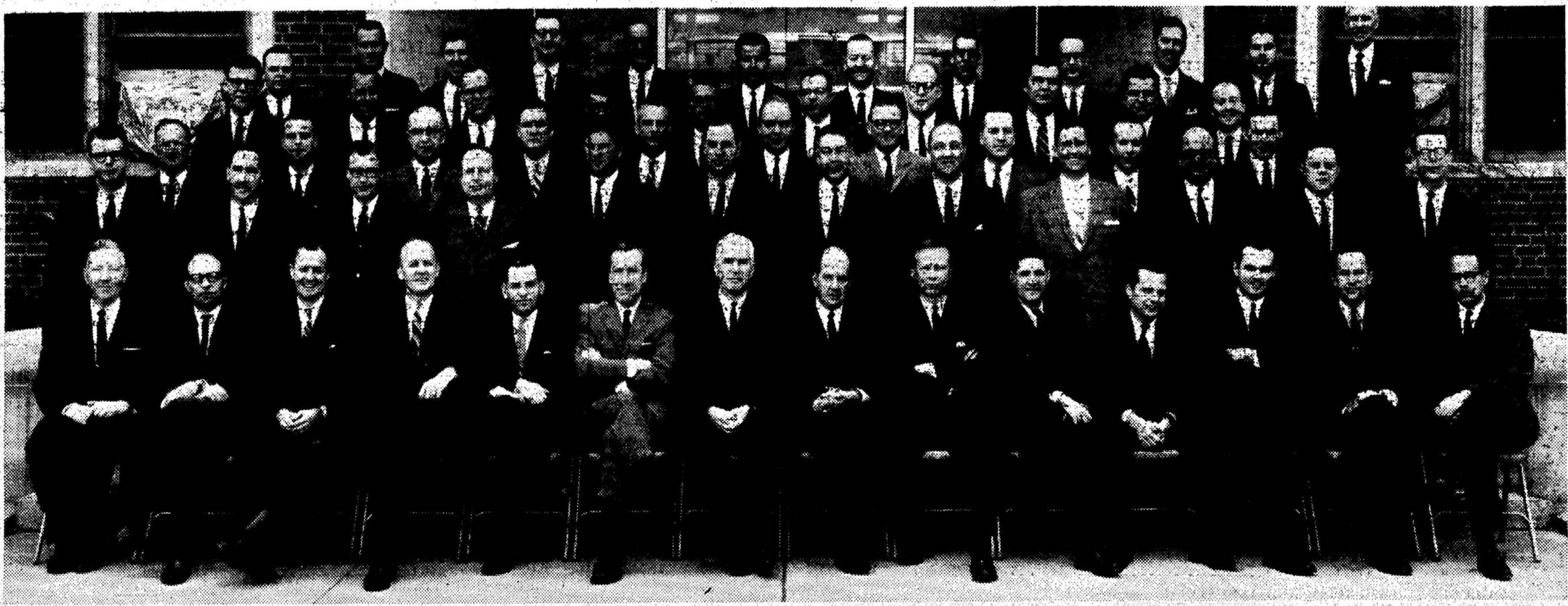
The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Steel ingots and castings (net tons)	Mar. 16	2,225,000	2,178,000	2,054,000	2,387,000
Index of production based on average weekly production for 1957-1959	Mar. 16	119.4	116.9	110.3	128.1
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Mar. 8	7,459,810	7,417,010	7,370,000	7,397,510
Crude runs to stills—daily average (bbls.)	Mar. 8	8,813,000	9,075,000	8,788,000	8,377,000
Gasoline output (bbls.)	Mar. 8	29,447,000	30,531,000	29,518,000	29,571,000
Kerosene output (bbls.)	Mar. 8	3,061,000	3,954,000	3,689,000	3,245,000
Distillate fuel oil output (bbls.)	Mar. 8	15,852,000	16,256,000	15,625,000	13,624,000
Residual fuel oil output (bbls.)	Mar. 8	6,470,000	7,060,000	6,267,000	5,996,000
Stocks at refineries, bulk terminals, in transit, in pipe lines					
Finished gasoline (bbls.) at	Mar. 8	211,754,000	209,395,000	202,115,000	209,395,000
Kerosene (bbls.) at	Mar. 8	22,242,000	23,112,000	25,847,000	23,112,000
Distillate fuel oil (bbls.) at	Mar. 8	83,402,000	89,174,000	104,621,000	89,174,000
Residual fuel oil (bbls.) at	Mar. 8	43,522,000	44,752,000	46,830,000	44,752,000
Unfinished oils (bbls.) at	Mar. 8	81,660,000	81,242,000	81,506,000	81,242,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Mar. 9	517,757	532,817	528,762	525,696
Revenue freight received from connections (no. of cars)	Mar. 9	520,207	498,921	510,032	516,369
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Mar. 9	7,480,000	*8,400,000	8,505,000	8,001,000
Pennsylvania anthracite (tons)	Mar. 9	363,000	312,000	358,000	383,000
CONSTRUCTION ADVANCE PLANNING — ENGINEERING NEWS-RECORD—NEW SERIES (000's omitted):					
Total advance planning by ownership	Mar. 14	$463,700	$1,846,300	$546,800	$389,800
Private	Mar. 14	258,700	1,654,100	205,300	197,800
Public	Mar. 14	205,000	192,200	341,500	192,000
State and Municipal	Mar. 14	172,300	176,900	319,700	182,300
Federal	Mar. 14	32,700	15,300	21,800	9,700
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100	Mar. 9	92	82	89	86
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Mar. 16	16,845,000	17,061,000	17,672,000	16,142,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Mar. 14	348	302	311	339
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Mar. 11	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Mar. 11	$66.43	$63.43	$63.43	$66.44
Scrap steel (per gross ton)	Mar. 11	$27.50	$27.50	$28.17	$31.83
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Mar. 15	30.600c	30.600c	30.600c	30.600c
Export refinery at	Mar. 15	28.425c	28.475c	28.475c	28.675c
Lead (New York) at	Mar. 15	10.500c	10.500c	10.500c	9.500c
Lead (St. Louis) at	Mar. 15	10.300c	10.300c	10.300c	9.300c
‡Zinc (delivered at)	Mar. 15	12.000c	12.000c	12.000c	12.500c
Zinc (East St. Louis) at	Mar. 15	11.500c	11.500c	11.500c	12.000c
Aluminum (primary pig, 99.5%) at	Mar. 15	22.500c	22.500c	22.500c	24.000c
Straits tin (New York) at	Mar. 15	109.125c	109.000c	108.750c	123.500c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Mar. 19	90.23	90.23	90.19	88.09
Average corporate	Mar. 19	89.23	89.23	89.23	86.65
Aaa	Mar. 19	93.23	93.23	93.23	90.34
Aa	Mar. 19	90.91	91.05	90.91	88.40
A	Mar. 19	89.51	89.51	89.37	86.11
Baa	Mar. 19	83.79	83.66	83.79	81.90
Railroad Group	Mar. 19	86.65	86.78	86.38	83.91
Public Utilities Group	Mar. 19	90.63	90.48	90.63	87.32
Industrials Group	Mar. 19	90.63	90.48	90.63	88.67
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Mar. 19	3.72	3.72	3.72	3.89
Average corporate	Mar. 19	4.47	4.47	4.47	4.66
Aaa	Mar. 19	4.19	4.19	4.19	4.39
Aa	Mar. 19	4.35	4.34	4.35	4.53
A	Mar. 19	4.45	4.45	4.46	4.70
Baa	Mar. 19	4.88	4.89	4.88	5.03
Railroad Group	Mar. 19	4.66	4.65	4.68	4.87
Public Utilities Group	Mar. 19	4.37	4.38	4.37	4.61
Industrials Group	Mar. 19	4.37	4.38	4.37	4.51
MOODY'S COMMODITY INDEX	Mar. 19	366.8	368.4	369.3	369.2
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Mar. 9	383,719	375,457	365,319	368,844
Production (tons)	Mar. 9	353,698	348,115	355,574	350,490
Percentage of activity	Mar. 9	95	94	96	96
Unfilled orders (tons) at end of period	Mar. 9	496,459	463,601	464,550	502,431
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Mar. 15	112.55	113.04	113.98	110.73
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Feb. 22	2,183,200	2,835,810	2,925,930	1,832,420
Short sales	Feb. 22	459,770	649,020	709,980	377,500
Other sales	Feb. 22	1,563,260	2,114,400	2,166,920	1,353,810
Total sales	Feb. 22	2,023,030	2,363,420	2,876,900	1,731,310
Other transactions initiated off the floor—					
Total purchases	Feb. 22	445,500	619,600	662,100	219,570
Short sales	Feb. 22	36,200	77,000	80,100	28,200
Other sales	Feb. 22	367,100	530,210	595,960	244,250
Total sales	Feb. 22	403,300	607,210	676,060	272,450
Other transactions initiated on the floor—					
Total purchases	Feb. 22	800,885	1,201,645	1,132,863	663,600
Short sales	Feb. 22	121,104	180,456	178,900	99,060
Other sales	Feb. 22	736,340	1,045,637	1,132,776	666,153
Total sales	Feb. 22	857,444	1,226,093	1,311,676	765,213
Total round-lot transactions for account of members—					
Total purchases	Feb. 22	3,429,585	4,657,055	4,720,893	2,715,590
Short sales	Feb. 22	617,074	906,476	968,980	504,760
Other sales	Feb. 22	2,666,700	3,690,247	3,895,656	2,264,213
Total sales	Feb. 22	3,283,774	4,596,723	4,864,636	2,768,973
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. 22	1,207,296	1,572,170	1,704,871	1,362,347
Dollar value	Feb. 22	$57,923,333	$75,594,775	$79,925,442	$71,968,608
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Feb. 22	1,504,158	1,871,075	1,972,960	1,404,590
Customers' short sales	Feb. 22	17,910	19,028	14,893	10,318
Customers' other sales	Feb. 22	1,486,248	1,852,047	1,958,067	1,394,272
Dollar value	Feb. 22	$71,908,195	$86,988,770	$92,857,310	$71,519,824
Round-lot sales by dealers—					
Number of shares—Total sales	Feb. 22	597,010	698,730	711,530	457,350
Short sales	Feb. 22	------	------	------	------
Other sales	Feb. 22	597,010	698,730	711,530	457,350
Round-lot purchases by dealers—Number of shares	Feb. 22	275,250	404,770	464,190	389,800
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. 22	863,500	1,199,080	1,246,600	600,380
Other sales	Feb. 22	16,514,930	22,211,420	22,956,540	13,178,030
Total sales	Feb. 22	17,378,430	23,410,500	24,203,140	13,778,410
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):					
Commodity Group—					
All commodities	Mar. 12	100.0	*100.2	100.1	100.7
Farm products	Mar. 12	95.5	*96.1	96.2	98.6
Processed foods	Mar. 12	99.2	*99.9	100.3	101.7
Meats	Mar. 12	88.8	*90.4	92.9	96.2
All commodities other than farm and foods	Mar. 12	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. ♦Not available.

	Latest Month	Previous Month	Year Ago
ALUMINUM (BUREAU OF MINES)—			
Production of primary aluminum in the U. S. (in short tons)—Month of January	184,158	182.424	170,140
Stocks of aluminum (short tons) end of Jan.	154,399	140,126	198,424
BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of February (000's omitted)	$274,500,000	$325,900,000	$239,400,000
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of February 28:			
Imports	$541,896,000	$538,111,000	$471,975,000
Exports	703,389,000	729,957,000	915,179,000
Domestic shipments	8,934,000	9,379,000	12,831,000
Domestic warehouse credits	138,808,000	170,149,000	209,840,000
Dollar exchange	158,980,000	149,300,000	105,650,000
Based on goods stored and shipped between foreign countries	1,012,765,000	995,747,000	843,957,000
Total	$2,564,772,000	$2,592,643,000	$2,559,432,000
COAL EXPORTS (BUREAU OF MINES)— Month of January:			
U. S. exports of Pennsylvania anthracite (net tons)	70,023	215,446	124,327
To North and Central America (net tons)	60,902	73,430	64,444
To Europe (net tons)	9,121	141,469	57,684
To South America (net tons)	------	187	32
To Asia (net tons)	------	360	2,167
COKE (BUREAU OF MINES)—Month of Jan.:			
Production (net tons)	4,301,754	*4,088,397	5,374,522
Oven coke (net tons)	4,237,472	*4,034,351	5,274,209
Beehive coke (net tons)	64,282	54,046	100,313
Oven coke stocks at end of month (net tons)	3,820,406	3,930,013	3,860,362
CONSUMER PRICE INDEX — 1957-59 = 100— Month of January:			
All items	106.0	105.8	104.5
Food	104.7	103.5	102.5
Food at home	103.2	101.9	101.2
Cereal and bakery products	108.7	108.2	106.6
Meats, poultry and fish	102.5	102.5	99.8
Dairy products	103.8	103.9	105.6
Fruits and vegetables	106.4	100.2	100.6
Other food at home	97.6	97.2	97.2
Food away from home (Jan., 1958=100)	112.3	112.2	109.2
Housing	105.4	105.2	104.4
Rent	106.3	106.2	105.1
Gas and electricity	108.2	108.1	107.8
Solid fuels and fuel oil	104.9	104.8	103.9
Housefurnishings	97.9	98.6	98.7
Household operation	109.3	108.1	106.5
Apparel	103.0	103.9	101.8
Men's and boys'	103.5	104.3	102.4
Women's and girls'	100.2	101.5	98.6
Footwear	109.8	109.9	108.9
Other apparel	100.3	101.3	100.0
Transportation	106.6	108.0	106.0
Private	105.3	106.8	104.8
Public	115.7	115.7	114.7
Medical care	115.5	115.3	112.6
Personal care	107.4	107.6	105.6
Reading and recreation	110.2	110.0	108.5
Other goods and services	105.7	105.6	104.9
INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM — 1957-59 Average=100—Month of February:			
Seasonally adjusted	119	119	116
Unadjusted	120	118	116
NEW YORK STOCK EXCHANGE— As of January 31 (000's omitted):			
Member firms carrying margin accounts—			
Total customers net debit balances	$4,236,000	*$4,149,000	$4,145,000
Credit extended to customers	28,000	24,000	34,000
Cash on hand and in banks in U. S.	414,000	405,000	436,000
Total of customers free credit balances	1,199,000	1,216,000	1,225,000
Market value of listed shares	363,215,228	345,846,116	375,203,217
Member borrowings of U. S. Govt. issues	591,000	843,000	347,000
Member borrowings on other collateral	3,025,000	3,004,000	2,984,000
REAL ESTATE FINANCING IN NONFARM AREAS OF U. S. — HOME LOAN BANK BOARD—Month of Dec. (000's omitted):			
Savings and loan associations	$1,168,024	$1,269,755	$1,041,436
Insurance companies	103,460	104,936	88,488
Banks and trust companies	444,452	489,774	400,342
Mutual savings banks	168,283	178,433	138,339
Individuals	264,323	277,236	294,049
Miscellaneous lending institutions	533,429	562,546	496,506
Total	$2,681,971	$2,882,680	$2,459,160
RUBBER MANUFACTURING ASSOCIATION, INC.—Month of January:			
Passenger & Motorcycle Tires (Number of)—			
Shipments	9,975,023	7,736,844	9,841,025
Production	10,902,459	9,291,298	10,173,285
Inventory	25,171,163	24,285,563	23,059,423
Tractor Implement Tires (Number of)—			
Shipments	357,008	176,566	331,187
Production	311,568	256,958	313,332
Inventory	1,105,338	1,143,496	1,107,535
Passenger, Motorcycle, Truck and Bus Inner Tubes (Number of)—			
Shipments	5,073,988	2,640,164	5,297,126
Production	3,953,936	3,140,714	3,691,642
Inventory	8,938,090	9,897,642	8,062,019
Tread Rubber (Camelback)—			
Shipments (pounds)	39,679,000	40,696,000	40,297,000
Production (pounds)	41,719,000	*40,243,000	41,299,000
Inventory (pounds)	17,263,000	15,509,000	16,412,000
Truck and Bus Tires (Number of)—			
Shipments (pounds)	1,250,182	1,040,738	1,135,749
Production	1,527,828	1,330,099	1,327,099
Inventory	3,883,081	3,613,424	3,740,552
TIN—CONSUMPTION OF PRIMARY AND SECONDARY TIN IN THE UNITED STATES BUREAU OF MINES—Month of December (in long tons):			
Stocks in beginning of period	29,670	29,435	33,910
Receipts	6,685	6,380	8,895
Supply	36,355	35,815	42,805
Stocks at end of period	30,680	29,670	36,265
Total processed	5,675	6,145	6,540
Intercompany scrap transactions	160	145	200
Consumed in manufacturing	5,515	6,000	6,340
Primary	3,760	4,030	3,990
Secondary	1,755	1,970	2,350
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of February:			
Net sales	------	------	------
Net purchases	$142,088,600	$80,730,000	$47,149,300

Graduates—1963 Institute of Investment Banking



FIRST ROW
(From left to right)
Dan S. Williams
Eastman Dillon, Union Securities & Co., San Francisco
C. Gordon Childs
First California Company, Portland, Ore.
Clinton P. Stevens
Alex. Brown & Sons, Baltimore
John D. Newell
Lehman Brothers, Minneapolis
F. Brittain Kennedy, Jr.
Braun, Bosworth & Co., Chicago
George L. Shinn
Merrill Lynch, Pierce, Fenner & Smith Incorporated, Philadelphia
Frank Stonecipher
Courts & Co., Chattanooga, Tenn.
Charles D. Arnott
Singer, Deane & Scribner, Youngstown, Ohio
Will Hill Tankersley
Sterne, Agee & Leach, Montgomery, Ala.
Vincent A. Wood, Jr.
J. C. Wheat & Co., Roanoke, Va.
Clifford Lanier, Jr.
Thornton, Mohr, Farish & Gauntt, Inc., Montgomery, Ala.
George W. Gearner
First Southwest Company, Houston
Lee S. Duddleston, Jr.
Kroeze, McLarty & Duddleston, Jackson, Miss.
John H. Ensor
Robert Garrett & Sons, Baltimore

SECOND ROW
(From left to right)
Michael J. Bulford
Greenshields & Company Incorporated, New York
Leonard M. Greenebaum
John C. Legg & Company, Pikesville, Md.
Richard H. Spurzem
Piper, Jaffray & Hopwood, Rochester, Minn.
Arthur D. Baker, Jr.
Butcher & Sherrerd, Philadelphia
Richard F. Blue
Robert Garrett & Sons, Baltimore
A. Stanley Brager, Jr.
Stein Bros. & Boyce, Baltimore
Joseph R. Carson
Hemphill, Noyes & Co., Philadelphia
Walter A. Caine, Jr.
J. A. Hogle & Co., New York
Eldridge J. MacEwan, Jr.
Drexel & Co., Philadelphia
Henley C. Hoge, III
Auchincloss, Parker & Redpath Washington, D. C.
J. Patrick Lynch, Jr.
Wm. E. Pollock & Co., Inc., New York
Thomas M. Dale, Jr.
Kalman & Company, Inc., Minneapolis

THIRD ROW
(From left to right)
Jack Danby
First California Company, Eugene, Ore.
John H. Jenney
The Ohio Company, Columbus
David L. Baker
Merrill, Turben & Co., Inc., Cleveland
James L. Crawford
Clark, Dodge & Co., Inc.
Semmes G. Walsh
Baker, Watts & Company, Baltimore
B. Wade Isaacs
Mason-Hagan, Inc., Richmond, Va.
James A. Stewart
McLeod, Young, Weir, Inc., New York
Richard T. Gibbons
Putnam & Co., Middletown, Conn.
William L. Clayton
E. F. Hutton & Company, Inc.
John J. D'Luhy
Lazard, Freres & Co., New York

FOURTH ROW
(From left to right)
Paul E. Soltis
Thomas & Company, Pittsburgh
James B. Skinner
Schwabacher & Co., San Francisco
Edward P. Prescott, Jr.
Prescott & Co., Cleveland, Ohio
William H. Richardson
Trubee, Collins & Co., Buffalo, N. Y.
Richard L. Hall
Paine, Webber, Jackson & Curtis, Boston
William H. Patterson
United California Bank, Los Angeles
David H. Woodruff
Marine Trust Company of Western New York, Buffalo
Robert A. Witbeck
Estabrook & Co., Boston
Peter T. C. Bramhall
Hornblower & Weeks, Portland, Maine
Richard L. Tauber
Morgan Guaranty Trust Company New York

FIFTH ROW
(From left to right)
Ronald E. Overlid
Allison Williams Company, Minneapolis
Ronald E. Eadie
Wells Fargo Bank, San Francisco
George B. Daniels
Frost, Read & Simons, Inc., Charleston, S. C.
Thomas L. Carter
Loewi & Co. Incorporated, Milwaukee
Donald W. Crowell
Crowell, Weedon & Co., Los Angeles
Robert F. Bannister
Hayden, Stone & Co., Inc., Miami, Fla.
George M. Wilson
Hayden, Stone & Co., Inc., Coral Gables, Florida
Richard A. Parker
Hayden, Miller & Co., Cleveland, Ohio
Bill Sexton
Interstate Securities Corporation, Winston-Salem, N. C.
James F. Gallivan
Alester G. Furman Co., Greenville, S. C.
Peter A. Nowakoski
Clark, Dodge & Co., Inc., Newark, N. J.
Fred A. Slimp
Dittmar & Company, Inc., San Antonio

The State of TRADE and INDUSTRY

Continued from page 14

ahead of consumption. *Steel* figured user inventories during the first quarter will increase by 950,000 tons. That is only one-fourth the size of the buildup in the first quarter of 1962 (3.7 million tons).

Although many users are planning to hedge, automakers are among the few that have announced their intentions.

How much steel automakers buy in the next few months will, of course, depend on how closely they adhere to their production schedules. They are planning to build about as many cars in the second quarter as they have scheduled for the first (1.9 million), but they will cut back if there is any weakening in demand.

Although January and February auto sales exceeded last year's corresponding figures by 13.5%, they trailed production by 217,000 units. Result: Dealer inventories climbed to over one million cars on March 1. That is a 46 day supply at the February sales pace—not excessive, perhaps, but big enough to make steelmakers nervous.

Improving metalworking business and rising seasonal demand from industries like canmaking and construction are also helping the steel market's upswing.

Capacity Jumps to 73%

Steel mills are activating furnaces in response to the sharp improvement in demand. Steelmaking has jumped to about 73% of unofficial capacity; around 2,240,000 tons were produced last week. *Steel* looked for the eighth consecutive increase in steel ingot production this week.

Scrap is not benefiting from the steelmaking gains. Steelmakers are reactivating blast furnace capacity, planning to use more blast furnace hot metal in their melts. This situation and a heavier flow of scrap because of moderate weather are contributing to a softer market generally. *Steel's* composite on No. 1 heavy melting steel is unchanged from a week ago at $28 a gross ton.

Steel said top Soviet officials are predicting that Russian steelmakers will turn out 5% more ingot steel in 1963 than they did in 1962 (about 84.2 million tons).

Oxygen steelmaking is getting as much attention behind the Iron Curtain as it is in the Free World. By 1965, Russia reportedly will turn out 22 million tons of steel annually in oxygen converters. And it is estimated blast furnace productivity is being lifted 15 to 20% by blowing in oxygen-enriched natural gas.

Carbon

A competitive battle in the U. S. automotive trim market may be shaping up.

This week *Steel* announced that Du Pont is testing a carbon steel with a diffused, stainless type coating. Company officials talk conservatively about test results, but they admit potential customers are excited about the product's possibilities. Du Pont is field testing bumpers, wheel covers, and trim.

Mills' Order Rate at Highest Point Since 1962's Inventory Push

The steel inventory buildup is moving ahead at a rate that will add about four million tons of steel to user stocks in the second quarter, *Iron Age* magazine reported.

By comparison, this is about the rate of buildup that characterized the first quarter of 1962. This means inventory buying is nearly a full three months behind the rate of last year when steel users indulged in a period of furious strike hedging.

The contrast is even more apparent in the pattern of this year's buying, *Iron Age* noted. Users are much more careful. They are not doubling their tonnages overnight. With only one more month of grace, buyers are a full three months behind last year's pace.

The reasons are obvious. With a mandatory 90-day advance notice not earlier than the end of April, steel consumers feel mills can deliver very nearly what they need in that time. Further, there has been little saber rattling by either steel labor or management.

Reports, vague as they may be, of progress in the union-industry Human Relations Committee, have lulled many steel users into a hopeful attitude that there will be no strike, the magazine said.

Both industry and labor leaders have pointedly avoided any reference to the probability of a May 1 reopening notice. Strategically, from the union side, this might not be the most advantageous time to move.

Nevertheless, the major steel users know, and have stated in no uncertain terms, that they can not afford to be caught with low inventories if a steel strike is called in late summer or autumn. Other smaller industries that might be tempted to gamble, for the most part are being carried into the inventory buildup by the pressure of their customers.

The order rate for most mills is now at the highest point since last year's inventory push. For short periods, order rates for some mills have run over 100% of capacity. A rate of 80% would be conservative. But most steel people do not forecast anything like the ordering surge of 1962 which occasionally ran from 125 to 150% of capacity to produce.

Auto Output Stays 10% Above Year-Ago for Two Weeks In a Row

Ward's Automotive Reports said that the output of 1963 model passenger cars from U. S. plants last week continued to range more than 10% above corresponding 1962 despite some caution reflected in assembly programs.

The statistical agency estimated output last week at 149,523 cars, only 1.4% off the 151,699-unit total of the prior week and well above 135,574 cars produced in the same week of a year ago.

Ford Motor Co., planned 22.9% of last week's output and scheduled production at one plant in overtime last Saturday, March 16 (Mahwah, N. J.), yet closed its Wixom (Mich.) plant last Monday only and its Dearborn (Mich.) complex on Friday. Additionally, its Metuchen (N. J.) site was closed all of last week.

Studebaker Corp. produced cars at South Bend (Ind.) on Monday of a week ago, but sent home its Lark and Hawk model assemblers for the balance of last week in another production adjustment.

Offsetting these cutbacks, however, American Motors' output of Rambler cars returned to a 24-hour, five-day basis last week. In two previous weeks, Rambler assembly had been affected by a shortage of underbodies developing within a supplier company. Ramblers were expected to account for 7.0% of last week's output.

Chrysler Corp.'s six car-making complexes were programmed for normal five-day operations, some facilities employing two shifts, as that auto maker's production and sales continue to range far ahead of a year ago. The company was expected to account for 13.6% of last week's output.

General Motors Corp., planned

56.3% of industry assembly last week.

Rail Freight Drops 1.5% Below Last Year's Week

Loading of revenue freight in the week ended March 9, totaled 517,757 cars, the Association of American Railroads announced. This was a decrease of 15,060 cars or 12.8% below the preceding week.

The loadings represented a decrease of 7,939 cars or 1.5% below the corresponding week in 1962, but an increase of 25,173 cars or 5.1% above the corresponding week in 1961.

There were 15,377 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended March 2, 1963 (which were included in that week's over-all total.) This was an increase of 1,627 cars or 11.8% above the corresponding week of 1962 and 4,308 cars or 38.9% above the 1961 week.

Cumulative piggyback loadings for the first nine weeks of 1963 totaled 123,107 cars for an increase of 14,087 cars or 12.9% above the corresponding period of 1962, and 32,919 cars or 36.5% above the corresponding period in 1961. There were 61 class I U. S. railroad systems originating this type traffic in this year's week compared with 58 one year ago and 57 in the corresponding week in 1961.

Truck Tonnage Gains 1.2% Over Year-Ago Week; Marks First Rise in Eight Weeks

Intercity truck tonnage in the week ended March 9 was 1.2% ahead of the volume in the corresponding week of 1962, the American Trucking Associations announced. Truck tonnage was 1.0% above the volume for the previous week of this year. The year-to-year tonnage gain is the first increase over 1962 recorded since the second week of this year.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

The terminal survey for last week showed increased tonnage from a year ago at 19 localities, with 15 points reflecting decreases from the 1962 level. Trucking centers at five points registered tonnage gains ranging from 10.0 to 22.6%, while two areas reflected decreases of 10% or more.

Compared with the immediately preceding week, 27 metropolitan areas registered increased tonnage, while seven areas reported decreases.

Lumber Data Unavailable

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

Electric Output Rises to 4.4% Over Last Year's Level

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, March 16, was estimated at 16,845,000,000 kwh., according to the Edison Electric Institute. Output was 216,000,000 kwh. less than the previous week's total of 17,061,000,000 kwh., and 703,000,000 kwh. above the total output of the comparable 1962 week, or an increase over the year ago week of 4.4%.

Business Failures Climb in Latest Week

Reaching the highest level since the middle of June last year, commercial and industrial failures rose to 348 in the week ended March 14 from 302 in the preceding week, reported Dun & Bradstreet, Inc. Casualties inched ahead of the 339 occurring in the similar week a year ago but did not quite equal the 363 in 1961. Some 17% more businesses succumbed than in 1939 when the pre-war toll came to 298.

The week's upturn took place among failures with liabilities under $100,000, which climbed to 297 from 249 a week earlier and 280 in the comparable week of 1962. Meanwhile, there was little change among larger casualties involving losses in excess of $100,000. They numbered 51 as against 53 in the prior week and 59 a year ago.

The toll among retailers jumped to 167 from 126 (revised) in the preceding week, and there was a mild increase in the manufacturing toll to 68 from 61. In other lines, little fluctuation appeared—construction casualties edged to 53 from 51, wholesaling slackened to 27 from 31 (revised) and service held steady at 33. More manufacturers and retailers failed than last year; service enterprises matched their year-earlier rate. However, dips from 1962 levels occurred in wholesaling and construction.

Five geographic regions reported rising business tolls during the week. Failures in the East North Central States surged to 82 from 43, while moderate upturns lifted Middle Atlantic casualties to 84 from 77, South Atlantic to 51 from 44, and Pacific to 66 from 54. The week's only appreciable declines occurred in the West North Central and West South Central States, down to 16 and 15 respectively. In six of nine major regions, failures did not vary from last year's levels by more than three cases. Two areas, the East North Central and South Atlantic, had noticeably heavier casualties than in 1962 while the Middle Atlantic had fewer.

Fifty Canadian failures were reported as compared with 43 in the preceding week and 40 in the similar week a year ago.

Wholesale Commodity Price Index Remains Down

After inching down last Wednesday to 266.99, the lowest since Jan. 19, 1961, the general wholesale commodity price index prepared by Dun & Bradstreet moved back last Monday to approximately the same level as a week ago. Silver, tin, rubber and cotton moved a little higher in wholesale cost, while a mixture of ups and downs were registered in grain and livestock. Quoted lower than on the comparable day last week were wheat, oats, hogs and lambs, while corn, rye and steers were quoted higher.

The Daily Wholesale Commodity Price Index stood at 267.36 (1930-32 = 100) on Mon., Mar. 18, close to the 267.35 in the preceding week. It was off slightly from the 268.24 chalked up on the similar day of February and remained down appreciably from the comparable 1962 level of 272.60.

Wholesale Food Price Index Off Fractionally in Latest Week

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., inched down 0.2% to $5.77 on March 19 from $5.78 in the preceding week. Continuing the trend below year-earlier levels in effect since Dec. 11, 1962, the index fell 2.0% short of the $5.89 on the similar day in March last year and was down sharply from $6.04 in 1961.

Dips in wholesale cost were registered for wheat, eggs, potatoes, cottonseed oil, hogs and lambs. These outweighed by a very slight margin the higher quotations chalked up at wholesale markets for corn, rye, hams, bellies, sugar, cocoa and steers.

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.

Moderating Weather Sparks Retail Purchases

Spring buying finally got under way with some zest in the week ended Wednesday, March 13. With good weekend weather, strong gains were chalked up on Saturday, and, while rains and floods hampered retail activity in some areas early this week, total volume pushed well ahead of the year-ago level. Women shoppers' interest came alive, as temperatures moderated. Although the buying pace in men's wear was uneven, some over-all headway appeared. Demand for home goods remained relatively slow, with sizable gains reported in only a few areas. However, signs of spring refurbishing were noted in the movement of furnishings and housewares as well as in hardware and building supplies. Car purchases continued to hold their wide margin over year-earlier volume, while food purchases during this Lenten week held about even.

The total dollar volume of retail trade in the statement week ended Wednesday ranged from 3 to 7% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1962 levels by the following percentages: New England —4 to 0; East North Central —2 to +2; East South Central 0 to +4; West South Central +1 to +5; West North Central +2 to +6; Pacific +3 to +7; Mountain +7 to +11; Middle Atlantic +8 to +12; South Atlantic +10 to +14.

Nationwide Department Store Sales Rise 7% Above Last Year's Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported an overall gain of 7% the week ended March 9, compared with the like period in 1962.

In the four-week period ended March 9, 1963, sales gained +2% over the corresponding period in 1962.

According to the Federal Reserve System, department store sales in New York City for the week ended March 9, advanced 3% above 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 Friday, March 8, but on March 17 the N. Y. printers' rank-and-file rejected the publishers' contract by 1,621 to 1,557 votes. Except for the N. Y. *Post*, which resumed publication Feb. 28, New York City will still be without any major newspapers.

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 2% 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 for two consecutive weeks in a row 5% below last year's period, but the sales for the week ending March 9 were 6% above the comparable week in 1962.

In contrast to the FRB department stores' 2% sales gain in the four weeks ending March 9, the Commerce Department reported *total retail sales,* unadjusted for seasonal variations, for the same four week period rose 6% compared to last year's level. The year-ago percent change for the current March 9th showed an 8% gain.

Current News in the Field

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

NEW FIRMS

BAYONNE, N. J.—**Trio Financial Planning**, 852 Broadway. William M. Corey is proprietor.

BEVERLY HILLS, Calif.—**Harrison Kolb & Company**, 186 North Canon Drive. Harry Kolb is proprietor of the firm. He was formerly an officer of Kolb & Lawrence, Inc.

BROOKVILLE, N. Y. — **Liberty Securities Company**, 11 Emerson Road. Paul Chayka is proprietor. He was formerly with Bache & Co.

CORAL GABLES, Fla. — **Elliott Securities Ltd., Inc.**, 3807 Granada Boulevard, formerly Joseph Chakoff, Securities. Officers are Joseph Chakoff, President; Benjamin Chakoff, Vice-President; and Roslyn Chakoff, Secretary and Treasurer.

DENVER, Colo.—**Professional Planning Corp.**, 10395 West Colfax. Officers are Joseph M. Lemley, President; Seth C. Gatchell, Executive Vice-President; Marvin R. Florell, Ranald H. Macdonald III, and James D. Geissinger, Vice-Presidents; and Merle L. Lemley, Secretary and Treasurer.

EAST ORANGE, N. J. — **Maria Botjes Associates**, 351 Williams Street. Maria Botje, sole proprietor, was formerly with Julian Grunberg & Co., and Rodetsky, Walker & Co.

JERSEY CITY, N. J. — **A & R Investment Co.**, 134 Terrace Ave. Partners are Robert J. Crescenzo and Alphonse T. Crescenzo.

LOS ANGELES, Calif.—**J. Bento & Co.**, 100 North Kenmore Ave. Joseph M. Benton, sole proprietor, was formerly with Costello, Russotto & Co. and Stern, Frank, Meyer & Fox.

MINNEAPOLIS, Minn. — **MTS Company**, Soo Line Building. Charles C. Dunnavan is President.

NEW YORK CITY—**Laren Securities Corporation**, 26 Broadway, formerly Laren and Grimm Inc.

NEW YORK CITY—**First Pickard Corporation**, 60 Wall Street. In the Chronicle of March 7th it had been reported that First Pickard Corporation was a successor to Sackville-Pickard and Company, Inc. We have been informed this is in error, as the corporation has only changed its name, no other changes being effected.

OGDEN, Utah—**Capital Investors**, 2404 Washington Boulevard. Officers are Rulan J. Redford, President; Charles W. Goff, Vice-President; and Franklin D. Richards, Secretary and Treasurer.

RENSSELAER, Ind. — **Knorr & Company**, 623 Milroy Avenue. Theodore W. Knorr is proprietor.

SHREVEPORT, La. — **American Belle Investment Corporation**, Firepoint Plantation. Officers are Elizabeth L. Sentell, President; Barbara C. Baker, Vice-President; Hazel W. Jeffcoat, Treasurer, and Marie H. Polzin, Secretary.

TUCSON, Ariz.—**Registered Planning Associates, Inc.**, 4625 East Broadway. Robert J. Rumsey is President.

WASHINGTON, D. C. — **Wachtel & Co., Inc.**, 729 Fifteenth Street, N. W. Officers are Sidney B. Wachtel, President; Christian L. Engleman, Executive Vice-President; I. S. Wachtel, Vice-President and Treasurer; Irving P. Bauman, Vice-President; and Kurt Berlin, Secretary. Sidney B. and I. S. Wachtel were formerly partners in Wachtel & Co.

WASHINGTON, D. C. — **Gerard Corporation**, 4706 Wisconsin Ave., N. W. Officers are Gerard T. Corkery, President and Treasurer, and Irene Lewis, Secretary.

YONKERS, N. Y. — **Herbert S. Kanter**, 122 Alta Vista Drive. Mr. Kanter was previously with Richard Bruce & Co., Inc. and M. L. Lee Co., Inc.

NEW BRANCHES

BOSTON, Mass.—**Moss, Roberts & Co.**, 40 Court St., John J. Moss will direct the operations of this local branch.

CHATTANOOGA, Tenn.—**J. C. Bradford & Co.**, Pioneer Bank Building. Paul Christensen is manager.

EAST ST. LOUIS, Ill.—**Grant, Jones & Company, Inc.**, 1054 State St., William F. Dunham is manager.

HARRISBURG, Pa. — **Woodcock, Moyer, Fricke & French Inc.**, 2635 Reel Street. Charles Doran Vance is representative in charge.

LEXINGTON, Ky.—**Bankers Bond Co.**, 200 East Main Street. The address was previously reported incorrectly as 400 East Main St.

ST. PETERSBURG, Fla.—**Peninsular Investments**, 7240 Central Avenue. Elmer F. Warnke is manager of the local office.

ST. PETERSBURG, Fla.—**Harris, Upham & Co.**, 3303 Third Avenue, North. Albert Wadle is manager of the new office. Willard A. Gortner, Walter J. Loick and Paul B. Good are associated with it as registered representatives.

SARASOTA, Fla.—**Wilson, Goldwyn & Strange, Inc.**, 212 South Osprey Avenue. Jerome H. Goldwyn is in charge.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—A prominent Worcester, Mass., businessman recently asked an acquaintance in Washington "What's going on Washington?" Still another businessman and banker from Charlotte, N. C., asked a similar question.

Then the wife of the head of a large investment firm in the Far South, in the Nation's Capital with her husband who appeared before the House Ways and Means Committee, came up with an almost identical question.

Apparently each was seeking some news or developments in their Capital that they had not been able to obtain from their newspapers. Some things were unclear to them as Government gets bigger and more complicated.

Their questions evoked some thinking of what really is going on in Washington, but have not made the front pages. Cuba has long been headlines and perhaps some of the biggest are yet to come.

Meantime, nearly every United States Senator, and no doubt all the House members, are getting a substantial volume of mail concerning Castro and the Cuban crisis.

"All of my colleagues here in the Senate are receiving a great deal of Cuban mail," said a senior Senator, "and there is no doubt in my own mind that the country as a whole is very much concerned about the events which have taken place, and are taking place every day, on that most unfortunate island in the Carribean.

"There is no doubt that Cuba poses a very vexing, and may I add, a dangerous situation. We are dealing with a maniac, who might not hesitate to cause an incident that would lead to war."

As far as Congress is concerned there have been some hearings and reports filed. Some of the reports deal with junketing Congressmen who "lived it up" when they traveled abroad at taxpayer's expense last fall after Congress adjourned.

Now numerous Congressional staff members are getting in on the "fringe benefits" that go with working on Capitol Hill. There is no doubt that some of the trips were made by working members of Congress and their staff members, but the public is frowning more and more on junkets, and nearly all trips overseas are being lumped together as junkets. Numerous members of Congress take their wives with them. They emphasize that they paid the transportation cost of their spouses, but the airplane ticket or the ocean liner cost is only a part of the overall total cost of the overseas travel.

The Answer Is "Nothing"

The trio of inquiring citizens who recently sought to find out "what is going on in Washington," may be mildly surprised to know that although two months have passed since Congress convened, not a single piece of major important legislation has passed or even been considered on the floor of either House.

The liberal bloc in the House has been successful in "repacking" the Rules Committee, which is designed to unbottle everything and make it easy or easier to get Administration legislation to the floor. In the Senate a major accomplishment has been the efforts of the conservatives to keep the so-called rule of the filibuster which permits Senators to bottle up legislation.

The action in the House and the action in the Senate is a bit inconsistent. Traditionally the House is more conservative than the Senate. A few days ago one member of the House wrote a letter directed to his district that the conflicting policies are "completely consistent with the inconsistent policy handed Congress for its approval—a liberal policy of spending more, combined with the conservative policy of taxing less—a very wonderful thing if it can done. We do not think it can and neither does the country. From all appearances, Congress does not think so either."

A check of a few of the Congressional offices from scattered sections of the country indicates that letters the law-makers are receiving are opposed to a tax reduction without first reducing spending.

Sentiment Growing For a Balanced Budget

There is no question but sentiment is growing for a balanced budget. Therefore, it seems inevitable that a mighty attack on the budget is shaping up among conservatives, both Democrates and Republicans. There is a chance it will meet with some success, but this will depend to a great degree on the American people.

If there is going to be a tax reduction, and there is a favorable chance of a cut by the end of the year, there will be a comparable reduction in spending.

The Joint Economic Committee of the Senate and House issued a 114-page printed report a few days ago. The Democratic Majority, as to be expected, called for a $10 billion tax reduction spread over the next three years as proposed earlier in the year by President Kennedy. However, the majority said $6 billion should be cut in 1963.

Republicans on the Joint Economic Committee in minority views said they are all for a tax reduction, but they want the Administration to cut spending first.

More Treasury Bond Auction Sales Recommended

Of marked interest to investment firms and banks is the recommendation of the Joint Economic Committee concerning the issuance of bonds by the United States Treasury. There is no reason for the Treasury Department to pursue a policy of extreme shortening of the debt structure, the Committee said. In advocating long term financing, the Congressional Committee suggested the Treasury conduct more bond auctions in the future.

The Joint Economic Report commended the Treasury for its exploration of the auction bond method, and for the success that marked the sale of $250,000,000 of 1988-93 bonds last year. The report suggested that the practice of offering longer and medium-term Treasury bonds at competitive bidding be made an established part of the Treasury's debt management practices. Incidentally, the Treasury contemplates the sale of approximatelly $250 million bonds via the auction method in the near future.

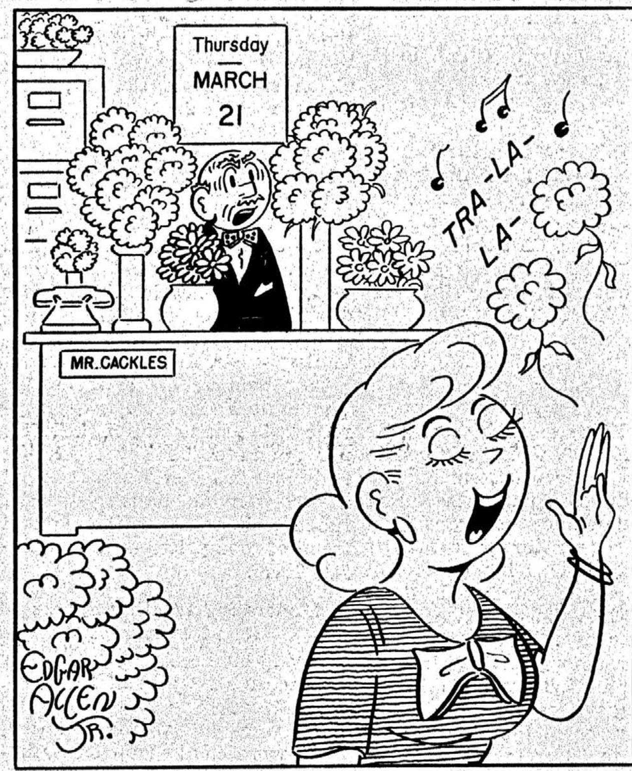
Our National debt came in for review and some criticism in the report. Senator William Proxmire, Democrat of Wisconsin, in an individual report which was made a part of the majority report declared that our $300 billion plus national debt is greater than the national debt of all other nations in the world combined.

The Mid-Westerner takes a dim view of the contentions of some Administrationists that a cut in taxes would result in a lower deficit on the theory that more spending would mean more tax income for the Treasury. "That is almost certainly wrong," said Mr. Proxmire.

It is costing about $10 billion a year now to service our national debt. A Federal deficit of large proportions must be financed during 1963-64, regardless of whether Congress votes to cut taxes.

The Republican minority report advocated a "temporary ceiling of $95 billion on Federal spending," until our fiscal affairs can be placed in order. The minority maintained that the nation's economic problems are more complicated and deeper "than the Administration would have us believe." Senators Jacob Javits of New York and Jack Miller of Iowa signed the minority report.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]



"I appreciate your spirit, Miss Toodles, but here in Wall Street we don't get quite so emotional about the first day of Spring!"

COMING EVENTS

IN INVESTMENT FIELD

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.

May 12-15, 1963 (Chicago, Ill.)
Financial Analysts Federation annual convention at the Palmer House.

May 13-15, 1963 (Washington, D. C.)
National Association of Mutual Savings Banks 43rd annual conference at the Sheraton Park Hotel.

May 16-17, 1963 (Cincinnati, O.)
Municipal Bond Dealers Group of Cincinnati Annual Field Day—Reception and Dinner May 16 at the Queen City Club; Outing May 17 at the Losantiville Country Club.

May 16-17, 1963 (Nashville, Tenn.)
Nashville Association of Securities Dealers annual spring party at the Hillwood Country Club and Belle Meade Country Club, respectively.

May 17, 1963 (Baltimore, Md.)
Baltimore Security Traders Association 28th annual spring outing at the Country Club of Maryland.

June 21, 1963 (Philadelphia, Pa.)
Investment Traders Association of Philadelphia annual summer outing and golf tournament at the Whitemarsh Country Club, Whitemarsh, Pa.

May 30-31, 1963 (Atlanta, Ga.)
Georgia Security Dealers Association Spring Party. A Cocktail Party and Dinner will be held May 30, with Outing on May 31.