EDITORIAL

As We See It

It is not easy to be certain of the exact interpretation to be placed upon the President’s recent outgiving on the subject of steel prices or upon the accompanying homily about economics in general. At some point or other a “selective” price increase could, of course, become the practical equivalent of an “across-the-board” price increase. The Chief Executive lets it be known that he is still strongly opposed to any upward “across-the-board” change in the prices asked by the steel industry, but there are voices, notably Theodore Roosevelt used to call wangling words in what he has to say. It may or may not be particularly significant that the Chief Executive takes pains to say that the situation is in certain respects quite different from what it was last year when his outburst against announced steel price increases shocked the industry—and a good many outside it. For further light one must await the lapse of time.

But whatever may be the outcome of all this, certain questions are raised by the President’s gratuitous advice to the steel industry concerning prices, profits and the like. “The steel industry,” he says, “which has been hard hit from competition from lower-priced substitute products and foreign producers, has been operating far below capacity. What it needs is more business at competitive prices, not less business at higher prices.” And again, “This Administration is not interested in determining the appropriate price or profit levels of any particular industry. We are interested in protecting the American public—and it is the American public which would suffer most from a general increase in steel prices.”

“It would invite another inflationary spiral in place of the present wage-price stability. It would hamper our export expansion and increase im-

(Continued on page 30)

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Electronics Industry Featured In This Issue

Growing International Competition And Policies for Economic Growth

By Per Jacobson, Managing Director of the International Monetary Fund, Washington, D. C.

Notable address by Per Jacobson, marking his sixth and final appearance before the U. N.’s Economic and Social Council, is more than a progress report on the IMF’s bold initiatives and accomplishments under his leadership. It also: (1) urges with candor what ought to be done to improve underdeveloped countries’ situations; (2) explains why exchange market operations have been calm (3) sees need to expand availability of leading currencies but not monetary reserves; (4) favors I.B.T.S. tax cut, wage guidelines policy; and international economic coordination; and (5) repays inflation.

It was six years ago, in April, 1957, that I first had the honor to appear before the Economic and Social Council as Managing Director of the International Monetary Fund. It was a time of great difficulties—political and otherwise—most acutely centering around the Korean crisis at the end of the previous year. Of particular concern to the Fund, however, was the balance of payments disturbances connected with that crisis and the monetary tensions which it had caused. But even then I was able to report that some difficulties had already been resolved. The Fund had just undertaken its largest transaction to date by extending assistance to the United Kingdom in an amount equivalent to $1.5 billion, and several other countries also received financial assistance from the Fund.

As a result of the strains following Suez, in particular, it is perhaps worth recalling that both France and the United Arab Republic drew from the Fund in the early months of 1957. Assistance was also extended in the equivalent of $200 million to Iraq and $55 million to Argentina. For the Fund, 1957 was a year of exceptional activity and not only were the strains and tensions resulting from the crisis overcome, but in addition constructive work to strengthen the financial and economic structure could be continued.

Much progress has been made since that time and the trade has been extensively liberalized; many currencies have become stronger and all the major trading currencies have become convertible; the monetary reserves of many countries have substantially increased; and the monetary defenses against undervalued movements of volatile funds have been greatly strengthened, most prominently by an increase in the Fund’s resources and by the Fund’s borrowing arrangements, but also in other ways—especially through closer central bank cooperation, economic expansion has continued—unusually, it is true, but with almost no real set-back anywhere—and on the whole the average level of prices has remained relatively stable for several years. These are real achievements, and while we must all recognize that many difficult questions have not yet been solved, we should be grateful for the positive results that have been attained.

The year on which I am reporting here also has been a difficult one—economically and financial as well as political. This time, the economic and financial difficulties came first—the decline on the stock exchanges on both sides of the Atlantic in the spring of 1962 and the down-turn in the manufacturing flow of funds from Canada at the time of the General Election, and the consequent speculation regarding the value of the Canadian dollar. These events were followed in the autumn by...
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...

ERNEST E. BLUM
Senior Vice-President, Brush, Slocum & Co., San Francisco, Calif.

Continental Capital Corporation

Throughout financial history, there are stand-out companies, those who achieve success even in lack-lustre or unprofitable industries. As a few examples, consider Reynolds Metals, a company among cigarette companies, Texaco in the oils, U. S. Shoe in footwear, and Bubble Brooks in clothing. Until their superior characteristics are recognized, the stocks of such companies often sell at low level of the run-of-the-mill companies, because they have a market's habit of putting certain groups of stocks out of fashion.

Certainly the Small Business Investment Companies' stocks are out of fashion today—a year or two after their exuberant entry into the financial world, they are dragging their feet, trading inactively, and suffering substantial discounts from their offering prices, with some at a fraction of their highs. This is not entirely a whim of the market—many of the companies are not doing well. Continental Capital Corporation is one of the few S.B.I.C.'s that have made, and continue to make, substantial progress. It even makes money.

What accounts for this stand-out performance, in contrast to some of its less happy competitors?

(1) Continental Capital considers itself a venture capital enterprise. It was not conceived primarily to take advantage of tax benefits; the tax features are merely an added attraction.

(2) Perhaps through luck, perhaps through foresight, it happens to be the right size, in a field where it is neither so big as to be Afterwards in high price, nor too small to be negligible. In the history of S.B.I.C.'s, it seems already established that the best available situations usually need an investment of $200,000- $500,000. Such amounts are beyond the reach of the smaller entities. On the other hand, an S.B.I.C.'s share of this successful investment in the above range may lose its impact on a per share basis. Take an actual example—in November, 1961, Continental Capital loaned Pacific Southwest Airlines, Inc., $200,000 in the form of a 6 1/2% Convertible Note. When P.S.A. went public in January of this year, the note was converted and the stock sold, for 100% profit. With only 250,000 shares, this amounts to a realized capital gain of 80 cents per share of Continental (before taxes), and returns the original investment, rendering $1.69 per share available for reinvestment. These features are substantial in relation to book value and market price, but would lose much of their significance if Continental had to divide the money into one or two million shares.

(3) Operating income has exceeded expenses sufficiently to accumulate substantial funds. In the complete write-off of two unsatisfactory ventures and still leave a modest reserve.

(4) Continental has maintained its own interest in an aggressive, live organization—they do not own cash and discount brokerages, nor are they out through judicious use of credit and careful financial planning, and has already been available to take advantage of promising of-ferings.

(5) Commitments are made for potential capital gain. However, a balance is maintained between speed and caution, in more glamorous type involving higher risk but greater possibilities.

(6) Operating expense is kept low. Consulting experts are engaged as the need arises, rather than retention of a large, permanent research staff.

How have these policies worked in Continental's 33-month life as a publicly owned enterprise? What is the present real value behind each share, compared to its original price of $14? This current value cannot be pinpointed, as only six of the 22 portfolio companies have any market, but a modest approximation may be made, as follows:

There has been no material change in book value since organiz-ation, when, after underwriting expenses, a paid a dividend of $12.50 net per share. To this should be added the profit taken from the sale of P.S.A. (mentioned earlier).

There are a few commitments which have a reasonably appraisable value. For example, Gray, Reid, Wright, the leading department store in Reno, Nev., may be valued at $12.50 per share. There are commitments to other department store securities, on which basis it appears to be worth at least twice the original investment. These two adjustments alone add about $3 a share to the original.

Those holdings that have a public market would show a net profit if sold at current prices. Rather than add them in, it will make this appraisal more possible if they are considered as a more than adequate offset to two holdings that are operating profitably and are potential losers.

So we are now looking at a basic value of $13 per share, more than 50% above current market. This is still an incomplete story. How should those holdings be appraised which are progressing on schedule and have just reached a plateau point or are making excellent progress in their development stage? Two facts figure prominently in an appraisal: first, the most important part of the package. Two of them, KRS Electronics and Electro-Optical Devices are far enough along to duplicate dramatic potential, particularly on a per-share basis. In short, the real value behind each Continental share appears to be substantially in excess of its current price. The market appears to be correcting a lack of management ability that has already proven itself, instead of standing a place on it. And management, as in the long run, will write the story—if it continues its successful record, Continental Capital Corporation stock may prove to be another standout performer.

FLOYD R. BURNS
President, C. F. Burns & Co., Oklahoma City, Oklahoma

National Investors Life Insurance Company, Little Rock, Arkansas

This young and vital company has several unique factors influencing its development.

National Investors operates in a field of business with an inherent potential for capital appreciation. In terms of life insurance in force, the life insurance industry has been building at a rate of 10% each year. This is more than double that of the nation's economy. Increasing population adds to sales of mortality and life insurance, and the growing awareness of the need for more insurance in the new age—factors which have been responsible for much of the industry's past growth—all indicate a continuing, and substantially growing future. In fact, there is much evidence to support a claim that the next ten to fifteen years could be the most dynamic growth period in history for life insurance companies.

Additionally, the industry has problems to contend with: longevity, or plant obsolescence. The trend in mortality rates, earnings in-vestment income, and operating expen-ses all are toward increased profitability. Against this healthy industry background, National Investors offers these additional factors: (1) It is a young company with great potential for growth, (2) sound operation of the company has been demonstrated by rapid progress in returning a profit, (3) servicing facilities of the company's own, (4) advantageous contracts with other companies, and (5) merger possibilities are now under way or planned, promising a growing and promising company.

Normally, the expense of acquir-ing new business and the burden of creating legal reserves restricts new life companies from returning a profit in much under five years. National Investors Life confined the experts by paying a cash dividend at the end of 1960, their second year of operation, and has continued to pay a profit at regular intervals.

In its first year of selling insurance, National Investors Life did not set new records. By the end of De-cember 1962, just five years after its inception, National Investors Life had $91.3 million of life insurance in force, evidence that it has been able to keep up its initial pace of strong selling ef-forts.

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Comment on the SEC's Special
Study of the Securities Markets is largely engaged with either
 unjustified criticism of the Report in
whole or in part, along with failure to
enter criticisms that are
justified.

Foremost among the first-mentioned
issue of unfair criticisms of the Report's
charge that
few big names are listed as in
volved in wrongdoing—"in con-
trast to the New Deal's Pecon
revelations (dramatized as with
midget-thieving at Mr. Morgan).
Similarly it is complained that
nothing very consequential, as in
the way of fraud, has been turned
up by the contemporary sur-
veyors.

Actually, the Cohen Group is to
be commended for its restraint
—and particularly by the ob-
jectors who would have had out-
gated any semblance of mud-
slinging or goal-busting by the
present investigative body.

Regarding the taunts over
"nothing important has been
turned up" we would answer that
(a) a plethora of important find-
ings, conclusions and recommen-
dations are reported, with more
on the way, and (b) in any event,
even if no shocks whatever had been
found, a second full-dress inquiry into the securities indus-
ty after 30 years has been ur-
genously over-due.

Some criticisms are being di-
rected at alleged omissions
without realizing their inclusion
in the nine sections of the Report
still to be released (such miscom-
prehension largely stemming from
the unavailability of huge volume of the
Report). The Project's wide-
scope of activities to be surveyed.

Exemplifying this kind of crit-
icism is the complaint over the as-
cluded omission of the vast impact
of Institutional Investors on the
market. The Project has now
covered. Actually, thorough coverage of
this area will be important in the
extension of the Bureau's Mission still to come; specifically in chap-
ter III describing the market:
 VIII covering examining various
interrelationships among trading markets; and in ch. XIII

WE ARE PLEASED TO ANNOUNCE THAT

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APRIL 15, 1963

OBSERVATIONS...
BY A. WILFRED MAY

REGULATION TODAY
(The second article in a series commenting on THE SPECIAL STUDY OF SECURITIES MARKETS)

The study's leading omission is
comprised by its failure to men-
tion other than cursorily (through
"chivalry") the neglect of pre-
ceding SEC regimes, as under
Chairman J. Sinclair "Call" 
Armittage, to take affirmative
action under its own broad
tule-making power, regarding a
large number of important items.
It must be realized that it was
much easier to accomplish reforms
through rules making within the
context of action and even for
accompli, in lieu of the intern-
mentable delays, with the increased
chances of complete turn-downs
which is sure to follow under the
current Congressional agit
over the Study and its dispositions.

Past Government Policy on
Capital Requirements Revised
For example, the extension of a
Minimum Capital Requirement
rule as already applied from way-
back to Exchange member firms
to broker-dealers was proposed by
the National Association of Secu-
rities Dealers in 1942, but turned
down then SEC. The Com-
mission then held that a minimum
capital requirement would be in-
appropriate to a self-regulating
organization, under sec. 13-B of
the 1934 Act.

Now, two decades later, that
tule, very rule is the recommendation
by the Study. It proposes (in chap-
ter II, part B section 3) that a minimum
capital requirement be established
for any broker-dealer firm enter-
ing into the securities business
(limited to $5,000, plus $2,500 for
each branch office and $500 for each
salesman employed at any time) in
addition to exceptions to be worked out
in an adjustment period. Further-
more, the Study recommends a
special jurisdiction for
licitations and responsibilities of
underwriters of public offerings,
the Report recommends a mini-
mum net capital requirement for
underwriters of $30,000 plus 27
the aggregate amount of under-
writing commitments outstanding
in the last 12-month period.

Rip Over-the-Counter
Other important items which
needless to say have been
under previous Commissions in-
clude the application, via the
New York Stock Exchange Act of
1938, to the vast over-the-counter
markets of at least some minor
loosening of trading rules with
and additional corporation dis-
closure, tightening up proxy rules,
and requiring brokers seeking to
transact on a non-brokerage basis
in the stock to bring them somewhat
in line with the Big Board and "jum-
ple" exchanges.

This Listed-Unlisted Perennial
And still left unresolved as too-
hot-to-handle, after the 29 years
since of the Securities Exchange Act, is the situation on the American and some other
Exchanges where a large number of
issues (some 200 on the American)
retain their trading privileges de-
te their continued non-compli-
ance with the "corporate" pro-
visions of the Act. The SEC has
repeatedly dealt with the situation
where such a company registers a
new offering under the Securities
Act, thus for all practical purposes
permanently complying with the in-
formation requirements of Section 
25, et seq., of the Act.

The so-called Levy Committee
which took the initiative in re-
composing the Special Commissions a year ago, urged decisive action
in de-listing all information-with-
holding companies, or at the very
least, to keep them off their own
list. Thus again we see the Com-
mission outdone by outside initiative.

At Long Last
At long last, the Special Study, the Commission is going to recognize that there
are powerful influences on the
market, and is planning for this
first step, undertaken in coop-
eration with the Treasury Secu-
rities Division, Assistant
Secretary Tax-Man Stanley
Furley with Donald Ludic as Leg-
gal Counsel. It is to appoin-
t its present legislative pro-
ducts to the activities of under-
writers, particularly to those of
other surveyors of new issues.

In the one place where the
Securities and Exchange Com-
mission has jurisdiction over
Exchanges, namely, off utilities
Companies following the 1939 Act,
the Commission has run up the
white flag. This week, the SEC
opted for its reaction of keeping
the option price above the market
price, thereby alerting the
stockholder to the Expected
loss or gain on the option.

A Bad Deal Called Off
A glaring example of the pri-
ivate sector beating the SEC and
legislation, is the "option to the
best of the group" furnished by the
recent Option doings by the directors and
management of the New England 
Co. (Caledonia) N. Y. Stock Exchange listed pub-
lishing concern of Boston.

As its proxy statement distrib-
uted to its shareholders (as described in this space on March 23, 1961), the company asked for stock-
holder approval of a Reset ar-
angement which would give the
company 10,000 votes, "subject to
the rule of common stock voting rights" (by the Revenue Code) following the stock's market decline re-
duction to $1.25 per share. The con-
tracts were with "eleven key employees"
all arranged on December 4 last.

Thereafter, at the Annual Meet-
ing held on March 19, President
Hon. C. Lukas announced, via

The Security I Like Best
Continued from page 2
Jean O. Dodson of Marianna, Ark.,
was named President and Chairman of
the Board. After forming National Investors of
Arkansas and getting its program underway, Odom began forming similar companies in other states.
The company is a separate
entity, but formed on the
same pattern of the Arkansas
company which has followed the pattern of returning profits to the members. Odom serves as Chair-
man of the Board of the National Investors com-
panies in Arkansas, Oklahoma and Kentucky, and President and
Chairman of the Board of the company in
Louisiana.

National Investors companies
have been formed in Nebraska
and possibility also. Another com-
pany is now being launched in
Georgia, as one of three planned
to be formed in the area.

Alongside the insurance ser-
ened by National Investors of
Arkansas and other companies, op-
tered more than $230 million at the
first year. Profits from the manage-
ment of such business can be handled
without appreciably Increasing
the capitalization of the company,
and thus selling insurance. The
Arkansas company also provides re-
insurance. In recent months for these other
companies, gaining another profit-
making operation.

Negotiations are now underway
with one of the other companies
under the Arkansas company, subject, of course, to the
approval of the stockholders and board of directors. The Insurance Departments of the
state involved. Other mergers and
acquisitions are also being planned.

Insurance losses ratio was less
than 18%, an extremely good re-
code for 1962; was $1,789,493.03
up from $1,601,453.54 for 1961. Income from all sources
was $1,894,001.93.

The expanding company has
negotiated the purchase of a
building in downtown Little Rock to be
re-modeled into a million dollar office
headquarters.

Some 1,495 individual
companies make up the life insurance
industry. Of this, 1,153 are mutuals
owned by their policyholders. Of the remaining 1,340 stock
companies, shares are available to the
public in only about one hundred.

In this somewhat limited field,
we find National Investors of
Arkansas a particularly Interest-
ng company. Current price of
the stock is reasonable enough to
offer interesting potential.

The company was organized
on June 1, 1962. The company of
Arkansas is recommended to the
investor looking for long-term growth. The company is listed on the Over-the-Counter Market.

We wish to announce that as of Friday, April 12, 1963 we have formed a new trading company in securities and we have commenced investment banking and underwriting business abroad.

Interest in our new business is invited in writing only.

Nicholas J. Papadakes, President
General Securities Company, Inc.
101 West 57th Street, New York 19, New York
Electronic Equities

By Ira U. Cohleigh, Economist

Viewing the values, variables and potentials in the electronic sector of a buoyant stock market...
Investment Opportunities in The Bottled Gas Industry

By Richard P. Finn

There's no denying that commercially salable liquefied petroleum gas has come a long way and is destined to go much further in fulfilling its existing, well diversified potential. Spilling out the process and prospects for LPG, Mr. Finn describes the many and many uses; identifies the leading distributors and their stocks; (largely traded in OTC markets) performance and detail the consumption by and the potential for industrial and commercial, farming, chemical and rubber, engine fuel and industrial areas. The industry is being consolidated into stronger hands as distributors, producers and pipers take on more volume. Foreordained to be LPG's largest customer is the chemical industry as the versatile gas looms as a stronger contender for gasoline and diesel fuel, natural gas and acetylene business.

Liquefied petroleum gas, a wasted natural resource barely years ago, is now a billion dollar industry—and headed upward. Without this familiar "bottled" gas, rural America would never be quite the same. Since World War II, it is co-existing with the exodus of city dwellers to Scrub Oak Haven, consumption of LPG has soared from 1.3 billion gallons to 10.8 billion gallons annually. Last year's volume was up 10% and a similar increment is anticipated in 1963.

Acceptance of this versatile fuel has provided distributors with many of the same qualities of public utilities but without the shackles of Federal regulation. Despite substantial competition with other sources of fuel and power and amongst itself, the young industry has demonstrated a high degree of profitability.

LPG is actually many different gases—propane, butane, isobutane, etc.—which are extracted as by-products of oil and natural gas refineries. Propane, by far the most important of the trio, gives off considerably more heat than natural gas and can be liquified under moderate pressure for convenient storage and shipping. In effect, it is used as a substitute for natural gas, electricity and for central heating.

Concerning the vast potential in using such as fuel cells, internal combustion engines (as a substitute for gasoline and diesel fuel), welding, snow melting, flame cultivation, air conditioning, heating swimming pools, etc., the field appears to have many BTU's of growth still ahead.

Ironically, due to the increasing use of petroleum products and natural gas, LPG supply keeps rising faster than demand. Projects have been hard pressed to find markets for their LPG by-product. This keeps re-finery prices low and enables distributors to offer LPG at competitive prices, thereby increasing their margins on sales as well.

Large oil companies like Atlantic Refining, Cities Service, Sinclair and Sun Oil sell their LPG extract to independent distributors. Other companies, like Jersey Standard, Skelly, Allied Chemical's Magnolia division, Union Oil, and Phillips Petroleum also operate their own LPG distribution networks. The latter is recognized as the industry's largest producer and the pionering firm among the independent LPG, of course, are relatively small in the overall picture for these companies.

How long will supply exceed demand? Throughout the short-term future at least, says Chemical Week magazine. Production capacity was enlarged by about 300 million dollars during 1962. Thirty-three new plants went on stream and there were seven major expansions. An additional 500 million gallons of annual capacity is expected to go on stream this year.

On the retail level, there are an estimated 2500 distributors, ranging from one-man-and-a-truck operations to well-integrated national companies. Rising costs and competition have hastened the trend toward consolidation, however, and many distributors who have over 100 over 1000 marketing plants and a growth record excel by few, and the trend toward consolidation, however, is expected to go on stream this year.

On the retail level, there are an estimated 2500 distributors, ranging from one-man-and-a-truck operations to well-integrated national companies. Rising costs and competition have hastened the trend toward consolidation, however, and many distributors who have over 100 over 1000 marketing plants and a growth record excel by few, and the trend toward consolidation, however, is expected to go on stream this year.

This first all-LPG pipeline was unboxed by Mid-America Pipe line in 1962, running from West Texas to Illinois. Despite heavy initial expenditures, this pipeline has reaped a profit and about this time another seems assured. This year, Mid-America plans to increase its average daily flow from 162,000 barrels to 135,000 barrels per day. In its first two years of operation, Mid - America delivered around 263,000 barrels per day, which is owned by eight major oil companies.

Use of the large tank car is another way in which major distributors are slicing transportation costs. At one end, an 100-pound volume home gas cylinder bottles are being supplanted by larger underground storage tanks which take bulk delivery. The need for larger tank cars and storage facilities is perhaps the least reason why the LPG industry is being overwhelmed by "O" overloads.

Huge Farm Market

Of all the residential and commercial uses for LPG, none is more promising than flame cultivation on farms. Called, plainly enough, "siz wedging," flame cultivation is said to weed cotton for $4.00 to $5.00 per acre, compared to $14.00 or $15.00 annually. Years ago, this method was more popular as a weed killer, but due to poor merchandising flame cultivation was found wanting. Early sales efforts were made through such organizations as the National LPG Association, but were not service-minded. Today, equipment makers have set up systems of factory-authorized and trained dealers.

All told, flame cultivation is being adapted to more than 15,000 farms, up 50% over a year ago. Such extensive new farm uses as grain drying and tobacco curing consumed more LPG than ever before in 1962 and look for the future to be unlimited. Such crops as corn, cotton, soybeans, sorghums, peanuts, peas, potatoes, melons, sugar beets and sweet potatoes are also grown with or without the aid of weeding.

Taking U.S. Department of Agriculture figures for acres of these crops in 1960, acreage was 14.5 million. In 1960, the farm has a potable energy market potential of 2.5 million gallons of LPG per year. Presently, no more than 100 million gallons are sold to go into S-zeeding and landscaping. And since the market is concentrated in the South, the Mississippi delta country and the Texas plains, Ace notes

Suburban Propane

General Offices
Whippany, New Jersey
N. Y. Office
20 Exchange Place
Gas Service Anywhere
that the vast northern corn belt is still largely unsized.

One of the best features of flame cultivation is that it provides a desirable summer load for the LPG distributor. Petrolane Gas Service, for example, is promoting this activity by contracting with farmers to de-weed their fields at a fixed price per acre. Since LPG refinery prices are at their lowest, in summer it is doubly important for the distributors to even out seasonal load factors. Many are finding it necessary to buy their supplies during the summer and store them in underground salt domes.

Use of LPG as a farm tractor fuel is also growing by leaps and bounds. About half of U. S. tractor output is now factory-built to handle LPG. Moreover, every year more and more farmers are ordering conventional farm-burning tractors are converted. The conversion cost, about $900, is not difficult to overcome.

Inconsistent fuel quality has kept the adoption of LPG as any real headway in past internal combustion engine use, although a tax, tax, and fuel service qualified it. Fork lift trucks have been adapted for use in large numbers. Compared to gasoline or diesel fuel, propane burns much more cleanly, and objectionable fumes, reduces spark plug wear, and cuts oil changes. It also contains 10% hydrogen, or considerably higher than even premium grade gasoline.

Possible Substitute for Gasoline

Importantly, early this year the Natural Gas Processors Association, representing about three-quarters of all gas processors, developed specifications for a new LPG, called HD-5, for use in any gasoline engine. If fuel quality is to be of consistent quality, it seems likely that more engine makers will be persuaded to build units tailored for propane instead of gasoline. Borg-Warner, which has a division which makes HD-5 conversion units, says that propane presently has less than 1% of the over-the-road truck market. Nonetheless, the company forecasts a 30% hike in LPG conversion unit sales this year.

Fuel cells, which produce electricity through chemical action, also have great future potential for LPG. In fuel cells, chemical energy is converted into electricity in a cell continuously to produce a constant supply of energy. Fuel cells have already achieved much higher marks in laboratory tests than electrical power at its most efficient. LPG should be very much in this picture in future years.

Meanwhile, the generating of electric power with propane is being accomplished via thermoelectric generators developed by the Minnesota Mining and Manufacturing Co.

The LPG distributors are forecasting a massive and commercial use as the top LPG market. And if requirements for plastic, rubber, and plastics continue to mushroom, the Number Two user of LPG will soon become Number One. Demand in the three areas rose to 4.5 billion gallons in 1962, a 20% bulge over the previous year. This represented about 42% of total LPG consumption, and it is expected to grow to 37% in 1969 and 51% in 1985.

Behind heavy chemical consumption, the production of polypropylene. The latter is coming up fast—production doubled to 790 million pounds in 1962; and the outlook is for increased output of both polypropylene plastic fibers and resins. Production started from a 615 slump, a registered a 12% gain in LPG consumption last year.

What, exactly, is LPG? The term is generic, referring to a family of hydrocarbons which are dominated by propane. Actually, approximately 25% of these gases are produced in a refinery, where they are drawn off a step in the gasoline production. Most of the rest comes from natural gas; however, much of the remaining demand, also yields LPG. Propane and butane are high in BTU values, burning with roughly three times the heat of natural gas and six times that of manufactured gas.

The chief advantage of LPG lies in its portability. Kept under pressure, propane is a liquid and can be easily pumped into cylinders, tanks, or drums and stored where needed. When the valve of a propane container is turned on, the fuel vaporizes and is forced into a gas. Butane will not vaporize unless the temperature is above freezing, hence it is less valuable for home use. Portable or not, however, propane's edge quickly vanishes when a natural gas pipeline is extended into a residential area. Domestic use of LPG distributors are confined to rural and resort areas where they lock antlers with fuel oil dealers and natural gas.

This competition is not so exacting, however. Propane is charged at $200 to $230 in a large LPG storage tank and gets good service, he is not likely to switch to gas.

Propane Aided by Natural Gas Industry

Interestingly enough, natural gas utilities help promote the use of propane through their efforts. Home owners will invest in gas appliances rather than electric appliances. If the utility takes over the customer last, the LPG distributor is repaid by a payment plan to help ease the load. Petrolane Gas Service lost 700,000 gallons a year in one part of Illinois due to a pipeline extension but recouped more than half by promoting

### LEADING LPG DISTRIBUTORS

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### N. Y. Municipal Bond Hotel Outing

The Municipal Bond Club of New York will hold its annual meeting, field day on Friday, June 7, at the Westoner-Jerseymen Country Club. Reservations should be made by May 29 with William M. Durkin, First National Bank of Chicago, Chicago, Ill., chairman. The Municipal Bond Club will publish its annual "Bond Clerk in connection with the outing.

Members of the Field Day Committee are:

- Committee Chairman: William E. Simon, Wathed & Co.
- Chairman: Mr. James F. Reilly, Goodbody & Co.


Rittmaester Vossi To Admit Partner

Rittmaester, Vossi & Co., 40 Exchange Place, New York City, members of the New York Stock Exchange, on April 24th will admit Theodore D. Gelman to partnership.

Circle Securities In Indianapolis

INDIANPOLIS, Ind.—Circle Securities Corporation has been formed with offices at 111 Monument Circle to engage in a securities business. Officers are Ronald B. Woodward, President and Treasurer; Harold R. Woodward, Vice President; John W. Woodward, Secretary. Ronald Woodward was formerly an officer of Rafferty, Hughes & Co., Inc.

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

Called Municipal Bonds—List of Pennsylvania municipalities which have been called for redemption from Jan. 1, 1962 to March 15, 1963—Pennington, Colket & Co., 122 South Broad St., Philadelphia 9, Pa. Also available is a memorandum on Electric Bond & Share.

Canadian Issues—Comments on 50 active issues in the Bond and Oil Industries—Canadian Forecaster, 238 Adelade St., West, Toronto, Ont., Canada.

Canadian Market—Review—Arnott & Company Limited, 220 Bay St., Toronto 1, Ont., Canada.

Canadian Securities—Monthly bulletin—Ross, Knowles & Co., Ltd., 105 Adelaide Street, West, Toronto, Ont., Canada.

Chartercraft Over The Counter—Chart book with pertinent data & figure chart on industrials, utilities, banks and insurance companies—Spring Mark & Co., Ltd., 71 Bay St., Toronto, March 29—the 12.50—Chartercraft, Inc., Dept. CF-1, 1 West Avenue, Larchmont, N. Y.

Cigarette Companies—Memorandum—Hirsh & Co., 25 Broad St., New York, N. Y.


Japan Stock Exchange Manual—Detailed information on a particular subject concerning the technicalities of investing in Japan—the Daiwa Securities Co., Ltd., 149 Broadway, New York 6, N. Y. Also available is a statistical data on Japanese securities.

Missiles on Call—Article in current issue of the American Investor—American Investor, American Stock Exchange Building, New York 6, N. Y.—25c per copy;

$2.00 per year. Also in the same issue are comments on the Dress Industrial Housing Plan International, and Nendik.

New York City Banks—Comparative figures on ten New York City Banks—Financial News, 120 Broadway, New York 5, N. Y.


Oil Stocks—Review—L. F. Rothschild, 120 Broadway, 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 performance over a 25-year period—National Quotation Bureau, Inc., 40 Front Street, New York 14, N. Y.


Paper Industry—Review—L. F. Rothschild, 120 Broadway, New York 5, N. Y. Also available is a memorandum on Standard Oil of Indiana.

Portfolios—Three suggested lists of stocks—Shearson, Hammill & Co., 14 Wall St., New York 5, N. Y.

Put & Call Options on Canadian Securities—Bulletin—Draper, Boyle & Co., Ltd., 20 Adelaide St., West, Toronto, Ont., Canada.


Steel—Bulletin—Schweickart & Co., 29 Broadway, New York 6, N. Y. Also available are comments on Aerospace and Defense Issues.


Alberto Culver—Analysis—Bell & Farrell, Inc., 119 Monona Avenue, Madison, Wis. Also available is an analysis of Warner Electric Brake & Clutch.

Alloyed Chemicals—Memorandum—Huntley & Palmers, 304 W. Madison St., Chicago 6, Ill.

American Heist & Derrick—Memorandum—Chartcraft, Inc., 47 Broad St., New York 4, N. Y.

American Motors—Bulletin—Smith, Barney & Co., 34 Wall St., New York 5, N. Y. Also available is a memorandum on Department Stores.

American United Refining Company—Analysis—Hornblower & Weeks, 1 Chauncey Street, New York 7, N. Y. Also available are comments on National Steel, Cemco Steel Products, Cincinnati Steel Machine, General Portland Cement, Endicott & Foster Mills, M. A. Hanna and Skelly Oil.

Anexel—Memorandum—New York Honeymoon Company, 80 Broadway, New York 5, N. Y. Also available is a memorandum on Charles Schwab & Co.

Area Mines Limited—Comments—Draper Doble & Company Ltd., 25 Adelaide St., West Toronto, Ont., Canada. Also available is a brief data on 187 Canadian issues.


Steel—Bulletin—Schweickart & Co., 29 Broadway, New York 6, N. Y. Also available are comments on Aerospace and Defense Issues.

Eastman Kodak vs Polaroid—Discussion—Reuben Rose & Co., Inc., 115 Broadway, New York 6, N. Y. Also available are comments on General plywood.

Endicott Johnson—Review—Investment Management, of St. Louis Building, St. Louis 1, Missouri.

Eversharp Inc.—Report—A. H. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available is a report on Draper Corp.


Kennesaw Life & Accident Insurance—Memorandum—Ralph H. Leonard & Sons, 50 Broadway, New York 4, N. Y.

P. Lorillard—Memorandum—Josephson & Co., 120 Broadway, New York 3, N. Y. Also available is a memorandum on Reynolds Tobacco.

Macke Yending Co.—Study—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y. Also available is an analysis of Sprague Electric Co.


Mible Goss Dexter—Memorandum—De Haven & Townsend, 471 Water St., Providence, R. I.

Miles Laboratories—Memorandum—Chas. W. Searson & Co., 209 Church St., New Haven 1, New York.


Motor Travel Services—Memorandum—Engler & Budd Co., 602 National Oil Building, Minneapolis 2, Minn.

National Airlines—Memorandum—Battelle Industries, Inc., 74 Wall Street, New York 5, N. Y. Also available is a memorandum on Kern Oil & Refining Co.


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The Commercial and Financial Chronicle, ... Thursday, April 18, 1963

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American Electronics Can Do Business in Europe

By James B. Greene, Jr., Assistant Vice-President
Chase Manhattan Bank, New York City

Various ways electronics can obtain entry into the still far from unified European market are outlined by Mr. Greene, The Chase Manhattan Bank. Mr. Greene forcefully argues for the development of more European manufacturers and warns of possible pitfalls to avoid.

The European Market consists of about 20 distinct economic areas with significant differences each from the other, and since financing is in itself a project that covers a multiplicity of problems, we try to stick to broad outlines.

Fortunately, our topic has become in some ways less complex over the past ten years as far as direct exporting is concerned. For the most part, currency controls have been relaxed, and restrictive exchange regulations have disappeared. As a result, American manufacturers have become less of a practice today to day problem to the exporter. Currently, the world is far from ideal, but in the first place against vigorous international competition.

Less Risk Today's Exporters

Additionally, the United States Government Programs in aid of export sales are somewhat more helpful today than they have been in the past. In cooperation with the Export-Import Bank, the American commercial banks are able to offer a medium term credit program which allows the U.S. exporters to sell on terms up to five years with recourse limited to 15% of the invoice amount provided that there has been a 10-20% down-payment by the customer abroad. Additionally, in cooperation with the insurance industry, the Foreign Credit Insurance Association has been set up to provide credit insurance on exports for terms ranging from one to five years. This insurance covers both political and non-political risks with the exporter remaining liable for 15% of invoice amount in cases where default is caused by economic risk and 5% where the risk is political.

FCIA normally prefers full turnover coverage, with the rates involved varying by risk. Where exporters are primarily selling to strong European customers rather than to world markets, the new service is perhaps less necessary than where a greater proportion of sales are made to more doubtful markets.

Generally speaking, the risks of loss in European sales are not too great if the exporter takes proper care to follow sound credit policies. More and more business is done on open account and letter of credit terms are found far less frequently than was formerly the case. Naturally commercial banks are inclined to regret the absence of the commissions, but at the same time the exporter must beware of insisting on excessively tight credit terms when his competitors may be selling on open account. In the whole field there is no substitute for accuracy and up-to-date credit reports which is the Credit Manager must exercise considerable discretion to sift the wheat from the chaff and to make sure that he does not drive away good business or, of course, accept the bad.

Manufacturing Abroad

In recent years with the rise of European Communities, more and more American manufacturers have become interested in establishing facilities outside the United States, especially in Western Europe. This new trend has been greatly encouraged by national and international economic policies, and a variety of government and private initiatives. The European Commission, for example, has been instrumental in establishing a number of major European production facilities, particularly in the electronics industry. In addition, many American manufacturers have established joint ventures with European companies, often under the auspices of government programs such as the EC-funded IED (Integration des Etablissements de la Defense) program.

However, establishing a manufacturing presence in Europe requires careful planning and execution. There are many potential pitfalls to avoid, including cultural differences, language barriers, and legal and regulatory obstacles. It is important for American manufacturers to conduct thorough research and due diligence before entering the European market to ensure a successful outcome.

In conclusion, the European market offers significant opportunities for American electronics manufacturers, but it is important to approach with caution and careful planning. By conducting thorough research, establishing strong partnerships, and avoiding common pitfalls, American manufacturers can successfully do business in Europe, realizing the full potential of this market for their companies.

A. B. A. Unit to Confer With SEC on Trust Investing

Appointment of a special committee to present to the Securities and Exchange Commission the views of the trust industry on the question of regulatory matters involving collective Investment funds was announced April 11 by LeRoy B. Staver, President, Trust Division, The American Bankers Association. Mr. Staver is Vice-President, United States National Bank, Portland, Ore.

Named Chairman of the committee is Robert D. Ferguson, President-Vice-President, Pittsburgh National Bank, Pittsburgh, Pa., who is also Vice-President of the Trust Division.

A regulation issued recently by James S. Saxon, Comptroller of the Currency, continues authorization to banks and trust companies to operate common trust funds and pooled funds for pension plans and permits collective investment of managing agency accounts for the first time. The Chairman of the Securities and Exchange Commission has expressed the view that a number of uses of these funds would bring the banks and the joint venture to the examination of the SEC. The Comptroller has taken the position that jurisdiction is vested in his office—a position which the A.B.A. has publicly supported.

In a letter to Trust Division members, Mr. Staver said the special Trust Division Committee is giving special consideration to the collective investment of so-called H.B. 10 Smaller-Keogh trusts, the collective investment of funds for managing agency accounts, and advertising and publicity to be given these funds and common trust funds. He suggested that banks defer variation of their common trust fund operations until the issues raised by the SEC are clarified.

Banks and trust companies throughout the country should be gratified with the new approach which the Comptroller of the Currency has taken in Regulation 9 and I am convinced that a wide use of the new privileges can be of material benefit, both to the trust industry and to its customers.

Members of the special committee, in addition to Mr. Ferguson, are: J. Sinclair Armstrong, Executive Vice-President, United States Trust Company, New York; Charles W. Bick, President, United States Trust Company, New York; New York; B. E. Harris Jr., Chairman, Executive Committee, Trust Division, and Executive Vice-President, Manufacturers Hanover Trust Company, New York; and Ralph A. Judd, Vice-President, Morgan Guaranty Trust Company, New York; and Stuart L. Steiner, Stanley Kurs, and Dyer, H. B. A. Company, representing a section of business from offices at 190 29th Street. Partners are Leonard Stein, Stanley Kurr, and Stuart D. Byron.

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Taxation and Representation Must Be One and Inseparable


Mr. Phillips reminds us of the basic reason for our revolutionary "Declaration of Independence" and the dangerous extent we have gone to in the states since 1825 to impose taxes without taxation. The fight was originally for no taxation without representation in order to stop the monarchy being brought on us by the spending - and taxing habits of kings. The American author puts out our new idea aristocracy does not hesitate to engage in extravagant public spending. He argues for theimperialism and inhumanity of the small men. The non-aesthetic spirit is gone, and, alas Jefferson's admiration that we did not fight for "an elective despotism." The cry thatroused Americans to battle in our Revolutionary War was "Taxation Is Tyranny." Most people know that today. But we have lost dearly the great Truth. Patrick Henry could have just as well shouted "Representation Without Taxation Is Unfair." He would have aroused just as much emotion. The fights of our fathers and ours have been drawn. The same result would have occurred! That's why our Founding Fathers were wise enough to note that Taxation and Representation are inseparable, that you must have the one if you have the other. If you do not, you have injustice. And today, when the American immune from taxes, we do indeed have injustice and a new form of tyranny. For proof, you need only consider the circumstances surrounding pay parking. Henry's famous cry, The English Parliament had voted to tax the colonies for a small tax. It was in fact only a token tax. The English thought that because it was so small, we would not protest. But we saw through their clever scheme. We realized that as a whole, it would mean a great principle was involved. The Engish people were trying to tax us to pay their debts. This, to our Founding Fathers, was intolerable. They recognized full well that once such a principle was admitted, the result would be inevitable. The English people would become accustomed to their idea and would arrogantly increase our taxes and duties until finally we were carrying the fire load of their just debts. To the Founding Father's age, it was unthinkable that some people, who were totally immersed in their property, would then lay such a tax on the backs of other people. This was merely cleverly喬装ed under the guise of taxation, but was unjust. It was tyranny. It was unfair. We wouldn't buy the idea. We fought a war to defeat it. We won that war. And we followed through by establishing as a matter of principle, that taxation and representation were inseparable. Liberty, Life, and Liberty is the creed on every American's heart.

Only men with some property were allowed to vote in the early days of our American Republic. The reason was that the rich folk knew that men who paid taxes could not be fooled into believing that the government was doing nothing for them, that their money was something for nothing. Every taxpayer knew that if he voted for his government's spending, himself would later get the tax bill.

Needless to say, frugality became a synonym for American governments. There was no need for a Hoover Commission to study waste in Government spending. There was no government spending to speak of. We had that irreducible minimum necessary to maintain order. We Americans knew why we had fought the Revolution. It was to overthrow tyranny. The only right a man wanted in those days was the right to be left alone to the State. Thomas Jefferson himself wrote of this creed over and over. The only reason people had banded together together to protect themselves was for our French people into misery, ... to support their own government. Men didn't want to manage their own affairs. But the Jefferson-inspired such tax-supported aristocracy here. We considered it a scar on the healthy body of society.

When Government Was an Agent of Liberty
In pre-Revolutionary Boston, the people gradually came to recognize the natural enemy, not their friend. For years the Tories had been carrying on a class of men. In 1761, Boston had a change of heart. Thanks to the spirited leadership of four men: James Otis, Sam Adams, John Hancock and John Adams, the people came to see the reality of the situation. They found that a real enemy was not the State, but the unjust, false, lying image of Jefferson so widely believed today. There was no way to pay for it. Labor unions demand that low-income groups be exempted from income taxes. The government should come, you can expect even wilder spending schemes... for when a man calls for representation, you will get injustice.

Jefferson Was Opposed to Taxation
One political party in America today likes to call itself the party of Jefferson and Jackson. It claims that Jackson "fulfilled" Jefferson's beliefs by pushing for a "tariff for the working man, regardless of whether the voice pays taxes.

But the Jacksonian era was a miserable, ugly, propagandized. Jefferson himself was horrified at the "levelling" of the American people by these proposals. As one of the two remaining founding Fathers (John Adams being the other), he had fought hard in 1824 to keep Jackson out of the White House. And Jefferson that year wrote, "I feel much alarmed at the prospect of seeing General Jackson President. He is one of the most unprincipled men I know for such a place. He has no respect for property, laws, or constitutions... he is a dangerous man.

Jefferson died in 1826... on the 50th anniversary of the Declaration of Independence. Jackson was elected President in 1828. And he fulfilled Jefferson's fears. The newspapers of those days had called Jackson "King Andrew I." Thus did America depart from the principles of our Founding Fathers: Henry, of Hancock, and of Jefferson. Thus did we betray the principles of the Liberty at Lexington and Concord. Thus did we condemn ourselves to the increasing power of internal tyranny.

Today the decay of fundamental American principles has reached alarming proportions. We have, in fact, gone so far down the road to collectivism that we are now opposed to the principles of our forefathers. We foolishly embrace the same concepts of State Power that King George III tried to force on us. The big reason we have lost our independence and become a wilderness, is that we have forgotten one basic fact: taxation and representation must always be one and inseparable.

A few years ago Social Security was extended to farmers. Many over-65 farmers came out of retirement and worked the neces¬sary number of years. They were then allowed to retire again. They got back in work in a year or so more than they had paid in Social Security taxes, and you collected something for every dollar you paid. But they were immune from taxation.

And take the Government's proposed compulsory Medicare program. Recently a wire service interviewed people around the country, to find out what they thought of Medicare. It was found that over 65 were for it. One retired person was more frank than most about what he would have to pay. He wouldn't have to pay any taxes to support it, yet he would draw benefits. Medicare was something for nothing. And he wouldn't have it.

Thus is our Government trying to bribe us and buy our support. When they discover the body is the slogan. And the politicians tell everyone not to worry about the taxes, because next year we will pay for it. Labor unions demand that low-income groups be exempted from income taxes. The government should come, you can expect even wilder spending schemes... for when a man calls for representation, you will get injustice.

Dangerous Tax Proposal
Perhaps the most dangerous idea being pushed around America today is the idea of eliminat¬ing all personal income taxes. The proponents of this idea undoubtedly mean well. They simply do not realize the implications of their own plan. Their argument is that taxation has become a burden to the lower-class individual citizen... and that it should be eliminated, with the money being shifted to corporations.

To most people, this sounds like what the conservatives want. Yet I think of what would inevitably happen if the plan were carried out. The 1965 Omnibus Tax Act, passed by Congress under the leadership of Sen. Charles B. Mathias of Maryland, was adopted by the 79th Congress in the name of bipartisanship. It was the proposed Stamp Tax and Tea Act, 1815-1816.

"We already burden our corpora¬tions with punitive taxes. And if people were freed from personal income tax, they would increase in "something for noth¬ing" welfare benefits. The result, a tax burden on the corporations... the State would be directly affected, and we would be living in... and muni¬static State. That is hardly what the conservatives want. Yet that is what their ideas would lead us.

It would be much better for them to work for eliminating the personal income tax for placing the full burden on individuals. This would have two mighty effects. First, they would find their profits doubled. They could then invest in modernization and new products needed to compete with Europe and create new jobs, and in new taxes to pay those taxes at a rate of pay steeply higher taxes. They would demand an elimination of our service into the service economy except national defense... the one service our Founding Fathers instigated for our Government to be.

People who argue that corpor¬ations are not making any profit, have never treated the corporations. This TV show took the view that the back of the Iron Curtain... past the 1964 election... into Com¬munist East Germany. Then a TV reporter interviewed an East German farmer. He told the man who was explaining something to the man. The man told the audience something most Americans did not know... that the American consumer makes all businesses. In the case of small, family-run businesses, they make all decisions. If the owner-manager, So the Communist State made a small invest¬ment in a farm or business, it would henceforth take half the profits. The commentator seemed to say "we are talking about a man who is horizontally half the profits—and the business.

The camera then panned back across the Berlin Wall. And we were the given impression that taxes are levied in a free country, where such tyranny does not exist. But that is true? In America, with its corporate government doesn't even bother with the facrational Communist money in a corporation... yet it takes not 50% of the profits, as do the East Ger¬man businesses, but 70% of the profits! How can we defend freedom if we have already lost it? Remember: Jefferson wrote that "An elective despotism was not the government we fought for!

"We already burden our corpora¬tions with punitive taxes. And if people were freed from personal income tax, they would increase in "something for noth¬ing" welfare benefits. The result, a tax burden on the corporations... the State would be directly affected, and we would be living in... and muni¬static State. That is hardly what the conservatives want. Yet that is what their ideas would lead us.

Gudeman, Rejoins Lehman Brothers

Lehman Brothers, 1 William Street, New York City, members of the New York Stock Exchange, announced that Edward Gudeman previously a partner of the firm, is to become a General Partner of the firm.
FROM WASHINGTON
... Ahead of the News

BY CARLISLE BARGERON

With the death of J. N. Pew, Jr., of Philadelphia, last week, the country lost a truly great man. A lot of wealthy men give freely to churches, hospitals and foundations for research, etc. Mr. Pew did this, but his great love was the Republican party. He believed that democracy would not continue in this country without the two-party system and to that end gave millions of dollars to the G.O.P. There is a question whether the party would have survived after its 1936 defeat had Mr. Pew not come up generously with the money which to carry it on.

Hundreds of Congressmen and Senators just embarking upon their careers owe the success to Mr. Pew’s contributions. Former Speaker Joseph W. Martin, who wrote in his book, “Fifty Years in Politics,” that although Mr. Pew had saved the Republican party he had never asked for a single favor. He never participated in the oil depletion fight which has been going on for years. The so-called liberals have been trying to eliminate the provision whereby the oil companies get a 27%-tax depletion allowance. Though Chairman of the Board of the Sun Oil Company, Mr. Pew took the attitude that Congress should act in its wisdom. Practically every other oil company in the country has been fighting for the retention of the provision. Mr. Pew, with possibly more influence in Congress, if he had used it, than any of the other oil executives, would have had no part of the fight.

Governor Rockefeller is trying hard to disassociate himself from the “liberalism” of John F. Kennedy and to get away from the charge that for the Republicans to nominate him for the Presidency would be no different than nominating Kennedy. In a recent interview in Washington, he got as far away from the New Frontier as possible. He was critical of Kennedy’s foreign and domestic policies and followed his criticism up with the announcement of his own position on the Cuban mess, tax reduction, government financing—particularly on government spending and made-Jobs. He contended it is only possible to have “social” advance and “social” legislation without the expenditure of vast government funds. As evidence, he referred to several social laws enacted by the New York Legislature during its recent session—among them a law for the widest kind of desegregation.

Governor Rockefeller was particularly critical of what he described as the shifting policies of the Kennedy Administration toward Cuba which he implied were an appeasement of Khrushchev and possibly Castro. Like many other Americans, he said he was puzzled by the Administration’s action to aid the freedom fighters in Viet Nam while at the same time cracking down on the freedom fighters who seek to attack the Castro forces and their Communist allies in Cuba.

The Governor is an authority on Latin America having had to do with our policies down there under Truman and Eisenhower and, indeed, owns two large ranches in Venezuela where he has done much to improve agriculture. He said that formation of a Cuban, anti-Castro government might be an effective way of dealing with the Cuban problem. He thinks the Cubans would be assured that they will once again be free.

His approach to the problem of jobs is as far from Kennedy’s as the two poles. Instead of great deficit spending to create jobs and work, Governor Rockefeller would agree to encourage a vast build-up of industry through the establishment of greater confidence among the investing and producing men and women of the country. He would do this with an immediate $10 billion tax reduction, $7.5 billion on individual income taxes and $2.5 billion on corporations and businesses.

Phil. Secs. Assn. Annual Outing
PHILADELPHIA, Pa.—William A. Webb of DeLeaver & Townsend, Crouther & Bodine, President of the Philadelphia Securities Association, announced that the Annual Outing of the Association will be held on Friday, June 14 1963 at the Aronimink Golf Club, Newton Square, Pa.

Rubin Hardy of the First Boston Corporation is Chairman of the Arrangements and Outing Committee with Samuel M. Kennedy of Yarnall, Biddle & Co. as Vice Chairman.

Sanwa Bank New York Agency
The Sanwa Bank Limited of Osaka, Japan, has announced the opening of an agency at 1 Chase Manhattan Plaza, New York City, under the management of T. Inoue.

Harris, Upham Adds
BOSTON, Mass.—Michael C. Fildes has been added to the staff of Harris, Upham & Co., 136 Federal Street. He was formerly with Lee Higginson Corporation.

Growing together—
the Industrial Southeast and Southern Natural Gas

In the Industrial Southeast, growth is a way of life. That’s how it’s been for many years now as more and more American businessmen have discovered the multiple profit advantages of locating plants, warehouses and offices here. There’s a large labor pool from which to draw ample skilled and talented workers, excellent transportation facilities to move goods by water, road, rail and air... countless of the nation’s best industrial water supplies... sensible real estate evaluations... pleasant living conditions... equitable and realistic tax structures... and the ingredient that means so much to companies deciding to locate here—abundant, low-cost, dependable natural gas.

Last year, for example, we delivered more natural gas to our customers than ever before. In many cases we sell gas directly to industrial users; large additional amounts go to local distributing companies serving homes and industries in the progressive communities of the southeast. Currently we are making plans for a $23 million expansion program which will bring natural gas to regions not previously served.

Why not learn for yourself about the great advantages a plant relocation here in the Industrial Southeast could give your company? Our 1962 Annual Report, now available, places our continuing growth in perspective against the unabated growth of this favored part of the United States. Some highlight figures are below:

<table>
<thead>
<tr>
<th></th>
<th>Consolidated Operating Revenues</th>
<th>Consolidated Net Income</th>
<th>Dividends Per Share</th>
<th>Volume of Gas Sold</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>$151,982,830</td>
<td>$13,734,175</td>
<td>$2.00</td>
<td>394 billion cubic feet</td>
</tr>
<tr>
<td>1961</td>
<td>$127,591,629</td>
<td>$14,790,337</td>
<td>$2.00</td>
<td>376 billion cubic feet</td>
</tr>
</tbody>
</table>

*Restated to reflect certain rate reductions, to give effect to refunds by suppliers, and to reflect consolidation of foreign subsidiaries of The Offshore Company.

For a copy of our 1962 Report, write to Dept. FC.
The market for state and municipal bonds has been quiet and easy since writing this report a week back, although a week ago, the $100,000,000 State of California issue had just been awarded to a syndicate of 10 American banks. This strong underwriting syndicate accomplished a phenomenon in the market by reducing the balance to under $10,000,000 in the preliminary offering of municipal bonds. We feel that the total volume of offerings by state and municipal bonds is less than normal and that the market is relatively light.

Inventory: A Trading Weapon

However, it would now appear to us that even though we believe the market is correct, we are, from a practical standpoint, off the burnishing. Actually a Blue List total of $750,000,000 might indicate an oversold market. Today, however, the total of $610,000,000 appears to have again contributed a small amount of interest in the big blocks of market prices. The industry will have to keep this $500,000,000 fetish before long, we would hope, and bid up the quality of prices based upon the necessary observance paid to it.

Prebullet: A New Issue

The new issue calendar has been published and changes a lot. 1963 bond issues have thus far broken records in this respect and the year as a whole is expected to be a very good one. The state and municipal financing calendar is perhaps the strongest in the market which may be even more significant if the small bonds are neglected. New issues have been given the high-band issues which have helped swell the totals of previous years.

The total seems likely to be prepared for another competitive bidding situation. This suggests the pertinent comment that although there are several large or intermediate municipal issues than ever, their quality will be more than adequate to constitute a reasonable spread in the same sense. Despite the rather steady, even market, common experience of a small issue profit in the business to a sizeable extent. The municipal fellows are generally speaking a bit of a bit to the extent that individual issues were not as many in 1963 season.

On Tuesday, April 16, the market was reenlivened by the offering of $25,000,000 of 4.25% 20-year bonds. The general obligation bond yield Index averages out at a 2.926% yield on April 17, which is 20 basis points lower than in the 2.907% a week ago. This 3 basis point increase in average yield represents a good deal of a point on the market's offering side. The market is now within a half point of where it was in early January. Moreover, the entire 2.926% Blue List Index from which it precipitously took off in early February.

Since early April, the apparent inventory total has increased considerably. In late March and state and municipal bond offerings as shown in the Blue List began to be more active. We feel that the offering of this volume and more ought not to be an arbitrary market factor, although it had proved to be such at certain periods in the past.

Market on Representative Serial Issues

<table>
<thead>
<tr>
<th>State</th>
<th>Rate</th>
<th>Maturity</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>3%</td>
<td>1981-1982</td>
<td>3.03%</td>
</tr>
<tr>
<td>Connecticut</td>
<td>3%</td>
<td>1981-1982</td>
<td>3.03%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>3%</td>
<td>1981-1982</td>
<td>3.03%</td>
</tr>
<tr>
<td>New York</td>
<td>3%</td>
<td>1981-1982</td>
<td>3.03%</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>3%</td>
<td>1981-1982</td>
<td>3.03%</td>
</tr>
<tr>
<td>Delaware</td>
<td>3%</td>
<td>1981-1982</td>
<td>3.03%</td>
</tr>
<tr>
<td>New Housing</td>
<td>3%</td>
<td>1981-1982</td>
<td>3.03%</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>3%</td>
<td>1981-1982</td>
<td>3.03%</td>
</tr>
<tr>
<td>Baltimore</td>
<td>3%</td>
<td>1981-1982</td>
<td>3.03%</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>3%</td>
<td>1981-1982</td>
<td>3.03%</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>3%</td>
<td>1981-1982</td>
<td>3.03%</td>
</tr>
<tr>
<td>New York</td>
<td>3%</td>
<td>1981-1982</td>
<td>3.03%</td>
</tr>
</tbody>
</table>

*No apparent availability.

April 17, 1963: Index = 2.926%
The stock market again appears to be nearing a decisive phase. The Dow Jones industrial average may have reached its climax with the heavy turnover of recent days.

While the gyrations of officials may be charted—witness the TFX: Boeing-General Dynamics fuse—certainty of any immediate 100-point decline is expected to gain certain benefits. Some of the companies cited as the best performers in the defense category include Avco, General Precision, Equipment, Grumman, Lockheed, and McDonnell. The latest tally of p/e ratios of these six names (Lockheed) to a high of 12.5. (Grumman, International, in particular, have lured much investor interest. But companies, known primarily as domestic oil firms, are also growing more popular.

**Earnings Rate's Rise**

Meanwhile the Dow-Jones industrial p/e ratio continues to inch higher. The latest tabulation puts it at 19.4 times the $34.44 estimated per earnings of the 30 component stocks. This shows a rise from 18.6 times a month earlier. Not as strong a year earlier. The Dow also indicates the nibbling of the public. While daily odd-lot sales still exceed purchases, the gap is narrowing. There is obviously more participation from some of the long-dormant accounts, and there is also signs that the more speculative ideas will get more play than they did a year ago. Does it mean the end of the bull market, as the odd-lot theorists would claim? The answer is, of course, much more complicated than yes or no, or even when. A change in direction of the major indices is not apparent now. With the odds of a new tops, not seen there seems to be enough good news to bolster further advances. Overall, the profit and general economic tone is encouraging. First quarter profit statements of large concerns exceeded the most prior expectations and in many cases are better than predicted. There is also a generally optimistic feeling in most sectors of the economy. The country has not cut its teeth, but is much less a factor. The feeling in many markets that there will be made this year won't how why a bigger bite?

The U.S. government also reflected in the market. The more solid issues draw a bigger following than the Steel and American Motors, for example, are having considerably tougher sledding in today's market, than General Motors, despite the outlook for another seven million car year.

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

Schapiro Elects Chaffin Trust Officer

M. A. Schapiro & Co., Inc.

131 Manhattan Place, New York, City

Mr. Schapiro, the Sloan, President

Robert Chaffin has joined the firm as Executive Vice President and Director of the Investment Department, having been associated with the firm since 1954. His responsibilities at Kidder, Peabody & Co., incorporated, have covered the entire field of financial securities, particularly insurance, and loan and shares.

Mr. Chaffin, whose writings have been published widely in financial publications, is a member of the New York Society of Security Analysts and a member of the Executive Committee of the Investment Bankers Association.
Opportunities in Europe’s Electronics Markets

By Richard H. Randall, Manager, Electronics Industry Economics Research, Standard Research Institute, Menlo Park, Calif.

Electronics economist predicts that the European market for consumer electronics will continue to be the most important in "absolute growth" for the next several years. Moreover, he sees industrial and military products achieving the highest growth rates and probably attracting considerable interest from U. S. electronics firms.

Mr. Randall surveys the size and composition of the European market in eight generalizations about the types of opportunities which appear to be most attractive for a U. S. company wanting to participate in the European electronics industry. He concludes with a cautionary note as to how particulars can sometimes entirely offset a generalization.

The information I would like to present is based on several recent studies that have been undertaken by Stanford Research Institute.

I have tried to incorporate a consensus of the views of the many staff members who previously have been and who are now studying the European electronics industry — this was not easy, since even economists do not arrive at the same conclusions from a given set of data. Several of these staff members are now in Europe but they were extremely pleased to have their opinions and best judgments through this presentation. My own contribution is that of interpreting their observations in the light of my own experience and available data about the U. S. electronics industry.

The amount of attention the European market has received recently has been due in large part to the formation of the European Economic Community (EEC) and the rapid realization of its initial goals. Consequently, I should like to use the EEC electronics industry as a point of departure in describing the opportunities for U. S. electronics companies in all of the European Markets.

In the five years since its formation, the EEC has outstripped all most ambitious predictions made for it. Since its establishment, Western Europe has been by far the largest growth area with its capacity and efficiency of its industry, has seen competition greatly stimulated, and has provided many new investment opportunities for both EEC and U. S. companies. Just how fast the economy is expanding can be seen from the need to expand both public and industrial production of the community; the growth rate of industrial production in the United States during the years 1955 to 1960, and its industrial production increased three times as fast that of the United States. Rapid growth has continued since 1960 and is expected to continue through 1965, though at a less spectacular rate.

In Table I the rate of growth of the EEC is expected to be about 50% greater than that of the United States in the next few years, although it should also be pointed out that the value of the EEC's GNP in the United States is expected to be twice as large.

The EEC electronics industry appears to offer particularly attractive business opportunities. As shown in Table II, the current annual production of electronics equipment in the EEC is approximately $3 billion, and the production of countries such as France has become associated with the EEC. It, therefore, is predicted that the EEC's growth in the near future will be at least 7%.

Second in Size to U.S.A.

The 1960 electronic product of the entire world was about $15.5 billion. This represents about 18% of the GNP of the United States and $600 million of the world. The EEC is the only nation whose growth is expected to continue for many years and, therefore, is expected to become associated with the EEC. The United Kingdom, Denmark, and Norway, is an additional $1 billion. In the light of the recent expansion of the French Community, however, the association of these two countries is expected to continue for many years.

In the next few years the studies that have been undertaken by the United States and EEC nations will compare to the U.S. market in business practices, extent of Government participation, industry structure, restrictions, and productivity figures. This is to be expected, since eight generalizations about the types of opportunities which appear to be most attractive for a U. S. company wanting to participate in the European electronics industry. He concludes with a cautionary note as to how particulars can sometimes entirely offset a generalization.

Connecticut Brevities

The Ingham Co., Bristol, Conn., will construct a $1,500,000 plant in Bristol's Redstone Hill Industrial Park. The 60,000 square feet building will be located on a 25- acre site, and it will employ an additional 200 people. Ingham is an important manufacturer of electronic components and more recently, has been making timing devices for the government.

Kaman Aircraft Corp., the Bloomfield, Conn., helicopter manufacturer, recently reported that it has received a $3.5 million contract from the Navy covering delivery of spare cargo vehicle trucks. The Navy is Seaplane Helicopter. The Sea-sprite is a high speed, all weather helicopter built on a large industrial basis with the Atlantic and Pacific Fleets.

Bridgeport's Singer Manufacturing Co. has agreed to purchase the Sensitve Research Instrumentation Co. of New York. Singer expects to move the operation to the Singer Metro Division, Bridgeport. Singer Research, which currently has a sales volume of approximately $4 million, will continue the work in Bridgeport and compete in the space and electronics field. Singer's new $7 million plant will manufacture photoelectric cells and high quality vacuum tubes and other space related parts.

In March, United Aircraft Corp. and Robert & Pratt Pratt and Whitney division began construction of a new $11 million dollar addition to its Florida Research and Development Center. This addition, which is expected to be completed by fall, will give P & W's Florida Center the most advanced rocket engine liquid propellant research capability in the United States. The facility will be capable of handling safely all known combinations of liquid propellants including high density hydrogen and liquid hydrazine, dionobor and hydro¬gen. It is believed that the new facility will be able to take a significant role in developing rocket engines which will be used to less costly space missions and increased payload capacity.

Perkin-Elmer Corp., Norwalk, Conn., has received a $1.5 million contract to develop and build a system for the British Government for the generation of the Orbiting Astronomical Observatory Program for the British Government. The facility will be capable of handling safely all known combinations of liquid propellants including hydrogen and liquid hydrazine, dionobor and hydrogen. It is believed that the new facility will be able to play a significant role in developing rocket engines which will be used to less costly space missions and increased payload capacity.

The Consolidated Diesel Electric Corp., of Stratford, Conn., received an order for a $1.5 million contract for re¬search and development work on transport helicopters for the Marine Corps. The Pratt & Whitney Aircraft Div.'s special projects division of Stratford, Conn., received a $97. million contract for research and development work on transport helicopters for the Marine Corps. The Pratt & Whitney division of Hartford, Conn., was awarded an $1.8 million contract by the Bureau of Naval Weapons for continued general development and tests of the TF-30 engine for the Air Force. And another UAC subsidiary, United Technology Center, received a $3.5 million contract to develop the first stage of the Titan 11-C Standard Launch Vehicle.

Trading markets in

- Garden Corporation
- Connecticut Light & Power Corporation
- Eastern Electric Company
- Stanley Works
- Other Connecticut Securities

CHAS. W. SCRANTON & Co.
209 Church Street, New Haven 7, Conn.
Hartford 7-5588
Telephone: 203-772-0318
Communist Borrowing
In the Euro-Dollar Market

By Paul Einzig

Hardly anyone is in a more knowledgeable position to know the extent of the Euro-Dollar market as Mr. Einzig. In this article for The Commercial and Financial Chronicle, he examines the reasons behind the increase in Euro-Dollar loans to communist countries. Einzig explains how the Communist banks of the former Soviet bloc have been able to attract funds from Western banks due to the perception of political stability in countries like China and Vietnam. He also discusses the risks associated with lending to these countries and the impact on the Euro-Dollar market.
PUBLIC UTILITY SECURITIES

BY OWEN ELY

Kheel Director of Energy Fund

Theodore W. Kheel has been elected to the Board of Directors of Energy Fund Inc., Donald C. Samuel, President of the investment company, has announced.

Energy Fund a sound, open-end, multiplexing device in familiar energy and materials industries such as petroleum, gas, steel, gas, and natural gas, on the premise that holding substantial interests in industries engaged in developing new energy sources. It is managed by Ralph E. Samuel & Co., 2 Broadway, New York City, members of the New York Stock Exchange.

Mr. Kheel, a member of the law firm of Battle, Fowler, Stokes & Kheel, has a long and distinguished career in the field of labor-management relations. Currently President of the Industrial Relations Board, Mayor of the City of St. Louis, and U.S. Senate, he is a member of the Board of Directors of the United Metal Industries, the Pocketbook Industry, as well as a member of the Office of the Industrial Relations Board of the City of New York. Mr. Kheel is also Chairman of Mayor Wagner's Committee on Job Advancement.

Most recently, he was a member of the Federal Mediation Board which settled the 1962 longshoremen's strike and served as special consultant on civil service matters of the New York City newspaper publisher.

Data on Bank Statistics Show New High Levels

Banking figures at the end of 1962 marked the 13th consecutive year for which deposits, capital accounts and total assets established records. The significant facts are revealed by the United States Banking in the March 1963 Edition of the Bank's Directory.

Bank deposits on Dec. 31, 1962, were $292,738, up 7.9 percent. The corresponding figure for March 1961 was $280,000. Capital accounts and total assets established March 1963 were $199,484 and $275,525, respectively.

Construction Activity

New construction activity was revised upward about 1% for February, and the preliminary March figure showed little change for most types of private and public building. Construction activity in February and March was about 3% lower than in the preceding seven months, reflecting a 10% increase in 6% in private residential building.

Distribution

Retail sales, after being revised upward to 1% in February, were little changed in March and April while yields on State and local government bonds expanded moderately and those on corporate bonds changed little. Rates on three-month Treasury bills in March and April were about 2.9%.

Common stock prices rose somewhat. The S&P Composite Average increased. In mid-April prices were at a new high for this year, and stock prices showed the December, 1961, peak.

Bank Clearings Advance 3.6%

Bank clearings this week will show an increase compared with those of a year ago. Preliminary figures compiled by the Board of Governors, based upon telegraphic advices from bank clearers of the Federal Reserve System, indicate that for the week ended Saturday, April 6, clearings for all purposes were 3.6% above the corresponding week last year. Our preliminary totals stand at $31,513,201,013 compared with $30,400,211,750 for the same week in 1962. Our comparative summary for some of the major clearing areas follows:

Bank Clearing Week-end Clearings

<table>
<thead>
<tr>
<th>Area</th>
<th>March 2, 1963</th>
<th>April 6, 1963</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York</td>
<td>$18,405,360,000</td>
<td>$18,205,290,750</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>$9,800,140,000</td>
<td>$9,800,210,000</td>
</tr>
<tr>
<td>Boston</td>
<td>$3,300,000,000</td>
<td>$3,300,000,000</td>
</tr>
<tr>
<td>Chicago</td>
<td>$3,300,000,000</td>
<td>$3,300,000,000</td>
</tr>
</tbody>
</table>

Bank Clearing Week-end Clearings

Steel Buyers Face Tight Market

Steel users need not fear serious shortages this quarter, but they may have some anxiety moments in the second quarter.
An adequate supply of energy is essential to progress. In the 11 fast-growing western states served by El Paso Natural Gas Company, demand for energy has risen astronomically—as population has soared and the pace of the economy quickened.

Since 1950, these 11 states have grown 2½ times as rapidly as the rest of the nation. California today is the nation's most populous state. The populations of both Nevada and Arizona have more than doubled. This growth is accelerating year-by-year.

Vast supplies of energy are needed to meet the mounting demands of these millions of new citizens. And El Paso Natural Gas Company has played a growing role in providing one of the most important sources of this energy.

Back in 1950, El Paso Natural marketed 295-billion cubic feet of natural gas. By 1962, we were marketing 1,311 trillion cubic feet of gas—four and a half times as much as in 1950. That's approximately 10 times more energy than is produced each year by all of the federally financed electric power generators, including the giant Bonneville Power Administration and Hoover Dam, in these 11 states.

The 11 western states served by El Paso Natural Gas Company are growing 2½ times as fast as the rest of the nation.
Electronics Industry
Today and Tomorrow:

Continued from page 3

TXF contract underlines the fact that in addition, manned missiles will also be with us for years to come. This means that the demand for the special types of electronic systems designed for these aircraft will also be great for a long time. Industry because industrial requirements for electronics do not shift as rapidly as the public's taste in electronic equipment for entertainment and because the missile market is far from saturation.

In the marketing of sophisticated components needed today, the aerospace industry must compete against the national marketing companies as against the local multil—

It is no coincidence that the electronics industry is not exempt from application of basic skills that have always been essential in any industry. These skills are required to manage the sophisticated financial know—

NORMAN BURNELL
President, Burnell & Co., Inc., Pelham, N. Y.

We are actively engaged in expanding our research and development operations to improve electronic filter design and manufacturing techniques. Such filters are daily more important in aerospace communications and con—

The filters act as highly selective traps that screen out unwanted signals, making it possible for electronic circuits to keep on functioning. The Mariner and Telstar communications satellite, highly suc—

Robert S. Bell
Chairman and President, Packard Bell Electronics, Los Angeles, Calif.

Electronics sales during the first quarter confirmed pre—

military—

This will mean a total increase in electronics sales (from $13.1 billion in 1962) to $16.1 billion in 1963. The three—

While space and defense will ac—

Color television will account for a 3% increase in TV unit sales, despite a decline in black and white units from 6.6 million in 1962 to 6.4 million in 1963. Factory sales of at least 800,000 color sets in 1963 will bring total unit volume to 7.2 million, 200,000 units higher than last year.

Radio Imports will account for 41% of the domestic radio market in 1963. Radio sales by U. S. man—

Robert S. Bell
President, Eico Corporation, Willow Grove, Pa.

The electronics industry faces an exciting future in the decade of the 60's despite a period of serious re—evalua—

Benjamin Fox
President, Eico Corporation, Willow Grove, Pa.

The overall outlook supports our contention of future industry growth. Total factory volume for the industry is expected to include $13.2 billion in 1962 and $12.1 billion the preceding year. Volume to approach the $15 billion mark.

The $50 billion market for military and space electronics rose 8% in 1962 to $7.6 billion. Space electronics volume was also recorded from $2.4 billion in 1961 to $2.6 billion in 1962. A major component market, despite the saturation of semiconductor market from $3.5 billion to $3.7 billion and the production of computers rose from $710 million to $790 million.

Benjamin Fox
President, Eico Corporation, Willow Grove, Pa.

Probably the most promising areas in electronics will be in the component area. A number of surveys—

Continued on page 29
The changing voice of the telephone

Of the many great technological advances in communications, the telephone not only holds the greatest promise for a better world, but stands as the predominant force now shaping the future of all mankind.

Because the voice of the telephone is changing. It is on the threshold of extending man’s intellect in fresh directions, and is destined to put the capacities of society to full use in a swiftly changing world.

It is within this area that the more than 4000 scientists and engineers of General Telephone & Electronics are working. Our 38 research laboratories are constantly engaged in the development of new modes of intercommunication heretofore undreamed of.

One involves the summoning forth of a needle of needed information from a haystack of data stored in central telephone exchanges or business offices. Another, a telephone “brainwork” for transacting the world’s business and commanding its machinery.

Revolutionary discoveries and advances such as these will, in time, completely reshape our traditional ways of exchanging knowledge and conducting our affairs.

As a major telephone company, General Telephone & Electronics means to continue its efforts to bring the benefits of total communications by telephone to mankind and, in turn, benefit from the progress.

GENERAL TELEPHONE & ELECTRONICS

730 THIRD AVENUE, NEW YORK 17

GT&E SUBSIDIARIES: General Telephone Operating Companies in 32 states • General Telephone & Electronics Laboratories • General Telephone & Electronics International • General Telephone Directory Co. • Automatic Electric • Lenkurt Electric • Sylvania Electric Products
Electronics Industry
Today and Tomorrow:

Continued from page 13

Robert F. Halligan
President, The Halliflexers Co., Chicago, Ill.

No one can doubt that the electronics industry is still growing, with no slowing down in sight. But one can also see that it is facing several problems. Some of these problems have been growing for some time, others are new. But it is the latter that are of primary concern to the industry. Here are some of the main ones:

First, there is the question of how far we can really go with miniaturization. The answer to this question is not easy to find. But it is clear that, unless we can develop new materials and processes, we will reach a point where further miniaturization will be impossible.

Second, there is the problem of how to improve the quality of our products. This is a difficult problem, but one that we must solve if we are to remain competitive.

Third, there is the problem of how to react to the rapid changes in technology. This is a problem that we have to face every day. We must be able to adapt to new developments quickly if we are to stay ahead.

Finally, there is the problem of how to deal with the increasing competition from other industries. This is a problem that we will have to face in the future. We must be prepared to meet the challenge.

In conclusion, the electronics industry is facing several problems that require immediate attention. But we have the ability and the resources to solve these problems. We must be prepared to face the challenges of the future.

Robert F. Halligan
President, The Halliflexers Co., Chicago, Ill.
An ear for music, an eye for figures

The good looking young lady, as anybody with a radio, TV set or record player knows, is one of America's more popular vocalists.

She is also a Union Oil shareowner. This entitles her, along with 62,000 other shareowners, to a report on our 72nd year. It was a good one.

Our customers paid us $569,377,000.

We spent 58% of this amount—or $328,469,000—with over 18,000 other companies and individuals with whom we do business.

More than 1,500 local, State and Federal tax collecting agencies took $34,459,000. And, we also handed over to governmental agencies $94,749,000 in fuel taxes we collected from our customers.

Wages and other benefits for our employees and their families amounted to $65,779,000 of our income.

This left $45,921,000 as net profit.

Slightly less than half of these earnings—or $20,144,000—was payable in cash dividends to our shareowners, including Gogi Grant, for the use of their money.

The balance of our net earnings we reinvested in the business to expand and modernize facilities.

Such profits are not only important to our shareowners, they are important to the country as a whole.

For under our American free enterprise system, the rate of growth of our entire U.S. economy is directly dependent on the profits that Union Oil Company and the rest of the U.S. industry are able to plow back into productive facilities.

This opportunity for growth will continue to exist for all of us as long as our economy remains free and competitive.

Union Oil Company of California

MANUFACTURERS OF ROYAL TRITON, THE AMAZING PURPLE MOTOR OIL

*In addition, they received a 2% share dividend.*

YOUR COMMENTS INVITED: Write President, Union Oil Company of California, Union Oil Center, L.A. 17, Calif.
Electronics Industry

Today and Tomorrow:

Continued from page 20

company in military electronics is to curtail costs as tightly as possible, through new labor-saving techniques, diligent paper-pushing, and effective management. Some major companies, and some smaller ones too, are thinking and talking in terms of the order and other avenues for savings. We are doing this at Hoffman Electronics and assume most of our competitors are doing likewise.

The semiconductor also market continues to have very high performance and promises to remain so into the foreseeable future. Several of the leading companies, such as the integrated circuits, are part of the answer to remaining in the forefront in this business and also the competitive climate will be further in the cost-control and cost savings as being applied to commercial business.

The industrial and consumer markets in electronics now show a healthy and current growth fueling demand for new products; but these markets, too, demand management consciousness of costs. The industrial electronic field still has great potential and the largest percentage growth rate, as it has for several years, and it is here that electronic marketing creativity offers for sound profit and growing volume for those who perform well. Also, there is every evidence that the American consumer market now has a good foundation of disposable income for new products in the entertainment and associated fields, but the competition of foreign products is increasing.

In short, 1963 will be a good year in electronics for those who recognize the opportunities, are creative and manage well, and are willing to give the hand on costs.

G. BARRON MALLORY

Chairman, P. R. Mallory & Co. Inc., Indianapolis, Indiana

The strong likelihood is that the electronics industry will have a good year during 1963. The Federal Government and the probability of record highs in output, employment and foreign trade in electronics; and while commercial manufacturers may tend to be conservative in their estimates, the overall outlook is distinctly favorable.

If we look at the normal parameters of the general business climate, we might tend to be less optimistic. The first quarter of 1963, business has held a steady course along the high plateau achieved during the last twelve months of last year. There has been recently a hint of a meeting, and the general business attitude, a waitand-see attitude with at least a month's length of time—occasionally perhaps by confusion centering around the tax proposal, the threat of strikes, and the fact that after seasonal adjustment there were marked declines in the past quarter in the housing starts.

Reduction in inventory buildup was apparently one of the principal reasons for the slowdown in the rise of the general price level as of the latter part of 1962, and while car sales during February ranked more than 2 per cent over 1962, the recent rise in the price of steel by a small steel company has brought new worries. The further sub¬

G. Barron Mallory

turance in the wage equilibrum that has prevailed in the industrial community during the past two years. Steel productivity and consumption is one of the obvious keys to the industrial health of America. If the steel¬

workers are short in their acceptance of the two-year contract entered into a year ago—which they have to do any time after April 30—with resulting increases in steel wages and steel prices generally, this could seriously tax the efficiency controls of most manufacturing companies in this country.

Yet in spite of the sobering factors that tend to make us watchful of the economy generally, we do have other factors that lift up our hopes for the electronics indus¬

Indications are that the value of all types of electronic equipment—commercial and industrial, and consumer products—should reach at least some $12 billion, or roughly 12% more than the $7.7 billion produced in 1962, and the growth rate for electronic development, test and evaluation work should increase about as much. And sales of general electronic com-

ponents should increase by some 10% during the current year.

Consistent with trends in television sets, stereophonic phono¬

graphs, 1-1 fluid electronic refrigerators and other higher values were at all levels at the end of 1962. Year-end inventories of these items are expected to be high, coupled with an antici¬
pated increase in consumer spending have generated optimism throughout the industry.

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H. A. SHEPARD
President, Thompson Ramo Wooldridge Inc.,
Cleveland, Ohio

Industry sources indicate that 8. sales of electrical products in 1963 should be in the range of $10 billion as compared with $7.2 billion in 1962. It is anticipated that Government contracts will account for well over one-half of the total market, moving up to possibly $11.5 billion from $9.9 billion last year. Sales to the industrial, consumer and replacement markets are expected to remain close to the levels of 1962.

TRW's sales of electronic products such as semiconductors, radars and other components, and systems and equipment for military, commercial and environmental markets are expected to show a further moderate increase in 1963 over the record level reached in 1962. But no dramatic gains are anticipated for this year.

A modest growth is seen for the semiconductor industry in 1963. Some further price declines are anticipated, although they should not be as severe as in the past two years. There is still excess capacity in the industry for most standard products, and a continuation of the shake-out may be expected. In the area of military electronics, missile warfare will require the first major production of integrated circuits and specially designed microminature components. In addition, the number of complete systems and unique, corporate integrated circuits, and design activity will greatly increase this year as the market for these products is expected to grow. The TRW semiconductor business, which has long dominated the industry, has a leading role in the development of space-related and other new products.

The capacitor industry also anticipates a modest growth for 1963. Within TRW, growth will come from include film capacitors (primarily MYLAR) and solid tantalum capacitors. As with semiconductors, there is a continuing increase in capacitor space and reliability of capacitors and capacitors which show resistance to radiation effects.

The total U. S. electronic consumer products market is expected to decline slightly in 1963. In addition, the components segment of this market will continue to be adversely affected by Japanese imports of high volume, high-labor content products. Offsetting this, in part will be a growth of specific product lines such as color TV, home and auto FM radio sets, and electronic organs. TRW has a strong position in each of these areas of the consumer products business. Several new high fidelity and stereo items, and a deluxe line of modular electronics furniture will be introduced by TRW during 1963. Also showing promise in commercial market areas are pre-recorded tape products, language laboratories and educational television equipment, and we believe the market for TRW numerical equipment—for the control of machine tools from punched or magnetic tape—will show steady growth in 1963 and for the next several years.

Industry sources indicate that as much as one-sixth of all defense electronic expenditures go for some type of computer, creating a market of nearly $1 billion in 1963. The military computer market is growing faster than the electronic data processing market as a whole. Our forecasts indicate that TRW will acquire a substantial share of this market in the current year through sales of computer main frames and associated peripheral equipment.

TRW is a principal supplier of military computers, with sales primarily in the area of small-scale, inexpensive computers in the TRW-130 "stored logic" family. TRW is also a world leader in the field of industrial process control. The introduction of the TRW-340 core-drum control computer has greatly improved the company's competitive posture. The company also expects to maintain its first-place position in total sales and successful close-loop industrial computer installations in 1963. The market for these computers is growing at a compound rate of greater than 40% per annum and represents a key factor in TRW's long-range planning.

FORTUNE PETER RYAN
President, Royal McBee Corporation, New York City

The last quarter century has seen the electronic industry grow from an infant to become, today, one of the largest and most essential members of our industrial complex. During this period, however, the rapid success of new inventions and technological breakthroughs accomplished by the industrial scientists and engineers may have tended to obscure the underlying sound economic growth that has been achieved.

In fact, the extent to which products of the electronic industry have permeated virtually every area of life has resulted in the industry establishing a solid economic foundation which will ensure long-term growth in the years ahead.

Thousands of companies at all sites now comprise the many facets of the electronics industry. Few of these produce the spectacular products such as equipment for the exploration of space or giant electronic computers and data processors. But all are producing essential items for our expanding civilization. The technological gains in the design and application of automated machinery for our industrial plant, devices to bring better entertainment to more people, revolutionary

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for tomorrow's reliability!

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Electronics Industry
Today and Tomorrow:
Continued from page 23

worldwide communications systems, and hosts of other advances.

At Royal McBee, for example, we look forward to further growth with the industry through the development and manufacture of peripheral equipment, such as input-output equipment, in conjunction with digital computers and advanced data processors. This is a vital field, and we expect to increase in size and importance with the industry—the industry and the company. We always marked this industry with an increasing significance, as the range of knowledge increases, making it impossible for any company to possess expert skills in every aspect of electronics.

The electronics industry is still in its beginnings. Only now it is in position to fulfill its role in the economy. Total sales of electronic products were about $1.5 billion in 1959 and $12.5 billion in 1962, a gain of 925%. The industry is now experiencing a rapid growth in both size and importance.

The industry’s sales of entertainment equipment increased last year to about $2.4 billion after having remained for the previous three years at about $1.4 billion. Sales of television sets increased by 50%, to 6.4 million units, and monitors, by 35%, to 3 million units. Sales of phonograph records reached $3.7 billion in 1962, an increase of 30% over the previous year. Sales of hi-fi equipment increased by 50%, to $1.2 billion.

For 1963, we look for another good year in home entertainment electronics, with sales reaching about $2.5 billion. This would be an increase of $1.7 billion, or 140%, over 1962. A significant feature of 1963 was the increasing importance of stereo sound, which is now a major factor in the entertainment industry. Sales of stereos are expected to reach $600 million in 1963, an increase of 50% over 1962.

The new high value of $2.5 billion in stereo sales is expected to be reached by mid-1963 due to increased sales of hi-fi components, such as amplifiers, speakers, and recording equipment. The industry is now in the midst of a major sales expansion, driven by consumer demand for high-quality entertainment. The growth of the stereo market is expected to continue at a significant rate, with sales reaching $1 billion by 1965.

The electronics industry is still in its infancy, with tremendous potential for growth and development. The industry is expected to continue to grow at a rapid rate, driven by increasing consumer demand for hi-fi products.

In conclusion, the electronics industry is expected to continue its rapid growth in the years ahead, driven by increased consumer demand for hi-fi products and the increasing importance of electronics in all areas of life. The industry is expected to continue to be a major contributor to the economy, with sales reaching $5 billion by 1965.

ROBERT C. SPRAGUE
Chairman of the Board and Treasurer, Sprague Electric Company, North Adams, Massachusetts

The electronics industry in 1962 continued its good performance and growth. Total sales of electronic components, measured by the National Product, registered a gain of 7%. In their forecasts for 1963, economists and analysts expect the growth of the industry to be driven by increased consumer demand for hi-fi products, with sales reaching $2.5 billion in 1963, an increase of 50% over 1962.

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MUTUAL FUNDS
BY JOSEPH C. POTTER

Wall Street, U. S. A.

There was a time when, aside from New York, Chicago and a few other Verdant spots, stocks were a mystery, an item dealt in by wiser men. Wall Street still carries a mystique that folks in the hinterlands have not been able to get over, and scarcity of the fault of the mutual funds.

Some day somebody in Washington, which is never slow to criticize and even castigate the financial community, is going to confess that many extremely worthwhile things have been done for the American investor by fund pioneers. However, it is not sug-
gested that fund folks hold their breath until that distant day.

Back in 1961, the Investment Company Institute was established with the intention to the fact that residents of New York State had been passed by Californians on fund patronage. It also noted that leading growth areas, for the funds, were such other states from Wall Street regions as 3Ms—Michigan, Minnesota and Missouri, that is.

Well, the upsurge in investment interest west of the Hudson continues at a merry clip. The I.C.I. now tells us that in 1962 the people of California bought $300 mil-

lion worth of fund shares, up from around $352 million in 1961. And once again the Golden State showed its high heels to the Em-

dire State. Indeed, New York, although it continued to lead in investment place, slumped to little more than $379 million from $433 million the preceding year.

Even New Jersey, which borders on New York and many of whose residents are transplanted New Yorkers, sustained a slide. Garden State investors bought $63 million worth of fund shares last year, down from around $68 million in 1961.

About the only bright spot in the East was Massachusetts which, all things considered, is about the most honest province of any state. Illinois, which was fourth in fund buying in the 1961 report, was passed last year by the little Big 
Bay State. The people around Boston during 1962 looked down $149 mil-

lion worth of fund shares, up from the $141.6 million reported in 1961. Illinois fell to No. 8 in its purchases dwindled to $114.3 million from $145 million the year before.

Wisconsin, however, was a bright spot, in midlands, climbing up $72.7 million in sales, compared with $52.7 million the year before.

Back in the 1961 report it was noted that all but four of the 50 states scored sales advances. One of the lagging few was Arkansas, where no more money was accounted for $9 million of sales in 1962, against $7.9 million the year before.

Fund folks will find the I.C.I. state-by-state report worth reading. It is a continuing demonstration of the changed nature of this land. Too many people, inside and outside the market whose popularity are accustomed to thinking of the market for their services in terms of Park Avenue, Scarsdale, Staten Island and Palm Beach. For many people it is almost painful to realize that there are also prime customers out in the grain belt and in the cotton belt.

Fortunately, this out-of-date thinking is not prevalent in the Midwest. It is because the funds have never looked upon the wealthy investor as the mainstay of their business. And it can also be because of the educational campaign that has arisen from the knowledge that the families of modest means were prime in-

vestment prospects.

Total worth of the funds associated with the I.C.I. is around $90 billion in a sum, or any measure. Many believe that within a decade net assets will approach $100 billion. And this figure may even be passed in that span. But that this growth is to be shared among many--or perhaps the same--viable companies is much welding of the families whose annual income is $10,000 or more and such families are to be found to almost every family of our South- land, Midwest and beyond the Rockies.

While the Ford Motor Corp. stock was offered to the public several years ago, an affluent small-town businessman wanted to know, "How do you go about getting some of those stocks?" He and $25,000 of other investment-minded individuals in this country are learning how to acquire a portfolio, but many millions of others need to be informed—of the opportunities and the pitfalls.

In any case, fund sales will top 250 million during the next few years and where there are last 17 million investors, the opportunities to acquire the citizenry that will spread the risk professional management are not negligible.

The Funds Report

Ahlaco Fund reports that at March 31 net asset value was $37,-

15,716, equal to $43.97 per share. A year earlier the respective figures were $44,598.526 and $52.12. At the close of 1962, asset value was $35,210.426 and share value $41.13.

Federated Growth Fund, Ltd., re-

ports that at March 31 assets totaled $4,121,503, or $47.77 per share. At the close of 1962 assets were $3,604,572, or $45.77 a share.

General Public Service reports net assets of $79,734,056, equivalent to $6.41 per share on March 31. At the close of 1962 net assets amounted to $76,140,181, or $6.12 share. At March 31, 1962, asset value was $6.81 a share.

During the latest quarter purchases of common stocks exceeded sales by more than $1.4 million and included new holdings in An-

Curo-Euro, Atlanta Gas Light, Home Insurance and Roadway Express. Sales included elimina-

tion of Beckman Instruments, Ford Motor Co., International Nickel and Merck & Co.

Groep Income Shares Ltd., re-

ports that at Feb. 28 total net as-

sets were $17,357,806, or $3.31 a share. A year earlier the compar-

ing figures were $15,977,572 and $3.62.

Snedeker, Stevens & Clark Bal-

anced Fund reports that at March 31 total net assets were $97,271,-

952, equal to $5.81 a share. This compares with assets of $51,673 and value and share of $20.43 a year earlier.

Snedeker, Stevens & Clark Com-

Participation Fund reports that at March 31 total net assets were $57,802,870, equal to $10.02 a share against $41.48 and value of $10.81 a share a year earlier.

S. J. Mohr Forms Own Inv. Firm

MONTGOMERY, Ala.—Sidney J. Mohr, Jr., has formed S. J. Mohr Securities Co. with offices in the First National Bank Building, to engage in a securities business, Mr.

S. J. Mohr, who has been in the investment field in Montgomery for many years, will be
currently entrepreneur of the enterprise.

Mortgage Bankers' Conference in
New York May 6-7

The Mortgage Bankers Association of America will hold its annual Eastern Mortgage Conference at New York's Waldorf-Astoria Hotel on May 6 and 7. Approximately 2,000 mortgage bankers will hear lending national agents to the financial authorities from government and industry discuss various aspects of the mortgage industry, financial communities.

Dale M. Thompson, President of the MBA, and President of the City and Bond Mortgage Co., Kansas City, Mo., will preside at the Conference with a discussion of govern-

ment lending policies and their effects on the private mortgage industry. He will be followed by Senator John J. Sparkman (D.- Ala.) who will discuss the legislation affecting the mortgage and housing industries. The final speaker of the program will be Francis T. P. Plimpton, Deph-

ut Representative of the United States to the Dominican Republic. His talk, on the policies and nature of the United States, will be fol-

owed by a question and answer period.

The Saturday morning session will be open to the public. Roland O'Regan, Chairman of the New York branch of the Association, will introduce the day's program. The conference will be followed by a panel discussion of "The Institutional Demand for Mortgages." Walter Mahlscheidt, Vice-Chairman in charge of the Eastern Mortgage Conference, and Vice-President, Teachers Insurance and Annuity Association of America will preside at the panel session. The life insurance industry will be repre-

sented by R. M. C. Ralston, Jr., Vice-President, New York Life Insurance Co., and the mutual savings banking industry by August M. Strung, Vice-President, The Bowery Savings Bank, New York, and the pension fund industry by Paul L. Howell, Third Deputy Comptrol-

or, The New York Life Insurance Co., John A. Gilliland, Chairman of the Association's Conference Committee, and First Vice-President of Stockton, Whately, Davis & Company, Jacksonville, Fla., is Chairman of the Eastern Mortgage Conference.

In addition to the above General Session, the operating session's Young Men's Activities Committee will sponsor a break-

fast on Monday morning, following the opening of the first session. Selton Stallard, the committee's

chairman, and Vice-President of the Jersey Mortgage Co., Eliza-

beth, N. J., has announced that Robert Vincent, Attorney, Crav-

th, Swaine and Moore, New York, will discuss the "Legal Aspects of Setting Up Construction Loans in Connection with Income Producing Properties."

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The Commercial and Financial Chronicle

Volume 197 Number 6256...
International Competition and Growth Policies

Continued from page 26

the Chinese attack on India. Then, less than three months ago, came the break¬
up of the British empire, which for the entry of the United King¬
don into the Common Market. The two events are not the same, but rather too close for its con¬
quencies to be fully evaluated, but one thing is certain, I would note that the United Kingdom has a stand¬
by of $1,000 million with the Fund. I would like, how¬
ever, to say something about the other issues.

Stock Market Drop

The decline on the stock ex¬
changes was sharp in most of the markets on the Continent of Europe than in New York and London. From a peak which has been reached, the average decline in New York was about 23%, in London about 15%, in Frank¬
furt and Zurich as much as 40%. Sometimes this is especially the case when it reflects a fall in the earnings, a sharp decline on the stock exchange, to a slightly under¬
scribed in a recession or a de¬
pression (as it did in 1929); but this is not always the case. So far as we know, business here in the United States, and in the Continental Europe, continued to improve all through 1962, even after the decline on the exchanges, and has continued to do so this year.

The question is why the decline on the stock exchanges was not the forerunner of a recession this time when it was that it was not regarded as a reflection of weakening business but more as a technical adjust¬
ment, brought on by a realization that the postwar inflationary rise in prices had come to an end. Here in Europe it was seen that in 1961 the level of wholesale prices has re¬
mained about unchanged for five years; and in parts of the world, price rises have been very moderate in earlier years and there are signs of the resumption of any perceptible trend.

When a year or so ago stock yields were yielding a very low rate were still very high, and, for mostly in the hope of rising yields and higher quotations in days to come, or more simply a hedge against inflation. The quotations of many securities had risen to fancy prices before the rise in prices which inflation would not, these prices had to be corrected and the sooner the adjustment the better. The owner of the security will be kept up, and even increase in lines has ever in¬
creased.

It is in the area of what econo¬
mists call price expectations that the increases have occurred which explain the good tone of business in the latter half of 1962 and early 1963. These "final pur¬
chases"—the inventory changes—constitute an increased demand for consumption, for in¬
vestment, and, for exports, and all these goods are thus taken of the market. In the United States, the rise in the home demand for consumer goods has kept up well, investment has increased, and in spite of a rather in¬
flated output as a rule have risen. In 1963, world trade increased between 5 and 10%, and any other figure shows not only the resilience of business but also something that is expected, a rise in trade and to ensure prompt pay¬
mights have had a good effect.

Canadian Exchange Crisis

Let me now briefly recall the circumstances surrounding the crisis of the Canadian dollar. Once the dollar was over in June 1962, the Canadian Government adopted a number of domestic measures to help reduce the balance of payments strain on the balance of payments. Among them, at the time, to the Americans and the United States and to the United Kingdom for assistance. Four days after the Canadian Government had made its problem known, it obtained a loan to the tune of $750 million, which is available from other sources. This loan was made on an emergency basis, and the amount of the equivalent of $750 million was made available from other sources. Canada has been able, over the last two years, has been able to have passed since last June to meet all of its exchange requirements in an important way, and these reserves are higher than the Canadian dollar in the exchange markets.

The rapid restoration of the Canadian exchange position was a remarkable demonstration of the ability of the country to maintain international monetary cooperation, and especially the speed with which assistance can be mobilized in the event of an exchange crisis. Later in the year, the Cuban and Chinese fac¬
sions, which was a part of the earlier agreement, was that its financial-aid program was to play a role. There was, it is true, a good deal of strong private demand on the gold¬
kets, but this demand was met for the most part by demand from current supplies and the London gold pool, and the pres¬
tage exchange market, on the whole, remained unafflicted by the political developments.

On these occasions there was never any doubt about the de¬
pendence of the authorities both national and international to intervene strongly in the market. There was also in the markets an awareness that the authorities now had the confidence of the market, that they could increase their purchasing power has received few problems. Such a period has been

the one we have just passed through— the period after the United States, when the hangover of excessive war liquid¬
ity produced a volume of pur¬
chasing power far in excess of the in¬
flationary. In the space I am in¬
volving, six years ago, in the spring of 1961, the inflationary rise in prices was still a very real problem, and there were many people who would have said that speech that in the United Kingdom consumer prices had risen by 3% in the period, but that Canada had in London and to say in other countries at an even higher rate. But this pe¬
nary, we are not so far removed from its close, and within the following two or three years the basic con¬
tingual market in the world to be, and that was to continue, and that the need to keep the choice of currencies in draw¬

Adoption of New Wage or Income Policy Approach

Firstly, when prices could be set, that the laborer attention was paid to be paid at costs. It was not always easy to convince the laboring world that there was no radical change in the ge¬
cal economic situation had occ¬
enced, and there was still a need for the jobseekers to accept the new situation, new pol¬
ices and practices were needed, and I shall mention two in par¬

Why Exchange Market Is Calm

At the same time, the resources are substantial enough for the market to do this, then it is not reasonable to expect it to have done—that speculative movements of funds in themselves have not been enough to overcome the defenses in the market. While the system was effective, the implications to the public and par¬

ties of particular interest is the fact that the foreign exchange market is therefore a valuable service when, in the United States, the Council of Economic Advisers, in its report to the President early in 1962, set down the "guidelines" for the re¬
cendards to be permissible wage increases. The effect of the increasing of the increases in productivity. Gradual for some reasons have been needed the time for some similar guidance made itself felt, and in some countries, statements have been issued over the past year containing indications of what should be considered a destabilizing effect. The determination of wage increases in relation to increases in produc¬
tivity, movement of prices, and other relevant factors. Such state¬
ments have been discussed in terms of a beginning of an "in¬
comes policy.

For most countries even the im¬
portance of wage control has been a new de¬
partment in the field of official policy. and, at the same time, the governments' thinking. The announcement of such guidelines or the elaboration of a scheme of official wage control reflects not only the counter to the requirements of the economic system, but the contrary. Sometimes, as for example in Italy, the government's wage policy has been decided in increas¬
ingly large organizations, and other countries of industrial labor. There are very many examples of the need for a new de¬
partment in order to establish certain basic conditions for the proper functioning of the market.}

U.S.A. Increases Domestic Liquidity

Secondly, a new factor affecting officials in the new situa¬
tion is—as I already pointed out— that it can no longer be taken for
granted that an adequate increase in liquidity or easy money will have
chasing power will occur without special action or pressures on the part of
course, business may use its own
liquid resources more freely and readily meet the demands of the banking system, which will help an expansion, but such developments have not been undei-
pinned by official policies.

The United States, as you know, has in recent years been relatively easy money policies, so that at the same time, the Federal budget has been either balanced or in surplus, certain specific measures have been taken—the liberalization of the exchange, the reduction of the 7% tax credit, and they too will help to sustain demand. Be-
cause of the balance of payments situation, the expansionist policies of the United States have encountered a certain risk, but I think that the risk has had to be taken, for a non-expansionary policy under the present conditions in this country, with its very powerful economy, could have had very serious results, and that this level of economic activity in the world as a whole. As you know, the President has been食堂 the tax cut which, if adopted, will stimulate a very powerful char-
ter of U.S. economic policies.

All these policies have been followed and these new proposals introduced since, and they are considered to be in the interest of the United States, but the United States is a large country, and many affairs that policies undertaken in one area have repercussions abroad.

International Coordination of Economic Policies

In addition to outward-looking policies, which are very important, and in the United States, there should be a coordination of the economic polices particularly of the main industrial countries, and I believe this is a movement which we may well be developing. It is begin-
ing to be realized that coordi-
nated economic development is needed, and more needed in this sit-
uation, and that they serve the interests of the whole world, of the highly developed economies but also of the raw material produc-
ing countries, and the very significant development will be the Continued economic expansion in the industrial countries of importance of importance to the developing countries, both because it tends to lead to an increase in the pur-
chases of raw materials by the expanding "industrialized" econo-
I believe that there is a need for some international forum or for some international forum or de-

Continued on page 28
International Competition and Growth Policies

Continued from page 27

adjustment need not be either very harsh nor serious. Actually, government support from international institutions and friendly governments for the IMF or the Fund is not to be expected. But it is reasonable to hope that the new period of growth sets in, it will be more firmly founded.

Knows Full Well Desire to Buy Gold

J. Henry Wright, Federal Reserve Bank of New York, in an interview with The New York Times, said: "I can understand the feeling of disappointment in many countries, where the rate of economic growth is very slow and the rate of growth is very much slower. But there is no such method either in the collective economy or in the free market economy, or whatever combination of the two systems is used. The difficult problems of growth require much detailed and hard work, and a collective character in many fields. These problems are best grappled with under stable conditions from a financial standpoint and from a base, and to enable countries to do so there should be, and there has been, financial and technical expertise necessary to assist national authorities to develop the full resources at their disposal.

Other International Aids

It is good to know that there are many international agencies available to give valuable assistance to those who are struggling in the United Nations itself and in the various specialized agencies. It is, I must admit, a very important role which the International Bank for Reconstruction and Development and its affiliates play in responding to the aspirations of the developing countries. It is to the credit of the Bank that it is paying special tribute to the valuable work which is being done in many member countries by Mr. Hoffman and the Special Fund, and in the following by the specialized organizations whose touch is upon that of the Fund, all of which have been busy working out the programs for the discussion of their problems the Economic and Social Council of the United Nations.

Beyond the technical help from those sources, my views on the developing countries must include, and must be included, the proper balance has been laid, the readiness of the richer countries to give is more important. The three forms of assistance I have mentioned—financial assistance, technical assistance, and political assistance—are vital to the countries of their products to the developing countries.

Last Appearance

This is the last time I shall appear before the Social Council as Managing Director of the International Monetary Fund. It is a measure of how much I have appreciated the friendly relations which have existed between the United States and the United Nations. My contacts with the Secretariat and with Mr. de Seysen and his Department of Economic and Social Affairs have always been most cordial. I would also like to say to the members of this Council that I have had the opportunity to discuss this problem with common concern to the two countries. I have known that questions have been discussed with great frankness and spirit, and I am sure my successor will continue to regard this occasion as a major effort and the standpoint between the Fund and the United Nations.

Role of Credit Managers in Canada’s Economy

"Many different skills in credit and finance will be needed in administering the funds required to achieve Canada’s total credit mechanism work proactively," said J. Henry Wright, Federal Reserve Bank of New York, in an interview with The New York Times.

The near-term Government market continues to move in a range of 2.38% to 2.62%, which means that funds have not been available here and are not available for longer-term funds. This is a reflection of the new money, raising operation of the Treasury bond market, which has led to a rather slow distribution of the 4% has not reached buyers into the market for long-term corporate and tax-exempt bonds. There is still a sizable amount of funds available for investment in high-grade bonds, but price and yield must be right before they will be put to work.

Corporate Financing to Increase

"The next 12 months will see an increase of 15% in the rate of growth of the two major areas of the economy, the manufacturing and the services sectors," said J. Henry Wright, Federal Reserve Bank of New York, in an interview with The New York Times.

"The very fact that a company such as J. Henry Wright has advanced working capital usually indicates a fairly high level of activity and a more than ample supply of funds for constructive purposes. The fact is that the new money is being digested by investors.

The new money offering of the Treasury has had an impact on the long-term bond market, which is a reflection of some of the credit managers’ good work.

The capital market in the opinion of not a few experts is likely to assume a more important role in the future of the economy because it is believed that business will use the long-term area of the bond market for increasing amounts of its needed funds. Although a substantial part of these requirements may be obtained from internal sources, such as cash flow, this will be insufficient to finance expansion programs that are under consideration at this time. Loans from the Registered Bank Capital (RBC) and commercial paper are not likely to be used to any extent in the past and is not likely to be resorted to at this time either. As a matter of fact, the commercial banks were not set up to be used as suppliers of long-term funds, and there are indications that there will be an example in the near future of the long-term market for funds for expansion and improvement purposes.

Pleasure Boat Handbook Offered

Seasoned sailors as well as landlubbers about to go down to the sea are welcome to welcome the "Pleasure Boat Handbook," by Elbert Robberson, just published by the Pleasure Boat Section of the American Institute of Chicago, New York Bank.

The author's authority on boats and boating, Robberson has put together an illustrated, 32-page booklet containing everything a sailor—perhaps to sail—wants to sail—should know by heart and additional data every sailor should always have on tap at his helm. For smoother sailing, the booklet tells how to: buy a boat; buy and equip; introduce him to elementary seamanship, insurance, the weather, the Skipper, and other safety devices.

To help new sailors plot safe courses, Robberson, an experienced "salt" in both sail and engine, insists that his customer's ability to inventory both at point of sale and at point of departure, he said. He must first know every point of the chart, including all points of navigation and the chart's accuracy, a chart of the area, and the chart's accuracy.

As a result of the manufacturer's liability to inventory both at point of sale and at point of departure, he said. As the manufacturer, he must keep his credit to a minimum, but he pointed out that "from the standpoint of bankruptcy, the best solution would be a cash or C.O.D. Just so. But this is not possible to do on a broad basis," he said.

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most impossible to fight Castro because of the United States and the CIA. We can't move in Miami because of the FBI and the CIA. It is now very difficult to send ships to the United States on the islands because your government has gotten British ships to look for us. The governments of South America will let us use their countries as bases, but we would need large boats, and that costs a lot of money. We will be stopped in the bay.

"If we have to be against the United States, we will fight against the whole world—we do not care. It's our duty. It's a very beautiful idea. It's our duty for our country. We ask from the United States to let us die out there, the scenery and our sacred honor."

Miguel Laza had given me the story that I had come for, but I think it was more that he needed it. When he had told it to me, it all came together in my mind that I had seen him reflect some that hurt look of bewilderment, his eyes still held that same pleasant air of reassurance that just existed in the world.

I wanted to apologize to him for the American people. I tried to explain, to tell him that my government's actions were not supported by most Americans, but my voice cracked and the words stuck in my throat. I got up, took a deep breath, and walked out of the house. I walked down the street, and the image of the American flag burned in my eyes. As I walked, I thought of the friendship and aid we had given, of the millions of dollars that we had invested in the country, and of the sacrifices we had made for our country.
SECURITY SCHOOLS' CORNER

BY JOHN DUTTON

Easy Does It

You learn about living and human emotions from many sources. Often you can pick up an idea from someone in an entirely different field of life. This can be done, of course, in the public interest for the use of the financial community, that there are a number of people who have proved over the years that they can appreciate in price but due to the high premium at which they are now selling, the imminence of the call date, I suggested that they be sold and the proceeds placed in what I believed to be a very conservative common stock, that was suitable for this account.

The customer was in agreement, and I took the matter up with one of the company officials who always consults with us. He turned it over to his head of research and several days later called him for a decision. He told me that his research man also thought the price was high but that the stock I suggested wasn't conservative enough for this account.

Ordinarily, I would only consider such a one in a ultra-conservatism, but in this case I was positively convinced that I knew what the situation was. If I suggested than my friend, the customer, such a bond, then I felt that that thinking that less than an AAA bond is a rank speculation; that it was inevitable that he would have that I wasn't too keen about that. It isn't often that I am dogmatic about securities. I've lived too long for that. But I not only believed that I was making a good suggestion, but I wanted this client to have this stock in his account. So I remembered my friend Joe and the mining equipment and, again, called him to confer.

"Charlie thinks that stock is not conservative enough I'll buy the stock with you. Joe, I wouldn't go against what he thinks, and you think. We can find something else which will be more suitable. We've handled this account together all these years and you and I know that we've done a good job; thanks mostly to your help and to Charlie up in the research department." (Pause)

"Oh, go ahead, John," replied the trust officer; "It's a good stock. You know the company and so do we. You've done a good job too. Just sell out those bonds and reinvest it the way you suggested, Charlie will go along. In fact I wouldn't be surprised that his liver is better off than it is today.

So I learned something from my friend Joe in the mining machinery business. I think my customer is making the right move. I won my point without argument, with¬out even making the continued relationship of good will all around. The Japs have a sport of them. You can use it in selling too.

Joins Merrill Lynch

DENVER, Colo.—James Mackay, executive vice president of Merrill Lynch, Pierce, Fenner & Smith Incorporated, 621 17th Street, has been formerly with Kidder & Peabody.

The Commercial and Financial Chronicle... Thursday, April 18, 1963

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SEC Urges Extension of Disclosure to OTC Firms

The following is taken from the summary of the Report of the Special Study of Securities Markets, submitted to Congress, urges the extension of listed issuers' disclosure requirements to the OTC firms. The SEC and OTC companies randomly sampled were found to have divulged no financial information to the owners and the remainder divulged inadequate information. The study concluded that the OTC market at a disadvantage, it recommended: (1) phasing-in investor protection by degrees; (2) including banks and insurance companies in the firms extending insiders' short-selling trading safeguards; and (4) identifying covered companies with an identification mark such as "OTC-Listed.

Specifically, the Report recommends legislation to extend the protections of Section 13 (financial reporting sections of the 1934 act and regulation) and Section 16 (controls on insider trading) of the Securities Exchange Act to investors in OTC-over-the-counter Issues (the three sections now apply to exchange-listed issuers). The report states: "Disclosure is the cornerstone of federal securities regulation; size and scope of investment analysis and decision; it is the great safeguard which governs conduct of corporate management in many of their activities; it is the best bulwark against reckless corporate irresponsibility and irresponsible recommendation and the best defense for those whose work is considered "wholly indefensible" in terms of logic and public policy.

Inadequate Financial Disclosure

In order to evaluate the financial reporting practices of issuers of OTC-over-the-counter securities, the Special Study questioned a random sample of 1,618 OTC-companies. Of these, 25% sent no financial reports to the shareholders and such information as was supplied by the rest was found deficient in several respects.

Proxy solicitation materials were also found inadequate. 54% of the issuers did not publicly solicit no proxies at all during 1961 and only a majority of the solicitations were made. Among directors shareholders were even given the choice of proxy solicitation and there was no right-to-vote for the present management.

Extension of controls on "insider trading" is also needed, the Report notes, since many OTC-over-the-counter companies are "insider" companies that have non-dues profit and loss statements. Proxy materials were also judged "inadequate" and investigated. The Commission's action was aimed at putting the OTC market at a disadvantage, it recommended: (1) phasing-in investor protection by degrees; (2) including banks and insurance companies in the firms extending insiders' short-selling trading safeguards; and (4) identifying covered companies with an identification mark such as "OTC-Listed."
NEWS ABOUT 
BANKS AND BANKERS

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

The Saswa Bank Ltd., Osaka, Japan officially opened its New York agency branch on April 15 as a Class A, authorized foreign exchange bank.

The new office is located at 1 Chase Manhattan Bank's Grand Central branch at 422 Lexington Avenue, New York 22.

Robert L. McCullough, a Vice-President of the First National City Bank, New York, died April 6 at the age of 61.

Chemical Bank New York Trust Company, New York has promoted J. R. Pettibone, Mr. W. B. Warrick and James W. Wehl, Jr., former Trust Officers in the Fiduciary Division. Mr. Hale becomes Corporate Trust Officer, Corporation Trust Officer, respectively. Mr. Warrick is now Manager of the Pine Street, and Messrs. Warrick and Wehl are named Personal Trust Officers of the Trust Department at 100 Broadway.


Edgar M. Broneman has been named a Director of Empire Trust Company, New York.

Robert A. Gay has been promoted to Executive Vice-President and elected a Director of the Empire Trust Company, New York.


THE FIRST NATIONAL BANK OF CHICAGO

Mrs. C. C. Cundiff, President of the First National Bank of Chicago, announced that the election of Preston B. O'Sullivan as Vice-President and Secretary, and Homer Heebler as Auditor, was unanimous.

Sidney B. Bowne Jr., has been elected Vice-President of its Roosevelt Savings Bank, Brooklyn, N.Y.

The Security National Bank of Long Island, Huntington, N.Y. announced April 21, that the Board of Directors has authorized the calling of a Special Shareholders Meeting to approve an increase in the capital of the Bank by the issuance of 20,625 shares of $100 par value stock to shareholders of record as of April 27, to maintain a $1,200,000 additional shares of common stock.

Subject to the shareholders' approval, the Special Meeting will be held in mid-June and final approval of the increase in capital by the shareholders of record will be given the right to subscribe to one additional share for each nine shares held on the day of the meeting.

The Comptroller of the Currency, H. B. McCaghren, has given preliminary approval for the proposed capital increase and effective April 1.

Arthur F. Thompson III has been elected Assistant Vice-President of Long Island Trust Co., Garden City, N.Y.

Peter A. Van Orden, Assistant Comptroller, has been named Manager of National Bank of Westchester White Plains, New York, Briarcliff Manor Branch, which is to be scheduled to open in early June.

He was formerly Bank Manager of Bank of New York, White Plains, N.Y.

The County Trust Company, White Plains, N.Y., opened a new bank office at 255 Maple Avenue, White Plains, on April 6. The office, located at the northwest corner of 255 and Fifth Avenue, replaces the Trust Company's quarters at 8 West Post Road.

The consolidation of Workingmen's Co-operative Bank of Boston, Mass., and Codman Co-operative Bank, Boston, Mass., effective with the close of business March 29, was announced. Shareholders of both banks unanimously approved the consolidation and will meet at the new bank's offices April 12, to select the two new bank's officers. Merger is subject to approval by banking authorities.

The Board of Directors of First National Bank of Harrisburg, Pa., has named William R. Brey, former President of Codman, becomes a member of Workingmen's Board of Directors.

The consolidation brings Workingmen's total assets to over $600,000.

The National Newark & Essex Bank, Newark, N.J., elected Mr. J. C. F. Crafts a Director.

The Commercial Bank and Trust Co., Pittsburgh, Pa., announced the appointment of Thaddeus A. McKee as Vice-President.

Mr. Jakiela comes from Western Pennsylvania National Bank, Pittsburgh, Pa. Previously, he had been associated with the Washington Trust Company.

The Mellon National Bank & Trust Co., Pittsburgh, Pa., announced the resignation of George D. Lockhart a Director.

The Comptroller of the Currency James S. Saxton approved on April 4 the application to merge The Fidelity National Bank of Lancaster, Lancaster, Pa., and the Keystone National Bank of Manheim, Manheim, Pennsylvania, effective on or after April 11.

The election of George D. Lockhart, to the Board of Directors of Mellon National Bank and Trust Co., Pittsburgh, Pa., was announced.

The First National Bank of Allenwood, Allenwood, Pa., has named William H. Codman, as Assistant Cashier, as Manager of the South Mountain Branch Bank, which is to be opened during the summer. His assistant will be Michael J. Holub, Jr.

The new Richmond office of Industrial Valley Bank, Jenkintown, Pa., will be opened at 1525 Chestnut Avenue, will open April 20.


Floyd D. Gottwald, Jr., has been appointed Assistant Vice-President to Toe Bank of Virginia, Richmond, Va.

The Bank of Virginia, Richmond, Va., has announced the promotion of Raymond Williams, Jr., to become its Chester second to Assistant Vice-President, and John G. Sayers of the Petersburg office to Assistant Cashier, effective April 1, 1923.

The Comptroller of the Currency, James S. Saxton, has given preliminary approval for the proposed capitalization and effective April 1, 1923.

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Arthur D. Pettibone is the new President of the First National Bank of Manheim, Manheim, Pennsylvania.

The Comptroller of the Currency James S. Saxton, April 1 announced that he has given preliminary approval to organize a National Bank in St. Louis Park, Minn.

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

The Comptroller of the Currency James S. Saxton, April 9 announced that he has given preliminary approval to organize a National Bank in Minneapolis, Minn.

Initial capitalization of the new bank will amount to $300,000, and it will be operated under the title "Security National Bank of Minneapolis."

The Comptroller of the Currency James S. Saxton, April 9 announced that he has given preliminary approval to organize a National Bank in Temple, Okla.

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

The Comptroller of the Currency James S. Saxton, April 9 announced that he has given preliminary approval to organize a National Bank in Springfield, Ohio.

Initial capitalization of the new bank will amount to $400,000, and it will be operated under the title "Dexter National Bank."

The Comptroller of the Currency James S. Saxton, March 29 announced that he has given preliminary approval to organize a National Bank in North Miami, Fla.

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

The Comptroller of the Currency James S. Saxton, April 2 approved the application to merge First Union National Bank of North Carolina, Charlotte, N. C., and Bank of Greensboro, Greensboro, N.C., effective on or after April 9, 1923.

The Comptroller of the Currency James S. Saxton March 29 announced that he has given preliminary approval to organize a National Bank in Fort Lauderdale, Fla.

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

The Comptroller of the Currency James S. Saxton April 8 announced that he has given preliminary approval to organize a National Bank in Fort Lauderdale, Fla.

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

The Comptroller of the Currency James S. Saxton April 8 announced that he has given preliminary approval to organize a National Bank in Fort Lauderdale, Fla.

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

The Comptroller of the Currency James S. Saxton, April 8, announced that he has given preliminary approval to organize a National Bank in Fort Lauderdale, Fla.

The National Bank of Commerce, Houston, elected Mr. J. A. Byrd a Vice-President.

The Comptroller of the Currency James S. Saxton April 5 announced that he has given preliminary approval to organize a National Bank in a new community of Grand Prairie, Texas.

Initial capitalization of the new bank will amount to $250,000, and it will be operated under the "Midway National Bank of Grand Prairie, Texas.""

Apportionment and Representative Government—Alfred de Grazia—American Enterprise Institute, 1012 Fourteenth Street, N. W., Washington 5, D. C. (paper), $4.00.

Automation: The Impact of Technological Change—Taye Brozen—American Enterprise Institute, 1012 Fourteenth Street, N. W., Washington 5, D. C. (paper), $2.00.

Bank of Nova Scotia Trust Company of Hawaii Ltd.

General Securities Company

General Securities Company Inc., 101 West 57th Street, New York, City, has announced that as of April 15, 1963, it continued its activity as brokerage and investment banking house and underwriting business abroad.

Statistics to Head Business Forecasters

The business outlook and forecast are still to be themes of the Fifth Annual Forecasting Conference to be held Fri., April 26, 9:30 a.m. to 4:30 p.m., at the Hotel Roosevelt, Madison Avenue at 45th Street, New York City. This was announced today by Dr. A. J. Jaife, President of the New York Area Chapter of the American Statistical Association.

A distinguished group of ex- pert forecasters and economists will discuss analytical methods in four Conference sessions. The Short-Term Forecasting session will be discussed by Douglas Greenwald of the McGraw-Hill Publishing Company and William H. Shaw of E. I. du Pont de Nemours & Company. Spokesmen at the Sales Forecasting session will be Robert H. Theil of the PAPER Company and Alex C. Gross, Filtration and Plate Glass Company. Long-Term Forecasting will be the subject of Dr. A. L. Jackson, Managing Editor of the Magazine and Lee J. Carey, Continental Can Company, Inc. The Retail Market Forecasting session will be at Allen M. Bollon, Trotter & Company, Inc., Rockwell International, and C. E. Stone & Company, and William S. Darrow, Steel & Clark, will be in charge of Martin Garsin of the National Industrial Conference Board, an Outstanding Director of Special Funds, Inc., speaking on "Economic Growth Abroad."

Reservations for sessions and luncheons are necessary and preferably be made before the scheduled date of the session by contacting McGraw-Hill Publishing Company, 330 W. 42nd Street, New York 18, N. Y. New York.

Bank of Nova Scotia Trust Company of Hawaii Ltd.

The Bank of Nova Scotia Trust Company of Hawaii Ltd., the Bank of Nova Scotia's new branch in the territory of the Bank of Nova Scotia, Trinidad branch will be under the management of Mr. David T. Matthews. He has been transferred there from Montreal. Mr. Peter Parrott formerly an accountant at one of the Bank's branches in Canada.

The Bank of Nova Scotia Trust Company of Hawaii Ltd., the Bank of Nova Scotia Trust Company of Hawaii Ltd., plans to start the election of Mr. William Nicks, the Bank's Chairman, revealed that Mr. Berkeley; was also elected to the Board and appointed a Deputy Director of the firm's Jamaican subsidiary, the Bank of Nova Scotia Trust Company of Jamaica Ltd.

American Citizens National shareholders sold a branch there since 1919 but due to the combination of circumstances, it is now impractical for us to continue to operate this single unit.

The Bank of Nova Scotia Trust Company of Hawaii Ltd.


The Bank of Nova Scotia Trust Company of Hawaii Ltd.

The Bank of Nova Scotia Trust Company of Hawaii Ltd., opened a branch in Southern California, Los Angeles, with Mr. John F. Williams, the Bank's American representative, Mr. John F. Williams, the Bank's American representative, as its head office to a new building on Van Nuys Blvd., in Sherman Oaks, Calif. The Bank also opened a new office building in Woodland Hills.

The Bank of Nova Scotia, Toronto, Ont., announces the ap- pointment of R. M. Macintoch as an Assistant General Manager.

The Full Bank Ltd., Tokyo, Japan, on April 9 opened a branch office in Dusseldorf, Germany.

The Royal Bank of Canada, Montreal, Canada April 15 announced the closing of its branch at Mon-teavideo, Uruguay, on April 9. At that date, all pending mat- ters of business were transferred to the Bank of London and South America Limited.

The Spanish government, announcing the appointment of R. W. Shannon, associate General Manager (International Division) of the Royal Bank of Canada, Montreal, does not indicate a contraction of the Bank's international chain of branches in Latin America. The Bank is planning to open additional branches in Colombia; Venezuela; Dominican Republic; Puerto Rico; Jamaica; Trinidad; British Hon- duras, and the West Indies.

The decision that the Bank's operations in Uruguay has been taken with considerable re- hesitation, in view of the generally high expectations of the Bank's future widespread expansion in the Latin American countries.
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 in parentheses 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 "Next Available Registration" are those issues which became effective this week and were offered publicly.

Airway Hotels, Inc.

April 1, 1963 filed 200,000 common. Price—$0.50. Business—Company owns and operates a chain of motor hotels, apartment buildings and a shopping center. Proceeds—For loan purposes, and other corporate purposes. Office—901 Fuhrmann Blvd., Buffalo, N. Y. Underwriter—None.

Alaska Power & Telephone Co.

April 1, 1963 filed $600,000 of 6% subordinated debentures due 1975, $200,000 common, and 10-year warrants to purchase an additional 180,000 common. The securities will be offered in 60 units each consisting of one $1,000 debenture, 400 common, and 30 warrants. Registration also covers an additional 92,000 outstanding common. Price—Retail: $4 per share. Business—Company supplies electricity and telephone service to the Alaskan communities of Craig, Hoonah, Tok, and supplies electricity to Seldovia. Proceeds—for debt repayment, construction and working capital. Address—Philip Ave., Shagany, Alaska. Underwriter—J. W. So., Inc., New York.

Allied Mortgage & Development Co., Inc.

Jan. 28, 1963 filed $2,000,000 of 6% subordinated bond due 1973 (with warrants) and 100,000 warrants to purchase an additional $250,000 of debenture (with a warrant to purchase two shares) and one common share. Price—At amendment. Business—Mortgage banking, real estate development, and sale of insurance. Proceeds—for debt repayment, land development, and working capital. Office—3750 Lamar Ave, Memphis, Tenn. Underwriter—To be named.

American Lady Air, Co., Ltd.

July 31, 1961 filed 400,000 common shares. Price—$0.50. Business—Company is engaged in exploration, development and mining. Proceeds—for diamond drilling, construction, exploration and general corporate expenses. Address—800 Lay Ave, St. Louis, Mo. Underwriter—E. A. Manning, Ltd., Toronto.

* American Annuity Life Insurance Co.


American Mortgage Insurance Co.


American Pacific Fund, Inc.


Amrep, Inc.


Amrep, Inc.


Annapak Co., Inc.


Arkansas Louisiana Gas Co.


Associated mortgaged bonds, Inc., (5 / 6-10)


Atlanta Management Co.


Automatic Merchandising, Inc.

April 9, 1963 filed 15,000,000 of which 125,000 are to be offered by company and 100,000 by stockholders. Price—$0.046. Business—Represents a business company that operates, owns, services and leases coin-operated automatic vending machines. Proceeds—for debt repayment, inventory, equipment, and working capital. Office—217 Nathan Ave. Tommy Underwriter—A C. Allyn & Co., Chicago. Offering—Indefinite.

Bank "Alden" Mortgages & Loans, Ltd.


Barclay Savings & Loan Co.


Boston Life Insurance Co., Inc.

March 19, 1963 filed 1,000,000 common stock, of which 250,000 are to be offered by company and 750,000 by stockholders. Price—$0.047. Business—Company operates mutual fire, marine and accident insurance. Proceeds—for capital. Address—123 High St., Boston. Underwriter—C. M. Loeb, Rhoades & Co., and White, Weld & Co., Inc., New York.

Braniff Co., Inc.

April 10, 1963 filed $2,500,000 of 6% debentures due 1978 (with warrants); also 75,000 units, each consisting of two shares of 1% convertible preferred and one share of common. Price—By amendment. Proceeds—Leasing of cars, trucks and equipment. Proceeds—for debt repayment.


Horace Mann Life Insurance Co., Feb. 1, 1963, filed 2,000,000 common shares of which 800,000 are to be offered by company and 120,000 by stockholders. Price—$12.50. Business—Writing of accident and health insurance. Proceeds—for continuing construction, operating expansion, and to operate a beef and pork packing plant. Proceeds—for construction, equipment, and working capital. Address—Des Moines, Iowa. Underwriter—Covington & Burling, New York.


Maradell Inc., Aug. 29, 1962, filed 2,000 common (with attached war¬ rant) for $50. Business—Company plans to furnish equi¬ pment for mobile space and missile facilities, and provide advisory and management services to the manufacture of sales products. Proceeds—for working capital and equipment of loans, and general corporate purposes. Office—125 Fulton Federal Bldg., Atlanta. Underwriter—None.


Manhattan Drug Co., March 29, 1963, filed 72,000 common, of which 58,000 are to be offered by company and 14,000 by stockholders. Price—$3.50. Business—Manufacturing, packaging and sale of drug products. Proceeds.—For equipment, new products, debt repayment and working capital. Office—156 Tillary St., Brooklyn, N. Y. Underwriter—Lehman & Co., Inc., New York. This registration will be withdrawn.


Continued on page 38
National Central Life Insurance Company

National Equipment & Plastics Corporation

National Fence Manufacturing Co., Inc.
Nov. 29, 1963 filed 100,000 common, Price—$5.75. Business—Manufactures and sells galvanized and painted metal fencing, concrete reinforcement, and related products. Proceeds—For general corporate purposes. Address—41st St., Kansas City, Mo. Underwriter—First National Bank & Trust Co., Kansas City, Mo. Note—This registration will be withdrawn.

National Fidelity Life Insurance Co. (5/6)
March 17, 1963 filed 150,000 common, and 26,227 shares to be offered by company and 36,228 shares by a stockholder. Price—By amendment (max. $35). Business—Business of the company and the shelf registration of one of the classes of its securities. Proceeds—For debt repayment, and other corporate purposes. Address—102 Walnut St., Kansas City, Mo. Underwriter—E. F. Hutton & Co., Inc., New York.

National Memorial Estates

National Mortgage Corp., Inc.
Dec. 29, 1963 filed 100,000 common, and 300,000 common shares. Price—For certificates, $762; for stock, $1.15. Business—A mortgage loan company. Proceeds—For general corporate purposes. Address—231 S. Hydraulic, Wichita, Kan. Underwriter—First National Bank & Trust Co., Kansas City, Mo. Note—This offering will be made only in the State of Kansas.

National Security Life Insurance Co., Inc.

National Union-Pac., Inc.

Mitsu & Co., Ltd. (4/24)

Missouri Life & Casualty Insurance Co. (4/30)
March 27, 1963 filed 300,000 common. Price—By amendment (max. $8.50). Business—A legal reserve life insurance company. Proceeds—For general corporate purposes. Address—South Brentwood Blvd., St. Louis, Mo. Underwriter—None. Note—This registration will be withdrawn.

Midwest Technical Development Corp.

Mil National Corp. (4/22-26)

Minneapolis Tribune Corp.
March 3, 1963 filed 1,000,000 common, at 10%. Price—By amendment (max. $7). Business—Company plans to be owned and operated by the company. Proceeds—For general corporate purposes. Address—Office—414 Third Ave., New York, N. Y. Underwriter—None.

Meridian Fund, Inc.
March 4, 1963 filed 300,000 capital share. Price—Net asset value plus 5%. Proceeds—A new mutual fund to be offered initially to members of the medical profession. Proceeds—For investment. Address—Office—714 Boston Blvd., Denver. Underwriter—Centennial Management & Research Corp. (same address).

Met Film, Inc.

Meridian Fund, Inc.
March 4, 1963 filed 300,000 capital shares. Price—Net asset value plus 5%. Proceeds—A new mutual fund to be offered initially to members of the medical profession. Proceeds—For investment. Address—Office—714 Boston Blvd., Denver. Underwriter—Centennial Management & Research Corp. (same address).

Midwest Technical Development Corp.

Mill National Corp. (4/22-26)

Mitsui & Co., Ltd. (4/24)
Feb. 20, 1963 filed $10,000,000 of convertible sinking fund debentures due 1983, and 150,000 American Depository Shares. Price—By amendment (max. $20). Business—A general trading company dealing in a variety of items of natural and manufactured goods, and commodities. Proceeds—For general corporate purposes. Address—1258 Third Ave., New York, N. Y. Underwriter—None. Note—This registration will be withdrawn.

Mortgage Guaranty Insurance Corp. (4/29-5/3)

Municipal Investment Trust Fund, Series B
April 28, 1963 filed 3,750,000, at 10% (5,000 units) of interests in real property. Price—To be supplied at amendment. Proceeds—the fund will invest in tax-exempt bonds of states, counties and municipalities for the purpose of acquiring an income. Address—Office—450 Fifth Ave. N Y Underwriter—Associated Securities Corporation, N. Y. Underwriter—None.

Music Royalty Corp.
July 27, 1963 filed 150,000 common. Price—$1. Business—Company plans to become a royalty collection, licensing, etc. and plans to engage in the music publishing business. Proceeds—To invest and disburse funds for the purpose of acquiring music royalties. Address—Office—450 Fifth Ave. N Y Underwriter—None.

National Aviation Corp.
Potomac Real Estate Investment Trust
July 6, 1963, filed 150,000 common. Price—By amendment (max. $5). Business—A real estate investment trust. Proceeds—For investment in and repayment of $100,000 6% mortgage notes, due 1976, held by Pres. George M. Smith, Jr., and directors. Underwriter—None.

Poulsen Insurance Co. of America (5/8)

Powell Petroleum, Inc.

Power Cam Corp.

Prescott-Lancaster Corp.

Princeton Research Labs, Inc.

Professional Men's Association, Inc.
Jan. 8, 1963, filed 40,000 common. Price—$5. Business—Company is formed to operate and maintain hospital for treating victims from accidents, illness, and other conditions requiring extensive medical care. Proceeds—For purchase and general development and working capital. Address—100 W. Tenth St., Wilmington, Del. Underwriter—None.

Putnam Fund Distributors, Inc.
April 3, 1963, filed 2,000,000 shares of beneficial interest. Price—By amendment (max. $2). Business—Sale of common stock. Proceeds—For general corporate purposes. Address—60 Congress St., Boston, Underwriter—None.

# Quick-N-Clean Corp. of Minnesota, Inc.

Reality Estates Co. of New York

# Recreation Industries, Inc.

Reliance Life Insurance Co. of Illinois

Remitch

Resort Inns, Inc.

Retirement Foundation, Inc.

Richard Gray & Co., Inc.

Richmond Corp.

River Belle Corp.
Sept. 26, 1962 filed $250,000 of 6% debentures and 50,000 common. Price—For debentures, by amendment; for common, by registration. Proceeds—For general corporate purposes. Address—One Mountain, Ga. Underwriter—None.

# Superior Benefit Life Insurance Co. of Massachusetts

Suro Mortgage Investment Trust

Tampa Electric Co. (4/24)

Television Systems, Inc.
June 1, 1962 (Reg. A) 150,000 common. Price—$22. Business—Production and sale of educational audio-visual teaching aids. Proceeds—for equipment, promotion and advertising and working capital. Office—1506 Broad St., Philadelphia, Pa. Underwriters—733 Third Ave., N. Y. Note—This letter was withdrawn.

Tennessee Gas Transmission Co. (4/23)

Ten-Tex, Inc.
Dec. 31, 1962 (Reg. A) 9,000 units each consisting of one common share and one warrant to purchase shares of preferred stock (1965-1967) for each common share. Proceeds—For construction and development of an integrated pulp and paper mill. Office—2202 Florida Ave., Turner, Ala. Underwriter—111 Broadway, N. Y. Note—Temporarily postponed.

Texas Plastics, Inc.

# Stone Mountain Scenic Railroad, Inc.

Superior Benefit Life Insurance Co. of Massachusetts

Surto Mortgage Investment Trust

Tropical Fish, Inc.
May 28, 1962 filed 500,000 common. Price—$1.50. Business—Exploration, development and production of...

Tri-Continental Corp. March 1, 1963 filed $10,740 shares of $2.50 par value stock (par $50) totaling $2.70. The number of outstanding $2.70 preferred shares (par $50) on a share-for-share basis were not exchanged by April 22, will be offered publicly. Price—By agreement. Business—Mines and operates iron ore properties in Minnesota and Wisconsin. Proceeds—For general corporate purposes. Office—2117 N. Wayne, Chicago, Underwriter—None.

Waterman Steamship Corp. Aug. 18, 1963 filed 830,000 shares of $7 par value stock (par $70) totaling $5.70. The number of outstanding $5.70 preferred shares (par $70) on a share-for-share basis were not exchanged by August 20, will be offered publicly. Price—By agreement. Business—Steamship operations in the Mediterranean Sea. Proceeds—For general corporate purposes. Office—4244 S. Michigan Ave., Chicago, Underwriter—None.

**Waves, Inc.**


**Western Empire Real Estate Investments**


**Wexel, Inc.**


**Wheat Futures, Inc.**

Dec. 28, 1962 filed 7,000,000 shares of which 3,176,000 are to be offered by company and 18,824 by a selling stockholder. Price—$7.50. Business—Writing of life insurance. Proceeds—To increase capital and surplus for and for expansion. Office—1939 N. Meridian St., Indianapolis, Ind. Underwriter—K. J. Brown & Co., Inc., Muncie, Ind.

**Ultrasonic Laboratories, Inc.**


**United Camera Exchange, Inc.**


**United Variable Annuities Fund, Inc.**

April 11, 1963 filed $39,000,000 of 8 1/4% convertible debentures due April 1, 1983. Price—$100 per bond. Proceeds—$39,000,000. Address—Sidney, Montana. Underwriter—To be named.

**Vend-Mart, Inc.**

Jan. 22, 1963, filed 1,000,000 of $1 par common stock (par $5) totaling $5. Proceeds—For stockholders. Address—Sidney, Montana. Underwriter—To be named.

Valley Investors Corp.


Urethane of Texas, Inc.

Feb. 14, 1963, filed 1,250,000 class A and 250,000 common to be offered in units of one share of each class. Price—$5.50 per share. Operations—Manufacture of urethane foams. Proceeds—for equipment, working capital and debt retirement and general corporate purposes. Office—New York, N. Y. Underwriter—None.

Valley Investors Corp.


Underwriters National Assurance Co.


**Unicsan Laboratories, Inc.**


**United Camera Exchange, Inc.**


**United Variable Annuities Fund, Inc.**

April 11, 1963 filed $39,000,000 of 8 1/4% convertible debentures due April 1, 1983. Price—$100 per bond. Proceeds—$39,000,000. Address—Sidney, Montana. Underwriter—To be named.

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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."

**Inter-Mountain Telephone Co.**
266,000 common being offered for subscription by stockholders. Offers price for new shares for each held on record April 3, Rights will expire May 1. Courts & Co., Atlanta, is the principal underwriter.

**Las Vegas Properties Trust**
600,000 shares of 4% preferred stock offered at $10 per share by Securities Co. of Nevada, Las Vegas.

**National Aviation Corp.**
5,178,440 shares of common offered at $1 per share on the basis of one new share for each five held of record Apr. 4. Offer valued at $13,132,500. No underwriting is involved.

**Northern Indiana Public Service Co.**
$3,000,000 of 4½% first mortgage bonds due 1963 offered at 102.116% and accrued interest, to yield 4.37% by First Boston Corp. Offer April 26. No underwriting is involved.

**Pacific Northwest Bell Telephone Co.**
$50,000,000 of 4½% debentures due Apr. 1, 1993 offered at 101.287% and accrued interest, to yield 4.36% by Morgan Stanley & Co., New York.

**Reynolds Metals Co.**
120,000 class A common shares offered at $28 per share through Glorie, Forgan & Co., New York, and Grant-Brownell Co., Denver.

**Utah Power & Light Co.**
15,000,000 shares of 6% first mortgage bonds due Apr. 1, 1963, offered at 101.276% and accrued interest, to yield 4.4%, by Salomon Brothers & Hutzler, New York.

**ATTENTION UNDERWRITERS!**

Do you have an issue you’re planning to register? Our department would like to know about it so that we can prepare an Item similar to those you’ll find hereunder.

P.O. Box 2-9570 or write us at 23 Park Place, New York 7, N. Y.

**Prospective Offerings**

American Telephone & Telegraph Co. (5/7)
April 5, 1963, the company announced an underwrite to sell $250,000,000 of debentures due May 1, 1999, Proceeds—For company’s general use.

Baltimore & Ohio 

Tel: 301-415-2300

Chairman, announced that the company will embark on a $750,000,000 capital improvement program, with financing to be made available through underwriters.

Bethlehem Steel Co.

Chairman, announced that the company will offer $200,000,000 of 5½% first mortgage debentures due May 1, 1993. Proceeds—For working capital.

Boston Edison Co.

Chairman, announced that the company will sell $100,000,000 of debentures due May 1, 1963. Proceeds—For working capital.

The Cleveland Trust Co.

Chairman, announced that the company will sell $15,000,000 of 8% bond due May 1, 1983. Proceeds—For general use.

Continued on page 42
Nebraska Power Co.

April 16, 1963, the company announced plans to sell about $6,000,000 of construction bonds in the fall of 1963. The proceeds of the sale will be used to construct a new power plant.

New Jersey Central Power & Light Co.

April 16, 1963, the company announced that it plans to sell about $10,000,000 of construction bonds in the fall of 1963. The proceeds of the sale will be used to construct a new power plant.

New York Power Co.

April 16, 1963, the company announced plans to sell about $6,000,000 of preferred stock in the fall of 1963. The proceeds of the sale will be used to construct a new power plant.

New York State Electric & Gas Corp.

April 3, 1963, it was reported that the company plans to sell $10,000,000 of preferred stock in the fall of 1963. The proceeds of the sale will be used to construct a new power plant.

Nippon Telegraph & Telephone Public Corp.

April 16, 1963, the company announced plans to sell about $20,000,000 of construction bonds in the fall of 1963. The proceeds of the sale will be used to construct a new power plant.

Northern Illinois Gas Co.

April 16, 1963, the company announced plans to sell about $20,000,000 of preferred stock in the fall of 1963. The proceeds of the sale will be used to construct a new power plant.

Northern Natural Gas Co.

April 16, 1963, it was reported that the company plans to sell about $20,000,000 of preferred stock in the fall of 1963. The proceeds of the sale will be used to construct a new power plant.

Northern States Power Co. (Minn.)

Jan. 11, 1963, it was reported that the company plans to sell about $20,000,000 of preferred stock in the fall of 1963. The proceeds of the sale will be used to construct a new power plant.

Otter Tail Power Co.

Jan. 10, 1963, it was reported that the company plans to sell about $10,000,000 of construction bonds in the fall of 1963. The proceeds of the sale will be used to construct a new power plant.

Pennsylvania Power & Light Co.

March 18, 1963, the company stated that it expects to sell $5,000,000 of preferred stock in the period 1963 and 1964. The proceeds of the sale will be used to construct a new power plant.

Philadelphia Electric Co.

March 18, 1963, the company announced plans to sell $478,000,000 of construction bonds in the fall of 1963. The proceeds of the sale will be used to construct a new power plant.
Opportunities in Europe's Electronics Markets

Continued from page 14

Economically, the following comparison can be made by showing the percentages of GNP that are represented by the European electronics industry. Table IV shows these percentages. Since 1950, the electronics industry has grown more than twice as fast as GNP and almost four times as fast as the GNP of the United States. But it should also be pointed out that the percentage of the U. S. GNP that is represented by the electronics industry is expected to remain somewhat greater, although slight. In Europe, at least through 1965.

Composition of the Electronics Markets

One of the outstanding differences between the U. S. and the European electronics markets is the composition of those markets. In the United States, more than half of the total market value is for military equipment, about 20% is for industrial equipment, another 10% is for replacement parts—more than 25% for consumer products. In Europe, the situation is quite different: consumer products account for about 60% of the total electronics market. Because of the low density of population, this market, consumer products are expected to continue to dominate the European electronics industry. The situation is quite different: consumer products account for about 60% of the total electronics market. The European electronics industry is expected to grow rapidly and probably present the greatest opportunities in the European electronics market. A prime reason for the rise in expenditures for electronics in the European industrial market is the inclusion of telecommunication equipment in the European figures. Telecommunication equipment is represented as almost half the industrial electronics market, and its production is generally dominated by several of the leading manufacturers in each country. The remainder of the industrial electronics market in Europe, while it is decreasing in size, is growing rapidly and probably presents the greatest opportunities in the European electronics market.

Anyprojection of shifts in military expenditures are speculative, in view of the current trend of shifting the recent actions of the French Government toward the implementation of NATO military programs. The estimates shown in Table V are based on the assumption that European military expenditures will reach $3 billion per year by 1967.

Although I have often referred to European electronics markets, it is not clear that this is not a single homogeneous market in the United States. The market in the United States is distinctively separate from that in the European Economic Community. In view of recent political events it is likely that European military expenditure will change within the next few years. Therefore, participation in one of these two markets will only continue to provide limited advantage to a U. S. company for participation in the other.

Even within the EEC there are factors that influence the Benelux, France, Germany, and Italy. In some product areas it is possible that one or two companies in these countries quite effectively from a single location, but it is not possible to evaluate one location within the EEC would be completely adequate for the large range of electronic equipment in any of the six Common Market countries. Evidence suggests that many firms already active in Europe have found it desirable to establish additional sales facilities in several countries throughout the continent. A new situation developed for many companies before the organization of the EEC, and by necessity, the European market may become homogeneous enough that such a situation will become more common. For the next few years, however, it is expected that the number of sales facilities will remain quite substantial. If they are made for it by members of the staff at the Institute, I should ask that this type of statement be carefully prepared.

Business Practices

One of the differences between U. S. and European electronics industries is the percentage of sales handled by companies in Europe. In the U. S., the greatest use is made of sales personnel who are directly employed by manufacturers. In Europe, some manufacturers employ their own sales agents, independent distributors, and wholesalers. In Europe, there are comparatively few manufacturers' agents, and their activities are mainly concerned with importers. Contrary to the situation in the United States, manufacturers' agents and wholesalers are also fewer wholesalers and distributors than there are in the United States.

Another difference in business practices arises out of the combination that was made for the public risk capital in the EEC countries, and since banks are able to vote capital, it was possible for them to assume an important role in a company's operations. The domination of the large bank makes it difficult for a small company to compete with a large company, and especially to secure initial financing because of the bank's proprietary interest in the established electronics manufacturers. As a consequence, the possibilities that a very small company may not be able to organize their own companies as easily as they have in the United States. With the large number of small independent electronics firms are not found as extensively in the EEC as in the United States.

Credit regulations are some what more restrictive in Europe, both upon the manufacturer and upon the user of electronic products. There are fewer types of credit available. Short-term borrowings are sometimes not as easily arranged as in the United States. All of this financial conservatism results in a rigid system wherein most small electronics companies to compete effectively with the large European industrial companies.

Government Participation

Government participation in industry is greater in Europe than in the United States. However, the European market is prohibited to the saturation of the market for radio and television receivers. In the United States, the saturation of the television market was reached in the United States. However, the United Kingdom market for radio and television receivers is still in the saturation in the United States, and has reached is substantially in size and in rate of growth, but it is fiercely competitive and will probably become more so as it has done in the United States. While continuing to profit in this field, they will probably be limited to established manufacturers, and it will become increasingly difficult for a new firm to compete with existing names.

The industrial segment of the European electronics market represents less than one-third of the United States market, largely because of the small number of telecommunications equipment in the European countries. Telecommunication equipment is represented as about half the industrial electronics market, and its production is generally dominated by several of the leading manufacturers in each country. The remainder of the industrial electronics market in Europe, while it is decreasing in size, is growing rapidly and probably presents the greatest opportunities in the European electronics market. A prime reason for the rise in expenditures for electronics in the European industrial market is the inclusion of telecommunication equipment in the European figures. Telecommunication equipment is represented as almost half the industrial electronics market, and its production is generally dominated by several of the leading manufacturers in each country. The remainder of the industrial electronics market in Europe, while it is decreasing in size, is growing rapidly and probably presents the greatest opportunities in the European electronics market.

Table: Defense Budgets

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<thead>
<tr>
<th>Year</th>
<th>United States</th>
<th>United Kingdom</th>
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<tbody>
<tr>
<td>1958</td>
<td>$41.3 billion</td>
<td>$4.3 billion</td>
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<tr>
<td>1967</td>
<td>$47.9 billion</td>
<td>$4.7 billion</td>
</tr>
<tr>
<td>1968</td>
<td>$53.8 billion</td>
<td>$4.7 billion</td>
</tr>
<tr>
<td>1969</td>
<td>$57.0 billion</td>
<td>$4.7 billion</td>
</tr>
</tbody>
</table>

Note: The above figures are approximate and subject to change.
Opportunities in Europe's Electronics Markets

Continued from page 43

It is in the United States. This participation may be expected, in addition to those with which U.S. electronics firms are familiar. In the United States the industry output is purchased by the government and it is estimated that 50 percent of the electroni

c R&D efforts are funded directly or indirectly by the government. In addition, some assistance is provided by the U.S. Government to interested parties, particularly for R&D efforts, and in assistance to small businesses through the Small Business Administration. In Europe, government participation often goes further. In the United Kingdom, for example, the Post Office operates a large share of the national communications facilities, and the government-owned British Broadcasting Corporation operates on country's radio broadcasting and telecasting.

In France, until recently, gov

ernment participation was much greater than in the United Kingdom. But because of the importance of de Gaulle's emphasis on a planned economy, partic

ularly in numerous sectors of the French Government's role in the electronics industry may become more significant than in the United Kingdom.

In Italy, the government heavily subsidizes industry in certain areas and in many instances represents the major proprietary interests.

In government-owned or domi

nated companies, profits are not necessarily the main goal of the enterprise. Such companies may be content to operate and compete at a loss in order to protect full employment and other closely linked political and economic goals. On occasion, governments may allow companies to be valuable partners in joint research and development projects, but in many times they have excellent physical facilities and outstanding research staffs in the joint venture, to understand the inter

reduction of overhead costs and to in

duce an opportunity in the European electronics market for U.S. producers to continue to participate in the European electronics industry - realization of such a potential might be entirely offset by the details of any individual firm's performance.

In the first, rapidly growing European electronics market, con

tinued by

ditions are much more favorable than in the United States. There, the huge consumer market is far from saturated, the dominant role of a small number of large consumer electronics companies is relatively smaller than in the United States. In addition, the professional segment of the market—that is, products sold for industrial and institutional use—will have the highest rate of growth and will probably be most attractive for U.S. firms. International trade among consumer market is already occurring.

Second, an advantage that the U.S. electronics industry appears likely to enjoy in future years is the ability to produce new products. In many instances foreign consumer electronics companies are relatively smaller than those in the United States and may be more willing to devote the research and development efforts necessary to develop new products or their own products. Hence, they are eager to obtain New American products quickly and at a lower price or license or, even better, within the framework of a joint venture.

This situation of new products provides opportunities for U.S. electronics firms to enter in European markets. It is generally believed that U.S. electronics firms can now produce high-quality products from their European counterparts, but they can use their own new products and training in establishing a marketing position in Europe.

Third, there appear to be op

portunities in Europe for U.S. firms to introduce improved products and marketing techniques. It has already been noted that productivity is very low and wages are relatively high in Europe. In marketing, especially, it appears that U.S. firms are in a favorable position to introduce new products and marketing techniques to European electronics firms, to introduce new products and marketing techniques to U.S. firms, and to introduce new products and marketing techniques to U.S. firms. In Europe, it is not uncommon for a U.S. firm to have a distinct advantage over a European firm in terms of sales and marketing techniques.

Fourth, it appears that manu

facturers and suppliers of electronics equipment from the United States have a distinct advantage in selling products in Europe. U.S. manufacturers and suppliers of electronic equipment from the United States have a distinct advantage in selling products in Europe. This is not uncommon for a U.S. firm to have a distinct advantage over a European firm in terms of sales and marketing techniques.

J. E. Sinclair Co., Formed

CHARLOTTESVILLE, N. J. — J. E. Sinclai

r Co., Inc., has been formed by the merger of J. E. Sinclair Co., a subsidiary of the J. E. Sinclair Co., Inc., and T. D. Easton, Inc., a subsidiary of the T. D. Easton, Inc., Inc.

J. E. Sinclair Co., Inc., is a manufacturer of electronic and electrical equipment.

Birr, Wilson Branch

BIRMINGHAM, Calif. — Birr, Wilson & Co., Inc., has opened a branch office here.

This branch office will be located at 820 South Main St., Birmingham, Ala.

Dealer-Broker Literature

Continued from page 8
### Indicators of Current Business Activity

**AMERICAN IRON AND STEEL INSTITUTE:**
- **Buses, coaches, and parts:** May 22, 1960
- **Shipments:** April 1, 1960

**AMERICAN PETROLEUM INSTITUTE:**
- **Production—per cent of capacity:** April 1, 1960
- **Volume:** April 1, 1960

**CONSTRUCTION ADVANCE PLANNING—ENGINEERING NEW-RECORDS—NEW-CONTRACTS—NEW-ORDERS—MONTH:**
- **Total advance planning by ownership:** April 1, 1960
- **Total advance planning by function:** April 1, 1960

**DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SERIES—1939-1957 AVERAGE—1949:**
- **Retail sales:** April 1, 1960

**EDISON ELECTRIC INSTITUTE:**
- **Gross output:** April 1, 1960

**IRON AND STEEL WORKS:**
- **Number of employees:** April 1, 1960

**MOODY'S BOND DAILY PRICES INDEX:**
- **Composite bond index:** April 1, 1960

**MOODY'S COMMODITY INDEX:**
- **Cotton:** April 1, 1960

**NATIONAL PAPERBOARD ASSOCIATION:**
- **Production:** April 1, 1960

**OIL AND GAS REPORTER PRICE INDEX—1946 AVERAGE—1954:**
- **Retail price:** April 1, 1960

**SHIPMENTS OF STEEL PRODUCTS:**
- **Lentor products:** April 1, 1960

**STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS—N Y STOCK EXCHANGE:**
- **Ordinary funds:** April 1, 1960

**WORLD PRICE INDEX, NEW SERIES—U S. DEPT. OF LABOR—1931-39:**
- **All commodities:** April 1, 1960

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The following statistical tabulations cover production and other figures for the latest week or month only, where available. Lists 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.
The State of TRADE and INDUSTRY

Continued from page 16

If they don’t protect themselves against extended deliveries, Steel magazine warns.

Eastern mills say small consumers are making no special efforts to build inventories despite warnings that scrap and appliance manufacturers plan to boost strikingly. Production will build in earnest in the first two to three weeks, it is likely rolled sheets—now available with 14 to 18 week lead time—will be quoted at eight to ten weeks.

In the Midwest, extended deliveries are already prevalent. Some mills are reporting the beginning of a buying stampede into June on long term sheets and heavily booked for that month on cold-rolled steel.

Some mills say the market is tighter than at the peak of the 1962 inventory buildup. One Pittsburgh district steelmaker has placed some controls on its distribution, and other mills say they are thinking about putting “reservation” systems into effect.

Steelmaking operations are nudging 1962’s weekly high. TVA’s estimate for the week ending April 13 was 2,446,000 tons (+3.9%) or 2,413,000 tons (+1.9%) in the week ending April 6. The week-to-week change is the largest since the week ended February 19, 1962. Output will continue to rise this week, and production next week will approach the highest it has been since March, 1960.

The scrap market is not sharing in the upturn. Steel’s price—$1.60 per ton—on No. 1 heavy melting metal is unchanged for the third straight week at $1.67 a gross ton.

Eleventh Consecutive Weekly Steel Output Rises Reaches Highest Level in Three Years

According to data compiled by the American Iron and Steel Institute, production of steel products for the week ended April 13 was 2,446,000 tons (+3.9%) or 2,413,000 tons (+1.9%) in the week ending April 6. The week-to-week change is the largest since the week ended February 19, 1962. Output will continue to rise this week, and production next week will approach the highest it has been since March, 1960.

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The eleven consecutive weekly increase is attributed to an advancing current use demand for steel as well as surging hedge-buying against a possible steel strike. Since the 11-week rise in the spring of 1961 has the industry experienced such a long sustained weekly series of rises.

The chances of a strike, or a concession of higher wages, have been enlarged by President Kennedy’s “Go-Ahead” on selected steel items, which do not move overall steel costs up. Almost all steel companies included in the survey generally raised prices on those steel items in greatest demand.

So far this year—that through April 13—total steel mill shipments and castings has totaled 31,685,000 net tons, a gain of 3,507,000 net tons (+13.2%).

Data for the latest week ended April 13 show steel output of 2,244,000 net tons (+12.0%).

more likely to hold out for increased benefits.

Labor’s Wage Boost

Up to now, the union had been discouraged by an unceasing rise in employment costs by the steel companies. Union leaders had admitted they let their backs to the wall in order to get benefits that would add to labor costs. Now, they say price increases will “firm the union’s attitude.”

An additional factor to bolster the union’s point of view is the steep rise in rate of steel consumption. The steel-up industry has a direct bearing on the outlook for the industries that use steel in their manufacturing processes. The long-term trend is up, and in the short term, it is likely to stay that way.

The latest data on steel production, as compiled by the American Iron and Steel Institute, show that steel production in the week ending April 13 was 2,244,000 tons, a gain of 3,507,000 net tons (+13.2%).

Rail Freight Loadings Fall Fractionally in Year-Ago Week

Loading of revenue freight in some main lines for the week ended April 6 was off 154,368 tons, or 1.0%, from the comparable period last year.

The loadings presented a decrease of 1,009 cars or three-tenths of 1% below the comparable year ago. This was an increase of 40,135 cars or 7.9% above the corresponding week in 1961.

There were 16,449 cars reported loaded with one or more revenue loads, a drop of 54 cars or 0.3% from the corresponding period of 1962, and 52,792 cars or 3.4% above the corresponding period in 1961.

Cumulative pigment loadings for the first 13 weeks of 1963 totaled 486,899 cars for an increase of 12,997 cars or 2.7% above the corresponding period of 1962, and 58,714 cars or 39.4% 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 the year ago and 58 in the corresponding week in 1961.

Steel Tonnage Dips 1% Below Year-Ago Level

Intercity truck tonnage in the week ended April 6 was off 154,368 tons, or 1.0%, from the comparable period last year.

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was settled two weeks ago. Both of these strikes without a doubt affected retail department store sales.

One can only speculate as to what department store sales might have been in the absence of the strike.

For the year to the latest statement week (Jan. 1 to April 6, 1963), the two cities fell behind the overall average for the country as a whole in their sales' performance over the comparable period last year. The U. S. total year-to-year gain was 4% for the Jan. 1 to April 6 period whereas Cleveland District sales remained unchanged and New York City store's rise in sales was but 2%.

In contrast to the Federal Reserve—compiled department store gain of 4% in the four weeks ending April 6, the Commerce Department reported total retail sales, unadjusted for seasonal variations, for the same four week period rose 8% compared to last year's level. The percent change from the year ago-week was a +6% compared to 4% weekly department store sales gain over the year ago week. Retail sales "inchet" to new records in both January, February and March and are optimistically expected to continue the encouraging trend.

Now With McDowell

BOSTON, Mass.—Hugh W. Morse has become affiliated with McDowell & Co., 211 Congress St. He was formerly with Glode, Furgan & Co. and Lee Higginson Corp.

Joins W. E. Hutton

MANSFIELD, Ohio — Paul D. Millenbruch has become a member of W. E. Hutton & Co., 49 West Third St. He was formerly local manager for Joseph, Mellen & Miller, Inc.

Connect Your Points
Of Knowledge of the
Municipal Bond Field

Come to the 2nd
IBA Municipal Conference

The editorial proceedings of the Municipal Conference of the I. B. A. to be held at the Pick-Congress Hotel in Chicago from June 19-21, plus on-the-spot photographs, will again be featured in a special supplement of The Chronicle.

Your advertisement in this special section will identify your firm with the important municipal field and the active Chicago markets.

For further information contact Edwin L. Beck, Commercial and Financial Chronicle, 35 Park Place, New York 7, N. Y. (REctor 2-9570)—(Area Code 212)
WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—From all parts of the country, constituents are querying members of Congress on whether or not there will be a tax cut this year.

Apparently the constituents, depending on their district and their state, are getting various kinds of answers. This is understandable because Congress does not know yet what is going to happen.

As members went home for the Easter holidays, they had no positive answer about the tax bill question. The fact is the tax-writing House Ways and Means Committee has not drafted a tax bill. The draft may be some time off.

The Chairman of the Senate Finance Committee, Sen. Harry F. Byrd, is contending that the House, if it passes the tax bill, will have to wait a few months until Congress is in session. This is interpreted into the Senate Finance Committee will complete its hearings until late summer.

Senator Byrd maintains that it would be a waste of time for the Senate Committee to hold hearings on the tax bill until it sees what kind of legislation the House is going to pass. All House politics would not pass the tax bill, unless the Senate gets it so that the tax bill could be vetoed. This is not much chance that the Senate Finance Committee could complete its hearings until late summer.

Most House and Senate leaders believe there will be a tax reduction, but just what form and shape it is going to take remains as much in doubt now as it was in January.

A chairman of a committee in the House and Senate usually carries substantive influence. Both Chairman Wilbur Mills of the House Ways and Means Committee, and Senator Byrd are known as men who have been opposing to reducing the Federal tax until there is a reduction in the Federal deficit.

There has been a partial effort in Congress to reduce the spending, but the pressure from the New York banks is overloading the Federal legislation is overloading the Federal legislation. The New York banks would reduce the Federal legislation to overheat the Federal legislation.

The New York banks have been able to reduce the Federal legislation to overheat by the Federal banks. The New York banks have been able to reduce the Federal legislation to overheat by the Federal banks.

After the House Committee recently declined to approve the "pork barrel" appropriation, New Frontier leaders really put the heat on the Congressmen.

One member of the House Appropriations Committee, who calls himself a conservative Democrat, said he "would not approve anything out of $500,000 until the Congress and the Senate is in session.

The member of the House Appropriations Committee, who calls himself a conservative Democrat, said he "would not approve anything out of $500,000 until the Congress and the Senate is in session.

Some members of Congress, opponents of the measure, insist that the "pork barrel" legislation is aimed at helping the New Frontier and cooperating Congressmen in the next election.

Good Political "Gimmick"

There is no question that when the House restored the public works appropriation it was a victory for the administration of President Kennedy. Republicans had argued that the program was strictly a "boondoggle.

Some of the Democrats maintain that if the $500,000 appropriation was not approved, the House would not have passed the Federal bill. Some of the Democrats maintain that if the $500,000 appropriation was not approved, the House would not have passed the Federal bill.

The House, it seems, will do what the Senate wants. The House, it seems, will do what the Senate wants. The House, it seems, will do what the Senate wants.

The House, it seems, will do what the Senate wants.

Wm. R. Staats Co.

To Admit Partner

Mr. CACKLES

"Well, if they're not declaring a dividend they could at least give us trading stamps!"

COMING EVENTS

INVESTMENT FIELD

April 17-21, 1963 (Syracuse, N. Y.) American Bar Association Regional Meeting.


CHRONICLE's Special Pictorial Section May 9.

May 3, 1963 (Pittsburgh, Pa.) Pittsburgh Securities Traders Association annual spring outing at the Oakmont Country Club.

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 16-17, 1963 (Cincinnati, Ohio) Municipal Bond Dealers Group of Cincinnati Annual Field Day—Reception and Dinner May 16 at Queen City Club. Outing May 17 at the Lovington 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.