# The COMMERCIAL and FINANCIAL CHRONICLE

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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 what Theodore Roosevelt used to call weasel 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 certan respects quite different this year 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)

## Growing International Competition And Policies for Economic Growth

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

**Notable address by Per Jacobsson, 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 tutelage. It also: (1) urges with candor what ought to be done to improve underdeveloped countries' situation; (2) explains why exchange markets have been calm; (3) sees need to expand availability of leading currencies but not monetary reserves; (4) favors USA's tax cut, wage guideline policies; and international economic coordination; and (5) reproves 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—mostly centering around the Suez crisis at the end of the previous year. Of particular concern to the Fund were the balance of payments disturbances connected with that crisis and the monetary tension to which it gave rise. But even then I was able to report that those difficulties were already being combated. The Fund had just undertaken its largest transaction to date by extending assistance to the United Kingdom in an amount equivalent to $1,300 million, and several other countries also received financial assistance from the Fund.


Per Jacobsson

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 India and $75 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: 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 untoward 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—unevenly, it is true, but with almost no real setback anywhere—and on the world markets 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 has also been one of difficulties—economic 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 then in June the massive outflow 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 (Continued on page 26)

### Electronics Industry Featured In This Issue

# The Security I Like Best...

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

### This Week's Forum Participants and Their Selections

**Continental Capital Corp.**—Ernest E. Blum, Senior Vice-President, Brush, Slocum & Co., Inc., San Francisco, Calif. (Page 2)

**National Investors Life Insurance Co.**—Floyd R. Burns, President, F. R. Burns & Co., Oklahoma City, Okla. (Page 2)

ERNEST E. BLUM

*Senior Vice-President, Brush, Slocum & Co., Inc., San Francisco, Calif.*

**Continental Capital Corporation**

Throughout financial history, there are standout companies, those that achieve success even in lack-lustre or unpopular industries. As a few examples, consider Reynolds Tobacco among cigarette companies, Texaco in the oils, U. S. Shoe in footwear, and Bobbie Brooks in clothing. Until their superior characteristics are recognized, stocks of such companies often sell at the low level of run-of-the-mill companies, because of the market's curious 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 to the financial world, they are dragging their feet, trading inactively at 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 standout 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 a drawback to be too big, as well as too small. In the brief history of S. B. I. C.'s, it seems already established that the best available situations usually need an investment of $200,000 to $500,000. Such amounts are beyond the reach of the smaller entities. On the other hand, if an S. B. I. C. has a plethora of shares outstanding, a 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 6½% Convertible Note. When P. S. A. went public in February 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 $1.60 per share available for reinvestment. These figures 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 accomplish the complete write-off of two unsatisfactory ventures and still leave a modest reserve.

(4) Continental keeps its money at work. Stockholders own an interest in an aggressive, live organization—they do not own cash at a discount. Nevertheless, through judicious use of credit and careful financial planning, money has always been available to take advantage of promising offerings.

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

(6) Operating expense is kept low. Consulting experts are engaged when desired, 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 real current value cannot be pinpointed, as only six of the 22 portfolio companies have any quoted market, but a meaningful approximation may be made, as follows:

There has been no material change in book value since organization, when, after underwriting spread, Continental received $12.50 net per share. To this should be added the profit taken on P. S. A. (as 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 measured in comparison with 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 above book value.

Those holdings that have a public market would show a net profit if sold out now at indicated prices. Rather than add them in, it will make this appraisal more sensible if these are considered as a more than adequate offset to two holdings that are operating unprofitably and are potential losers.

So we are now looking at a basic value of $15 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 breakeven point, or are making excellent progress in their development stage? These defy specific dollar appraisal but are perhaps the most important part of the package. Two of them, KRS Electronics and Opto-Electronic Devices are far enough along to indicate dramatic potential, particularly on a per-share basis.

In short, the real value behind each Continental share appears substantially above its market price. The market appears to be discounting maangement ability that has already proven itself, instead of placing a premium on it. And management, 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, F. R. Burns & Co., Oklahoma City, Oklahoma*

**National Investors Life Insurance Company, Little Rock, Arkansas**

This young and vital company has several unique factors influencing my endorsement.

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 growing almost three times as fast as the nation's economy. In assets, its growth has more than doubled that of the nation's economy. Increasing population and new families, inflationary trends and the rising standard of living, and the growing awareness of the need for more insurance—factors which have been responsible for much of the industry's past growth—all indicate a continually 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 companies.

Additionally, the industry has little problem of labor, inventory or plant obsolescence. The trend in mortality rates, earnings on investments and operational expense 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 are efficiently utilized in profitable contracts with other companies, and (4) merger negotiations are now underway or planned, promising a growing future for the company.

Normally, the expense of acquiring 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 confounded the experts by paying a cash dividend at the end of 1960, their third year of operation, while piling up net operating profits of $35,789.10. The company has continued to show an increasing net gain annually ever since, even after paying guaranteed and participating dividends to policyholders.

| Year End | Net Operating Profit | Dividend |
|---|---|---|
| 1960 | $35,789.10 | Cash |
| 1961 | 89,273.61 | 2% Stk. |
| 1962 | 146,891.58 | 5% Stk. |

In its first year of selling insurance, National Investors Life set new records. By the end of December 1962, just five years after it started operations, National Investors had $91.3 million of life insurance in force, evidence that it has been able to keep up its initial pace of strong selling effort.

The company was founded by

*Continued on page 4*

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

# Electronics Industry: Today and Tomorrow

Contributors to the CHRONICLE'S Symposium discuss the present position of the Electronics Industry in the nation's economy and offer a forecast of future trends. These especially prepared articles should afford the reader some guidelines for evaluating what's ahead for the country's fastest growing industry.

### RAMSEY D. ACKERMAN

**Vice-President and Treasurer, Maxson Electronics Corporation, New York City**

Now, in its second quarter century, Maxson has an established position and reputation in the expanding electronics industry. The company, established in 1935, was formerly known as W. L. Maxson Corp.

A medium sized company — 1962 annual sales totalled over $10,000,000 —Maxson is producing a variety of electronic components, systems and equipment; among them are Bullpup air-to-surface missiles for the U. S. Navy, a proud achievement for a company of its size. Maxson is also making quantities of plotting boards for use on anti-submarine aircraft, developing special TACAN equipment used in aircraft navigation, and has delivered to the Federal Aviation Agency an air height surveillance radar system for use in air traffic control. Other Maxson divisions produce switches, capacitors and filters, and instruments. They are the Unimax Switch Division at Wallingford, Connecticut, Hopkins Engineering Company in San Fernando, California, and Electronics Designs Division at Dallas, Texas.

Ramsey D. Ackerman

Maxson has acquired several activities in the electronics field in the past few years and disposed of one activity under favorable circumstances. The company has an active acquisition policy seeking to get together with electronic components or systems manufacturers whose capabilities and products will enhance the Maxson team and help maintain corporate profitability. Several potential acquisitions of component manufacturers are being discussed but no agreements have been reached.

Now in its new 225,000 square foot headquarters at Great River (Long Island), New York, within the past two months Maxson has received U. S. Navy production contracts totalling more than $10,000,000. The future of Maxson Electronics Corporation is interesting and promising.

### LEON ALPERT

**Chairman of the Board and President, Loral Electronics Corporation, New York City**

The electronics industry is in a new phase in its dynamic development. Proprietary products no longer assure successful growth; control of scarce technical talent no longer assures freedom from competition.

In military electronics, which represents 60% of industry sales, complexity and performance requirements go up as numbers of systems built go down. Yet costs per system now are so high, total government sales are still increasing. This greater complexity requires much more engineering, research, and development. With the growing accent on competitive pricing, only larger companies can now handle prime contracts. It takes substantial financial resources to maintain large engineering staffs, finance large contracts, employ sophisticated cost controls, and hire the military marketing personnel who must be in constant liaison with all government sources in planning, engineering and procurement.

Leon Alpert

The emphasis today is on missiles and space, which have great electronic requirements. Nevertheless, the

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# OBSERVATIONS...

BY A. WILFRED MAY

## REGULATION TODAY

*(The second article in a series commenting on the SPECIAL STUDY OF SECURITIES MARKETS)*

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 group of unfair criticisms of the Study is the charge that few big names are listed as involved in wrong-doing—in contrast to the New Deal's Pecora revelations (dramatized as with midget-throwing at Mr. Morgan). Similarly it is complained that nothing very consequential, as in the way of fraud, has been turned up by the contemporary surveyors.

Actually, the Cohen Group is to be commended for its restraint—and particularly by the objectors who would have also castigated any semblance of mud-slinging or goat-hunting by the present investigators.

Regarding the taunts over "nothing important has been turned up": we would answer that (a) a plethora of important findings, conclusions and recommendations **are** reported, with more on the way, and (b) in any event, even if no abuses whatever had been found, a second full-dress inquiry into the securities industry after 33 years has been urgently over-due.

Some criticisms are being directed against alleged omissions without realizing their inclusion in the nine sections of the Report still to be released (such miscomprehension largely stemming from the unabsorbably huge volume of the Report—arising from the wide scope of activities to be surveyed.)

Exemplifying this kind of criticism is the complaint over the alleged omission of the vast impact of *Institutional* Investors on the market's charter and price structure. Actually, thorough coverage of this area will be importantly included in sections of the Study still to come; specifically in chapter VI covering the exchange markets; VIII covering examining various interrelationships among trading markets; and in ch. *XIII* on the mid-1962 market break (the flow of such analysis having the benefit of the Wharton School thorough mutual fund study.)

### Feet-Dragging by Previous Regimes

The Study's leading omission is comprised by its failure to mention other than cursorilly (through "chivalry"?) the neglect of preceding SEC regimes, as under Chairman J. Sinclair "Call Me Sink" Armstrong, to take affirmative action under its own broad rule-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 *fait accompli*, in lieu of the interminable delays, with the increased chances of complete turn-down, which is sure to follow under the current Congressional aegis over the Study and its disposition.

### Past Government Policy on Capital Requirements Reversed

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 Securities Dealers in 1942, but turned down by the then SEC. The Commission then held that a minimum capital requirement would be inappropriate to a self-regulatory organization, under sec. 15-B of the 1934 Act.

Now, two decades later, that very rule is recommended by the Study. It proposes (in chapter II part B section 3) that a minimum capital requirement be established for any broker-dealer firm entering the securities business, of $5,000, plus $2,500 for each branch office and $500 for each salesman employed at any time—all subject to exceptions to be worked out in an adjustment period. Furthermore, "in view of the special obligations and responsibilities" of underwriters of public offerings, the Report recommends a minimum net capital requirement for underwriters of $50,000 plus 2% of the aggregate amount of underwriting commitments or undertakings in the last 12-month period.

### Rip Over-the-Counter

Other important items which needlessly Rip Van Winkled under previous Commissions include the application, via the NASD and the Maloney Act of 1938, to the vast over-the-counter markets of at least some minor rules for additional trading rules and additional corporation disclosure, tightening up proxy rules, and restrictions on non-voting stock to bring them somewhat in line with the Big Board and "junior" Exchanges.

### That Listed-Unlisted Perennial

And still left unresolved as too-hot-to-handle, after the 29 years since the passage 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 despite their continued non-compliance with the "corporate" provisions of the statute (excepting where such a company registers a new offering under the Securities Act of 1933, in which case it must permanently comply with the information requirements of Section 13 of the 1934 Act.)

The so-called Levy Committee which took the initiative in reforming the American Exchange a year ago, urged decisive action in de-listing all information-withholding companies. It is now understood that if at all, this anomalous "unlisted listed" situation will be touched on very lightly. Thus again we see the Commission outdone by outside initiative!

### At Long Last

At long last, as indicated in the Special Study, the Commission is going to recognize that there are problems in the Option area. But this first step, undertaken in cooperation with the Treasury people—Secretary Dillon, Assistant Secretary Tax-Man Stanley Surrey with Donald Lubic as Legislative Counsel, with SEC is confining its present legislative proposals to the activities of underwriters, insurance companies, and other surveyors of new issues.

In the one place where the Commission has had jurisdiction over Options, namely, on utility companies following the 1935 Act, the past Commission has run up the White Flag on Company Stock Option abolition or reform to the extent even of approving the Reset practice whereunder the Option price is lowered if and after the market price (together with corporate executive's managerial achievements?) has sunk.

### A Bad Deal Called Off

A glaring example of the private sector beating the SEC and legislative branch "to the gun" is furnished by the recent Option doings by the directors and management of Ginn and Co., the N. Y. Stock Exchange listed publishing concern of Boston.

In its proxy statement distributed in February, the management (as described in this space on March 28 last, without identifying the company) asked for stockholder approval of a Resetting arrangement—that is (as permitted by the Revenue Code) following the stock's market decline reduction in the option price contracts with "eleven key employees"—all arranged on December 4, last.

Thereafter, at the Annual Meeting held on March 19, President Homer C. Lukas announced via stockholder circular that despite an "overwhelming" stockholder vote favoring the contract revision, because of "stock market factors and other consideration," the 11 optionees voluntarily withdrew from the option repricing deal, and the agreements were cancelled.

**Actually, as this columnist has learned from an authoritative source, the withdrawal was induced by the decisive objections of some stockholding mutual fund managements, who convinced the company's directorate that at this time of Congressional inquiry, a Reset action would "muddy the waters." (However One Investment Company, Mass. Investors Growth Stock Fund, holding 140,000 shares of Ginn, informs us that it voted *for* the Reset deal "since management has done a good job" etc.)**

# Merrill, Turben Official Changes

CLEVELAND, Ohio — Merrill, Turben & Co., Inc., Union Commerce Building, members of the New York Stock and Midwest Stock Exchanges, announced several executive changes following a meeting of the Board of Directors.

Charles B. Merrill, who founded the company in 1924, has been named Chairman of the Executive Committee. Claude F. Turben has succeeded Mr. Merrill as Chairman of the Board. Lewis C. Williams has been elected President, succeeding Mr. Turben, and Thomas A. Melody, who had been a Vice-President, has assumed Mr. Williams' former post as Executive Vice-President.

Jack H. Doyle, of Cleveland, and Stephen J. Wolfe, head of the company's Dayton office, have been elected Vice-Presidents.

Five men have been named to the newly created post of Assistant Vice-President. They are: David L. Baker, Oscar E. Maukert and John F. Turben, all of Cleveland; John W. Mitchell, Canton, and Paul S. Gilbert, Columbus.

Everett M. Myers, Ashland; David Tod, Youngstown, and John F. Turben, Cleveland, have been admitted as voting stockholders (equivalent to a partner in an unincorporated company.)

Mr. Merrill began his career in the investment industry in 1915. In 1924 he formed Merrill, Hawley & Co., which became Merrill, Turben & Co., Inc. in 1936.

Claude Turben is completing his 37th year in the investment banking industry, having joined Merrill, Hawley on June 1, 1926. He became a principal in Merrill, Turben & Co. in 1936, was named Executive Vice-President in 1952 and President in 1958.

# The Security I Like Best

*Continued from page 2*

Jess P. Odom of Marianna, Ark., who serves as its 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. Each of these companies is a separate entity, but formed on the same pattern of the Arkansas company, and each has followed the pattern of returning profits in early years of operation. Odom serves as Chairman of the Board of the National Investors companies of Louisiana, Oklahoma and Kentucky, and President and Chairman of the Board of the company of Arizona.

National Investors companies have been formed in Nebraska and Colorado, also. Another company is now being launched in Georgia, as one of three planned to be formed this year.

Altogether the insurance serviced by National Investors of Arkansas, from its own company and other similar companies, totaled more than $290 million at the end of 1962. Increased volume of such business can be handled without appreciably increasing expenses, as additional companies begin selling insurance. The Arkansas company also provides reinsurance facilities for these other companies, gaining another profit-making operation.

Negotiations are now underway with one of the other companies to merge it with the Arkansas company, subject, of course, to the approval of the stockholders of each company, and approval of the Insurance Departments of the state involved. Other mergers and acquistions are also being planned.

Insurance lapse ratio was less than 18%, an extremely good record. Premium income for 1962 was $1,798,409.03 up from $1,661,443.54 for 1961. Income from all sources for 1962 was 1,948,901.91.

The expanding company has purchased a landmark building in downtown Little Rock to be remodeled into a million dollar home office building.

Some 1,495 individual companies make up the life insurance industry. Of this, 155 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 interesting possibility. Current price of the stock is reasonable enough to offer interesting potential. The company's sales, management, and profit record all provide comforting reason for selection.

National Investors of Arkansas is recommended to the investor looking for long term growth. The stock is traded on the Over-the-Counter Market.

# Electronic Equities

*By* Ira U. Cobleigh, *Economist*

**Viewing the values, variables and potentials in the electronic sector of a buoyant stock market.**

If the indispensability of an industry is a basic reason for investing in it, then stock buyers should not neglect the electronic section of the stock market. Indeed, we live in an electronic world. We waken to radio alarm clocks, cook in electronic ovens, commute on electronically dispatched trains, enter our office through an electric-eye door, reach our floor on an electromatic elevator, dictate on electronic tape, for transcription on an electronic typewriter, get all our figures, billings and bank statements from transistor laden computers, phone by wireless to Hong Kong, and fly in automatically piloted planes.

### Fabulous Growth

Much of our amusement and entertainment comes to us via TV. Electronic appliances do everything from brushing our teeth to guarding our homes, and we have to be careful what we say because the room may be "bugged" with an electronic ear no bigger than a lump of sugar.

In defense everything is "doin' what comes' electronically." Our guided missiles, space ships, satellites, distant early warning (DEW), atomic submarines are all awash with expensive electronic hardware and we are developing robot tanks, remote controlled, electronically. Ahead lie the fabulous electromagnetic potentials of masers and lasers for communication, weaponry and weather control, etc.

### Market Madness

So it's easy to get enthusiastic about electronics. But we've already done that! We remember so well that tiny little transistor invented only 15 years ago, that has rocked the securities' market in the years since. We remember Texas Instruments at 256¼, Fairchild at 100⅞, and Transitron which, in its first eight years of business, parlayed a $125,000 equity investment into $8 million annual profits. It hit 60 and was the toast of the market (before the toast got burned). Of the 1056 Regulation A issues publicly offered in the eager year ended June 30, 1961, over one-third were electronically slanted enterprises; and most were snapped up with avidity and bid to premium prices.

But that era has ended. Investors have, since last May 28, become quite balance-sheet minded and will no longer buy electronic pie-in-the-sky at gaudy multiples of mythical earnings. Investors today insist on more meat and sinew in their equities.

### Still Growing

All of which is not condemnation of, but orientation background for, a current consideration of electronics as a valid field for prudent investment. Electronics is here to stay, a massive industry still offering attractive, rewarding and undervalued securities for those willing to delve and analyze and select. Total factory sales of electronic products are expected to advance in 1963 some 15% over last year to above $15 billion. The biggest gains will continue to be in military electronics with, no doubt, a greater surveillance over profit margins by the Department of Defense. Total the government agencies (principally Defense, National Aeronautics, and NASA) are expected to spend $9 billion for electronic shipments in 1963; up 18% over last year. Industrial electronic factory sales (almost half from computing, data handling, controls and processing) are estimated to reach $2.7 billion in 1963 (up around 13%); and the consumer product end, $6.4 billion this year (no change). Monochrome TV set sales should duplicate the 1962 total of 6.2 million units. (Small radio unit sales are still hurting from foreign competition.)

So, on the horizon, this huge electronic business will, this year, reach new volume highs, as it has done successively in every one of the past 14 years. The problem, therefore, from the investors' viewpoint, is to find undervalued securities within this romantic industry, where profit margins can be maintained or improved, or where market price erosion in a stock has been so severe as to suggest an almost automatic rebound.

### Random Selections

Entirely without recommendation or endorsement of any sort, we have jotted down below a few notes about representative issues that may deserve your further inspection.

**Fairchild Camera** despite its name is largely an electronic company. It reported record profits last year of $2.36 a share. The company got off to a rather poor first quarter, but for the full year 1963 sales of around $100 million are expected with a net figure approximating the 1962 results. Fairchild might be regarded as reasonably priced at current quotation of 34½.

**Radio Corporation** needs no special introduction. It has been trying since 1929 to recross 100. Now at 62, it sells in an identical range with Texas Instruments. RCA looks sturdy today and only this week reported its best first quarter earnings in history, 95c a share compared with 81c for the same period in 1962.

Also in the consumer field, **Magnavox** has been a consistently good performer. With indicated annual earnings of above $1.60, the stock at 39 seems reasonably appraised. **Zenith** did well last year advancing its per share net to $2.16 from $1.99 the preceding year. Against a 1961 high of 82¾, ZE common does not seem inflated at 53. **Motorola** has just reported a disappointing first quarter (around 30c a share against 61c last year), but this was due partly to non-recurring outlays in the transistor department and start up costs for re-entering color TV production (discontinued five years ago). Motorola at 59½, near its low for the year, seems to have discounted adequately, lower first quarter results. **Curtis - Mathes** over-the-counter at 43, has demonstrated remarkable growth and earning power in entertainment electronics.

**General Telephone and Electronics** has an energetic look about it. It has just reported record first quarter earnings of 29c a share (against 25c last year), and Mr. Donald C. Power, Chairman, has estimated net for 1963 at $1.25 per share against $1.16 reported for 1962.

**International Telephone** is expected to top its $2.35 per share 1962 net, this year. It continues to be merger minded and has recently acquired General Controls. It is widely held by institutions and seems to be favorably regarded at around the 47 level.

**Minneapolis-Honeywell** is universally respected for its leadership in automatic controls and instrumentation, and its strong position in guidance systems for missiles and space vehicles. MHW common just reached a new high for the year at 109 and pays a $2 dividend out of earnings (1962) of $3.72 per share.

Other electronics which seem to find market favor are Avco, Beckman, Litton, Texas Instruments, Varian and Textron, which has a lot of electronic overtones. More volatile in their earnings performance have been Raytheon and Collins, and of course, IBM, elegant in electronics, always seems to be more of a religion than a stock.

After a swinging decade the electronic trade has now pretty well separated the men from the boys. Poetic appraisals have given way to more mundane and coldly statistical valuations. Few shares are worth 50 times earnings any more, but solid worth can often be detected at a multiple of 20, or less.

# Puerto Rico Equities Exceed $200 Million

SAN JUAN, Puerto Rico — The value of Puerto Rican corporate equity securities available to the general public has quadrupled since 1953 from $50 million to more than $200 million, it was announced here.

Gaspar Roca, Jr., newly elected President of the Society of Financial Analysts of Puerto Rico, said that "the sharp trend to 'go public' in Puerto Rico has been a virtually unnoticed phase of the island's much-publicized Operation Bootstrap effort."

Mr. Roca, who is President of International Investment Company of San Juan, noted that some twenty corporations are currently traded over-the-counter or on the American Stock Exchange and New York Stock Exchange, and for more than half of these listing has occurred during the past ten years. In this latter group he included Bacardi, Commonwealth Oil, Girard Industries, Puerto Rico Telephone, Pueblo Supermarkets and Swiss Chalet.

In his post as top executive for the island financial analysts group, Mr. Roca succeeds Luis Valiente, Vice-President of Merrill Lynch, Pierce, Fenner and Smith, and manager of the brokerage firm's San Juan office.

Mr. Roca also cited three prime objectives the analysts should pursue in 1963:

(1) Aiding the Alliance for Progress to develop active securities markets throughout Latin America "so that local savings productively invested may reduce the need for outside capital required for modern economic development."

(2) Urging the Puerto Rican Legislature to enact legislation regulating local sale of securities "for the protection of both investors and responsible issuing companies."

(3) Promoting "at least at the present fast rate of increase" the development of an active market for Puerto Rican securities, both in the continental United States as well as throughout Puerto Rico.

Before joining International Investment in 1962, Mr. Roca served as President and General Manager of the Puerto Rico Industrial Development Company, the $100 million government agency that has built and leased to U. S. and local private investors some 500 industrial buildings. He is also financial consultant to many private and government organizations in Puerto Rico and some foreign countries.

# Forms Naisby Assoc.

PALMYRA, N. J. — Henry G. Naisby is conducting a securities business from offices at 900 Parry Avenue, under the firm name of Naisby Associates.

# 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 exciting, well diversified potential. Spelling out the progress and prospects for LPG, Mr. Finn describes the types and many faceted uses; identifies the leading distributors and their stocks' (largely traded in OTC market) performance; and details the consumption by and the potential in residential and commercial, farming, chemical and rubber, engine fuel and industrial areas. The industry is being consolidated into stronger hands as distributors, producers and pipelines 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 electricity business.**

Liquefied petroleum gas, a wasted natural resource barely fifty 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, or coinciding roughly with the exodus of city dwellers to Scrub Oak Heaven, 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 defensive 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 by 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 liquefied under moderate pressure for convenient storage and shipping. In off-pipeline areas, families use it as a substitute for natural gas, electricity and for central heating. Considering the vast potential in such uses 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. Producers, in fact, have been hard-pressed to find markets for their LPG by-product. This keeps refinery prices low and enables distributors to offer LPG at competitive prices and boost their margins on sales as well.

Large oil companies like Atlantic Refining, Cities Service, Shell, Sinclair and Sun Oil sell their LPG extract to independent distributors. Others like Jersey Standard, Skelly, Allied Chemical's Union Texas Natural Gasoline Division, Union Oil, and Phillips Petroleum also operate their own distribution facilities. The latter is recognized as the industry's largest producer and the pioneer in the field. Profits from LPG, of course, are relatively small in the over-all picture for these titans.

How long will supply exceed demand? Throughout the short-term future at least, says *Chemical Week* magazine. Production capacity was enlarged by about 530 million gallons 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 25,000 distributors, ranging from one-man-and-a-truck operators to well-integrated national organizations. Rising costs and competition have hastened the trend toward consolidation, however. In fact, Suburban Gas, which has well over 100 marketing plants and a growth record excelled by few, if any, other distributors, caught the eye of the Justice Department in 1961. The latter filed suit under the Clayton Act challenging 13 separate acquisitions made by Suburban over the previous eight years. Pursuant to a consent judgment between the company and the Justice Department on Sept. 17, 1962, the company disposed of certain properties in the States of Washington and Oregon. However, in the meantime, Suburban has acquired LPG properties in Missouri and western Illinois.

### Principal Distributors

Largest and best integrated of the distributors is Suburban Propane Gas Corp., Whippany, N. J., which in 1961 turned producer by acquiring Frio-Tex Oil and Gas of Corpus Christi, Texas. Other subsidiaries make storage and truck tanks, space and water heaters, kitchen stoves and clothes dryers. Some 22% of total Suburban Propane revenue is derived from self-made gas appliances.

National Propane serves 500,000 customers scattered over two-thirds of the nation. The impact of its acquisitions is evidenced in the fact that sales have increased by more than six times since 1955. California-based Petrolane Gas Service has spread rapidly eastward into the Mid-West and into Alberta and British Columbia. In a year's time, Thermogas, an aggressively managed regional distributor in Iowa, more than doubled its annual volume through acquisitions alone.

Other leading distributors include California Liquid Gas, of Sacramento; General Gas of Louisiana; Blossman Hydratane, operating in Louisiana, Georgia and Mississippi; Diversa, Inc., of Dallas, Texas; Tropical Gas, of Miami, the leading distributor to Central and South American countries; and Pargas, Inc. of Waldorf, Md. The latter has made 14 acquisitions, including one in Canada, over the past six years.

**LPG END USE GROWTH**
(Million Gallons)

| | 1962 | 1961 | 1960 |
|---|---|---|---|
| Residential & Commercial (includes Farming) | 4,568 | 4,352 | 4,225 |
| Chemical and Rubber | 4,511 | 3,736 | 3,558 |
| Engine Fuel | 893 | 880 | 898 |
| Industrial & Miscellaneous | 645 | 671 | 707 |
| Total — All Uses | 10,800 | 9,800 | 9,545 |

### Rising Earnings

Nearly all the major U. S. distributors sport steadily rising sales and earnings. This progress has not gone unnoticed, either by investors or by the petroleum industry as a whole. A big stir was caused recently when Texas Eastern Transmission Corp., one of the nation's largest pipelines, purchased the Pyrofax Gas subsidiary of Union Carbide Corp. for $24 million. Pyrofax, one of the earliest LPG distributors, has over 500,000 customers in 28 states.

This development has several important aspects. Right off the bat, Texas Eastern is going to extend its pipeline from Steubenville, Ohio to Philadelphia. In the past, the Eastern Seaboard has been the area of least LPG growth because of the high transportation costs from the Southwest. Transportation costs, historically, have accounted for two-thirds of LPG's retail price. From another angle, though, this marks the first time that distributors will have competed directly with a pipeline for retail customers.

The first all-LPG pipeline was uncorked by Mid-America Pipeline in 1960, running from West Texas to Illinois. Despite heavy initial expenditures, this pipeline racked up a profit in 1962 and further progress seems assured. This year, Mid-America plans to increase its average daily capacity from 102,000 barrels to 135,000 barrels at a cost of $4.4 million. In its first two years of operation, Mid - America delivered around 26.3 million barrels of LPG.

The Dixie Pipeline, which runs from Texas to the Southeast, also carries LPG. Started in 1961, it is owned by eight major oil companies.

Use of jumbo tank cars is another way in which major distributors are slicing transportation costs. Even the familiar 100-pound home gas cylinder bottles are being supplanted by larger above and underground storage tanks which take bulk delivery. The need for larger tank cars and storage facilities is perhaps the best reason why the LPG industry is being consolidated into stronger hands. The only danger here lies in the possibility of running afoul of Government anti-trusters, as in the Suburban Gas case. However, sources close to the industry point out that the settlement with Suburban does not appear to be overly burdensome.

### Huge Farm Market

Of all the residential and commercial uses for LPG, none is more promising than flame cultivation on farms. Called, piquantly enough, "sizz weeding," flame cultivation is said to weed cotton for $4.00 to $5.00 per acre, compared to $14.00 or $15.00 manually. Years ago, this method was tried but due to poor merchandising was found wanting. Early sales efforts were made through LPG dealers who, at that time, were not service-minded. Today, equipment makers have set up systems of factory-authorized and trained dealers.

All told, flame cultivation is currently being practiced on 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 this trend is headed upward.

*Oil and Gas Journal* says that one company, Afco Flame Cultivator Co., of Little Rock, Ark., expects to sell 5,000 to 10,000 sizz weeders this year and thinks that opportunity in the field is unlimited. Such crops as corn, cotton, soybeans, sorghums, popcorn, peanuts, Irish potatoes, sugar cane, sugar beets and sweet potatoes are said to lend themselves readily to flame cultivation.

Taking U. S. Department of Agriculture figures for acres of these crops harvested in 1960, Afco envisions a flame market potential of nearly 3 billion gallons of LPG per year. Presently, no more than 100 million gallons are said to go into sizz weeding. And since the market is concentrated in Arkansas, the Mississippi delta country and the Texas plains, Afco notes

## LEADING LPG DISTRIBUTORS

| Company | Period | Total Revenues (Millions) 1962 | Total Revenues (Millions) 1961 | Earnings Per Share 1962 | Earnings Per Share 1961 | Recent Price | Latest Annual Cash Div. | Yield | Where Traded |
|---|---|---|---|---|---|---|---|---|---|
| Blossman Hydratane | 6 mos. to Dec. 31 | $4.1 | $3.3 | $0.27 | $0.25 | $6¾ | a-- | -- | ASE |
| California Liquid Gas | 6 mos. to Dec. 31 | 9.0 | 8.8 | 0.45 | 0.50 | 16 | 0.30 | 1.8% | OTC |
| Diversa, Inc. | 6 mos. to Jun. 30 | 11.2 | 14.3 | 0.19 | 0.31 | 5½ | -- | -- | OTC |
| General Gas | 9 mos. to Sep. 30 | 18.6 | 22.1 | 0.23 | 0.25 | 15 | 0.15 | 1.0 | ASE |
| National Propane | 12 mos. to Jan. 31, 1963 | 20.9 | 20.8 | 1.38 | 1.09 | 14 | b-- | -- | OTC |
| Pargas | Year to Dec. 31 | 5.2 | 3.4 | 1.08 | 0.64 | 17 | 0.36 | 2.1 | OTC |
| Petrolane Gas | Year to Dec. 31 | 27.0 | 20.1 | 1.25 | 1.13 | 27¾ | 0.48 | 1.7 | OTC |
| Suburban Gas | 9 mos. to Jan. 31, 1963 | 16.3 | 16.0 | 0.72 | 0.63 | 18½ | 0.56 | 3.0 | NYSE |
| Suburban Propane | Year to Dec. 31 | 52.7 | 48.2 | 2.02 | 1.85 | 29½ | 1.32 | 4.5 | NYSE |
| Thermogas | 9 mos. to Dec. 31 | 11.9 | 5.1 | 0.37 | 0.31 | 12½ | 0.32 | 2.5 | OTC |
| Tropical Gas | Year to Dec. 31 | 14.9 | 12.7 | 1.23 | 1.01 | 19¼ | 0.40 | 2.1 | OTC |

a Paid a 5% stock dividend on Feb. 15, 1963.
b Paid a 5% stock dividend on Feb. 1, 1963.

that the vast northern corn belt is still largely unsizzed.

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 economical 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 the annual U. S. tractor output is now factory-built to handle LPG. Moreover, every year substantial numbers of conventional fuel-burning tractors are converted. The conversion cost, about $300, is not difficult to overcome.

Inconsistent fuel quality has kept propane from making any real headway in past internal combustion engine use, although a few taxi, truck and bus fleets have quaffed it. Fork lift trucks have been adapted for propane use in large numbers. Compared to gasoline or diesel fuel, propane burns much more cleanly, eliminates objectionable fumes, reduces spark plug wear, and cuts oil changes. It also contains 110-octane, 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 producers, developed specifications for a new LPG, called HD-5, for use in any gasoline engine. If the fuel proves 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 LPG 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 electric current through chemical reaction, also have great future potential for LPG. In fuel cells, chemical elements are fed into the cell continuously to produce a constant supply of energy. Fuel cells have already achieved much higher marks in lab 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.

**Chemical Industry Destined To Be Largest Consumer**

The chemical industry currently runs a close second to domestic and commercial uses as the top LPG market. And if requirements in chemistry, 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, compared to 37% in 1960 and 31% in 1955.

Behind heavy chemical consumption are polyethylene and polypropylene. The latter is coming up fast—production doubled to 110 million pounds in 1962 and the outlook is for increased output of both polypropylene plastic and fibers. Rubber, snapping back from a 1961 slump, registered a healthy 12% gain in LPG consumption last year.

What, exactly, is LPG? The term is generic, referring to a family of light hydrocarbons which are dominated by propane and butane. Roughly 25% of these gases is produced in refineries, where they are drawn off a step or two prior to the high octane gasoline fractions. Most of the rest comes from natural gas; however, helium, which is in growing 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 or tanks and shipped or stored where needed. When the valve of a propane container is turned on, the liquid vaporizes and hisses forth to be burned. Butane will not vaporize unless the temperature is above freezing, hence it is less valuable for home use.

Portable or not, however, propane loses its edge quickly when a natural gas pipeline is extended into a residential area. Domestic activities of LPG distributors are confined to rural and resort areas where they lock antlers with fuel oil dealers and electric utilities. This competition is not so exacting because once a client invests $200 or so in a large LPG storage tank and gets good service, he is not likely to switch from gas.

**Propane Aided by Natural Gas Industry**

Interestingly enough, natural gas utilities help promote the use of propane in off-pipeline areas so that home owners will invest in gas rather than electric appliances. If the utility takes over the customer later, the LPG distributor receives a payment to help ease the loss. 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 flame cultivation and grain drying. Also, as *Chemical Week* magazine comments, the loss of some geographic markets to natural gas has been offset somewhat by increased LPG use in mining and timber areas of the nation.

It took the horseless carriage to start LPG on its way. Strange gases in early gasolines caused the fuel to evaporate faster than it could be burned. Chemists, separating the gasoline into its liquid and gaseous components, sensed the value of the formerly wasted vapor from "wild" gasoline. Commercially salable LPG came along soon after. Last year, the industry marked its fiftieth anniversary, with 12 million customers and a roster of uses which seems to have no end. So, perhaps the distributors can be pardoned if they look toward the next fifty with something akin to unbridled optimism.

# Rittmaster Voisin To Admit Partner

Rittmaster, Voisin & Co., 40 Exchange Place, New York City, members of the New York Stock Exchange, on April 25th will admit Theodore D. Gelman to partnership.

# N. Y. Municipal Bond Club Outing

The Municipal Bond Club of New York will hold its 30th annual field day on Friday, June 7, at the Westchester Country Club. Reservations should be made by May 29 with William M. Durkin, First National Bank of Chicago in New York. The Municipal Bond Club will publish its annual "Bond Crier" in connection with the outing.

Members of the Field Day Committee are—

*Committee Chairman:* William E. Simon, Weeden & Co.

*Chairman's Committee:* James F. Reilly, Goodbody & Co.

*Finance Committee:* William Durkin, First National Bank of Chicago, New York; David Jones.

*Announcements:* Brenton W. Harries, Blue List Publishing Co., Chairman; Henry Milner, R. S. Dickson & Co., Inc.; Arthur Guastella, Municipal Bond Buyer.

*Arrangements:* Chester W. Viale, L. F. Rothschild & Co., Chairman; Alfred J. Bianchetti, J. A. Hogle & Co., Assistant Chairman; Edward T. Shean, Lazard Freres & Co., Lodging; John C. Fitterer, Jr., Wertheim & Co., Transportation; John Thompson, Morgan Guaranty Trust Co.; Gordon A. Jamieson, Blyth & Co. Inc.

*Prizes & Ventures:* Charles Smith, Clark, Dodge & Co., Chairman; Theodore P. Swick, White, Weld & Co., Treasurer; Joseph Wise, J. A. Hogle & Co.; George W. Hall, Wm. E. Pollock & Co., Inc.; Paul L. Sipp, Jr., Stern, Lauer & Co.; Donald Breen, Glore, Forgan & Co.

*Sports:* Robert F. Tighe, Adams, McEntee & Co., Chairman; James Trippe, Ladenburg, Thalmann, Golf; James G. Couffer, Drexel & Co., Softball; Robert Wohlforth, Hemphill, Noyes & Co., Tennis; Peter Trent, James A. Andrews & Co., Bridge; Joseph McCarthy, Goodbody & Co., Horseshoes.

*Bond Crier:* Donald R. MacNaughton, James A. Andrews & Co., Chairman.

Also announced is the second annual Fall Sports Outing to be held Sept. 27 at the Sleepy Hollow Country Club, Scarborough on Hudson, N. Y.

# IDAC 47th Annual Meeting June 20-23

ment Dealers' Association of ment Dealers Association of Canada will hold its 47th annual meeting at Jasper Park Lodge, Jasper, Alberta, June 20 through June 23.

Speakers at the annual meeting will be the Hon. E. C. Manning, Premier of the Province of Alberta; Hon. Dufferin Roblin, Premier of the Province of Manitoba; and David S. Beatty, Burns Bros. and Denton, Ltd., Toronto, President of the IDAC; and Wilbur Sachtjen, McKinsey & Co., Inc., New York.

Reservations should be made with W. S. Walker, Secretary-Treasurer of the Association by May 13.

# Circle Securities In Indianapolis

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

# DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

**Called Municipal Bonds**—List of Pennsylvania municipals which have been called for redemption from Jan. 1, 1962 to March 15, 1963—Pennington, Colket & Co., 123 South Broad St., Philadelphia 9, Pa. Also available is a memorandum on **Electric Bond & Share.**

**Canadian Issues**—Comments on 50 active Mining, Petroleum and Industrials—Canadian Forecaster, 238 Adalaide St., West, Toronto, Ont., Canada.

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

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

**Chartcraft Over The Counter** — Chart book with over 700 point & figure charts on industrials, utilities, banks and insurance companies—Spring issue revised to March 29 — $12.50 — Chartcraft, Inc., Dept. CF-1, 1 West Avenue, Larchmont, N. Y.

**Cigarette Companies** — Memorandum—Hirsch & Co., 25 Broad St., New York 4, N. Y.

**Economic Policies and Business Conditions Abroad** — Study — International Bond and Share, Inc., 601 California St., San Francisco 8, California.

**Japanese Bank Stocks** — Report with comparative figures on 16 banks—Yamaichi Securities Co., of New York, Inc., 111 Broadway, New York 6, N. Y.

**Japanese Economy for 1963** — Booklet—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is a booklet on the **Japanese Stock Market for 1963.**

**Japan Stock Exchange Manual**—Detailed information on a variety of subjects concerning the technicalities of investing in Japan—The Daiwa Securities Co., Ltd., 149 Broadway, New York 6, N. Y. Also available are 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.—25¢ per copy; $2.00 per year. Also in the same issue are comments on the **Dress Industry, Lease Plan International,** and **Nedicks.**

**New York City Banks**—Comparative figures on ten New York City Bank Stocks — Laird, Bissell & Meeds, 120 Broadway, New York 5, New York.

**Oil Stocks** — Bulletin with comparative figures on 26 companies —Hardy & Co., 25 Broad St., New York 4, New York.

**Oil Stocks**—Review—L. F. Rothschild & Co., 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 market performance over a 23-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

**Paper Industry** — Analysis with particular reference to **International Paper** and **West Virginia Pulp & Paper**—F. S. Moseley & Co., 50 Congress St., Boston 2, Mass. Also available is an analysis of **Ludlow Corp.**

**Paper Industry**—Report—David L. Babson and Company, Inc., 89 Broad St., Boston 10, Mass.

**Paper Industry** — Review — L. F. Rothschild & Co., 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, Dobie & Co. Ltd., 25 Adelaide St., West, Toronto, Ont., Canada.

Also available are brief data on 187 Canadian issues.

**Railroad Highlights** — Bulletin with particular reference to **Chicago North Western, Illinois Central Industries** and **New York Central**—H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available is a report on **Carrier Corporation.**

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

**Steel Companies** — Review with particular reference to **National Steel Corp., Inland Steel Company, McLouth Steel Corp.** and **M. A. Hanna Company** — D. H. Blair & Company, 5 Hanover Sq., New York 4, N. Y.

**Treasury Financing & Balance of Payments**—Bulletin—Goodbody & Co., 2 Broadway, New York 4, New York.

**When Do You Want Income**—Comparison of investment objectives of an income fund with a growth fund—The Parker Corp., 200 Berkeley St., Boston 16, Mass.

* * *

**Alberto Culver**—Analysis—Bell & Farrell, Inc., 119 Monona Avenue, Madison 3, Wis. Also available is an analysis of **Warner Electric Brake & Clutch.**

**Allied Chemical**—Memorandum—Pershing & Co., 120 Broadway, New York 5, N. Y.

**American Hoist & Derrick**—Memorandum — New York Hanseatic Corporation 60 Broad St., New York 4, N. Y.

**American Motors** — Bulletin—Bache & Co., 36 Wall St., New York 5, N. Y. Also available is a bulletin on **Department Stores.**

**American Smelting and Refining Company**—Analysis—Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y. Also available are comments on **National Steel, Ceco Steel Products, Cincinnati Milling Machine, General Portland Cement, Endicott Johnson, General Mills, M. A. Hanna** and **Skelly Oil.**

**Anelex** — Memorandum — New York Hanseatic Corp., 60 Broad St., New York 4, N. Y. Also available is a memorandum on **Charles of the Ritz.**

**Area Mines Limited**—Comments—Draper Dobie & Company Ltd., 25 Adelaide St., West Toronto, Ont., Canada. Also available are comments on **Canadian Dyno Mines Ltd., Iso Mines Ltd.,** and **Raglan Nickel Mines Ltd.**

**Arrow Liqueurs Corp.**—Analysis —Murray Frumin & Co., Penobscot Building, Detroit 26, Mich.

**Associated Truck Lines**—Report—Watling, Lerchen & Co., Ford Building, Detroit 26, Mich.

**Atlas Corp.** — Memorandum — Spingarn, Heine & Co., 37 Wall St., New York 5, N. Y.

**Beneficial Standard Life Insurance Company**—Study—Robert H. Huff & Co., 210 West Seventh St., Los Angeles 14, Calif.

**Bestwall Gypsum**—Analysis—Herzfeld & Stern, 30 Broad St., New York 4, N. Y.

**Bobbie Brooks** — Memorandum — Coggeshall & Hicks, 50 Broadway, New York 4, N. Y.

**Borg-Warner Corp.** — Memorandum—Pershing & Co., 120 Broadway, New York 5, N. Y.

**Caldor** — Memorandum — Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

**Colonial Stores**—Memorandum—Courts & Co., 11 Marietta St., N. W., Atlanta 1, Ga.

**Consolidated Foods Corp.**—Memorandum—R. W. Pressprich & Co., 80 Pine St., New York 5, N. Y.

**Consolidated Cigar** — Review — Hirsch & Co., 25 Broad St., New York 4, N. Y. Also available are reviews of **First Charter Financial** and **General Motors.**

**Dodge Manufacturing Corp.** — Analysis—McGann Securities Co., 125 West Colfax Ave., South Bend 1, Indiana.

**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, Inc., Bank of St. Louis Building, St. Louis 1, Missouri.

**Eversharp Inc.** — Report — A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y. Also available is an analysis of **Radio Corp. of America** and a bulletin on **Amerada Petroleum.**

**First Southern Co.** — Analysis — McDaniel Lewis & Co., Jefferson Building, Greensboro, N. C.

**General Cable**—Analysis—Colby & Company Inc., 85 State St., Boston 9, Mass. Also available is an analysis of **Owens-Corning Fibreglass.**

**General Corporation of Ohio** — Analysis—Merrill, Turben & Co., Inc., Union Commerce Building, Cleveland 14, Ohio.

**General Steel Industries, Inc.** — Analysis—Schrijver & Co., 37 Wall St., New York 5, N. Y.

**General Tire & Rubber Co.** — Analysis — Mitchum, Jones & Templeton, Inc., 650 South Spring St., Los Angeles 14, Calif.

**Gillette** — Analysis — Reynolds & Co., 120 Broadway, New York 5, New York.

**Gillette** — Memorandum — Finkle & Co., 70 Wall St., New York 5, New York.

**Gillette Co.**—Analysis—Edwards & Hanly, 100 North Franklin St., Hempstead, N. Y.

**Hawaiian Telephone** — Memorandum—Stearns & Co., 80 Pine St., New York 5, N. Y.

**Hydrocarbon Chemicals, Inc.** — Memorandum — Perkins & Co., Mercantile Building, Dallas 1, Texas.

**Ilikon Corp.** — Report — D. H. Thomas & Co., 52 Wall St., New York 5, N. Y.

**Insurance Company of North America**—Memorandum—Lamson Bros. & Co., 141 West Jackson Blvd., Chicago 4, Ill.

**International Paper Co.**—Analysis —Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Fruehauf Trailer Co.** and a list of issues which appear interesting.

**Interstate Hosts Inc.**—Analysis—Hill Richards & Co., 621 South Spring St., Los Angeles 14, Calif. Also available are analyses of **R. C. Can Co.** and **Pacific Southwest Airlines.**

**Johns Manville Corp.**—Analysis—Thomson & McKinnon, 2 Broadway, New York 4, N. Y. Also available is a report on **Draper Corp.**

**Kalvar Corp.** — Report — D. B. Marron & Co., Inc., 63 Wall St., New York 5, N. Y.

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

**P. Lorillard** — Memorandum — Josephthal & Co., 120 Broadway, New York 5, N. Y. Also available is a memorandum on **Reynolds Tobacco.**

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

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

**Mayaguez-Arecibo-Caguas**—Special report on municipalities — Government Development Bank for Puerto Rico, San Juan, Puerto Rico.

**Miehle Goss Dexter**—Memorandum — De Haven & Townsend, Crouter & Bodine, Land Title Bldg., Philadelphia 10, Pa.

**Miles Laboratories** — Memorandum—Chas. W. Scranton & Co., 209 Church St., New Haven 7, New York.

**Mountain Fuel Supply Company** —1962 Annual Report—Mountain Fuel Supply Co., 180 East First South Street, Salt Lake City 10, Utah.

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

**National Airlines**—Memorandum —Walston & Co., Inc., 74 Wall St., New York 5, N. Y. Also available is a memorandum on **Kern County Land.**

**National Fuel Gas** — Analysis — Gerstley, Sunstein & Co., 211 South Broad St., Philadelphia 7, Pennsylvania.

**Nu-Tone Inc.**—Comments in current issue of "Investor's Reader" —Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine St., New York 5, N. Y. Also in the same issue are comments on **Home Insurance Co., Lane Bryant, Inc., Lance, Inc., United Utilities, Amerace Corp., Dow Chemical, Moore Corp., Ltd., Super Valu Stores, Inc.**

*Continued on page 44*

# 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 banker briefly touches on the financial considerations involved and warns of possible pitfalls to avoid.**

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


James B. Greene, Jr.

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, import regulations and restrictive exchange regulations have disappeared or at least have become less of a practice day to day problem to the exporter. The greatest problem today lies not in the field of obtaining payment for export sales, but in making the sales in the first place against vigorous international competition.

### Less Risk in Today's Exports

Additionally, the United States Government Programs in aid of exports 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 periods running up to five years. This insurance covers both political and economic risks, with the exporter remaining liable for 15% of invoice amount in cases where default has been caused by economic risk and 5% where the risk is political.

FCIA normally prefers whole turnover coverage, with the rates involved varying by risk. Where exporters are primarily selling to strong European customers rather than world-wide, this 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 trade today 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 bankers 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 this whole field there is no substitute for accurate and up-to-date credit reports as 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 the Common Market and the development of the European economy, more and more American manufacturers have supplemented if not supplanted direct exports by manufacturing locally. This, of course, brings a new dimension to these firms when it comes to doing business in Europe and perhaps a very brief discussion of the various methods whereby profits can be generated by direct business would be worthwhile here.

In the first place, and this is very often the first step the American manufacturer takes outside of the United States, there is the possibility of licensing a manufacturer abroad to produce his products. Here the American manufacturer provides patents, trademarks, manufacturing know-how, but in most cases risks little or not capital and if his licensing agreement is properly drawn, a licensing agreement can contribute to earnings with little risk. The drawback is, of course, that the licensee tends to do much better than the licensor and, of course, to a certain degree the manufacturer in the United States loses control of his own products and the possibility of exports to third markets. At times, this has led American manufacturers to buy out their own licensee. An obvious alternative is to set up a new manufacturing subsidiary. Here control is present while capital exposure is very much greater. There is no general rule as every company must examine this for themselves, but direct investment does require that the company have available to it sufficient management resources able to do business in another country to make the new venture a profitable one. A prerequisite is a detailed study of the labor market and tax consideration.

### Use of Joint Ventures

A third alternative is to form a joint venture with a company abroad in which the American company may have a majority interest, a minority interest or split the investment 50-50 with the European partner. Here, of course, the idea is to find the right partner and it perhaps makes little difference whether you have control or you do not since in any event you are not going to have a happy relationship if you do not get along with your partner, even if you do have control. By this method the American firm has the advantage of the European company's local management and knowledge of local conditions, and of course, capital investment is substantially less than it would be if you had 100%. Equally, you do not get 100% of the profits. Speaking generally, the important thing to retain in mind when considering doing business in Europe is to avoid having too inflexible a policy. Further, despite the growth of the common market, Europe is far from being a unified market and will probably remain so for many years. In other words, an American firm might contemplate on some products direct export while it manufactured others directly and in still third areas licensed a foreign concern. This mix of various methods of approaching the problem may vary from one country to another within Europe.

Further, these problems cannot be considered wholly in relationship to Europe, as it might prove advantageous to export at least some components back to the United States or to use a European company as a base for exports to other parts of the world.

Obtaining finance in Europe for a subsidiary can be a complicated process. In some countries funds are scarce and expensive; in others the amount that can be borrowed locally is restricted by Exchange Control regulations. Generally speaking short-term borrowings are relatively far easier to obtain than term loans. Often borrowings in local currencies cost more than dollar financing, while to the extent that a project is financed in local currency the parent companies exchange risk is minimized. The international manager must weigh these factors to determine where his company's best interests can be served.

As in the case with tax and legal consideration there is no substitute for detailed advice and thorough study of the financial considerations involved in the European market, or perhaps I should say markets.

*An address by Mr. Greene at the Electronics Industries Association Symposium, Washington, D. C.

# 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 jurisdiction over collective investment funds was announced April 11 by LeRoy B. Staver, President, Trust Division, The American Bankers Association. Mr. Staver is executive Vice-President, United States National Bank, Portland, Ore.

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

A regulation issued recently by James J. 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 under the jurisdiction 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.R. 10 Smathers-Keogh trusts, the collective investment of funds for managing agency accounts, and advertising and publicity to be given these funds and other 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," wrote Mr. Staver.

Members of the special committee, in addition to Mr. Ferguson, are: J. Sinclair Armstrong, Executive Vice-President, United States Trust Company, New York; Cecil P. Bronston, Vice-President, Continental Illinois National Bank and Trust Company, Chicago; Charles W. Buek, President, United States Trust Company, New York; Reese H. Harris Jr., Chairman, Executive Committee, Trust Division, and Executive Vice-President, Manufacturers Hanover Trust Company, New York; Howard C. Judd, Vice-President, Morgan Guaranty Trust Company, New York; and Ralph A. McIninch, Chairman and President, Merchants National Bank, Manchester, N. H.

# Form BHA Company

WHITE PLAINS, N. Y.—B. H. A. Company is engaging in a securities business from offices at 180 West Street. Partners are Leonard L. Steiner, Stanly Kurz, and Stuart D. Byron.

# Taxation and Representation Must Be One and Inseparable

By James R. Phillips, *Holliston, Mass.*

**Mr. Phillips reminds us of the basic reason for our revolutionary "Declaration of Independence" and the dangerous extent we have departed from it because of today's development of "representation without taxation". The fight was originally for no taxation without representation in order to stop the misery brought on by the spending of and taxing by the tax-supported despotic aristocracy. The author points out our new idle aristocracy does not hesitate to engage in extravagant public spending. He argues for the inseparableness of taxation and representation; warns of direction taxation is going, and cites Jefferson's admonition that we did not fight for "an elective despotism."**

The cry that roused Americans to battle in our Revolutionary War was "Taxation Without Representation Is Tyranny." Most people know that today. But we have lost sight of a great Truth. Patrick Henry could have just as well shouted "Representation Without Taxation is Unfair". He would have aroused just as much emotion. The same issue would have been drawn. The same result would have occurred!

That's because our Forefathers were wise enough to note that Taxation and Representation are inseparable. Where you have one, you must have the other. If you do not, you have injustice. And today, with millions of voters **immune** from taxes, we do indeed have injustice . . . and a new form of tyranny!

For proof, you need only consider the circumstances surrounding Patrick Henry's famous battle cry. The English Parliament had voted to tax Americans. It was a small tax. It was in fact only a token tax. The English thought that the amount would be so small we would not protest.

But we saw through their clever schemes. We realized that a great Principle was involved. The English people were trying to tax **us** to pay their debts. This, to our Forefathers, was intolerable. They recognized full well that once such a principle was established, the result would be inevitable. The English people would become swollen with power. They would arrogantly increase our taxes more and more each year . . . until finally we were carrying the entire load of their just debts.

To the Americans of that age, it was unthinkable that some people . . . who were totally immune to a proposed tax . . . could then lay such a tax on the backs of other people. This was merely cleverly disguised thievery. It 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. **Life, Liberty** and **Property** was the creed on every American's lips!

Only men with some property were allowed to vote in the early days of our American Republic. The reason was simple. The public knew that men who paid taxes could not be fooled into believing that the State could offer people something for nothing. Every taxpayer knew that if he voted for big government spending, he himself would later get the tax bill.

Needless to say, frugality became the number one virtue in American governments. There was no need for a Hoover Commission to study waste in Government spending. There was no government spending to speak of . . . save 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 by the State. Thomas Jefferson himself wrote of this creed over and over again. The only reason people had banded together democratically in America was to protect themselves against a monarchy. We could then see how a decayed French aristocracy was taxing the French people into misery . . . to support their own lavish excesses. We wanted no such **tax-supported** aristocracy here. We considered it a scab on the healthy body of society.

### When Government Was an Enemy

In pre-Revolutionary Boston, the people gradually came to understand that Government was their natural enemy, not their friend. For years the Tories had ruled in Boston. But, beginning 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 royalist system for just what it was. They were being taxed to support an aristocratic class of **non**-workers. And the king had set up business monopolies which were overcharging them . . . to assure fat, guaranteed profits to favored businessmen.

The people of Boston opposed this system. The king punished them by closing the port of Boston in 1774. The people retaliated by fighting at Lexington and Concord and at Bunker Hill in 1775. The other Colonies volunteered to help Boston. George Washington arrived from Virginia, and put together an army of **free** men. These men drove the British out of Boston in March of 1776. Four months later the emboldened colonies declared their Independence. Thomas Jefferson wrote the immortal words of the Declaration of Independence.

Unfortunately, the long Revolutionary War that followed has captured too much attention of historians. They have minimized the reasons for fighting that war. But the battles of that war mean nothing, unless we understand and regain the tradition of freedom for which Americans fought.

### Jefferson on Debt

Jefferson himself wrote that tradition down for us on several occasions. For example, he wrote, "We must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude. If we run into such debts as that we must be taxed in our meat and in our drink, in our necessaries and in our comforts, in our labor and in our amusements . . . our people must . . . come to labor sixteen hours in the twenty-four, give the earnings of fifteen of these to the government for their debts and daily expenses, and the sixteenth, being insufficient to afford us bread, we must live . . . on oatmeal and potatoes, have no time to think, no means of calling the mismanagers to account; but be glad to obtain sustenance by hiring ourselves to rivet chains on the necks of our fellow-sufferers. . . . Private fortunes are destroyed by **public** as well as by private extravagance. And this is the tendency of all human governments. A departure from principle in one instance becomes a precedent for a second; that second for a third, and so on, till the bulk of society is reduced to mere automatons of misery, to have no sensibilities left but for sinning and suffering."

And Jefferson also said that, "An industrious farmer occupies a more dignified place in the scale of beings . . . than a lazy lounger, valuing himself on his family, too proud to work, and drawing out a miserable existence by eating on that surplus of other men's labor." (Note the difference between the libertarian views actually held by Jefferson and the false, foggy image of Jefferson so widely believed today. Perhaps the reason Jefferson is so misunderstood today is that the small but active Communist Party has brazenly stolen his name—deliberately using it openly on a Communist-backed School in New York — and have perverted him into the opposite of all that he once stood for.)

### Jefferson Was Opposed to Jackson

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 universal sufferage . . . one vote per man, regardless of whether the voter pays taxes.

This too is a false image cleverly propagandized. Jefferson himself was horrified at the "leveling-down" aspects of Jackson's policies. As one of the two remaining Founding Fathers (John Adams being the other), Jefferson 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 unfit men I know for such a place. He has had very little respect for laws or constitutions . . . he is a dangerous man."

Jefferson died in 1825 . . . 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 labeled him "King Mob" and "King Andrew I". Thus did America depart from the principles of the Adamses, of Otis, of Patrick Henry, of Hancock, and of Jefferson. Thus did we betray the farmers who fought for Liberty at Lexington and Concord. Thus did we condemn ourselves to ever-increasing doses of **internal** tyranny.

Now 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 now stand opposed to the principles our Forefathers died for. 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 way, and are wandering in the wilderness, is that we have forgotten one basic fact: taxation and representation are and 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 necessary number of quarters . . . then retired again. They got back in benefits in a year or so more than they had paid in. And then they went collecting something for nothing! They had representation. 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 learned that many people over 65 were for it. One retired person was more frank than most about why he was for it. He said he wouldn't have to pay any taxes to support it, yet he would draw heavily in benefits. He figured it was something for nothing. And he couldn't resist!

Thus is our Government trying to bribe us and buy our subservience. Something for everybody is the slogan. And the politicians tell everyone not to worry . . . because some "other guy" will pay for it. Labor unions demand that low-income groups be exempted from income taxes. If that should come, you can expect even wilder **spending** schemes . . . for whenever you divorce taxation from representation, you will get injustice!

### Dangerous Tax Proposal

Perhaps the most dangerous idea being pushed around America today is the idea of eliminating all **personal** income taxes. The proponents of this idea undoubtedly mean well. They simply do not realize the disastrous implications of their own plan. Their argument is that taxation has become overly burdensome on the individual citizen . . . and that it should be eliminated, with the burden being shifted to corporations.

To most people, this sounds simple and appealing. People do not think of what would inevitably happen if the plan were adopted. Corporations, the Supreme Court ruled around the turn of the century, are artificial persons. Thus when the Income Tax amendment was adopted, corporations became taxable.

But, unlike other persons, these "artificial" persons have no representation. This is one of the grossest abuses in America. It is one of the worst examples of taxation without representation in history. Compared to this abuse, the proposed Stamp Tax and Tea Tax were trifles!

We already burden our corporations with punitive taxes. And if people were freed from personal taxes, they would vote huge increases in "something for nothing" welfare benefits. The resulting tax burden would crush corporations . . . the State would nationalize all businesses . . . and we would be living in a Communistic State. That is hardly what the conservatives want. Yet that is where their ideas would lead us.

It would be much better for them to work for eliminating **corporate** taxes and placing **all** the burden on individuals. This would have two mighty effects. First, corporations would find their profits doubled. They could invest in the modernization and new products needed to compete with Europe and create new jobs. Secondly, the people would refuse to pay such steeply higher taxes. They would demand an elimination of all government services except national defense . . . the **one** service our Forefathers intended for our Government to bear.

People who argue that corporations are not unfairly treated today should have watched a recent network TV documentary. This TV show took the viewer behind the Iron Curtain . . . past the Berlin Wall . . . into Communist East Germany. There the TV reporter interviewed an East German businessman. This man told the audience something most Americans did not know . . . that the Commies did not nationalize all businesses. In the case of small, family-run businesses, they realized they needed the trained owner-manager. So the Communist State made a small investment and then announced it would henceforth take half the profits. The commentator seemed shocked. He asked the man why he didn't protest. The man said he was afraid to protest out of fear that the Government would take all the profits—and the business!

The camera then panned back across the Berlin Wall. And we were given the impression that we were lucky to be in a free country, where such tyranny does not exist. But is that true? In America, the government doesn't even bother with the farcical Communist **token** investment in a corporation . . . yet it takes not 50% of the profits, as do the East German Commies . . . but 52% 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!")

Because we have permitted millions of citizens to enjoy the privilege of voting, yet freed them from the responsibility of either working or paying taxes, we are rapidly creating a new idle aristocracy in America. In pre-Revolutionary France it was the Nobles who claimed they had a right to live off tax money taken from exploited peasants. Today in America it is the poor who are claiming a right to live on the sweat of others' brow. It is the hard-working, overtaxed middle-class taxpayers who are exploited. It is clearly time for a return to reason and sanity. Let us once again embrace the inseparable concepts of our Founding Fathers: Taxation Without Representation is Tyranny. AND REPRESENTATION WITHOUT TAXATION IS UNFAIR!

# 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 who resigned in order to become Under-Secretary of Commerce from 1961 to 1963, has again 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 he 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 with which to carry it on.

Hundreds of Congressmen and Senators just embarking upon their careers owe their success to Mr. Pew's contributions. Former Speaker Joseph W. Martin, Jr., 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 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 entirely 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 willingness of the Administration 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 should 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 move 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.

## Phila. Secs. Assn. Annual Outing

PHILADELPHIA, Pa.—William A. Webb of DeHaven & Townsend, Crouter & 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 Aronomink 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. Inui.

## Harris, Upham Adds

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

# Tax-Exempt Bond Market

BY DONALD D. MACKEY

The market for state and municipal bonds has been quiet and easy since writing this report a week back. As we went to press a week ago, the $100,000,000 State of California issue had just been awarded to the Bank of America group. This strong underwriting syndicate accomplished a phenomenally fast job of distribution by reducing the balance to under $10,000,000 in the preliminary offering period Today's balance is only $8,000,000. Bonds are generally available in the street but the volume appears to be relatively light.

### A Good Performance

The California performance was the more remarkable in that investors had responded with a definite lack of enthusiasm to the $300,000,000 offering of Treasury 4⅛s of 1989/94 at a 4.08% yield made on the previous day (Tuesday). This offering had dampened the bond market generally and had set up some investor suspicion of the validity of the market level. With this nervous background, placing the king-size California issue at right up to the market price level remains close to a classic operation.

Following the Treasury and California offerings, the tax exempt market has been extremely quiet. The Thursday and Monday sessions were as inactive as any we've experienced this year. With Friday a holiday, the interest in bonds was further lessened. There were no important new issues up for sale in this period and the dollar quoted term issues became the measure of the market. These markets were of course widened and the bids were generally hit to the extent that individual issues were off as many as 2 points.

On Tuesday, April 16, the market was reenlivened by the offering of several interesting new issues which we will later describe in some detail. Investors were shown not to be completely disinterested with new offerings, with yields shaded 10 basis points more or less in their favor. As we near press time today, the Treasury market is showing some improvement in the important long end and markets for many of the dollar quoted tax exempt term issues have been narrowed and improved.

### Small Decline in Yield Index

The *Commercial and Financial Chronicle's* high grade 20-year general obligation bond yield Index averages out at a 2.936% yield on April 17 as against 2.907% a week ago. This 3 basis point increase in average yield represents a drop of about ⅜ths 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 market is now slightly lower than the 2.903% Index point from which it precipitously took off in early November.

Since early April, the apparent inventory total has been increasing almost daily. In late March, state and municipal bond offerings as shown in the *Blue List* began to exceed $500,000,000. We have felt that the offering of this volume and more ought not be an arbitrary negative market factor, although it had proved to be such at certain periods in the past.

### Inventory a Trading Weapon

However, it would now appear to us that even though we be theoretically correct, we are, from a practical viewpoint, off in our timing. Actually a *Blue List* total of $750,000,000 might not indicate an overloaded Street. Today, however, the total of $610,068,000 appears to have again contributed a trading weapon to those institutions interested in the big blocks of bonds. The industry will live down this $500,000,000 fetish before long, we would hope, and may resist some of the quicky price cutting based upon the nervous observance paid to it.

### Profitless Business

The new issue calendar has been heavy for sometime now. 1963 has thus far broken records in this respect and the year as a whole may very likely experience more state and municipal financing than any other. This record may well be made even without benefit of the sizable negotiated revenue bond issues that have helped swell the totals of previous years.

The total seems likely to be 90% or more in competitive bidding issues. This suggests the pertinent comment that although dealers may underwrite more municipal issues than ever, their profits will not constitute a record in the same sense. Despite the rather steady, even market, competition has cut back profits in the business to a sizeable extent. The municipal fellows are generally speaking "hurting a bit."

For the next month, the calendar as presently constituted, totals little more than $725,000,000. A week ago the total was close to $900,000,000. This seeming respite means but little since it may be expanded and, even though it may not, the corporate bond calendar fills out some and then of course there is always the expanding Treasury need. Bond people seem likely to be busy and at times weary for some period ahead.

**MARKET ON REPRESENTATIVE SERIAL ISSUES**

| | Rate | Maturity | Bid | Asked |
|---|---|---|---|---|
| California, State | 3½% | 1982 | 3.20% | 3.10% |
| Connecticut, State | 3¾% | 1981-1982 | 3.05% | 2.95% |
| New Jersey Hwy. Auth., Gtd. | 3% | 1981-1982 | 3.05% | 2.90% |
| New York, State | 3¼% | 1981-1982 | 3.00% | 2.85% |
| Pennsylvania, State | 3⅜% | 1974-1975 | 2.70% | 2.55% |
| *Delaware, State | 2.90% | 1981-1982 | 3.00% | 2.85% |
| New Housing Auth. (N. Y., N. Y.) | 3½% | 1981-1982 | 3.10% | 2.95% |
| Los Angeles, California | 3¾% | 1981-1982 | 3.15% | 3.05% |
| Baltimore, Maryland | 3¼% | 1981 | 3.00% | 2.90% |
| Cincinnati, Ohio (U.T.) | 3½% | 1981 | 3.05% | 2.90% |
| Philadelphia, Pennsylvania | 3½% | 1981 | 3.25% | 3.10% |
| *Chicago, Illinois | 3¼% | 1981 | 3.20% | 3.05% |
| New York, New York | 3% | 1980 | 3.07% | 3.02% |

April 17, 1963 Index=2.936%

*No apparent availability.

### Recent Awards

On Thursday April 11 $10,000,000 Duval County, Florida School District No. 1 (Jacksonville) (1965-1981) bonds were awarded to the *Lehman Bros., Blyth & Co., Inc.* and *Phelps, Fenn & Co.* group on a net interest cost bid of 2.822%. The runner-up bid, a 2.843% net interest cost, was made by the Chase Manhattan Bank and Harris Trust and Savings Bank group. The bonds were priced to yield from 1.80% to 3.00% and the issue is about half sold.

Also on Thursday, an issue of $5,282,000 Essex County, New Jersey (1964-1977) bonds came to market. The group headed by the *First National City Bank* and including *Halsey, Stuart & Co., Boland, Saffin, Gordon & Sautter, Wood, Struthers & Co.* and *Dominick & Dominick* won on a bid equivalent to a 2.5598% net interest cost. The group headed by The Northern Trust Co. made the runner-up bid and there were many other bidders for this much sought after credit.

The bonds were scaled to yield from 1.55% to 2.70% and about one-half of the reoffering has been sold.

On Monday night (April 15) the Port Huron Area School District, Michigan, awarded $6,575,000 (1964-1986) bonds to the group managed by *Halsey, Stuart & Co. Inc.*, on a 3.055% net interest cost bid. The runner-up bid, a 3.1034% net interest cost, was made by the Harris Trust and Savings Bank group. The winning group priced the issue to yield from 1.70% to 3.20% in 1985. The 1986 maturity bore a 1-10% coupon and was priced to yield 4.15%.

Other members of the winning group are Blyth & Co., The First of Michigan Corp., Hornblower & Weeks, R. W. Pressprich & Co., and Paine, Webber, Jackson & Curtis. The present balance in account is $1,885,000.

On Tuesday of this week $10,400,000 Albuquerque, New Mexico various purpose (1964-1983) bonds were awarded to the *First National Bank of Chicago* group on a 2.981% net interest cost bid. The bidding was very competitive for the various assortment of loans involved in this offering.

Other members of the winning group included Bankers Trust Co., Morgan Guaranty Trust Co., Kidder, Peabody & Co., and Hayden, Stone & Co. The bonds were reoffered to yield from 1.60% to 3.20%, the reception has been fairly good with almost half of the bonds sold.

### Week's Major Award

Also on Tuesday, $25,000,000 Omaha, Nebraska School District (1965-1984) bonds were awarded to the group managed jointly by the *First National Bank of Chicago, Halsey, Stuart & Co. Inc.*, and *Continental Illinois National Bank & Trust Co.*, on its 2.79% net interest cost bid. The second best bid, a 2.799% net interest cost, was made by the Chase Manhattan Bank group.

Other members of the winning group included Chemical Bank New York Trust Co., Kidder, Peabody & Co., Philadelphia National Bank, White, Weld & Co., and Blair & Co., Inc.

Priced to yield from 1.75% to 3.0%, this highly rated offering met with favorable investor response. More than two-thirds of the bonds have been sold.

On Tuesday, $6,000,000 Snohomish County, Washington Public

Continued on page 13

# Larger Issues Scheduled For Sale

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

**April 18 (Thursday)**

| | | | |
|---|---|---|---|
| Alabama State Highway Authority | 25,000,000 | 1970-1983 | 10:00 a.m. |
| Edina-Morningside Indep. School District No. 273, Minn. | 1,900,000 | 1966-1990 | 7:00 p.m. |
| Kingsway Regional H. S. D., N. J. | 1,750,000 | 1964-1983 | 8:00 p.m. |
| Milton, Mass. | 1,240,000 | 1964-1978 | 11:30 a.m. |
| North Kansas City Sch. Dist., Mo. | 3,200,000 | 1965-1982 | 10:00 a.m. |
| Pontiac School District, Mich. | 3,200,000 | 1964-1970 | 8:00 p.m. |

**April 22 (Monday)**

| | | | |
|---|---|---|---|
| Cook County Community Consol. Sch. Dist. No. 59, Ill. | 1,020,000 | 1965-1976 | 2:00 p.m. |
| Cook Co. Forest Preserve Dist., Ill. | 2,000,000 | 1965-1974 | ------- |
| Fort Lee School District, N. J. | 2,462,000 | 1964-1988 | 8:00 p.m. |
| King County, Wash. | 2,000,000 | ------- | 1:30 p.m. |
| Rim of the World Unif. SD, Calif. | 1,395,000 | 1964-1984 | 11:00 a.m. |

**April 23 (Tuesday)**

| | | | |
|---|---|---|---|
| Champaign County Community Unit School Dist., No. 4, Ill. | 1,600,000 | 1964-1973 | 2:30 p.m. |
| Cheektowaga Union Free School District No. 2, N. Y. | 1,715,000 | 1963-1992 | 11:00 a.m. |
| Cook County New Trier Township High School District No. 203, Ill. | 8,750,000 | 1964-1982 | 8:00 p.m. |
| Davis County Sch. Dist., Utah | 1,981,000 | 1963-1972 | 8:00 p.m. |
| Fayette County S. Bldg. Rev., Ky. | 1,600,000 | 1964-1983 | 2:00 p.m. |
| Forsyth County Sch. Bldg., N. C. | 2,000,000 | 1965-1968 | 11:00 a.m. |
| Los Angeles Flood Control Dist., California | 15,000,000 | 1964-1989 | 9:00 a.m. |
| Los Banos Union High School District, Calif. | 1,320,000 | 1964-1988 | 11:00 a.m. |
| Oregon (State of) | 10,500,000 | 1966-1993 | 9:00 a.m. |
| Oxnard Union High School, Calif. | 1,350,000 | 1964-1976 | 11:00 a.m. |
| St. Louis County, Mo. | 5,000,000 | 1964-1983 | 11:00 a.m. |
| Salisbury, N. C. | 1,315,000 | 1964-1984 | 11:00 a.m. |
| Sandwich, Mass. | 1,015,000 | 1964-1983 | Noon |
| Torrence Unified Sch. Dist., Calif. | 1,000,000 | 1964-1983 | 9:00 a.m. |
| Tulsa Co. Indep. S. D. No. 1, Okla. | 3,000,000 | 1965-1976 | 10:00 a.m. |
| Victor, Etc., Central S. D., N. Y. | 1,750,000 | 1964-1933 | 3:00 p.m. |
| Washington Sub. San. Dist., Md. | 14,000,000 | 1964-1983 | 11:00 a.m. |

**April 24 (Wednesday)**

| | | | |
|---|---|---|---|
| Baltimore County, Md. | 8,000,000 | 1963-2003 | 11:00 a.m. |
| Bowling Green, Ky. | 7,500,000 | 1965-2003 | 7:00 p.m. |
| Cape Giradeau, Mo. | 1,000,000 | 1965-1983 | 2:00 p.m. |
| New Orleans, La. | 1,000,000 | 1964-1987 | 10:00 a.m. |
| New York, N. Y. | 108,720,000 | 1964-1993 | Noon |
| Pawtucket, R. I. | 2,075,000 | 1964-1988 | 11:00 a.m. |
| Roanoke County Sch. Bldg., Va. | 3,500,000 | 1964-1983 | Noon |
| Thief River Falls Independent Sch. District No. 564, Minn. | 1,495,000 | 1936-1979 | 11:00 a.m. |
| Weld County Sch. Dist. #6, Colo. | 2,350,000 | 1965-1983 | 8:30 p.m. |

**April 25 (Thursday)**

| | | | |
|---|---|---|---|
| Central Missouri State College | 3,150,000 | 1964-2001 | 2:00 p.m. |
| Clark County, Wash. | 4,500,000 | 1969-1988 | 8:00 a.m. |
| Florida State Board of Control | 1,814,000 | 1966-2003 | 11:00 a.m. |
| Horicon Junior S. D. No. 10, Wis. | 1,184,000 | 1964-1982 | 1:30 p.m. |
| Methuen School & Water, Mass. | 1,800,000 | 1964-1983 | 11:00 a.m. |
| Syracuse School & Public Safety Building, N. Y. | 7,800,000 | 1964-1981 | 11:00 a.m. |
| Wade Hampton W & S Dist., S. C. | 1,950,000 | 1965-1997 | Noon |

**April 26 (Friday)**

| | | | |
|---|---|---|---|
| Sny Island Levee Drainage D., Ill. | 1,270,000 | 1982 | 1:00 p.m. |
| University of Kentucky, Comm. Colleges Education Building | 1,200,000 | 1965-1988 | 11:00 a.m. |

**April 29 (Monday)**

| | | | |
|---|---|---|---|
| Fla. Dev. Comm. Osceola Co., Fla. | 3,000,000 | 1964-1979 | 2:00 p.m. |
| Plainfield Township, Mich. | 1,300,000 | 1968-2003 | 7:30 p.m. |
| Southfield Bldg. Auth., Bldg. Rev., Michigan | 1,000,000 | 1965-1988 | 8:00 p.m. |

**April 30 (Tuesday)**

| | | | |
|---|---|---|---|
| Augusta, Ga. | 6,000,000 | ------- | ------- |
| Beaumont, Texas | 2,000,000 | 1973-1989 | 10:00 a.m. |
| Cleburne, Texas | 3,200,000 | 1963-2002 | 4:00 p.m. |
| Ft. Lauderdale, Fla. | 16,050,000 | 1964-1992 | ------- |
| Gloucester Township S. D., N. J. | 1,400,000 | 1964-1987 | 8:00 p.m. |
| Long Beach, Miss. | 1,300,000 | 1965-1997 | 7:30 p.m. |
| New York State Dormitory Auth. Skidmore College | 5,580,000 | 1965-1994 | 11:30 a.m. |
| Orlando Utility Commission, Fla. | 14,000,000 | 1965-1992 | 11:00 a.m. |
| Santa Clara, Calif. | 1,095,000 | 1964-1988 | 8:00 p.m. |
| Santa Clara County, Calif. | 8,000,000 | 1964-1983 | 10:00 a.m. |
| Shelton, Conn. | 1,755,000 | 1964-1983 | 2:00 p.m. |
| Webster Groves Sch. Dist., Mo. | 3,495,000 | 1964-1933 | 8:00 p.m. |

**May 1 (Wednesday)**

| | | | |
|---|---|---|---|
| Chicago Transit Authority, Ill. | 7,500,000 | 1963-1973 | 2:00 p.m. |
| Davenport Indep. Sch. Dist., Iowa | 1,900,000 | ------- | ------- |
| Greenville County Sch. Bldg., S. C. | 12,000,000 | 1964-1983 | Noon |
| Houston, Texas | 8,000,000 | ------- | ------- |
| Maryland State Roads Commission | 17,500,000 | 1964-1978 | 11:00 a.m. |
| Placer County Water Agency, Cal. | 115,000,000 | 1968-2013 | 11:00 a.m. |
| Walla Walla County Sch. Dist. No. 140, Wash. | 1,160,000 | 1965-1983 | ------- |

**May 3 (Friday)**

| | | | |
|---|---|---|---|
| Pearl River Valley Supply D., Miss. | 3,000,000 | 1964-1999 | 10:00 a.m. |

## Tax-Exempt Bond Market

*Continued from page 12*

Utility District No. 1, Hydro-Electric Project revenue (1964-1978) bonds were awarded to the group headed by *Merrill Lynch, Pierce, Fenner & Smith* on a net interest cost bid of 2.91%. The second best bid, a 2.949% net interest cost, was made by the White, Weld & Co. group. The reoffering was priced to yield from 1.65% to 2.95%.

Other members include Kidder, Peabody & Co., Wertheim & Co., Bache & Co., First of Michigan Corp. and Goodbody & Co.

The balance as we go to press is $4,160,000.

Also on Tuesday, $9,205,000 Detroit, Michigan various purpose (1964-1988) bonds were awarded to *The Northern Trust Co.* group at a net interest cost of 3.211%. The runner-up bid was made by the Halsey, Stuart & Co. Inc. group. Other members of the winning group include Chase Manhattan Bank, First National Bank of Chicago, Harris Trust & Savings Bank, Morgan Guaranty Trust Co. and Continental Illinois National Bank & Trust Co.

The reoffering was made at prices to yield from 1.70% to 3.40% in 1987. The 1988 maturity bore a one-quarter per cent coupon and was priced to yield 4.25%. As we go to press, the balance remaining in account is $4,365,000.

On Wednesday the State of Louisiana awarded $15,000,000 Highway (1964-1988) bonds to the group headed by the *First National City Bank and Halsey, Stuart & Co. Inc.*, on a 3.1674% net interest cost bid. The runner-up bid was made by the C. J. Devine & Co. group, designating a 3.18% net interest cost. The bonds were reoffered at prices to yield 1.70% to 3.35%.

Other major members of the group include Chemical Bank New York Trust Co., The Northern Trust Co., White, Weld & Co. and Blair & Co., Inc. This issue met with good reception, with only $5,595,000 remaining in account.

The toll road, toll bridge, authority, public utility and other long term dollar quoted issues have been set back during the last few sessions. Averaging the yields from the list of 23 such issues comprised in the *Chronicle's* Index we come up with 3.453% on April 17 as against 3.412% a week ago. This represents a one-half point loss for this category in the course of the week. This is the widest fluctuation since a jump of similar proportions early in the year. However, these issues have done better than the market over the past several months and the recent modest corrections have been more or less expected.

Actually, there were some gains in the course of the week. A short condition obtained in New York Power Authority 3.20s which put the issue up over a point to 98⅛ bid on April 17. Ohio Turnpike 3¼s gained three-quarters of a point to 99⅞. West Virginia Turnpike 4⅛s were up one-half to 69½ bid, while Greater New Orleans Expressway 4s were up 1 to 102 bid. Even in adversity most of these term revenue issues continue to do better than the general market.

## The Market . . . And You

BY WALLACE STREETE

The stock market again appears to be nearing a decisive phase. The recent break-out may have reached its climax with the heavy turnover of recent days.

Evidence that the less professional investor has reentered the market is growing. The fact that five million share-plus days are now commonplace is proving somewhat discouraging to some analysts.

Yet the trend toward new tops for the current move still has substantial backing. The Dow-Jones Industrials' all-time peak of 734.9 is not that far away.

General business news is good and the stock market has reflected it. Blue chips with strong earnings prospects are behaving well. While there are more signs of greater selectivity, the resistance factor is beginning to be felt among many of the star performers.

### The Over-Discounting Question

The big news that steel price increases can be expected to stick poses a real problem for the investor. Will more steel companies whack up bigger profits or will these companies soon prove to be over-valued, or even over-discounted?

The whole market, in many ways, shapes up this way. Bargains are becoming harder to find. Good, and even superlative, profits reports are often a signal to sell on the news.

Consider Chrysler. Its first quarter earnings statement pushed the stock down more than three points within hours. Yet many analysts have put the outside potential of the nation's third largest auto maker at 120 or even 130 on the old stock.

Certainly its earnings outlook might warrant this hope. But the $3.98 a share earnings for the first quarter was what most of the seers had predicted.

The biggest disappointment to Chrysler stockholders, as one wag put it, was the cancellation of the free lunch at this week's annual meeting.

### Steel Price Hikes Questioned

Nor can the steel price hikes be classified as a complete surprise. Would steels have returned to favor recently on the expectation that prices would not be raised eventually?

The rise in steel issues started some time before the round of price hikes at the product level. It is also interesting to note that virtually all the leaders have hit new highs this week.

The rush to steel stocks has somewhat overshadowed the other groups. Steels, autos, and oils have generally captured the top spots the last few days, but other groups have drawn their share of attention.

### Defense Section Prospects

Aerospace is still very much in the front row of investor interest. The fact that the U. S. devotes more than half of its $100 billion annual budget to national defense points up the strong influence of cash flow. Another $5 to $6 billion is spent yearly by the civilian space agency, now better known as NASA.

Defense spending, despite the ban-the-bomb marchers around the United Nations enclave, is certain to grow. And its influence on certain stocks cannot be underrated.

While the gyrations of officials in Washington cannot ever be charted—witness the TFX Boeing-General Dynamics fuss—certain companies can be expected to gain certain benefits.

Some of the companies cited as having current low price/earnings ratios in the defense category include Avco, General Precision Equipment, Lear-Siegler, Grumman, Lockheed, and McDonnell. The latest tally of p/e ratios of these six ranges from a low of 9 (Lockheed) to a high of 12.5 (Grumman).

Yet the p/e ratios can change quickly when it comes to a sudden award of a multi-billion contract. The main point is that these companies are primarily dependent on one buyer. The rewards can be exceptional, or pretty dismal as General Dynamics stockholders could testify.

### Resource Issues Regain Favor

Other groups regaining favor in some sectors are the resources stocks. Most investors had previously been hesitant to plunge into metals, mining, or other basic material stocks recently. The exception has been the oils.

International oils, in particular, have lured much investor interest. But companies, known primarily as domestic oil firms, are also growing more popular.

### Earnings Ratio's Rise

Meanwhile the Dow-Jones industrial p/e ratio continues to inch higher. The latest tabulation puts it at 19.4 times the $36.44 estimated per share earnings of the 30 component stocks. This shows a rise from 18.6 times a month earlier and 21.6 times a year earlier.

The rise 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 are also signs that the more speculative issues will get more play than they have in recent months.

Does it mean the end of the bull market as the odd-lot theorists would claim? The answer is, of course, more complicated than yes or no, or even when. A change in direction of the major indices is not apparent now. While there are many new tops, there seems to be enough good news to bolster further advances.

Overall, the production and general economic tone is encouraging. First quarter profit statements certainly are living up to most prior expectations and in many cases are better than predicted.

There is also a generally optimistic feeling in most sectors of the economy. Talk of a tax cut has not died, but is much less of a factor. The feeling in many quarters is that more money will be made this year so why worry about a bigger bite?

These feelings are also reflected in the market. The more solid issues draw a bigger following than they did a year ago. Ford 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 "Chronicle." They are presented as those of the author only.]*

## Schapiro Elects Chaut Officer

M. A. Schapiro & Co., Inc., 1 Chase Manhattan Plaza, New York City, has announced that Robert Chaut has joined the firm as Executive Vice - President and Director.

Robert Chaut

Mr. Chaut was previously Vice-President of Kidder, Peabody & Co. Incorporated, having been associated with that organization since 1954. His responsibilities at Kidder, Peabody covered the entire area of financial securities, particularly bank, insurance, and savings and loan shares.

Mr. Chaut, whose writings have been published widely in financial publications, is a member of the New York Society of Security Analysts and the Insurance Securities Committee of the Investment Bankers Association.

## Underwood Neuhaus Announces

HOUSTON, Texas — Underwood, Neuhaus & Co., Incorporated has admitted Harry A. Zuber, Albert E. Magill, Jr., and Robert L. Grainger to positions of ownership in the firm, it has been announced by Milton R. Underwood, President.

Mr. Zuber, Vice-President and Manager of the firm's board room facilities on the 7th floor of the Houston Club Building, has been associated with the company since 1958. Mr. Magill and Mr. Grainger, both Vice-Presidents, have served with the firm over five years.

Underwood, Neuhaus, Texas' oldest investment banking concern, is a member of the New York Stock Exchange and holds an associate membership on the American Stock Exchange.

Offices of the 55-year old firm are located on the first, seventh and ninth floors of the Houston Club Building.

## James Moran Forms Co.

NATICK, Mass.—James P. Moran is engaging in a securities business from offices at 23 Beacon Street under the firm name of J. P. Moran Co. Mr. Moran was formerly with Stanton-Lewis & Co. and Godfrey, Hamilton, Taylor & Co.

# Opportunities in Europe's Electronics Markets

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

**Electronics economic analyst 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 rate and probably attracting considerable interest from U. S. electronics firms. Mr. Randall surveys the size and composition of the European market, reviews gross projections made for it, and compares it to the U. S. market in terms of business practices, extent of Government participation, industry structure, restrictions, and production facilities. Paper concludes with eight generalizations on the types of opportunities which appear to be most attractive for a U. S. company wishing to participate in the European electronics industry—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 those members of the Institute's staff who previously have been and who are now studying the Euro-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 the opportunity to pass on 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 association with the U. S. electronics industry.

Richard H. Randall

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 discussing opportunities for U. S. electronics companies in all of the European market.

In the five years since its formation, the EEC has outstripped the most ambitious predictions made for it. Since its establishment, Western Europe has experienced an accelerated economic development, has advanced the capacity and efficiency of its industry, has seen competition greatly stimulated, and has provided many new investment opportunities for both European and U. S. companies. Just how fast the economy is expanding can be seen in the gross national product and industrial production of the community; the growth rate of its GNP was twice that of the United States during the years 1955 to 1960, and its industrial production increased three times as fast as that of the United States. Rapid growth has continued since 1960 and is expected to continue through 1965, though at a less spectacular rate. Gross National Product and industrial production rates of growth in the EEC and the United States are shown 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 increase in the value of the GNP in the United States is expected to be twice as large as in the EEC.

The EEC electronics industry appears to offer particularly attractive business opportunities. As is shown in Table II, the current annual production of electronic products by the six EEC members is approximately $3 billion, and the production of countries that may be the next ones to become associated with the EEC—that is, the United Kingdom, Ireland, Denmark, and Norway—is an additional $1½ billion. In the light of the recent actions of the French Government, however, the association of these "outer" countries will probably not come about nearly as soon as was expected only a few months ago.

### Second in Size to U. S. A.

The 1960 electronic product of the entire world was about $16.5 billion—of which EEC production represented about 18%, the United States about 60%, the United Kingdom about 8%, Japan about 7%, and the rest of the world only 7%. Thus, the European electronics industry is the largest outside of the United States. It is one that should be examined by any U. S. organization that is thinking of participating in the electronics industry abroad, if for no other reason than its size.

The data in Table II also points out the amount of electronics production that is exported by members of the EEC—the proportion of exports to total electronics production of EEC members is half again as high as that of the United Kingdom and Japan, and is five times as great as that of the United States. But these figures include the trade between EEC member nations. If this trade between EEC nations is eliminated, the percentage of exports from the EEC is about the same as in the United Kingdom and Japan, but still three times as great as in the United States. To maintain a balanced perspective, it should also be noted that the value of U. S. exports is approximately the same as the net exports from all the EEC countries combined.

Past and projected growth of electronics production in the EEC, United States, and United Kingdom are shown in Table III. Production in the EEC in 1960 was 10 times as large as it was in 1950; in the United States it was four times as large; and in the United Kingdom it was three times as large. Again, the value of the increase in the United States has been larger and is expected to continue to be larger than in Europe. While the growth rate of the EEC electronics industry during the 1960 to 1965 period is not expected to be as great as it has been during the past decade, it is expected to continue to be high—more than 10% per year.

To illustrate the increasing importance of the electronics industry in the U. S. and European

*Continued on page 43*

TABLE I

**U. S. and EEC Economic Indicators**

| | 1955 EEC | 1955 U.S. | 1960 EEC | 1960 U.S. | 1965 EEC | 1965 U.S. | % Annual Growth 1960 to 1965 EEC | % Annual Growth 1960 to 1965 U.S. |
|---|---|---|---|---|---|---|---|---|
| GNP (Billion 1960 $) | $141 | $449 | $180 | $504 | $230 | $606 | 5.0 | 3.6 |
| Industrial Production (Index) | 100 | 100 | 140 | 113 | 182 | 135 | 5.3 | 3.6 |
| Private Construction (Billions 1960 $) | 88 | 282 | 111 | 329 | 140 | 390 | 4.8 | 3.4 |

TABLE II

**Estimate of 1960 World Production and Exports of Electronic Equipment**

(Dollars in Millions)

| | Production | Exports | Exports as % of Production |
|---|---|---|---|
| United States | $9,800 | $466 | 4.8% |
| EEC Nations | 2,985 | 812 | 27.2 |
| United Kingdom | 1,360 | 241 | 17.8 |
| Japan | 1,165 | 208 | 17.9 |
| Canada | 380 | 30 | 7.9 |
| All Others | 750 | 35 | 4.7 |
| Total (World) | $16,440 | $1,792 | 10.9% |

TABLE III

**Estimated Production of Electronic Equipment**

(Millions of Dollars)

| | 1950 | 1960 | 1965 |
|---|---|---|---|
| United States | $2,500 | $9,800 | $14,500 |
| EEC | 300 | 3,000 | 5,000 |
| United Kingdom | 450 | 1,350 | 1,800 |

TABLE IV

**Sales of Electronic Equipment as Percent of GNP**

| | 1950 | 1960 | 1965 |
|---|---|---|---|
| United States | 0.9% | 2.0% | 2.4% |
| EEC | 0.4 | 1.6 | 2.2 |
| United Kingdom | 1.1 | 1.7 | 2.2 |

# Connecticut Brevities

One of the nation's leading producers of automatic machinery for manufacturing glass containers, **Emhart Manufacturing Company** of Bloomfield, Conn., recently announced its purchase of ACMA (Azionaria Costruzioni Machine Automatiche) of Bologna, Italy. ACMA manufactures packaging machinery for the automatic weighing and filling of dry powders such as detergents and sugar; and wrapping machines for soap, candy, biscuits and other small consumer items. According to Emhart management this acquisition strengthens the company's position in the European Common Market in addition to generally broadening its business. Emhart has two other European subsidiaries, Emhart AG, Switzerland, and AB Sundsvalls Verkstader, Sweden.

* * *

Also, **Fafnir Bearing Company,** New Britain, Conn., expects to further broaden its European operations by building a new plant in northern Ireland near Belfast. In a joint project with its wholly-owned British subsidiary, Fafnir Bearing Co., Ltd., Fafnir will construct an 85,000 square foot plant at the cost of several million dollars. The new Irish plant will manufacture high precision steel balls as well as a line of competitive small ball bearings to determine the feasibility of expanding this line in northern Ireland. Fafnir's other international activities are located in England, Switzerland, West Germany and India.

* * *

In March, **United Aircraft Corp.'s** Pratt and Whitney division began construction of a now multi-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-energy types such as flourine, hydrazine, diborane and hydrogen. It is believed that the new facilities will play an important role in developing rocket engines which will lead 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 optical systems for the Orbiting Astronomical Observatory Program from Sylvania Products, Inc., a subsidiary of General Telephone and Electronics Corp. Under the contract Perkin-Elmer is developing a telescope and ultraviolet spectrometer for an experiment designed to gather new information about the composition and physical structure of the interstellar gas and dust clouds.

* * *

**The Ingraham Co.,** Bristol, Conn., will construct a $1,500,000 plant in Bristol's Redstone Hill Industrial Park. The new 150,000 square foot building will be located on a 25-acre site, and it will employ an additional 200 people. Ingraham is an important manufacturer of clocks and watches, and more recently, has been making timing devices for the government.

* * *

**Kaman Aircraft Corp.,** the Bloomfield, Conn., helicopter manufacturer, reports that it has received a $3.5 million contract from the Navy covering delivery of spare parts for the U. S. Navy UH-2 Seasprite Helicopter. The Seasprite is a high speed, all weather utility helicopter on duty with the Atlantic and Pacific Fleets.

* * *

**Bridgeport's Singer Manufacturing Co.** has agreed to purchase the Sensitive Research Instrument Corp. of New Rochelle, New York. Singer expects to move the operation to the Singer Metrics Division in Bridgeport. Sensitive Research, which currently has a sales volume of approximately $4 million, is engaged in the field of high sensitivity and high accuracy electrical measuring instruments.

* * *

The **Consolidated Diesel Electric Corporation** of Stamford, Conn., announced that it has received a contract from the Army's Transport Material Command for the production of 376 LARC-5 vehicles. The value of the contract exceeds $11 million. LARC-5 (lighter, amphibious, resupply, cargo) vehicles are designed to transport cargo from shipside, across water and beach to inland areas. Built of aluminum and resembling a boat with wheels, the LARC maneuvers equally well in water, in sand, on rugged terrain or on improved highways.

* * *

Several large government contracts have been awarded to various divisions of the **United Aircraft Corp.** The Sikorsky Division in Stratford, Conn., received a $9.7 million Navy contract for research and development work on transport helicopters for the Marine Corps. The Pratt & Whitney Division of East Hartford was awarded an $11.8 million contract from 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 $175 million Air Force contract for the development of the first stage of the Titan 111-C Standard Launch Vehicle.

# Communist Borrowing In the Euro-Dollar Market

*By Paul Einzig*

**Hardly anyone is in a more knowledgeable position to know the extent of, and the peril posed to the Free World by, Euro-dollar loans to communist countries. Dr. Einzig explains how the Communist banks effortlessly switched from competitive lenders to where they are now important borrowers of Euro-dollars. Crucial questions raised by Dr. Einzig deal with whether the extra compensation from communist borrowers is worth the risks entailed—particularly in view of assist it gives USSR's efforts to hold on to its gold while building its economy up.**

*LONDON, England*—The increase of the turnover of the Soviet-controlled Moscow Narodny Bank in London from £5,300 million in 1961 to £11,000 million in 1962 and the increase of total assets from £78 million to nearly £104 million draws attention to the considerable increase of Communist participation in the Euro-dollar market. The expansion of the activities of the Moscow Narodny Bank may be attributed almost entirely to that cause. The Communist - controlled Banque des Pays de l'Europe du Nord in Paris is also very active as a borrower of Euro-dollars and the State Bank of the U. S. S. R. and other State banks behind the Iron Curtain regularly circularize Western banks in an effort to obtain Euro-dollar deposits. The total of loans obtained by various Communist controlled banks in the Euro-dollar market must amount to many hundreds of millions of dollars.

**When the West Would Not Lend To U. S. S. R.**

Some years ago Mr. Mikoyan on the occasion of his visit to New York, raised the subject of borrowing in the West, but the response was not encouraging. There was indeed no valid reason why banks or governments in the Western world should finance the import surplus of the Communist bloc. The Soviet Union is known to possess a very substantial gold reserve which is believed to be second only to that of the United States. By parting with more gold it would be well in a position to finance the trade deficit. But the Moscow authorities would prefer to eat their cake and keep it. They want to maintain and increase the financial and political power represented by a large gold reserve but at the same time they also want to speed up the expansion of their productive capacity by importing equipment on a credit basis.

Owing to the business recession that has developed during the last year it has become much more tempting for Western governments and industries to respond favorably to Soviet proposals of placing orders on a credit basis. Some major transactions on such lines have actually been concluded or are under consideration. In addition, a large part of the imports paid for in cash is paid for with the aid of money borrowed in the Euro-dollar market.

**West's Short-Sighted Policies**

It may be argued that to place credit facilities at the disposal of the Communist bloc is in accordance with the principle of "peaceful but competitive co-existence." I am all in favor of competitive co-existence, but that is not the same thing as being in favor of actively assisting the Soviet Union to compete us out of co-existence with the aid of money provided by us for that purpose.

Even without such assistance from the free world, Communists are at a considerable advantage over the free world in this competition for supremacy, because in the Soviet Union trade unions assist the expansion of the production while in the free world they hinder it. The Communist authorities have the power to keep down the standard of living for the sake of concentrating on the production of capital equipment. Their main handicap is lack of adequate financial resources to pay for import surpluses, given their determination to retain their hoarded gold stock. It is extremely short-sighted on our part to assist the Communist bloc in overcoming that obstacle by placing at their disposal large amounts of credits.

What is even worse, this is done largely in a way that gives Moscow considerable power for upsetting the delicate machinery of our international monetary structure.

**Insidious U. S. S. R. Penetration**

It is worthwhile to recall the insidious way in which the Soviet Government penetrated into the Euro-dollar market. Originally the various Communist banks appeared as lenders of Euro-dollars, and for the sake of establishing connections they quoted rates somewhat below standard rates. Many banks in London, Paris and elsewhere were only too keen on accepting Communist dollar deposits at such favorable rates. Having done so, it would have been awkward for them to refuse lending Euro-dollar deposits to those self-same Communist banks when the latter appeared in the market as borrowers.

During the second phase of the exercise the Communist banks operated both ways, and there was no means of knowing whether on balance they were at any given moment debtors or creditors. During the third phase they are still operating both ways, but it has become increasingly evident that on balance they are borrowers on an appreciable scale.

Up to now no exception could be taken of the behavior of these debtors. They pay interest rates rather above the standard rates and they have always met the maturing deposits. In view of this fact, many quarters are inclined to overlook the possibility that one day it might be otherwise. Even if we rule out nuclear war or a conventional type of shooting war, it is possible to envisage an aggravation of the cold war leading to a breakdown of diplomatic relationship between the two sides. In that case the Euro-dollar deposits borrowed by the Communists might not be met on maturity. In view of their large size, default on them would have very far-reaching repercussions on the Euro-dollar market.

**Is the Extra-Compensation Worth It?**

Admittedly, the odds are against the development of that contingency. Even so it may well be asked whether the extra interest of about ¾% per annum paid by Communist borrowers is sufficient compensation for the risk that it might arise some time. On a deposit of $1 million the extra interest on a three months deposit yields less than $2,000. On deposits on shorter periods it yields proportionally less. This means that in addition to assisting the Communist bloc to win the cold war by outstripping the Western world in the expansion of productive capacity, the banks concerned take risks which cannot be justified on the basis of the profit earned on the transactions.

## McKeown NYC Branch

McKeown & Co. Inc. of Chicago has opened a branch office at 70 Wall Street, New York City.

## Sherman, Fitzpatrick

MINEOLA, N. Y.—Sherman, Fitzpatrick & Co., Inc. is engaging in a securities business from offices at 382 Jericho Turnpike.

## Harclay Associates

YONKERS, N. Y.—Bernard I. Sandford and Eugene Kenner are engaging in a securities business from offices at 65 Princeton Avenue under the firm name of Harclay Associates.

## Denworth V.-P. of Hess, Grant Firm

PHILADELPHIA, Penna.—Hess, Grant & Remington, Inc., 123 South Broad Street, members of the New York Stock Exchange and other leading exchanges, have announced the election of J. Robert Denworth as a Vice - President of the firm.

J. Robert Denworth

Mr. Denworth has been active in the investment securities business since 1946 and prior to joining Hess, Grant & Remington was associated with H. A. Riecke & Co., Inc., as a Vice-President.

## Nikko Kasai Branch

SEATTLE, Wash. — Nikko Kasai Securities Company has opened a branch office at 517 South Main Street under the management of Tadao Kobayashi.

CLASSIFIED

SELL TO INSTITUTIONS?

New organization requires a debt securities salesman. Write Box W 44, Commercial and Financial Chronicle, 25 Park Place, New York 7.

DIVIDEND NOTICE

TENNESSEE GAS TRANSMISSION COMPANY

HOUSTON, TEXAS

DIVIDEND NO. 63

The Board of Directors has declared a quarterly dividend of 25¢ per share on the Common Stock, payable June 11, 1963, to stockholders of record on May 17, 1963.

H. F. ABY, *Secretary*

DIVIDEND NOTICES

UNITED STATES LINES COMPANY

Common Stock DIVIDEND

The Board of Directors has authorized the payment of a dividend of fifty cents ($.50) per share payable June 7, 1963 to holders of Common Stock of record May 17, 1963.

THOMAS R. CAMPBELL, *Secretary*
One Broadway, New York 4, N. Y.

Suburban Propane

69th Consecutive Quarterly Dividend

Common Stock—33¢ per share

Payable May 15, 1963 to Stockholders of record May 1, 1963

R. Gould Morehead
Financial Vice President

SPS COMPANY

DIVIDEND NOTICE

Common Stock Dividend No. 83

A regular quarterly dividend has been declared on the Common Stock of this Company, payable June 1, 1963, to holders of record May 15, 1963.

Common..........26½¢ per share

**Preferred Stock**

The regular quarterly dividends have been declared on all Series Preferred Stocks of this Company payable August 1, 1963, to holders of record July 19, 1963.

DON D. LODEN
*Vice President and Secretary*

April 16, 1963

SOUTHWESTERN PUBLIC SERVICE COMPANY

DIVIDEND NOTICES

CENTRAL LOUISIANA ELECTRIC COMPANY

DIVIDEND NOTICE
CENTRAL LOUISIANA ELECTRIC COMPANY, INC.

The Board of Directors of Central Louisiana Electric Company, Inc. has declared:

COMMON DIVIDEND NO. 87

A quarterly dividend on the Common Stock in the amount of 28 cents per share, payable May 15, 1963, to shareholders of record as of the close of business on May 1, 1963.

4.5% PREFERRED
DIVIDEND NO. 49
1955 SERIES
PREFERRED DIVIDEND NO. 32

The regular quarterly dividend of $1.125 per share on the 4.5% Preferred Stock and 1955 Series Preferred Stock, payable June 1, 1963 to shareholders of record as of the close of business on May 15, 1963.

1958 SERIES
PREFERRED DIVIDEND NO. 19

The regular quarterly dividend of $1.34375 per share on the 1958 Series Preferred Stock, payable June 1, 1963, to shareholders of record as of the close of business on May 15, 1963.

T. P. Street, Secretary

R. J. Reynolds Tobacco Company

Makers of
Camel, Winston, Salem & Cavalier cigarettes
Prince Albert, George Washington Carter Hall smoking tobacco

QUARTERLY DIVIDEND

A quarterly dividend of 40c per share has been declared on the Common Stock of the Company, payable June 5, 1963 to stockholders of record at the close of business May 15, 1963.

WILLIAM R. LYBROOK, *Secretary*

Winston-Salem, N. C.
April 12 1963.

*Sixty-three Consecutive Years of Cash Dividend Payments*

Sinclair

COMMON STOCK
DIVIDEND No. 130

On April 17, 1963 a quarterly dividend of 50 cents per share was declared on the Corporation's Common Stock, payable June 10, 1963 to stockholders of record at the close of business on May 10, 1963.

SINCLAIR OIL CORPORATION
600 Fifth Avenue New York 20, N. Y.

# PUBLIC UTILITY SECURITIES

BY OWEN ELY

## General Telephone & Electronics Corporation

General Telephone & Electronics is a $2.6 billion holding company system controlling the largest independent telephone group in the U. S. (also telephone systems in Canada and Latin America) together with important manufacturing interests. Revenues are about 44% telephone and 56% manufacturing; somewhat the reverse is true of net income, which in 1962 was 33% industrial and 67% telephone.

General's 30 domestic telephone operating subsidiaries serve approximately 4,700,000 telephones in some 5,900 communities in 32 states. About one-third of these U. S. telephones are in California and Florida. Three international subsidiaries serve more than 600,000 telephones, principally in British Columbia.

General Telephone has 46 manufacturing plants in the United States and 13 in Canada, Europe and Latin America, with 1962 sales of over $748 million and net income applicable to the parent company of over $29 million. Sylvania Electric, the largest manufacturing subsidiary, has six lines of business: (1) defense work on electronic systems and equipment; (2) lighting products, of which the company is the second largest producer; (3) electronic tubes, transistors, etc. (it is one of the top producers); (4) TV and radio sets and stereo record-players; (5) specialized electronic devices; (6) chemical materials and metallic and plastic parts. Automatic Electric, also a large manufacturing company, of communications and equipment devices and is also a major producer of automatic control devices for industrial use. Lenkurt Electric is a leading producer of microwave radio and carrier multiplexing equipment for commercial and military communications. The international business of General's subsidiaries includes a wide range of products in communications, electronics, etc., with $100 million sales last year.

General Telephone spent $35 million on research last year or 6% of non-military sales, and also directed the expenditure of $80-85 million of Government funds for research. Sylvania Electric and the other subsidiaries employ some 4,000 scientists in 38 laboratories. Among recent technical developments are the electronic switchboard, which may go into experimental use late this year; and Laser, the "miracle" beam of light, which once it is effectively harnessed, may be able to carry thousands of telephone conversations, TV programs, etc. on one tight beam.

General Telephone has been active in handling defense projects for which it received over $170 million last year. The present backlog of Government orders is $240 million vs. $100 million a year ago. The work in 1962 included communicatons and electronic security systems for Minuteman missile launching sites, development work on missile defense systems, electronic detection equipment, and various others activities. In addition, equipment was provided for a number of space exploration projects, including Mariner II.

General Telephone has enjoyed phenomenal growth largely due to acquistions. The telephone business has grown about 16% annually in the past six years, and if this were adjusted by including all companies now owned for the entire period, the growth rate would have been slightly higher than that of the independent industry as a whole and substantially greater then that of the Bell System. The company is still acquiring some small telephone companies, when the price is right, but has no major acquistions in mind at present.

The System is also growing rapidly through investment in new facilities. A total of $277 million was invested in 1962, bringing to more than $1.2 billion the total expended over the past five years and raising the gross investment in plant and equipment to $2.5 billion. An additional $280 million is budgeted for 1963, and the total expended over the next five years may reach at least $1.5 billion.

Chairman Power in a recent talk before the New York Society of Security Analysts indicated that there will be no further financing this year, following the recent sale of $50 million debentures. He made no forecast regarding equity financing in 1964, but indicated that the present 40% equity ratio is satisfactory. There is no plan to call the convertible preferred stocks. System debt at the end of 1962 was 46% of capitalization, preferred stock 11% and minority interest 3%.

Chairman Power is optimistic regarding the development of the communications business, and stated, "It has been estimated that businessmen spend about $4½ billion on all forms of communications, but be believe that this total will increase very steadily over the next few years. For example, some 5,000 installations of various types of business machines, computers, and associated devices are already 'talking' to each other over telephone lines. This total is double the number of a year ago, and it is estimated that the number of installations will reach at least 40,000 by 1965 at the rate the trend is currently progressing." New commercial phone services include automatic teletypewriter service, Wide Area Telephone Service in which an unlimited number of calls can be made at a flat rate, additional types of PABX (Private Automatic Branch Exchange) equipment, new services for the tranmission of business data over the telephone network, etc.

General Telephone's total revenues and sales in 1962 were over $1.3 billion, an increase of 8%; telephone revenues gained nearly 11% and industrial sales 7%. Net income was up nearly 17% and earnings per share (on average shares) were $1.15 vs. $1.00 in 1961. Earnings for the first quarter of 1963 were 29 cents vs. 25 cents, a gain of 16%. Management has estimated earnings of $1.25 or more, for 1963. Sylvania's net earnings in 1962 increased 55% over 1961, when profit margins were affected by price cutting, etc. A further recovery in Sylvania's net earnings is anticipated.

General Telephone has been selling recently around 26 (1962-3 range 29-18½). The present dividend rate is 80 cents making the yield 3.1% The price-earnings ratio based on anticipated 1963 earnings is 20.8.

# 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 mutual investment company, has announced.


Theodore W. Kheel

Energy Fund a no-load, open-end mutual fund, participates in familiar energy-producing industries such as petroleum, electricity, and natural gas, as well as 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 had a long and distinguished career in the field of labor-management relations. Currently, he is the Impartial Arbitrator of the Transit Industry of New York City, the Maritime Industry, the Sheet Metal Industry, the Pocketbook Industry, as well as Director of the Office of Impartial Review of the Electrical Industry of New York City. Mr. Kheel is also Chairman of Mayor Wagner's Committee on Job Advancement.

Most recently, he was a member of the Presidential Board which settled the 1962 longshoremen's strike and served as special consultant to Mayor Wagner in the New York City newspaper dispute.

# 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 new record highs. These and other significant facts are revealed by the Summary of United States Banks in the March 1963 Edition of Polk's Bank Directory.

Bank deposits on Dec. 31, 1962 were $315,197,692,738, up 7.9%. The corresponding figure for the end of 1961 was $292,166,400,981.

Capital accounts as of Dec. 31, 1962 were $29,519,135,774, an increase of 7.2% as compared with $27,525,168,835 for Dec. 30, 1961.

The number of banks in the nation's banking system declined from 13,996 in 1961 to 13,978 in 1962. But branches continued their long-term growth trend, increasing from 11,677 to 12,638. This gives the nation 26,616 banking offices.

# The State of TRADE and INDUSTRY

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

The Federal Reserve's mid-monthly assay of the economy uncovers good news.

According to the central bank's *National Summary of Business Conditions:* "Industrial production rose in March, following several months of little change, and retail sales continued to increase. Construction activity was unchanged at a level moderately below last summer and autumn. At 5.6% of the civilian labor force, the unemployment rate was down from February and unchanged from the average for 1962. Commercial bank credit rose substantially further. Between mid-March and mid-April common stock prices advanced sharply.

### Industrial Production Advances To 120

"Industrial production rose one point in March to 120% of the 1957-59 average. Output of consumer goods, already at a record high in February, increased slightly further and output of major categories of business equipment remained at advanced levels. Production of industrial materials, which had been low in relation to output of final products, increased substantially to a new high.

"Auto assemblies, at 139% of the 1957-59 average, remained at about the high rate prevailing since mid-1962. Output of some appliances, television sets, apparel, and consumer staples increased further.

"Increases in output were widespread among materials, and gains were generally larger for durable than for nondurable materials. In part because of inventory demands to hedge against a possible work stoppage, output of iron and steel rose sharply in March, and a further rise in early April is indicated by steel ingot production. Output of parts for consumer durable goods and for business equipment also increased in March, and production of construction materials showed further recovery.

### Construction Activity

"New construction activity was revised upward about 1% for February, and the preliminary March figures show 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 drop of 6% in private residential building.

### Distribution

"Retail sales, after being revised upward for February, rose 1% further in March to a record total 2% above the November-January plateau and 7% above a year earlier. In March sales rose sharply at department stores and increased at some other outlets that sell nondurable goods primarily. Dealer deliveries of new autos remained at the advanced rate of recent months, and sales of other durable goods increased further.

### Commodity Prices

"The wholesale commodity price index was stable from mid-March to mid-April, after declining about 0.5% from January. Prices of livestock and meats changed little after mid-March, following sharp decreases that accounted for much of the decline in the total index. Prices of most industrial commodities—sensitive materials as well as finished products—remained stable. On April 9 one producer announced price increases for some steel products.

### Bank Credit, Money Supply, And Reserves

"Seasonally adjusted commercial bank credit rose $2.7 billion further in March, a larger amount than in most other recent months. Bank holdings of U. S. Government securities rose substantially, and holdings of other securities and loans also continued to increase. Between the second half of February and the second half of March the money supply rose somewhat. Time and savings deposits at commercial banks increased $1.4 billion, about as much as in other recent months.

"Total reserves declined by less than the usual amount in March. Reserves were absorbed principally through an outflow of currency and were supplied through an increase in float and through Federal Reserve purchases of U. S. Government securities. Required reserves and excess reserves declined. Member bank borrowings from the Federal Reserve were reduced slightly.

### Security Markets

"Yields on all maturities of U. S. Government securities rose slightly between mid-March and mid-April while yields on State and local government bonds declined moderately and those on corporate bonds changed little. Rates on three-month Treasury bills in mid-April were about 2.90%.

"Common stock prices rose sharply, and trading activity increased. In mid-April prices were at a new high for this year and were about 5% below the December, 1961, peak."

### Bank Clearings Advance 2.6% Above 1962 Week's Volume

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, April 6, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 2.6% above those of the corresponding week last year. Our preliminary totals stand at $31,153,295,613 against $30,360,102,397 for the same week in 1962. Our comparative summary for some of the principal money centers follows:

| Week End. Apr. 13— | (000s omitted) 1963 | 1962 | % |
|---|---|---|---|
| New York | $18,498,399 | $17,200,392 | + 7.5 |
| Chicago | *1,038,734 | 1,361,127 | —23.7 |
| Philadelphia | *899,000 | 1,139,000 | —21.1 |
| Boston | 824,746 | 810,565 | + 1.7 |
| Kansas City | 514,509 | 518,128 | — 0.7 |

*Four day week because of Good Friday.

### Steel Buyers Face Tighter Market

Steel users need not fear serious shortages this quarter, but they may have some anxious moments

Continued on page 46

# Electronics Industry Today and Tomorrow:

*Continued from page 3*

TFX contract underlines the fact that in addition, manned military aircraft will still 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 remain high for at least a decade.

In 1963, for the first time, industrial electronic sales will surpass consumer electronic sales. The result will be greater stability for the industry because industrial requirements for electronics do not shift as rapidly as the public's taste in electronic equipment for entertainment and because the former market is far from saturation.

In the marketing of sophisticated components needed today, there is a trend towards specialized, limited-line national marketing companies as against the local multi-line distributor.

It is now obvious that the electronics industry is not exempt from application of basic business skills that have always been essential in any industry. These basics are: sound management, sophisticated financial know-how, superior marketing skills and continuously advancing technical capability. Coupled with planned diversification, these constitute the key to continued profitable growth of individual companies.

## NORMAN BURNELL

**President, Burnell & Co., Inc., Pelham, N. Y.**

We are actively engaged in expanding our research and development work to improve electronic filter design and manufacturing techniques. Such filters are daily more important in aerospace communications and control, indicating major growth for a long time to come for the manufacturing industry and especially for this company, which has been specializing in designing and producing filters and related electronic equipment for the past 18 years.

Norman Burnell

The filters act as highly selective traps that screen out unwanted signals, making it possible for electronic circuits to keep on functioning. The Mariner Venus probe and the Telstar communications satellite, highly successful in extremely difficult operations, could not have been achieved without such filters. The information that a space probe such as Mariner sends from its journey is filtered to screen out the unwanted signals that would reduce the total to nonsense.

Filters were manufactured by transformer companies, chiefly as a sideline, until this company entered the picture as a specialist organization. Nowadays, with more and more intricate electronic devices demanding greater reliability from thousands of components, these filters are of the greatest importance in aerospace technology.

We confidently expect the volume for the industry as a whole to come close to $50 million by 1965, just two years off, and this company, as a leader in the field, will be a major factor in the growth.

This company, which was founded in 1945, was the first in the industry to specialize, standardize, catalogue and advertise a full line of electronic filters. At the time there were only a few customers. Nowadays there are more than 3,000 customers and we have designed and produced filters that are doing duty in guidance and control systems for many important space vehicles, including the Atlas, Saturn, Polaris, Jupiter, Minuteman, Sidewinder and the Sparrow.

Our filters also are used in terminal bays of high-speed telegraph message centers, in microwave and data transmissions, in computers and in industrial automation. It is especially significant that this company has led the way in miniaturization of filters to meet the need for smaller and smaller components.

We have designed, in all, more than 15,000 filters, which is an illustration of the measure of creativity and technical know-how that is required of manufacturers in this field.

A computer is helping us to program a large part of our design work and to solve difficult problems with savings in time and labor.

We also are entering a new field, that of crystal filters, which incorporate a piezoelectric material with special electrical characteristics, made from carefully cut and optically ground slabs of quartz. These have been found to supply excellent performance and reliability and we are confident they will find a big market as aerospace electronics becomes more complex.

Volume in this field for the industry as a whole is close to $25 million, and there is a possibility that some day it might exceed the volume for conventional filters. Our own volume in this field is growing steadily and we believe that only a little more than a year from now half of our volume will be in this field.

## ROBERT S. BELL

**Chairman and President, Packard Bell Electronics, Los Angeles, Calif.**

Electronics sales during the first quarter confirmed predictions that the industry will become fourth in the nation in 1963, with total sales of $15 billion, down $200 million from pre-year estimates.

Industrial electronics will account for $2.7 billion, instead of $3.1 billion previously predicted, and military-space will reach $9 billion, up $200 million from $8.8 billion originally forecast by the Electronic Industries Association.

Robert S. Bell

This will mean a total increase in electronics sales (from $13.1 billion in 1962) for the thirteenth consecutive year, bringing the industry to fourth place in the business world, topped only by food, transportation, chemicals and allied products.

While space and defense will account for the largest increase in electronics sales, from $7.6 billion in 1962 to $9 billion in 1963, the most dramatic growth from a long range viewpoint will occur in consumer and industrial products.

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; however, radio sales by U. S. manufacturers will continue strong with a significant increase in the FM-stereo radio market. Unit volume of receivers equipped for FM reception (including FM-stereo) rose 25% in 1962; setting a trend which is expected to continue for several years.

Typical industrial products such as computers, communications equipment, navigation aids, test equipment, process controls and closed-circuit television will continue to show sales gains. More than 2,000 companies now produce nearly a thousand different types of industrial-commercial electronic products ranging, from simple "go-no-go" testers to highly sophisticated computer systems. Industrial electronics will represent about 30% of total volume by 1970, representing twice the growth rate of any other segment of the industry.

Replacement component sales will rise about $100 million (from $800 million), a modest increase considering the dynamic expansion of the black and white TV receiver market and the phenomenal growth of color TV. Replacement tube sales have declined because manufacturers provide longer TV picture tube life. Although other components are used in increasing numbers for maintenance and repair, a price squeeze has inhibited the rise of dollar volume in this segment of the industry.

## MARK W. CRESAP, JR.

**President, Westinghouse Electric Corporation, Pittsburgh, Pa.**

Based on the performance of 1962 and the promise of 1963, the electronic industry still represents an area of dynamic growth in the nation's economy. The industry anticipates a $15 billion year in 1963—more than 10% greater than 1962.

The broad participation of Westinghouse in the electronic industry ranges from components, television and radio in the home, to electronic sub-systems for defense and space. And we see great opportunity in some of the new or rapidly advancing technologies which seem ready-made for the scientific skills to be found within research-oriented company like Westinghouse.

Mark W. Cresap, Jr.

Our molecular electronics division, which was formed last year, illustrates how rapidly a new technology can leap from the research laboratories to the commercial market. This exciting new field accounted for an estimated $10 million in business in 1962 and is expected to reach $30 million this year. Its growth potential is quite large.

Molecular electronics—sometimes referred to as integrated circuits or microelectronics—enables us to build on small chips of silicon less than one-tenth of an inch wide, complete or nearly complete electronic circuits. Such tiny circuits can be used in many types of electronic equipment military and commercial, including hi-fidelity phonographs and television and radio receivers.

The leading advantages of molecular electronics are low cost, high reliability, less space, less weight, and faster operating speeds. This technology has a potential wherever conventional electronic circuits are now in use.

Headquarters for our new division will be a plant now nearing completion at Elkridge, Maryland, a suburb of Baltimore. Here we will locate the molecular electronic manufacturing and development activities now going on at the Research Laboratories in Pittsburgh and at our semiconductor plant at Youngwood, Pennsylvania. Meanwhile, our West Coast branch at Newbury Park, California, is already manufacturing molecular digital blocks for the Minuteman missile.

In the general field of electronic and associated sub-systems for defense and space projects there has been an increase in equipment complexity and in investment required. Developments such as microminiaturization, molecular circuitry and light amplification systems require the investment of large sums for special laboratories, new equipment and super clean facilities to meet the rigorous demands of the military. During the last five years Westinghouse has invested heavily in these new areas destined to become the advanced electronics industry of the 60s. Results so far have been gratifying. We have been maintaining an annual growth rate of about 15% in defense and space electronics.

Sales of our electronic tube division were good in 1962, showing a gain of 7% over the previous year for the three major product groupings of receiving tubes, cathode ray tubes and power tubes. We anticipate a comparable growth this year.

The semiconductor industry recorded a sharp volume gain of more than 10% and reached the $625 million level in 1962. We expect that 1963 will see another substantial increase in volume. It is significant that a growing percentage of semiconductor volume is coming from relatively new products with impressive growth potentials. Another plus factor in this industry is that the prices of such devices as silicon transistors have reached a level where they are becoming economically attractive for widespread industrial application.

## BENJAMIN FOX

**President, Elco Corporation, Willow Grove, Pa.**

The electronics industry faces an exciting future in the decade of the '60s despite a period of serious re-evaluation that took place following the market decline of May, 1962. Certain facts have emerged clearly in the past 10 months. The electronics industry is no longer an arena of unrestrained growth for every company that can assemble a few components to build a prototype. Competitive market conditions have separated the men from the boys, eliminating the marginal factors which had formerly operated on the fringe of our industry. The companies that will continue to grow are those with a high degree of technical talent, sound financing, strong business management, adequate production and R & D facilities and at least several proprietary products.

Benjamin Fox

The overall outlook supports our contention of future industry growth. Total factory volume for the industry increased to $13.2 billion in 1962 from $12.1 billion the preceding year. Volume for 1963 is expected to approach the $15 billion mark. Dollar volume for military and space electronics rose 8% in 1962 from $7 billion to $7.6 billion. A modest rise in industrial electronic production was also recorded from $2.4 billion in 1961 to $2.6 billion in 1962. The components market, despite the saturation of semiconductor manufacture, increased from $3.45 billion to $3.7 billion and the production of computers rose from $850 million to $970 million.

Probably the most promising growth in electronics will be in the components area. A number of surveys — both public and private—including one made for the Elco Corporation, would seem to bear out this fact. This consensus appears to hold especially true for those companies that have been able to carve out a special niche for themselves through the development of proprietary products as a result of original research and development. Elco Corporation fits neatly into this category. In the past five years, our company has developed a line of patented miniature multiple contact connectors used in advanced data processing equipment, automation controls, automated production machinery, telemetry apparatus, guided missiles, radar equipment and high speed printers and vending machines. Known throughout the industry, these products are manufactured under the trademark Varicon and have exerted a strong influence on the entire electronic connector field, which, as a matter of fact, constitutes one of the most significant areas within components. Total annual sales of connectors are now well above the $350 million mark and their continued growth is virtually assured by the fact that there exists so huge a demand for connectors in the non-military areas of the economy. Also of growing importance is the trend toward miniaturization and need for high contact density miniaturized connectors. To meet the expanding needs in this area, we designed and developed the new Microcon (trade mark) connector.

Another area of development for companies aiming for future growth lies in the penetration of overseas

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markets, especially in the dynamic areas of Western Europe and Japan. In this respect Elco Corporation has been particularly active for a company of its size. In 1961, we set up three partially owned licensees in England, France and Denmark. We followed this with the establishment of two more licensees in Australia and Japan. This arrangement has proved so successful that last year we persuaded our three European licensees to expand their sales and assembly facilities to full scale connector manufacturing operations.

In establishing licensees and gradually converting them to assemblers and finally manufacturers, we believe Elco has chosen the most logical and least costly route to foreign markets possible for a company of our size. Without a great risk in capital, it has enabled us to gauge the degree of acceptance for our products that exists overseas and has given us a basis on which to plan and develop our production, marketing and investment programs for these areas. In following this pattern, Elco has been able in a few short years to make the transition from a producer for the home market to an exporter of products and skills to the world market.

The matter of financial stability cannot be overlooked in assessing the future of the younger companies in the electronics industry. A year or two ago, most of the firms in this category were lumped under the general heading of "growth companies." Subsequent events proved this to be fallacious. Many of these companies never had a chance for growth and have since fallen by the wayside during the phase of re-evaluation referred to at the beginning of this article.

Fortunately, our company was adequately financed from the start and our growth pattern has been unbroken since we went public in 1955. Moreover, we have achieved close to a 50-50 balance between military and industrial sales which gives us a healthy share of defense business without making us dependent on government contracts for our existence. I believe this is the sort of balance other small and medium sized firms in the industry should strive for.

### ROBERT W. GALVIN

**President, Motorola Inc., Franklin Park, Ill.**

With the general economy continuing strong, the massive electronics industry embracing manufacturing and service, marketing and broadcasting functions will comprise a major contributor as well as beneficiary. The industry's contribution to our economy may well reach the $22 billion mark this year, making it one of the largest industries in the nation.

Robert W. Galvin

Present trends in those categories of the manufacturing segment in which we compete will, I believe, help to substantiate this optimistic outlook.

The consumer durables category is at a high plateau, and should sustain this level. We anticipate that the total industry unit production will include 6,250,000 monochrome television receivers, 550,000 color television receivers, 11,500,000 home radios, and 4,500,000 phonographs. These projections, of course, include exports.

The main excitement, if not the largest dollar volume, at the consumer market place will derive from color television. Our company, the last of the major television producers to enter the color television contest, will offer receivers this summer.

Closely allied with consumer durables are several electronic parts or accessories in automobiles. The car radio business for the full year is expected to equal 1962, which was an excellent year, and could possibly exceed it.

Two new and important innovations in the field of auto electronics, the alternator system and the electronic ignition system, will play important roles in our business by year-end. All-electronic alternators, designed to replace generators, are rapidly appearing in many new automobile models. Electronic ignition systems, presently offered separately on the parts market, are now being tested by several automobile manufacturers. Ignition system sales volume will being to accumulate during the latter part of the year.

In the commercial, industrial and municipal markets area, the pattern of steady, moderate growth will be uninterrupted this year.

In semiconductor devices, which attained a new sales high of $625 million in 1962, both dollars and units will increase. The entire replacement parts, tubes, and semiconductors segment should reach the $900 million mark this year. The percentage increase in units will be greater than the percentage increase in dollars, which was also the case last year.

Electronic products for military and space use will remain fundamental in the health of industry and the total economy. While the rate of expenditure can fluctuate to a degree with the geo-political atmosphere, this segment will continue to account for more than half of the industry's total output in 1963.

### HENRY W. HARDING

**President, Laboratory for Electronics, Inc., Boston, Mass.**

"... the electronics industry is going to find it increasingly difficult to absorb and justify the extremely high cost of research and development and engineering of prototypes. If one adds to this the effects of changes in market share—military vs. industrial vs. consumer—we can see what is about to happen: an exacting toll in the form of sharply increased business mortality rates."

Henry W. Harding

The quote is taken from a talk I made before The New York Society of Security Analysts in July, 1961. At that time, the electronics indutsry was riding high, and such a prediction was not overly popular. Nevertheless, we did see a shakeout of marginal companies and increased activities in mergers and acquisitions during 1961 and 1962. The dust has somewhat settled, but the quotation appears to be equally appropriate now.

The character of the electronics industry is changing. Federal spending continues to dominate the industry, but a correspondingly larger proportion of these expenditures is now being diverted away from pure military requirements and is being allocated to space. The race to conquer space has projected NASA and its requirements into a dominant role in the electronic equipment and component market. The reasons are fairly obvious. The required reliability of electronic equipment for space operation is extending our present know-how to marginal limits. Such equipment must withstand sudden changes in environment, be impervious to effects of radiation, and continue to function unattended for thousands of hours. Repair and maintenance of electronic equipment, even in manned vehicles, is virtually impossible, so fail-safe equipment is mandatory.

For some time now the electronics industry in general has striven to improve equipment and components that were originally designed for ground or airborne (within the atmosphere) environments so as to extend their use for space applications. But our experience in space exploration has shown that an entirely new need for equipment and components specifically designed for such applications is required. Consequently, new areas for the application of electronics have emerged—from the maintenance of environments to sustain life, preserve food, monitor and diagnose bodily function, to the communications, guidance and control of the vehicle itself. The quantity of electronic equipment required, the need for redundancy to assure reliability, the available space limits, foretell an explosion in the use of microminiaturization. New components and materials, when developed, will be like unto space as the transistor was to more conventional electronic equipment. Such parameters portend new fields of investigation and will mean large expenditures for basic research. Much of the cost of this research will have to be borne by industry, and, is a period where profit margins have all but disappeared, companies will find themselves hard pressed to finance these costs.

It may well be that we will see another round of mergers and acquisitions similar to that which was experienced during 1960 and 1961; companies with specialized capabilities joining together to present a broader technical capability, and, in essence, buying the know-how which would otherwise have had to be developed through extensive, in-house research programs.

In my opinion, however, this trend is a sign of our industry's growing maturity. It is following the market pattern of dozens of industries before us.

What we will have a few years hence will be an electronics industry covering the broad spectrum of science. Electronics will be the common meeting ground, melding the closely allied, but until recently, distinct disciplines that make up the life and physical sciences.

It is obviously impossible to predict in definitive phrases the shape of things to come. I do believe, though, that the cooperative efforts the various sciences are bringing to bear on many of today's industrial and military problems will provide the impetus for the continued growth of our over-all economy. Whether it be in the area of health and medicine or in a round-the-world television network, the technological revolution now underway will profoundly affect the lives of individuals everywhere.

### ROBERT F. HALLIGAN

**President, The Hallicrafters Co., Chicago, Ill.**

No one can doubt that the electronics industry is still growing, with no slowdown in sight.

On one hand, government products—which are already the dominant factor in the market—should capture an even larger share in 1963 and the years immediately following. Most companies will continue to adapt their research and production facilities to the increasing demands of the space-missile age although we expect accentuation of a trend toward diversification by firms whose sales volumes have been heavily military. Hallicrafters' energies in the aerospace field will be divided among active and passive electronic warfare, intelligence, antennas, digital communications, electronic supply and repair, technical aid and field maintenance and Quick Reaction Capability (QRC). On the other hand, discovery of new industrial applications for electronic equipment is likely to continue at a rapid rate. The demands of the data processing, automatic controls and computer industries, each heavily dependent on electronics, should rise steadily. And since these products bring about improved efficiencies and hence lower production costs, they are likely to constitute an increasingly important factor in the nation's capital expenditures. At Hallicrafters, we see excellent commercial potential for our data transmission and data retrieval systems.

Robert F. Halligan

We also believe the consumer product segment of the industry will continue to hold its own generally while contributing increasingly to our own earnings. The relatively new field of citizens band radio, in which stations are being licensed by the FCC at the rate of about 13,000 monthly, should remain an excellent market for several years. The local emergency, industrial, farm, professional and leisure-time applications of these transceivers represent a vast market still barely tapped. During 1963 Hallicrafters plans to introduce a single-package transceiver for the amateur radio operator as well as more sophisticated commercial and industrial two-way communications equipment.

Overseas sales should become an increasingly important contributor to earnings throughout the industry. During the past year, for example, Hallicrafters has expanded its foreign representation to 140 commercial product distributorships in 75 foreign countries, excluding Canada. In the government products area, we envision future medical, police and school applications for our "village radios," currently providing vital inter-village communications in Communist-harassed Southeast Asian nations.

The status of electronic research and development should rise to even greater heights in the coming years. Our own effort will be concentrated in four major fields—electronic warfare, aerospace communications, aerospace instrumentation and optical communications.

At Hallicrafters we look for continued growth. Our sales in fiscal 1962 exceeded $63,000,000. For fiscal 1963 we foresee increases in both earnings and sales, with the former rising more sharply. Our annual sales goal by 1965 is $100,000,000. This we expect to accomplish by expansion of all product lines, expanded international operations, an effective R & D program for both military and commercial products, and strategic acquisitions.

### STANLEY W. HORROCKS

**President, Hoffman Electronics Corporation, Los Angeles, California**

There is every reason to accept the most authoritative forecasts of the electronic industry which generally agree that this part of the American economy will attain a $15 billion volume, an increase of $2 billion over 1962. However, volume will be only part of the electronic story this year. There are some influences already in evidence putting downward pressure on profits, in addition to the general profit squeeze affecting almost all businesses now.

Stanley W. Horrocks

In the military sector of the electronic market the procurement policies of the government are having strong effects on the profit picture. The competitive climate is steadily growing more rigorous as more and more military contracts for electronics are on an advertised bid basis, allowing even unqualified bidders. There is a great debate raging over the long-term wisdom of some of the procurement policies but there certainly can be no difference of opinion as to their immediate effect upon the industry's operations and profit potential. The only immediate answer for a

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company in military electronics is to curb costs as tightly as possible, through new labor-saving techniques, diligent purchasing methods, value engineering of a high order and other avenues for savings. We are doing this at Hoffman Electronics and assume most of our competitors are doing likewise.

The semiconductor market also continues very highly competitive and promises to remain so into the foreseeable future. New product development, such as integrated circuits, is part of the answer to remaining in the forefront in this business and also the competitive climate demands the same type of cost control and cost savings as are being applied to military business.

The industrial and consumer markets in electronics may provide somewhat freer elbow room with new products; but these markets, too, demand management consciousness of costs. The industrial electronic field still has the greatest potential and the largest percentage growth rate, as it has had for several years, and it is here that engineering and marketing creativity offer sound profit and growing volume for those who perform well. Also, there is every evidence that the American consumer is willing to spend a good fraction of his disposable income for new products in the entertainment and associated fields, but the competition of foreign products is very severe in some lines.

In short, 1963 will be a good year in electronics for those who recognize the opportunities, are creative and manage well with an eye and a constant 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 sees a strong probability of record highs in output, employment and foreign trade in electronics; and while commercial manufacturers may tend to be more conservative in their estimates, the overall outlook is distinctly favorable.

G. Barron Mallory

If we were to look only at the normal barometers of the general business climate, we might tend to be less optimistic. Throughout the first quarter of 1963, business has held a steady course along the high plateau achieved during the closing months of last year. There has recently been a hesitancy in the general business attitude, a watchfulness—occasioned perhaps by confusion centering around government tax proposals, the threat of strikes, and the fact that after seasonal adjustment there were marked declines in the past quarter in industrial production and housing starts.

Reduction in inventory buildup was apparently one of the principal reasons for the slowdown in the rise of the gross national product during the latter part of 1962, and while car sales during February ran some 13% over 1962, the recent rise in the price of steel by a small steel company renews the possibility of a grave disturbance in the wage equilibrium 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 steelworkers union should exercise its option of reopening the two-year contract entered into a year ago—which it has the right to do any time after April 30—with resulting increases in steel wages and steel prices generally, this could seriously tax the expense and 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 buoy up our hopes for the electronics industry specifically.

Indications are that the value of all types of electronic equipment—military and space, commercial and industrial, and consumer products—should hit some $8.5 billion, or roughly 12% more than the $7.7 billion produced in 1962. Military and space electronics research, development, test and evaluation work should increase just about as much. And sales of general electronic components could conceivably increase by some 10% during the current year.

Consumer sales of television sets, stereophonic phonographs, hi-fi equipment and automobile radios were at high levels at the end of 1962. Year-end inventories of these items were up. These factors, coupled with an anticipated increase in consumer incomes, have generated optimism throughout the industry.

The output of electronic components (except electron tubes) should reach $3.2 billion in 1962, an increase of some 10% over 1962. And while the replacement market for these components is somewhat small—since most are consumed in the production of electronic equipment—the market for military and industrial applications should increase more than that for consumer equipment.

The market for miniaturized equipment based on very high reliability components that tend to lose their identity should gain momentum during 1963. The design possibilities are almost endless. These complex component packages—computer cards, modules, thin film circuits and semi-conductor networks—will undoubtedly surpass the $50 million established as an annual rate in the first quarter of 1962.

Perhaps most significantly, the current year should see major electronic gains in an international way. Business as we know it today is becoming more and more internationalized. Long-term capital is flowing not only abroad from the U. S., but also from the rest of the world into the United States. Powerful companies operating here are foreign-based. And many of our own major companies are setting up shop in various parts of the world. Our balance of payments is critically important, and especially significant is the fact that Europe and Japan are two of our most important customers, better than $6 billion annually. The electronics portion of this is growing and as we recognize the importance of this valuable market, it should increase significantly this year.

## DONALD C. POWER

**Chairman and Chief Executive Officer**
**General Telephone & Electronics Corporation**
**New York City**

In looking ahead and attempting to develop some reasonable estimates for the electronics industry, one finds himself shooting at a rapidly moving target, because electronics as we know it today is essentially a postwar phenomenon which has grown twice as fast in the past 10 years as the gross national product.

Donald C. Power

Aside from sheer magnitude, the industry is also noted for extremely rapid technological change. Many of its products available today were only engineering concepts a few short years ago. Great diversification is another basic characteristic of the industry, with products ranging from complete transcontinental communications systems to tiny devices which must be assembled under a magnifying glass. After some loss of momentum during the economic adjustment which began in the latter part of 1960 and continued into 1962, the electronics industry seems to be well on the way to new records this year. From factory sales which exceeded $13.1 billion in 1962, there is every indication that the total will exceed $15 billion this year.

Setting the pace will be continued increases in military electronics, although the year will also bring further increases in the commercial and industrial market. Consumer electronics will provide additional strength, having recovered from the temporary setback experienced in 1961-62 when over-capacity and unusually intensive price competition were aggravated by lower consumer demand for home electronic products.

### Growth in Military Electronics

As reflected in this country's aerospace programs and the steadily broadening use of highly complex electronic equipment throughout the Armed Services, national defense continues to represent the largest segment of the industry's total market. Defense sales totaled approximately $7.6 billion in 1962, or about 60% of the industry total. The estimate for this year is about $9 billion, although the total could be higher, depending upon the emphasis devoted to such major fields as missiles and missile defenses, satellite communications, electronic navigation, counter-measures, and other major programs. A total approaching $11 billion by 1965 is entirely possible, and sales exceeding $15 billion by 1970 could well materialize, depending upon the speed with which non-military as well as military aspects of the entire space program develop.

### Expansion in Commercial and Industrial Field

The major key to the expansion of the commercial and industrial electronics market is communications, particularly in the field of data and video transmission, involving the use of communications networks and a wide range of electronic machines to gather, compute, and summarize business information. The industrial and commercial market totaled about $2.4 billion in 1962 and is expected to exceed $2.7 billion this year, although the total could be substantially higher depending upon the rate at which business communications continues its rapid expansion. A total exceeding $4 billion is foreseen by 1965, and upwards of $8 billion by 1970. However, all of these projections are undoubtedly on the conservative side, because of the unprecedented potentials in the broader use of electronic data processing by industrial and commercial organizations.

This trend in the commercial and industrial market is particularly interesting to the communications industry. In fact, we believe that within a few short years—perhaps four or five—data and video traffic will exceed voice traffic over the long-distance telephone lines. The potentials in this field are so vast that the possibilities are limited only by the imagination, especially in view of the many advances being made in the application of new electronic techniques to communications. Each of these techniques has the same objective—to provide not only a greater number of communications channels but faster and more versatile ways to meet the expanding needs of the future.

### Strong Future in Consumer Electronics

The consumer electronics market will always be more subject to short-term variations than the other portions of the industry, because this is the very nature of the consumer durables market, but there is every indication that these variations will be substantially less severe in consumer electronics than they have been in the past. Sales of home electronic products in 1963 should reach $2.5 billion, against $2.3 billion in 1962. As far as subsequent years are concerned, a great deal depends upon the degree to which further improvements and innovations, such as color television and stereophonic sound, are introduced.

### Research and Development

Entirely apart from the sale of equipment and components to the military, commercial-industrial, and consumer markets, the electronics industry continues to increase the activity which gave birth to the industry in the first place—research and development. It has been estimated that research and development activities in electronics, financed by government and industry, will this year represent the record-breaking expenditure of about $3 billion. Of this total, an estimated $500 million alone will represent projects related to the nation's space program, but the wide range of other activities will include such promising fields as solid-state physics, microwave communications, microminiaturization, and other advanced areas. Virtually every branch of science is involved in this work, and the potential benefits throughout our economy are enormous.

### Industry-Wide Estimates

Looking beyond the estimated $15 billion in electronics industry sales this year, the total should be approaching $18 billion by 1965, and nearing $25 billion by 1970. However, it should be remembered that these figures are basically projections of existing trends, with a few intangibles taken into consideration. Suffice it to say that the electronics industry has unprecedented potentials for the future, in terms of new and improved services for commerce and industry, national defense, and the home.

## HERBERT ROTH

**President, Power Designs, Inc., Westbury, New York**

We at Power Designs are working out new approaches to solid-state circuitry. Our purpose is to reduce the number of components and to improve reliability while we are at it.

So far there have been important gains in this direction, and we have achieved two major advantages as byproducts. Not only have we been able to achieve considerable savings in manufacturing costs by reducing the number of components, but the saving has made it possible to increase our volume of research and development work and to add new and improved manufacturing equipment. This last in turn will spur even more savings.

Herbert Roth

As a matter of fact, it is essential to make power supply equipment simpler and more efficient. The reason is that the need is increasing rapidly as the country's aerospace programs gain momentum. Improved designs and simplified circuitry are making it possible to keep up with the demand.

The trend in power supplies currently is in the direction of increased efficiency, smaller size and weight, higher speed of response to load variations, more precise control of output and improvement in reliability expectation over an extended operating period.

There also has been a sharp gain in the field of impulse generating type equipment. This arises out of the need for devices carrying greater power, on the order of 250 kilovolts, with precisely controlled wave forms for use with high-powered radar systems and plasma generators that cannot be allowed to interfere with nearby delicate electronic and communications systems.

Our progress in research and development to meet these new needs of American industry has given us several patents so far, and in addition we have worked out a cross-licensing agreement with the Hewlett-Packard Company that permits joint utilization of patents and applications owned by Hewlett-Packard and Power Designs.

This accord will give Power Designs increased potential for expansion, growth and improved earnings this year. We have just completed our first decade in this highly specialized and important field, and we have achieved a marked upward trend in sales and earnings, along with a reputation for quality products in a field in which quality is paramount.

We recently acquired the Carad Corporation of Palo Alto, Calif., which has become Power Designs Pacific, Inc. This gives Power Designs a western base for its national operation and permits better service to clients in the western states.

The western unit specializes in high-voltage power supplies and our operation at Westbury handles low-voltage equipment. The acquisition therefore gives Power Designs a complete line, ranging from power supplies of a fraction of a volt to major equipment carrying hundreds of thousands of volts.

We intend to continue and expand the policies that have made the company so successful and has made our client list a roster of well-known concerns, leaders in their fields.

We are in the forefront of recognition that the power supply is coming to be considered more and more as a highly specialized component part especially designed for a specific application. The increasing need for these special designs in such areas as the aerospace industry will loom larger and larger as a market for this industry this year and in the years to come.

## MONROE SELIGMAN

**President, Tenney Engineering, Inc., Union, New Jersey**

The electronics industry has been turning increasingly to environmental test equipment to determine exactly how its products will fare under a variety of space and climatic conditions. These electronic products are for two markets: The extremely vital and sophisticated space and defense programs on one hand, and the wide range of industrial-consumer needs on the other.


Monroe Seligman

In the space area, environmental testing has long been regarded as integral to success. A space shot can be launched without pretesting, but it is decidedly not feasible, nor economical to do so. We must know exactly how the phenomena of orbital and interplanetary space are going to affect each of the vehicle's components. In the most intimate sense, the lives of our astronauts depend on our knowing.

Tenney Engineering, as an example, has produced space simulators and other test devices for the whole range of active and contemplated space programs and also for such weapons systems as Minuteman.

The realization of the need to test the effects of earth's varied climates on ordinary industrial and consumer products did not grow out of the space program, but improvement of testing methods did. For example, compact, mechanically refrigerated temperature test chambers are now, for the first time, available to a host of laboratory and production applications in electronics and other industries for under $1,000.

Until recently such an environmental system had to be custom-made. Now it is sold off-the-shelf, and the know-how gained from extremely advanced programs is being applied to the design and production of other packaged environmental test systems required by the electronics industry. These include solar radiation simulators and vacuum units.

Tenney Engineering is an example of how the knowledge gained from building simulators for America's race into space has resulted in packaged systems.

The "Tenney Jr." is perhaps the most compact, mechanically refrigerater bench model high-low temperature precision test chamber available as an off-the-shelf item. Completely self-contained and portable, it was designed specifically for small batch, small unit testing of semiconductors and other electronic components to military specifications, as well as for testing medical and consumer products. With a temperature range from minus 100 degrees to plus 350 degrees Fahrenheit, it is priced at $990.

This year Tenney Engineering also introduced a unique, mobile xenon solar radiation simulator, whose advantages were previously available only in very large and expensive units.

Standard model space simulators, involving very low pressures, are also now available as off-the-shelf items.

With testing tools such as these, the electronics industry is in a position to pay attention to reliability throughout the production cycle. For our astronauts this means greater assurance of a successful mission, and for the man in the street it means a better product.

## H. A. SHEPARD

**President, Thompson Ramo Wooldridge Inc., Cleveland, Ohio**

Industry sources indicate that U. S. sales of electronic products in 1963 should be in the range of $19 billion as compared with $17.2 billion in 1962. It is anticipated that Government procurement will account for well over one-half of the total market, moving up to about $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.


H. A. Shepard

TRW's sales of electronic products such as semiconductor devices and other components, and systems and equipment for military, commercial and industrial 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, advance missile work will require the first major production of integrated circuits and specially designed microminiature components. In addition, all new computer designs will incorporate integrated circuits, and design activity will be greatly increased as a result. There is increasing emphasis in military and space programs for semiconductor components with unusually high reliability.

The use of transistors and varactors to replace vacuum tubes in communications equipment should increase in 1963. This has been one of the slower transitions to semiconductors, in part due to the limitations of available semiconductors. TRW is a leader in the development of transistors and varactors for the communications industry.

The capacitor industry also anticipates a modest growth in sales in 1963. Within TRW, growth areas include film capacitors (primarily mylar) and solid tantalum capacitors. As with semiconductors, there is a continuing increase in requirements for ultra-high reliability 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 the 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 components 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 electronics 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 succession of dramatic technological breakthroughs accomplished by the industry's scientists and engineers may have tended to obscure the underlying sound economic growth that has also been achieved.


Fortune Peter Ryan

In fact, the extent to which products of the electronics industry have permeated virtually every area of life has resulted in the industry establishing a solid economic foundation which promises continuing growth in the years ahead.

Thousands of companies of all sizes 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 — more efficient automated machinery for our industrial plant, devices to bring better entertainment to more people, revolutionary

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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 systems, for use in conjunction with electronic computers and advanced data processors. This is a vital field, and we expect it to increase in size and importance. Specialization has always marked this industry and it will become increasingly significant as the range of knowledge increases, making it impossible for any one company to possess expert skills in every aspect of electronics.

The electronics industry is still in its beginnings. Only now is it in position to integrate fully the knowledge that has been amassed during the past few years. The years ahead will see growth and changes in the electronics industry far overshadowing those that have taken place since World War II.

## ROBERT C. SPRAGUE

**Chairman of the Board and Treasurer, Sprague Electric Company, North Adams, Massachusetts**

The electronics industry in 1962 continued its good performance as a growth industry. Total sales at the factory increased from $12.1 billion in 1961 to $13.2 billion; this is a gain of 9%, while the economy, as measured by the Gross National Product, registered a gain of 7%. In their forecasts for business in 1963, economists differ as to the extent and timing of the next move, but there appears to be general agreement that the GNP in 1963 will average higher than for 1962. I look for the electronics industry to again reach new highs in its major markets.


Robt. C. Sprague

The industry's sales of entertainment electronics increased last year to $2.4 billion after having remained for the previous three years at about the $2.1 billion level. In television, production of 6,471,000 black and white sets was supplemented by nearly 400,000 color sets, so that dollar sales exceeded $1 billion for the first time since 1955. In radio, 1962 was the best year since 1947, aided by the fact that auto radio production surpassed the previous high in 1955. Phonograph sales also rose from 4 billion in 1961 to 5 million, and set a new peak in value.

For 1963, I look for another good year in home entertainment electronics with sales reaching about $2.5 billion. I would expect that black and white set sales might closely approximate those for 1962, but I look for color TV to increase about 50% to some 600,000 and to contribute nearly $200 million to consumer sales volume.

As expected at this time last year, the industrial electronics market in 1962 showed a smaller increase than the 19% gain recorded in 1961; nevertheless, all important segments contributed to a 10% gain, from $2.2 billion to $2.4 billion. Computers and related data-processing equipment again showed the sharpest increase to about $970 million, compared to $850 million in 1961. The outlook for the industrial market in 1963 is quite good, despite the fact that plant and equipment spending, which affects many items in this market, may show only a nominal gain over 1962. I look for total industrial electronics to exceed $2.6 billion for the year, and for longer-term would not be surprised to see it pass the $5 billion figure by 1970.

Deliveries of electronic equipment for the nation's military defense and space exploration programs increased in 1962 to $7.6 billion from $7.0 billion in 1961, and accounted for nearly 60% of our industry's volume. This is a smaller gain than that of the previous year, and reflects in part the fact that increased contracting under recent defense budgets has not been fully reflected as yet in industrial production, since performance and delivery follow contract awards by a period of months or years. Military defense expenditures are currently programmed to reach a level of $51.2 billion in fiscal 1964, compared to $48.3 billion in the current fiscal year, and may go as high as $55 billion by 1967. Moreover, the rate of expenditures continues to run about $2 billion behind direct obligations (new orders), so that the outlook is for continued increases in shipments of military electronics in the foreseeable future.

Aside from military defense, the nation's space programs, both in the Department of Defense and in the National Aeronautics and Space Administration, are receiving sharply increased funding. They will increasingly affect the electronics industry since at least 30% of the space budget goes for electronics, compared to 15% for military budgets. Spending by NASA in the current fiscal year will be about $2.4 billion, or roughly double that of 1962, and will reach $4.2 billion in 1964. However, much of the spending on space exploration to date has been of a developmental nature, and it is probable that research, development and testing will continue to bulk large.

In sum, it appears probable that the volume of military and space electronic deliveries will continue to increase, although not quite as rapidly in the next five years as it did in the period 1957 to 1962.

For the maker of components, 1962 was a good year with demand holding fairly steady in all of the major end equipment markets, and dollar sales of components reached about $3.7 billion compared to $3.45 billion in 1961. Interest in the possible applications of miniaturized packaged assemblies and integrated circuits of various types was widespread, and the tempo of development work in these areas was stepped up noticeably during the year.

For all markets in 1963, I look for total electronics volume at the factory to reach the $14.5-15.0 billion range. The principal unknown is the rate at which larger total military appropriations will be translated into actual deliveries of electronic equipment and parts.

As to our other markets prospects are favorable for increased sales in each of them, although the magnitude of the gain will naturally depend upon overall business trends.

## CHARLES WOHLSTETTER

**Chairman of the Board, IMC Magnetics Corp., Westbury, N. Y.**

A new principle has been perfected that eliminates the destructive force of friction in motors for practical purposes, and new units incorporating it are in production.

For the electronics industry, both commercial and military, the significance is in vastly improved operational reliability for any type of equipment incorporating motors or motor-driven auxiliary appliances, such as air movers.


Charles Wohlstetter

The new motor's shaft literally spins on a cushion of air, or gas of one type or another, instead of conventional oil or grease lubricated ball bearings. This represents the ultimate in reliability in motors, because there is nothing in the gas bearing to wear out. It never needs oiling, and it works just as well at high and low temperature extremes that normally cause conventional lubricants, such as oil, to burn away or become too viscous.

A major difference between this new, patent-protected air-bearing and other versions is that it forms its own, paper-thin gas cushion. The gas lubricant does not have to be supplied from an outside source.

Thus the new type of motor can run 24 hours a day for years at a time. Without ball bearings subject to wear or other damage, there is extremely long life and minimum maintenance. Extended life tests have borne this out.

The new gas-bearing motor is interchangeable with any conventional motor now in use. Additionally, its unique characteristics are expected to generate new applications as soon as they become known.

The advantage to the electronics industry is readily apparent. The danger of damage to expensive equipment when, for example, an air mover stops because of motor failure, is minimized. Even more important is the fact that the user can be sure that his equipment will not fail when he needs it.

The gas-bearing motor combines magnetism and air pressure to deliver performance that not very far back was nothing more than a theoretical possibility.

A big market is in the making for it. At present the market for just one type is estimated at close to $2,000,000. Within the next four years the over-all market should go to $15,000,000 and by 1970 it could well be $25,000,000.

This exciting prospect—in dollar volume as well as in service to the new needs that arise daily as a consequence of the adventure into space, the increasing complexity of weapons of offense and defense and commercial and industrial requirements—is a direct product of the great reliability and the virtually unlimited life characteristics of gas-bearing components.

The step-servo motor and associated system is another group of products for which the estimated current market is about $3,000,000. This type of system is being used more and more widely to replace conventional analog servo systems.

This system has a special advantage in that it eliminates the feedback circuits that are required by the conventional method, thereby giving the user savings in space, weight and money. It has greatly increased reliability as a consequence of not being affected by varying environmental conditions.

The step-servo systems are employed in such sophisticated space adventurers as Polaris and Gemini. They supply the very high-speed response that is an essential in the most advanced computers and will be in even greater demand as more advanced computers are designed.

There is an extremely great range of applications for the air bearing motor and the step-servo, from space probes, missiles and computers to the models of household refrigerators still on the drawing board.

IMC Magnetics makes close to 700 other types of motors, some no bigger than a little finger and weighing less than an ounce, for use in computers, missiles, aircraft, television cameras, tape recorders and many other specialized installations.

The company is also the largest manufacturer in the country of aircraft-type solenoids. These are the electrical "triggers," used in hundreds of military and commercial applications, that are required in large quantities by such customers of IMC as Radio Corporation of America, General Electric, International Business Machines, General Dynamics and Raytheon Manufacturing Company.

IMC produces many other special types of electronic components, including synchros and resolvers. The synchro is a device that transforms a mechanical action, such as a change of angle in a wing flap, into an electrical impulse that can be read by a pilot or engineer on a linked synchro in the cockpit.

The military requirement for synchros and servo devices alone, not including step-servos, is estimated at 670,000 units this year and 830,000 units in 1966.

## I. MELVILLE STEIN

**President, Leeds & Northrup Company, Philadelphia, Pa.**

For the year ahead, I do not foresee the prospects of any significant change from the preceding year with the exception of the effect of the pending federal tax legislation and, at the moment, the outcome of this is too vague to form the basis of a good estimate.


I. Melvin Stein

I think it is clear that if the tax reduction is large enough and is made effective soon enough, without complicated and discouraging "reforms," this would have a favorable effect on the economy which could easily result in a significant improvement over the previous year. On the other hand, should the tax reduction actually legislated be too little and too late, and accompanied by discouraging reform measures, there might not only be no improvement in the economics situation, but there might be an actual decline in economic activities because of the disappointing outcome of the tax legislation.

Government spending could have a marked effect on the level of economic activity during the year ahead, but, here again, the whole program is so vague, at the moment, that it can hardly be used as a basis of estimating economic activity. What I have said above about the effect of tax legislation assumes that there will be no significant change in the level of government spending, and it is my belief that, in the absence of any new emergency arising, there will be little change in the level of government spending in the year ahead.

Referring, specifically, to the electronics industry, as distinct from the economy as a whole, this favored industry should make significant advances in the year ahead. The government is spending large sums in the space program for projects not limited to defensive or offensive military activities and such peaceful programs are expected to continue at an accelerated rate, both in the areas of research and development and the procurement of materiel.

Color television seems to have turned the corner and there should be very much increased activity in this field during 1963.

In the field of instrumentation and automatic control in areas other than the government, electronic methods are constantly gaining over alternate arrangements, and in the electrical utility field there is a distinct upward trend in orders being placed by utility companies for comprehensive measurement and control systems, including computers, all of which involve in increasing proportion electronic devices.

# 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 wizards and suckers. If Wall Street still carries a mystique that folks in the hinterlands have not been able to penetrate, it is scarcely 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 suggested that fund folks hold their breath until that distant day.

Back in 1961, the Investment Company Institute was calling attention to the fact that residents of New York State had been passed by Californians as fund patrons. It also noted that leading growth areas, for the funds, were such other remote-from-Wall Street regions as 3M's—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 $580 million worth of fund shares, up from around $552 million in 1961. And once again the Golden State showed its high heels to the Empire State. Indeed, New York, although it continued in second 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, a decline of over $5.5 million from 1961.

About the only bright spot in the East was Massachusetts which, all things considered, is about the most fund-conscious of any state. Illinois, which was fourth in fund buying in the 1961 report, was passed last year by the little Bay State. The people around Boston during 1962 took down $149 million worth of fund shares, up from the $141.6 million reported in 1961. Illinois fell to No. 5 as its purchases dwindled to $114.3 million from $143 million the year before.

Wisconsin, however, was a bright spot in the midlands, ringing up $27.2 million in sales, compared with $22.7 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 four was Arkansas. But Arkansas lags no more: it accounted for $9 million of sales in 1962, against $7.9 million in 1961.

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 financial community, are accustomed to thinking of the market for their services in terms of Park Avenue, Scarsdale, Winnetka and Palm Beach. For many of these people it is almost painful to learn that there also are prime customers out in the grain country and in the cotton bottoms.

Fortunately, this out-of-date thinking is not prevalent in the fund field. Maybe it's because the funds never have looked upon the wealthy investor as the mainstay of their business. And it could also be because of the educational campaign that arose from the knowledge that the families of modest means were prime investment prospects.

Total worth of the funds associated with the I. C. I. is around $22 billion, a fabulous sum, by 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 if this growth is to be attained it will come from continued wooing of the families whose annual income is $10,000 or thereabouts. More and more such families are to be found in towns and on farms of our Southland, Midwest and beyond the Rockies.

When the Ford Motor Co. 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 millions 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 a nation whose population will top 200 million during the next few years and where there are but 17 million investors, the opportunities to acquaint the citizenry with spread-the-risk professional management are not negligible.

## The Funds Report

**Abacus Fund** reports that at March 31 net asset value was $37,627,162, 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 $41.15.

* * *

**Federated Growth Fund Ltd.** reports that at March 31 assets totaled $4,212,503, or $4.77 per share. At the close of 1962 assets were $3,404,572, or $4.57 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 a 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 Anheuser-Busch, Atlanta Gas Light, Home Insurance and Roadway Express. Sales included elimination of Beckman Instruments, Ford Motor Co., International Nickel and Merck & Co.

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**Grouped Income Shares Ltd.**, reports that at Feb. 28 total net assets were $17,357,896, or $3.51 a share. A year earlier the comparative figures were $15,897,372 and $3.82.

* * *

**Scudder, Stevens & Clark Balanced Fund** reports that at March 31 total net assets were $97,271,502, equal to $18.81 a share. This compares with assets of $89,847,573 and value per share of $20.43 a year earlier.

* * *

**Scudder, Stevens & Clark Common Stock Fund** reports that at March 31 total net assets were $57,802,870, equal to $10.02 a share against $54,602,207 of assets and $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. Mohr, who has been in the investment business in Montgomery for many years, was formerly President of Thornton, Mohr, Farish & Gauntt, Inc., and prior thereto of Thornton, Mohr and Farish, Inc. He is a member of the Midwest Stock Exchange.

Sidney J. Mohr, Jr.

## Bosworth, Sullivan Adds

DENVER, Colo.—Robert Lanari has been added to the staff of Bosworth, Sullivan & Company, Inc., 660 17th Street, members of the New York and Midwest Stock Exchanges.

## 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 1,200 mortgage bankers will hear leading national and international authorities from government and industry discuss various aspects of the mortgage, housing, and financial communities.

Dale M. Thompson, President of the MBA, and President of the City Bond and Mortgage Co., Kansas City, Mo., will open the Conference with a discussion of government 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 opening session will be Francis T. P. Plimpton, Deputy Representative of the United States to the United Nations. His talk, on the policies and future of the United Nations, will be followed by a question and answer period.

The Tuesday morning session will be opened by Dr. Rolland O'Regan, Chairman of the New Zealand League for the Taxation of Land Values, Wellington, New Zealand, who, under the title, "New Zealand's 40-Year Experience With Untaxing Improvements," will discuss his country's system whereby houses, buildings, improvements, crops, and personal property become exempt from local taxation. Dr. O'Regan will be followed by a panel discussion of "The Institutional Demand for Mortgages." Walter Mahlstedt, Vice-Chairman in charge of the Eastern Mortgage Conference, and Vice-President, Teachers Insurance and Annuity Association of America, New York, will preside at the panel session. The life insurance industry will be represented by R. W. Baker, Jr., Vice-President, New York Life Insurance Co.; 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 Comptroller, The City of New York.

John A. Gilliland, Chairman of the Association's Conference Committee, and First Vice-President of Stockton, Whatley, Davin & Company, Jacksonville, Fla., is Chairman of the Eastern Mortgage Conference.

In addition to the above General Session speakers, the Association's Young Men's Activities Committee will sponsor a breakfast on Monday morning prior to the opening of the first session. Sefton Stallard, the committee's Chairman, and Vice-President of the Jersey Mortgage Co., Elizabeth, N. J., has announced that Robert Vincent, Attorney, Cravath, Swaine and Moore, New York, will discuss the "Legal Aspects of Setting Up Construction Loans in Connection with Income Producing Properties."

# International Competition And Growth Policies

Continued from page 1

the Cuban crisis and the Chinese attack on India. Then, less than three months ago, came the breakup of the negotiations in Brussels for the entry of the United Kingdom into the Common Market. The last of these events is still rather too close for its consequences to be fully evaluated, but so far as the position of sterling is concerned, I would note that the United Kingdom has a stand-by arrangement of $1,000 million with the Fund. I would like, however, to say something about the other difficulties.

### Stock Market Drop Sans Recession

The decline on the stock exchanges was sharper in most of the markets on the Continent of Europe than in New York and London. From the peak that had been reached, the average decline in New York was about 23%, in London about 17%, but in Frankfurt and Zurich as much as 40%. Sometimes, and especially when it reflects a fall in dividends and earnings, a sharp decline on the stock exchange has in the past ushered in a recession or a depression (as it did in 1929); but this is not always the case and was not so last year. As we now know, business here in the United States, and even more so on the Continent of Europe, continued to improve all through 1962, even after the decline on the stock exchanges, and has continued to do so this year.

The reason why the decline on the stock exchanges was not the forerunner of a recession this time was that it was regarded not as a reflection of worsening business but more as a technical adjustment, brought on by a realization that the postwar inflationary rise in prices had come to an end. Here in the United States, the level of wholesale prices has remained virtually unchanged for five years; and in many other parts of the world, price rises have been less marked than in earlier years and there are no signs of the resumption of any persistent inflation.

When a year or so ago stocks yielding a very low rate were still bought, it was mostly in the hope of rising yields and higher quotations in days to come, or more simply as a hedge against inflation. The quotations of many securities had risen to fancy prices, and once it was seen that inflation would not continue, these prices had to be corrected and the sooner the adjustment was made the sounder the position of those securities became. For a time, business in the United States may have been somewhat hesitant, as shown by a disinclination to add much to inventories; but as demand has continued to keep up, production has been maintained—and in several lines has even increased.

It is in the area of what economists call "final purchases" that the increases have occurred which explain the good tenor of business in the latter half of 1962 and in early 1963. These "final purchases"—which exclude inventory changes — consist of goods purchased for consumption, for investment, and for exports, and these goods are thus taken out of the market. In the United States as well as most other countries, home demand for consumer goods has kept up well, investment has generally not declined, and exports as a rule have risen. In 1962 world trade increased between 5 and 6%, which perhaps more than any other figure shows not only the resilience of business but that the measures taken to free world trade and to ensure prompt payments have had a good effect.

### Canadian Exchange Crisis

Let me now briefly recall the circumstances surrounding the crisis of the Canadian dollar. Once the election was over in June, 1962, the Canadian Government adopted a number of domestic measures designed to alleviate the strain on the balance of payments and turned, at the same time, to the Fund and to institutions in the United States and the United Kingdom for assistance. Four days after the Canadian Government had made its problem known, it obtained a drawing equivalent to $300 million from the Fund and the equivalent of $750 million was made available from other sources. The combination of the domestic measures taken and financial assistance from abroad proved sufficient to stem the capital outflow and reverse the pressure in the exchange market; Canada has been able over the months that have passed since last June to replenish its foreign exchange reserves in an impressive way, and these reserves are now higher than before the crisis broke.

I am also glad to be able to report that in the last few days Canada has announced the removal of all the import surcharges imposed as a temporary measure to help relieve the balance of payments position at the time of the crisis last year. As I am speaking, there is again an election campaign in Canada, but this time it has given rise to no questioning of the value of the Canadian dollar in the exchange markets.

The rapid restoration of the Canadian exchange position was a remarkable demonstration of the effectiveness of the developing international monetary cooperation, and especially of the speed with which assistance can be mobilized in the event of an exchange crisis. Later in the year, when the Cuban and Chinese-Indian disturbances occurred, it was again found that international monetary cooperation was able to play a role. There was, it is true, at that time evidence of strong private demand on the gold markets, but this demand was met without any particular difficulty from current supplies and the London gold pool, and the pressure gradually subsided. The foreign exchange markets, on the whole, remained unruffled by the political events.

On these occasions there was never any doubt about the determination of the monetary authorities — both national and international—to intervene strongly if the need should arise. There was also in the markets an awareness that the authorities now had much more effective methods and larger resources at their disposal if intervention should become necessary: the reciprocal central bank credits which have been and are still being negotiated, and the already-mentioned gold pool in London.

These technical arrangements are valuable in themselves, but fully as important are the discussions from which they have arisen and which will be regularly continued, both in the Fund and elsewhere, to ensure constant review and an up-to-date knowledge of monetary matters among the central banks and more effective cooperation among them.

But what I have to report on particularly here is the very important strengthening of the International Monetary Fund, which has become effective since I spoke to you last.

### $6 Billion Extra Lending by Ten Industrial Nations

In my speech here two years ago I mentioned for the first time in public that circumstances might arise in which the Fund might need additional supplies of certain currencies, and that the Fund was considering the possibility of acquiring such currencies by borrowing. After extensive discussions in the Fund, at the Annual Meeting of the Fund's Board of Governors in Vienna, and later in Paris, the basic provisions of the borrowing arrangements were incorporated in a decision which the Fund adopted and published in January, 1962 under which, as you will recall, the ten main industrial countries concerned indicated their willingness, on their adherence, to lend to the Fund amounts of their currencies, totaling in all the equivalent of $6 billion. I reported on this development a year ago. But at that time there still remained the adherence of the individual countries to these arrangements, which in most cases required formal ratification by their Parliaments. Commitments totaling the equivalent of $5½ billion on the part of at least seven participants were necessary to bring the arrangements into effect. This was achieved on Oct. 24, 1962, when the formal adherence of the Government of the United States was received, following the adherence earlier in the year of seven other countries. Total commitments then amounted to the equivalent of $5,650 million, so on that date the Fund's general arrangements to borrow became effective. Of the two remaining countries, Belgium has subsequently adhered to the arrangements, but Canada, where two elections have intervened, has not yet done so.

It is perhaps worth mentioning that in cases where Parliamentary approval has been required, it has been obtained with virtually no opposition, which is, I think, an indication that the arrangements are generally admitted to be useful. Switzerland, which is not a member of the Fund, was invited by the Fund to become associated with these arrangements, and following consultations between the Fund and the Swiss Federal Government a bill has been submitted to the Swiss Parliament within the past month proposing that Switzerland enter into an understanding with the Fund providing for Swiss association with currency support operations of the Fund in an amount equivalent to a maximum of $200 million.

### Coping With Capital-Flow Induced Deficits

Whenever requests for financing assistance are made which would make it desirable for the Fund to supplement its resources by borrowing, the requests will be assessed in accordance with the Fund's accepted policies and practices governing the use of its resources, and drawings involving such supplementary resources, like other Fund drawings, will be repayable to the Fund as and when the member's problem is solved, and in any event in not more than three to five years. The borrowing arrangements thus fit smoothly into the framework of the Fund's principles and practices as they have been developing over the years.

What is new is the commitment of the participating members to lend to the Fund to enable it more effectively to forestall or cope with a threat of impairment to the international monetary system. That framework has been further consolidated by other steps taken in connection with the work to strengthen the Fund which culminated in the borrowing arrangements. In July, 1961, the Executive Directors had clarified the Fund's role in relation to the use of the Fund's resources for coping with deficits attributable in greater or less degree to capital transfers, and in July, 1962, they took a decision setting out the principles which should govern the choice of currencies in drawings and repurchases.

It is also pertinent to recall here that in 1959 the Fund's resources were strengthened by means of a general increase in members' quotas, of not less than 50%, but in several cases substantially more, which raised quotas from a total equivalent to $9 billion in 1958 to an amount equivalent to $15 billion at the end of 1961.

With these increased financial resources at its disposal, the Fund is confident that it will be able to play a decisive role in rendering assistance to both large and small member countries in their efforts to pursue policies compatible with the Fund's principles and practices.

### Why Exchange Market Is Calm

At the same time, the resources are substantial enough for the markets to realize — as I think they have done—that speculative movements of funds in themselves cannot reach proportions large enough to overcome the defenses now existing when they are effectively applied. I have noticed over the last year, in the financial pages of newspapers in various countries, often rather astonished comments about the relative calm of the foreign exchange markets, and again and again it has been pointed out that the capacity of the Fund to give massive support is one of the decisive reasons for the calm that has prevailed.

### Sufficiency of Monetary Reserves

So, defenses have been built up to ensure more effectively the stability of the present monetary structure; but stability is not the only problem. To cope with rapidly growing production and economic activity generally, an expansion in liquidity is needed not so much in terms of the adequacy of monetary reserves — what is often called "international liquidity"—as in the liquid means available in the most important national currencies and the monetary purchasing power into which it may become translated.

There have been periods in world history when the generation of sufficient monetary purchasing power has raised few problems. Such a period has been the one we have just passed through — the period after the Second World War when the hangover of excessive war liquidity produced a volume of purchasing power that in fact was inflationary. In the speech I made here six years ago, in the Spring of 1957, a continued inflationary rise in prices was still a very real threat; I mentioned in that speech that in the United Kingdom consumer prices had risen by 3% in 1956, in the United States by 4%, and in certain other countries at an even higher rate. But this period was already drawing towards its close, and within the following two or three years the basic conditions on the world markets had radically changed. Supplies caught up with demand, and under the impact of fiercer and fiercer competition the continual upsurge of prices of many commodities came to an end. Not every country has been drawn into this new situation to the same extent, but the new competitive forces are making themselves felt in more and more countries.

In this new situation, new policies and practices were needed, and I shall mention two in particular:

### Adoption of New Wage or Income Policy Approach

*Firstly*, when prices could no longer be raised, greater attention had to be paid to costs. It was not always very easy to convince the public, or even the business world, that a radical change in the general economic situation had occurred. Consequently, economists and policymakers had to adjust their thinking to the new situation and explain its implications to their public and parliaments. Of particular importance is the thorny question of wages. It was therefore a valuable service when, in the United States, the Council of Economic Advisers in their report to the President early in 1962, set down the "guideposts" or "guidelines" for what they considered to be permissible wage increases—in general, the keeping of the increases within the margin of increases in productivity. Gradually in other countries the need for some similar guidance made itself felt, and in many countries, statements have been issued over the past year containing indications of what should be considered appropriate principles for the determination of wage increases in relation to increases in productivity, movements of prices, and other relevant factors. Such statements have often been discussed in terms of a beginning of an "incomes policy."

For most countries even the issuing of guidelines is a new departure in the field of official policy and, at the same time, in the field of their economic thinking. The announcement of such guidelines or the elaboration of an "incomes policy" need not run counter to the requirements of the market economy system; on the contrary, in present-day economies, often tending to be dominated by the development of increasingly large organizations and groupings of industry and labor, some guidance may be very necessary in order to establish certain basic conditions for the proper working of such a system.

### U. S. A. Increases Its Domestic Liquidity

*Secondly*, a new factor affecting official policies in the new situation is—as I already pointed out—that it can no longer be taken for granted that an adequate increase in liquidity or in monetary purchasing power will occur without special action. To some extent, of course, business may use its own liquid resources more freely and request increased credits from the banking system, which will help an expansion, but such developments have at least to be underpinned by official policies.

The United States, as you know, has in recent years been pursuing relatively easy money policies, and at the same time, the Federal budget has been in deficit and the budgets of the states and local authorities have required a great deal of borrowing. In addition, certain specific measures have been taken—the liberalization of the depreciation allowance and the 7% tax credit, and they too will help to sustain demand. Because of the balance of payments situation, the expanionist policies of the United States have involved a certain risk, but I think that the risk has had to be taken, for a non-expansionary policy at the present time in this country, with its very powerful economy, could have had a serious effect on the level of economic activity in the world as a whole. As you know, the President has also proposed a tax cut which, if adopted, will intensify the expansionary character of U. S. economic policies.

All these policies have been followed and these new proposals introduced because they were considered to be in the interest of the United States, but the United States is so important in world affairs that policies undertaken here have wide repercussions abroad.

**International Coordination of Economic Policies**

In addition to outward-looking policies by the Government of the United States, there should be a coordination of the economic policies particularly of the main industrial countries, and I believe this is a movement which may well be developing. It is beginning to be realized that coordinated economic policies are more and more needed in this new situation, and that they serve the interests not only of the more highly developed economies but also of the raw material producing countries all round the world. Continued economic expansion in the industrial countries is of great importance to the less developed countries, both because it tends to lead to an increase in the purchases of raw materials by the expanding industrialized economies and because it usually results in an all-round stimulus to world trade, which should also help the exports of primary producers' developing industries. This Council is, of course, aware in its debates of the fact that the main trend of economic policies of the industrial countries is also very much the concern of the less developed countries.

The Fund has had some very large transactions with a few of the highly industrialized countries—transactions which have attracted great attention, and deservedly so. But the Fund's transactions with less industrialized countries in different stages of development have been very much more numerous. The Fund has, for instance, had transactions with all but one of the 20 Latin American Republics, and in the last year all but one of the drawings and all but one of our existing stand-by arrangements were with developing rather than industrialized countries. Normally the close contact between the Fund and the member country has extended over several years and has led to a very intimate knowledge of the country's problems and what assistance the Fund can most usefully provide. Experience varies, of course, but the Fund has been impressed by the efforts made to establish and maintain orderly monetary conditions in a great many countries, even under great difficulties.

**Raw Material Producers Suffer From Greater Fluctuating Prices**

One of the difficulties that have plagued particularly the less developed raw material producing countries has arisen from fluctuating prices for primary products, creating instability in their export earnings. It is, of course, part of the Fund's regular function to provide its members, including its primary producing members, with financial assistance to meet short-term fluctuations in their balance of payments, including those caused by export fluctuations. In recent years, in which there has been a marked increase in the total amount of Fund assistance provided to the less developed countries, there seems to have been an increase in the proportion of cases in which the difficulties have arisen at least in part from declining or stagnant export proceeds. It has been estimated that, by and large, the short-term fluctuations in the exports of primary exporting countries are some 30 to 40% greater than those in the industrial countries. Since many of the primary exporting countries are short of reserves, they are not able to cushion the effect of these fluctuations on domestic production and prices, and they frequently find it difficult to sustain the importation of capital goods required for a steady program of development.

For a number of years much thought has been given, in international forums and elsewhere, to ways in which useful assistance could be rendered to countries affected by variations in their export earnings. The Fund has followed these discussions closely and after a thorough consideration of the problems involved, has taken certain decisions by which it has determined what further contribution it can make in the financial field.

**Compensatory Financing to Help Export Shortfall Deficits**

On the 27th of February this year, the Fund took the decision to create a new compensatory financing facility which would broaden its balance of payments support of member countries, and particularly those exporting primary products. This new facility which would normally amount to 25% of the member's quota, would enable the Fund to grant assistance more readily in cases of payments difficulties produced by export shortfalls of its member countries. The Fund would have to be satisfied, in the first place, that the shortfall was of a short-term character, and largely attributable to circumstances beyond the control of the member country. Often such a shortfall would be the result of price fluctuations related to cyclical conditions in the industrial countries, but it might also be the result of a particularly bad harvest, or even of a natural calamity, such as an earthquake; so the causes can be many.

Secondly, a member country would need to show willingness to cooperate with the Fund in an effort to find, where required, appropriate solutions for its balance of payments difficulties. This does not mean that there has to be an approved program already worked out before the drawing. But the country would discuss any balance of payments problems with the Fund with a view to coming to positive results, and it has been more and more the experience of the Fund that the member countries, in their own interest, are anxious to follow this course and, indeed, do so of their own volition. This new facility will not reduce the amount of assistance available under the Fund's ordinary drawing policies, because the Fund has stated that it will be prepared to grant a waiver and permit outstanding drawings to exceed an amount equal to 125% of quota where this is necessary in order to facilitate its policies on compensatory financing.

The general intent of the new facility is to give all member countries which desire to solve their balance of payments problems the assurance of ready Fund support in meeting difficulties arising out of genuine short-term export shortfalls. The application of the new policy will have to be worked out on the basis of experience, and I am sure it will be done in an atmosphere of friendly cooperation between the Fund and its members. It is my belief that this new facility will prove both directly and indirectly to be the basis of genuine assistance to, and cooperation with, the less developed countries pursuing a steady course of development.

**Possible Quota Increases**

The same decision also dealt with the possibility of raising quotas for certain primary producing countries, in particular those with relatively small quotas, in order that the quotas for these countries might be made more adequate in the light of fluctuations in their export proceeds and other relevant criteria. The Fund will be making a closer study of this subject in the coming months.

The decision has been embodied in a report prepared in response to an invitation from the Commission on International Commodity Trade in May of last year. The report, which has been transmitted to the United Nations, clearly states that such financing is only one of the means of improving the condition of the less developed countries. In addition, action in many fields is required and such action has to be taken by the developing countries themselves as well as by the industrial countries and international institutions.

In this work there has to be a division of responsibilities — not necessarily the same in all cases. There also has to be a determination by all concerned to work hard to ensure sustained development. Let me begin by saying something about the responsibilities of the industrial countries.

**Industrial Countries' Responsibilities**

In the first place, the industrial countries, to the maximum extent possible, should both permit and encourage ready access to their markets for the products of the developing countries, including such products of new industries which these countries may be able to export on a competitive basis. This whole subject is, of course, closely linked with general trade policies, a subject, as we know, now very much under discussion in different parts of the world; in particular in GATT—with which the International Monetary Fund has special relations—and also in the United Nations where the Preparatory Committee for the International Conference on Trade and Development, in which the Fund is participating, is currently considering some aspects.

Secondly, the industrial countries have a responsibility to provide sustained technical and financial assistance to the less developed countries. As regards financial assistance, I believe there is a growing understanding among the general public in the more advanced countries of the appropriateness of such assistance, and this attitude is shared, I think, by most governments; but, at the same time, there is a feeling that the assistance should be used more effectively. Personally, I do not think that over the years the amount of aid given is likely to be lessened by a critical review of how it can be most effectively utilized. On the contrary, I believe that such a review is the best way of ensuring a continuation of the aid.

Thirdly, I would repeat what I have already said earlier, namely, that general policies of an expansionist nature, pursued by the leading industrial countries, are of great importance for the less developed countries since they lead to a strengthening of the demand for their products.

**Responsibility of Underdeveloped Countries**

Turning now to the less developed countries, they have, of course, the responsibilities of sovereign states to conduct their own affairs, maintain law and order, educate and care for their people, administer their finances and their economy. In conducting their affairs, they have the responsibility of framing their policies in such a way as will contribute best to the growth and development of their countries. The less developed countries differ, of course, from one to another in the extent of their resources, their rate of development, and in as many other ways as industrialized countries do. It is, therefore, not easy to generalize, but some observations may, I think, be made, and I want to address myself particularly to the problem of development.

To promote industrial development and the setting up of new businesses, two things are needed: on the one hand, men who have a spirit of enterprise and the technical knowledge necessary to initiate new projects or develop existing plant; on the other hand, free resources — in other words, savings — to finance genuine and lasting development. In this connection it is instructive to study the state controlled economies of the Communist countries; the leaders of these countries found, very soon, that they needed real savings, which meant that they could not allow the country's production to be fully used up for consumption but had to reserve a part — and often a considerable part — for productive investment. So, whether economies are run on a collectivist or market system or some kind of mixed system, they all have to pay heed to fundamental principles of economics.

There will be foreign aid forthcoming for less developed countries, and it will, of course, be important, but foreign aid will at best play only a limited role in relation to the total needs. No country has ever developed except largely through its own savings. This means that the less developed countries themselves will have to examine most assiduously what savings they can mobilize from their own resources.

I cannot go into detail here concerning the most suitable tax and expenditure policies for developing countries. I shall only say that in these matters outside expertise can often be useful, and I am glad to be able to mention that the Fund is substantially expanding its services in the field of technical assistance which will enable it to increase the expert assistance which it now provides to member countries on fiscal, credit and monetary matters.

**Warns of Banking and Wage Inflation**

Countries with limited real resources often feel a great temptation to rely excessively on the banking system, and especially on the central bank, to finance expenditures by creating money, that is, by inflation. I think by now it has become sufficiently widely known that the incidence of inflation is such that the burden of it falls mostly on the poor for whose benefit primarily, I had always understood, development policies are undertaken. But in an inflationary period, the wage earners will seek, and most probably obtain, frequent wage settlements, perhaps as often as every few months. In such circumstances it will be less and less possible to squeeze any resources out of the public at large and the likelihood is that the inflation will be turned into the galloping kind, with all the destructiveness of such a process.

Moreover, it is too easy to assume that the resources so diverted by inflation would all go into development. Inflation gives rise to windfall profits and capital flight, which no system of controls seems capable of arresting. As a result of such capital flight, an inflating country will not be able to retain for its own use all of the forced savings it may squeeze out of its people, much less provide any inducement to investment or assistance from abroad. Furthermore, inflation very often leads to an overvalued currency with all the consequent harm and distortions to the economy which result from such a situation.

At the Fund's Annual Meeting in September, 1962 in Washington, a considerable number of the Governors of the Fund, particularly those from the developing countries, addressed themselves to these issues of stability and development, and it was interesting to note with what unanimity the Governors declared that in their opinion inflation was most harmful to their economies and certainly harmful to growth.

Theirs were general pronouncements, but I can assure this body that the Fund, in its regular consultations and other contacts with member countries, has found that these sentiments are gaining ground decisively even, I find, among the relatively few persons who have resisted them hitherto. More and more countries are taking the measures needed to ensure the success of policies aimed at stabilizing the economy, even though it is realized that this may require a period of readjustment until a new balance is attained from which sustained growth can be resumed. I should add here that, according to the experience of many countries, such a period of

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# International Competition And Growth Policies

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adjustment need not be either very harsh nor very long, especially with the support from international institutions and friendly governments, which it is reasonable to expect will be forthcoming to back up the countries' own determined efforts. When the new period of growth sets in, it will be more firmly founded.

**Knows Full Well Desire to Speed Up Growth**

I can understand the feeling of disappointment in many countries, where the per capita income is desperately low, that there is not some easy method, such as deficit financing, available to speed up the rate of growth. But there is no such method either in the collectivist 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 of a constructive character in many fields. These problems are best grappled with under stable monetary conditions and from a firm base, and to enable countries to do so there should, and I hope, will be available from the Fund and elsewhere the technical expertise necessary to assist national authorities to develop to the full the resources at their disposal.

**Other International Aids**

It is good to know that there are many international agencies available to give valuable assistance to these countries, both here in the United Nations itself and in the various specialized agencies. I must, of course, mention first the very important role which the International Bank for Reconstruction and Development and its affiliates play in responding to the aspirations of the developing countries. I would also like to pay special tribute to the valuable work which has been, and is still being done, in many member countries by Mr. Hoffman and the Special Fund, by Mr. Owen, operating through the expanded program of technical assistance, as well as by other similar organizations whose work touches upon that of the Fund, all of which have, of course, as the central forum for the discussion of their problems the Economic and Social Council of the United Nations.

Beyond the technical help from these sources, effective assistance to the developing countries must include, in my view, when the proper basis has been laid, the readiness of the richer countries to give appropriate aid in the three forms I have mentioned earlier—financial assistance, technical assistance, and the opening of their markets to the products of the developing countries.

**Last Appearance**

This is the last time I shall appear before the Economic and Social Council as Managing Director of the International Monetary Fund. I would like to say how much I have appreciated the friendly relations which have existed between the Fund and the United Nations. My contacts with the Secretary General himself and with Mr. de Seynes 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 how useful and enjoyable it has been to discuss here in this forum problems of common concern to the Council and the Fund. I feel that questions have been discussed with great frankness and a constructive spirit, and I am sure my successor will continue to regard this occasion as a major annual event in the relations between the Fund and the United Nations.

*An address by Per Jacobsson before the Economic and Social Council of the United Nations, New York City, April 4, 1963.

# Role of Credit Managers in Canada's Economy

"Many different skills in credit and finance will be needed in administering the funds required to make Canada's total credit mechanism work productively," Russell R. Campbell Senior Vice - President of James Talcott, Inc., said today. "Of major importance," Mr. Campbell said, "is that we must assure, beyond any doubt, an adequate flow of funds for business and industry as Canada's economy continues to expand."

Russell R. Campbell

Speaking before a meeting of the Montreal Chapter of the Canadian Credit Institute on April 10, Mr. Campbell said that the "mutual objectives" of credit managers should be to "insure, not only the sound economic expansion of their own and their customers' businesses, but also Canada's economic growth."

First of all, the manufacturer wants to be sure that his customer will be able to increase sales. In order to do this, he must assure the customer of an adequate inventory both at point of sale and at point of manufacture, he said.

Secondly, the manufacturer must keep his credit losses to a minimum, Mr. Campbell pointed out that "from the standpoint of bankruptcy, the best solution would be a cash or C. O. D. business. But, this is not possible to do on a broad basis," he said.

However, from the standpoint of the credit man's safety, "The actual sale of accounts receivable to a factor, where the credit losses of the customer are absorbed by the factor, is very satisfactory," he added. "The factored company can draw funds as required and has a ready cash source."

Similarly, assistance can be rendered through short-term secured financing from either banks or commercial finance companies in which a loan is secured by accounts receivable, mortgages on machine tools, and inventory. Such a loan, however, results from the customer's inability to qualify for more conventional credit.

If this method is used, cash is acquired immediately and the customer is in a position to increase the volume of his operations, and can participate in cash discounts.

"The use of cash discounts goes a long way toward paying the cost of additional money," Mr. Campbell said.

Credit managers need not be concerned because a commercial finance company is temporarily in the picture, he pointed out. "The very fact that a company such as James Talcott has advanced working capital usually indicates the financed company is inherently sound and well-managed. Talcott's policy is to advance funds for constructive purposes. Shoring up failing companies is not in line with this policy," he added.

"The best proof of successful industrial financing is the high percentage of customers who 'graduate' to unsecured bank financing," he said, adding: "A yearly average of 25% of Talcott's customers, over the past several years, have graduated to unsecured financing."

# Pleasure Boat Handbook Offered

Seasoned sailors as well as landlubbers about to go down to the sea for the first time will welcome the "Pleasure Boat Handbook," by Elbert Robberson, just published by the Marine Finance Division of the Chase Manhattan Bank.

An authority on boats and boating, Robberson has put together an illustrated, 32-page booklet containing information that everyone who sails—or wants to sail—should know by heart and additional data every mariner should always have on tap at his helm. For smoother sailing, the booklet tells the pleasure boater how to buy, finance, and equip his craft; introduces him to elementary seamanship; and outlines the important do's and don't's for safety afloat.

To help new sailors plot safe courses, Robberson, an experienced "salt" in both sail and power boating, explains how to drive safely on the waterways, obey marine road signs, watch and be warned by the weather, dress for comfortable sailing, care for motors and other boat-borne instruments, and communicate by radio with other craft and shore points. An easily understood digest of the boating laws of New York State has also been included. For the nautical tyro, a broad—but clean—sailing vocabulary has been specially prepared.

A skipper — or prospective skipper—dropping in at one of Chase Manhattan's 120 offices in the metropolitan area can pick up a copy of the "Pleasure Boat Handbook" and get details about dreamboat financing.

# Vanderbilt to Be Blair Chairman

Effective April 18th, Oliver DeG. Vanderbilt of Philadelphia will become Chairman of the Board of Blair & Co. Incorporated, 20 Broad Street, New York City, members of the New York Stock Exchange.

# Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The near-term Government market continues to move in a rather restricted range because this highly liquid area is under the influence of our balance of payments deficit which means that rates have to be high enough so that funds will not leave here and aggravate this problem. The capital market is now under the influence of the recent new money raising operation of the Treasury since the $300 million of 4⅛% due 1989/1994 are in the process of being digested by investors.

The new money offering of the Treasury has also had a minor depressing effect on the long-term bond market, since the rather slow distribution of the 4⅛s has not tended to rush buyers into the market for selected 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 Sharply**

The capital market in the opinion of not a few experts is likely to assume a more important role in our future financing operations because it is believed that business will use the long-term area of the bond market to obtain increasing amounts of its needed funds. Although a substantial part of the required new capital will be obtained from internal sources, such as cash flow, this will not be sufficient to finance expansion programs that are under consideration at this time. Loans from the deposit banks for capital improvements are not likely because this kind of borrowing has never been 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 capital funds, and there are no indications that there will be any divergence now from the kind of financing which the deposit banks have been doing. Accordingly it is believed that corporations will be inclined to make greater use of the long term bond market in their quest for funds for expansion and improvement purposes. Even though it is believed that taxes will be reduced in some measure before the year is over, this is not likely to be a deterrent as far as corporate bond financing is concerned. It is not going to make too much difference whether the corporate tax rate is 52% or 47% when it comes to the coupon rate on corporate bonds that will be used to obtain new funds for expansion purposes.

As an example, a 4½% coupon rate with a 52% tax rate means a net cost to the borrowing corporation of 2.16%. With a 47% corporate income tax rate, the net cost to the borrower would be 2.38%, still a very low rate for long term funds. It is evident that as long as income taxes are on the high side, corporate borrowings are not going to be expensive items because the Government will be in there in a senior partnership way, assuming its share of these loaning costs.

**Will Treasury Continue to Compete for Long-Term Funds?**

Because there are indications that corporate borrowings will increase with the passage of time, this raises the question as to when the Government will leave the long-term bond market to these concerns so that they will be able to obtain their needed funds. It is evident that the Government from past indications does not want to crowd the capital market with its own offerings of securities. Thus far there have been two flotations of Treasury bonds under competitive bidding which have totaled $550 millions which is not too large an amount and is probably rather insignificant as far as the size of the budget deficit is concerned.

It is evident that the deficit of the Government will be sizable and that not more than token amounts can be financed under existing conditions through the offering of long-term Government bonds. However, this long-term bond financing by the Government to cover a part of the deficit might be large enough to have a not favorable effect on the capital market as a whole.

Therefore, the question is being asked in some quarters of the financial district as to when the Treasury is going to decide as to whether or not they have raised enough long-term deficit financing funds, so that this section of the market will be returned to corporate and tax-exempt borrowers. With all three of them competing against each other, crowding will most likely result.

# Eaton & Howard Appoints Johnson

BOSTON, Mass.—Franklin R. Johnson has joined Eaton & Howard, Inc., 24 Federal Street, as Vice-President and general counsel, it has been announced by Charles F. Eaton, Jr., President of the Boston-based investment management firm.

Franklin R. Johnson

Mr. Johnson has had an extensive experience in the financial and investment field. Before joining Eaton & Howard, he was a Vice-President and director of Colonial Management Associates, Inc., and a Vice-President of its affiliated investment companies. From 1942 until 1956 he was a member of the Boston law firm of Choate, Hall & Stewart, where he served as a partner specializing in corporate finance.

# R. J. Collins Opens

R. J. Collins is engaging in a securities business from offices at 240 East 76th St., New York City.

# COMMENTARY...

*BY M. R. LEFKOE*

I had asked Miguel Lasa, a young Cuban exile, for an appointment several days before with the hope of obtaining the real story of how President Kennedy's new Cuban policy was affecting the Cuban refugees. But as I sat in his apartment listening to Senor Lasa tell his story, I realized that I was getting more than I had expected —for the tale of horror that was being torn from his lips made me ashamed to be an American.

He sat quietly, a hurt look of bewilderment on his face, his eyes pleading desperately for some reassurance that justice still existed in the world.

"Your government said to wait," he told me. "But for how long? We go to Washington and they say they want an uprising inside of Cuba. How can they have an uprising if we aren't allowed to help them? The underground in Cuba is bigger than ever but they have no arms to fight with. We can't sit here in America waiting for Uncle Sam —we have been waiting for three years. It is our duty to do something. It is a very small thing, but at least it is something. The Cubans inside of Cuba—they have to see that we are doing something. There are still six million people in Cuba. Over 150,000 are in jail—our loved ones, our friends, our countrymen. Many have been killed. How long must we wait?

"Your President says he is our friend. Yet, only a month ago, over 1,000 guns were confiscated by the United States Government. It had taken us six months to get the money for those arms. We had collected it penny by penny. What kind of a friend is that? *What kind of a friend is that?*

"What have we done to you? We have been persecuted by the United States for trying to regain our homeland. In Dade County (Fla.) there are 46 Cuban exile leaders confined to the county. If they leave they will be thrown in jail. In Miami we are hiding just like in Cuba: in Havana we have to hide from the G-2—the Communists—and in Miami we have to hide from the CIA and the FBI."

### "A Stronger Castro —With U. S. Help?"

What could I say? What could anyone say to this man whose only purpose in life is to free his country from tyranny—and whose every move is thwarted by police state methods in the United States. As an authoritative story in *U. S. News & World Report*, entitled "A Stronger Castro—With U. S. Help?", had reported earlier in the week: "The U. S., which once helped Cuban exiles attack, now is causing their arrest for such activity.

"A crackdown has been ordered by the Kennedy Administration against anti-Castro raids mounted or supplied from U. S. territory. To enforce this crackdown, the U. S. Coast Guard in Florida is being beefed. On April 3, reinforcements began pouring in—200 more men, 12 more patrol boats, six more amphibious airplanes. . . .

"At the same time the British were seizing one anti-Castro boat in the Bahamas, American authorities seized another in Miami. . . .

"To Cuban exiles, all this appeared to be an American act of betrayal."

It was the betrayal which bothered Senor Lasa the most— a betrayal which he found incomprehensible. He looked at me questioningly: "First they (the United States Government) promise to help us, and then they betray us. Before the Bay of Pigs invasion, the CIA helped us. It gave us arms and ammunition and helped us to get into Cuba to deliver them. But since that day, when hundreds of Cubans were killed because the United States failed to help us as it had promised, we have received nothing. And now, your government won't even let us fight alone."

I remembered as well as he the statement made by Mr. Kennedy two and a half years ago when he was campaigning for the Presidency: "We must end the harassment, which the government has carried on, of liberty-loving anti-Castro forces in Cuba and in other lands. While we cannot violate international law, we must recognize that these exiles and rebels represent the real voice of Cuba, and should not be constantly handicapped by our Immigration and Justice Department authorities."

### A U. S. Invasion?

"What is it the Cuban exiles want from our government?" I asked him. "Do you want the United States to invade Cuba?"

He looked almost insulted. "No," he replied. "Castro now has a lot of men and arms and planes. We don't want marines, We don't want American men to be killed. We can do the job with sabotage. If the Cuban people see sabotage, and if we can get arms to them, they will rise up. Without arms it would only be suicide for them to openly rebel."

Senor Lasa straightened in his chair, a look of pride coming to his face. "We are not afraid to die. We know what it is to live under Communism and it is not living. Listen, let me tell you a story. Not too long ago there was a man in Cuba who was caught by Castro's militia trying to burn down a field of sugar cane with matches. Do you understand?— with matches! We had explosives for this man but your government took them away. He was shot, standing there in the open, trying to burn down acres of sugar cane with matches. He didn't have a chance."

It was not easy for him to speak English and he was struggling to find the right words. But what he wanted to communicate did not require perfect grammar. He could have been speaking in Greek and he would have been understood. Here was a man who knew the difference between freedom and slavery and who knew that there could be no compromise—a man who was asking nothing more than the chance to live for his country, if possible, and to die for it, if necessary.

"What are you going to do now?" I asked him. "Can you continue your raids despite Kennedy's harassment?"

### "We Will Not Quit"

The young Cuban looked at me and answered calmly: "It is almost impossible to fight Castro because of the United States and the British. We can't move in Miami because of the FBI and the CIA. It is now very difficult to set up bases outside 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 they are too far away. We would need large boats, and that takes at lot of money. But we will not quit—we cannot quit.

"If we have to be against the United States—if we have to be against the whole world—we do not care. It's our duty. It's a very simple thing: we have to fight for our country. All we ask from the United States is to let us die fighting for our country."

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, thanked Senor Lasa for the interview, and walked out into the night, my eyes moist with tears. In the person of this young Cuban patriot I had seen for the first time a vision of the men who founded the United States—the men who boldly signed their names to the document which will stand forever as the symbol of man's eternal quest for freedom — the Declaration of Independence: ". . . we mutually pledge to each other our lives, our fortunes, and our sacred honor."

Miquel Lasa had given me the story that I had come for, but I hadn't been able to give him what he needed most. When he had said goodnight, his face still had reflected that same hurt look of bewilderment, his eyes still had contained the same silent plea for reassurance that justice still existed in the world.

# Pacific Northwest Bell Telephone Debentures Sold

Morgan Stanley & Co., New York, heads an underwriting group that is offering for public sale a new issue of $50,000,000 Pacific Northwest Bell Telephone Co. 4¼% debentures due April 1, 2003, priced at 102½% and accrued interest to yield approximately 4.37% to maturity. The issue was awarded to the Morgan Stanley group at a competitive sale April 16, 1963, on a bid of 101.78999% which named the 4½% coupon.

Proceeds of the sale will be used to reduce further the principal amount of the 4½% demand note of the company held by Pacific Telephone & Telegraph Co.

Pacific Northwest was formed in 1961 after approval of a plan to transfer the business and properties of Pacific Telephone & Telegraph in Washington, Oregon and Idaho to the newly formed company. Both companies are subsidiaries of A. T. & T.

The debentures will not be redeemable prior to April 1, 1968. Beginning with such date they will be subject to redemption at prices ranging from 106% to the principal amount.

# BANK AND INSURANCE STOCKS

## This Week — Insurance Stocks

*EASTERN LIFE INSURANCE COMPANY OF NEW YORK*—

Eastern Life Insurance Company of New York has recently reported results for 1962 that indicate that the past year was the best in the company's history. New business written jumped 90% to $116.4 million and insurance in force increased 43% to $305.6 million. Management forecasts that further gains will be recorded in the current year.

The company presently ranks among the top 15% of all life insurance firms in this country as measured by life insurance in force, after recording rapid growth over the past five years. Virtually all forms of ordinary, term and group life, as well as accident and health coverages are underwritten by Eastern Life, operating under the general agency system. Business is issued on both a participating and non-participating basis in eight states and the District of Columbia. The maximum net retention on any one life is $35,000 ($15,000 on group).

Eastern Life was formed in 1926 and incorporated in the state of New York in that year as the Judea Life Insurance Co. The present name was adopted in 1932. The company exhibited moderate growth and profitability throughout its history until 1957 when new management took over the company. In that year Victor Whitehorn assumed his present position as President and the company undertook a new policy of expansion, which has added over $200 million in insurance in force to the books since that time. To accomplish this growth, Mr. Whitehorn modernized the internal operations of the company, expanded and upgraded the general agency organization and revamped underwriting procedures with the introduction of new policies, the lowering of the rate structure and adopting a more liberal acceptance of risk philosophy. This permitted the company to meet the intensified competition within the industry and to expand rapidly. Expansion has not penalized earnings as the growth in operating profits since 1957 indicates. Mr. Whitehorn's plans call for total insurance in force to reach one-half billion dollars by 1966.

In its investment policies, Eastern Life has followed a conservative course. Bonds represent approximately 50% of total assets with the portfolio divided among high-grade municipal, public utility and industrial issues, in addition to U. S. Government securities. Common stocks represent only 2% of assets. Net yield on assets at 3.85% before taxes in 1962 is slightly below the industry average, reflecting the overall high quality of the investments.

Eastern Life paid a cash dividend in virtually every year from 1940 through 1957. Under the new management a policy of plowing back earnings for expansion purposes has been adopted and a program of distributing stock dividends has been followed. A 10% stock dividend was paid in 1959, two 10% stock dividends were paid in 1961 as well as a 5-1 split, and a 5% stock dividend was paid last year. An additional 5% stock dividend has recently been proposed by the company's directors which, subject to approval by stockholders and the State Superintendent of Insurance, will be paid in June. The stock distribution will bring the number of shares outstanding to 880,457.

The common stock of Eastern Life Insurance Company of New York is currently trading in the over-the-counter market at 27½ bid. The 1963 price range has been 29¾ to 22¾.

**Selected Statistics**
($ millions)

| | Admitted Assets | Capital Funds | Net Reserve | Insurance Written | Insurance in Force |
|---|---|---|---|---|---|
| 1957 | $14.9 | $1.4 | $12.0 | $25.7 | $100.7 |
| 1958 | 16.1 | 1.7 | 13.0 | 30.2 | 119.7 |
| 1959 | 16.8 | 1.8 | 13.6 | 37.3 | 143.4 |
| 1960 | 17.8 | 1.9 | 14.5 | 46.6 | 177.0 |
| 1961 | 19.0 | 2.2 | 15.5 | 60.9 | 212.7 |
| 1962 | 20.6 | 2.0 | 17.1 | 116.4 | 305.6 |

| | Net Interest Earned | Average Policy | Per Share Data: Reported Earnings | Adjusted* Earnings | Book Value | Price Range |
|---|---|---|---|---|---|---|
| 1957 | 3.44% | $6,269 | $.17 | $.34 | $1.72 | $6- 4 |
| 1958 | 3.53 | 6,911 | .32 | .54 | 1.97 | 6- 4 |
| 1959 | 3.63 | 7,314 | .17 | .45 | 2.12 | 6- 3 |
| 1960 | 3.74 | 8,166 | .26 | .66 | 2.32 | 5- 3 |
| 1961 | 3.83 | 9,767 | .24 | .67 | 2.59 | 35- 6 |
| 1962 | 3.85 | 12,000E | .20 | 1.31 | 2.44 | 26-21 |

*Adjusted for increase in life insurance in force. E Estimated.

# As We See It

Continued from page 1

port competition. It would adversely affect our balance of payment position on which our world-wide commitments depend." He cites the benefits or alleged benefits to the steel industry from changes in tax levies. He thinks that further tax benefits are on the way.

Then comes these sentences, some of which could be interpreted in several ways: "I realize that price and wage controls in this one industry while all others are unrestrained would be unfair and inconsistent with our free competitive market—that unlike last year the Government's good faith has not been engaged in talks with the industry and union representatives—and that selected price adjustments, up or down, as prompted by supply and demand, as opposed to across-the-board increases — are not incompatible within a framework of general stability and steel price stability and are characteristic of any healthy economy."

Then comes a plea to the industry and its labor: "In a free society, both management and labor are free to do voluntarily what we are unwilling to impose by law, and I urge the steel industry and the steel union to avoid any action which would lead to a general across-the-board increase. I urge this in their own enlightened self-interest and in the public interest as well."

### Economic Theorizing

And, now what are we to make of all this economic theorizing? In the first place let it be plainly stated that neither the steel industry nor any other line of business either flourishes or increases its competitive power by stubbornly or persistently refusing to take account of cost increases which are beyond their control. This broad generalization could well apply to more than "selected" commodities. And what may or may not happen to the general level of prices does not alter the case. Let it further be placed in the record that in the case of the steel industry, as well as a good many others, unnecessarily high cost elements are often the direct result of the policies of the government headed by President Kennedy. The President is careful to include steel labor in his warning, but it is a commonplace that the unions are not above ignoring what is being said in Washington and that nothing effective is done about it in the nation's capital. It is this element of labor cost which burdens our producers most when they come into competition with foreign producers.

Again, it is plain as a pikestaff that what the Administration has done or is planning to do tax-wise to help the steel industry or any other industry — or the general public for that matter— hardly scratches the surface of what is needed. This would be true even if the proposals of the Administration were given effect *in toto*. Then, there is the uncertainty about what is to happen to the President's proposals before any tax law reaches the statute books. As to our balance of payments, let us not forget about all the more or less artificially induced export of our capital in an effort to take advantage of lower labor costs and to avoid tariffs still imposed by many foreign countries.

### Cheaper Materials Welcome

It seems to us that the President's advisers have been a little hasty in suggesting that he make reference to the competition from cheaper materials. For the life of us, we see no great national disadvantage to the people as a whole, if, somehow, ways and means are found to produce this and that of plastics or the like at a cost lower than it is possible to make them of steel —assuming, of course, that the steel industry is not discriminated against in the matter of public policy. Certainly it would appear strange to suggest, as the President seemed to be doing, that somehow the steel industry ignore its higher costs and proceed to price its products competitively regardless of such costs. In general we are still firmly of the opinion that in the absence of restrictions upon competition, we can and should leave all such matters to the working of natural forces—and, of course, if competition is, in fact, restricted in any way, this interference with natural forces should be remedied by industry itself if it can and, if not, by Government.

One can but wonder in any event what wage-price stability it is that the President seems to discern in the current scene. It appears to us that hardly a day passes that we do not read of wage advances or other concessions to labor which must of necessity raise costs. Whether and how often all this is followed by price increases, we are not prepared to say. The subject is one which can not be determined out of hand. Certainly there have been a number of price advances following such wage changes—and it may be taken for granted that a continuation of this trend in wages, including the fringes, will inevitably give rise to more price increases.

## Aldrich Heads Fund Drive Div.

Hulbert S. Aldrich, Vice-Chairman, Chemical Bank New York Trust Company, has accepted the Chairmanship of the Commercial Banks Division of the National Fund for Medical Education, S. Sloan Colt, President of the Fund, has announced.

Hulbert S. Aldrich

The National Fund for Medical Education is spearheading a nationwide appeal to obtain private support from industry and the general public for the nation's 86 medical schools.

In accepting the appointment, Mr. Aldrich pointed out the need for more medical schools, citing the fact that the already critical ratio of doctors to population is worsening. Merely to maintain the present ratio requires a 50% increase in medical school graduates or 25 new medical schools by 1971.

With five new medical schools actually in preparation and another seven or eight more in the planning stage, there is a far greater need for the type of private support the Fund can give, Mr. Aldrich continued. The schools require unrestricted private aid to help balance the support they receive from the Federal Government. This type of balance helps to create a healthy educational climate, he concluded.

## James Conlin With Kidder, Peabody

Kidder, Peabody & Co., 20 Exchange Place, New York City, members of the New York Stock Exchange, announces that James A. Conlin has joined the firm's syndicate department. In his earlier business connections he had been with the syndicate department of Hayden, Stone & Co. and during the years 1956-1959, he was with the credit department of the Guaranty Trust Company.

## F. I. duPont Appoints

KANSAS CITY, Mo.—Jerry Oakley has been appointed Manager of the Kansas City office of Francis I. duPont & Co., 911 Baltimore Avenue. Fred Klecan becomes Associate Manager — Commodities.

Mr. Oakley has been serving as Assistant Manager of the Francis I. duPont & Co. office in Wichita, Kansas.

# SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

### Easy Does It

You learn about living and human nature from other people, and often you can pick up an idea from someone in an entirely different line of endeavor that you can use effectively in the security business. I have a friend and client who lives in a small town in West Virginia. He has made a personal and financial success out of his life by virtue of hard work, learning from his own experiences, and his native intelligence. Today he is a recognized expert in the field of mining machinery and equipment. When he started out years ago he had very little capital and gradually he built a large and successful business. Now for the story.

He bought a large amount of equipment and a small portion of it was left standing on the property of a farmer who lived just across the line in another county. When he bought the "bulk lot" he didn't even know that some cranes, or dredges, or whatever they were, were in the adjacent county. In fact, he bought the stuff from an inventory sheet that was checked by one of his executives. About a year after the purchase, he received notice that the farmer was bringing legal action against his firm for an exorbitant figure; claiming damages to road-ways, unpaid rentals and other liabilities due to the possible destruction of property when, and if, the material was removed. What had happened was that this landowner had heard that my friend was a very substantial citizen and his company was financially "well heeled." So he thought he would make a try for a settlement that was entirely out of line with reality.

When informed of the situation, instead of calling in his legal talent and getting all hot under the collar, my friend Joe picked up the telephone and called the farmer. He told him that he was completely right. He said that he did not know how to explain the wrong that his firm had done to his property by leaving that equipment there. He told him that he wanted him to know that he didn't do business that way. He also explained that he wanted to get that machinery off the farmer's land as soon as possible, and he would send a special crew to do it, if it were a matter of emergency. By this time the farmer was beginning to sympathize with Joe. He said, "I didn't think you meant to take advantage of me or my property. I've heard some good things about you." All the fight and the greed went out of him. Joe settled the deal over the telephone for $250 rental and guaranteed that no damage would be done to the man's property through removal of the equipment. Instead of defending a lawsuit for $5,000 that was headed his way, his soft words, his conciliatory attitude, and his immediate agreement that the farmer was right, that he was wrong, and that he had no alibi, won the day for him.

### Same Situation in the Investment Business

I have had a client for almost ten years. All her securities are held by a trustee bank. Two accounts are in trust, the other account I handle but all the securities are kept in a custodianship agreement with the same bank. Account number three which is under my supervision, along with the consent and advice of one of the trust officers and the client, was long some bonds that I had put there about five years ago. They have appreciated in price but due to the high premium at which they are now selling, and 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 trust officers who always consults with us. He turned it over to his head of research and several days later I called him for a decision. He told me that his research man also thought the bonds should be sold but that the stock I suggested wasn't conservative enough for this account.

Ordinarily, I would only compliment this research man on his ultra-conservatism, but in this case I conscientiously believed that I knew more about the stock I suggested than my friend, the research man. In fact, this fellow thinks that anything less than an AAA bond is a rank speculation; and he isn't so sure 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 her account. So I remembered my friend Joe and the mining equipment, and I said to the trust officer:

"If Charlie thinks that stock is not conservative enough I'll buy his opinion any time. I wouldn't go against what he thinks, and you think. We can find something else that you believe 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 bothering him a bit 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, without stress, and with a continued relationship of good-will all around. The Japs have a sport called Judo. You can use it in selling too.

## Joins Merrill Lynch

DENVER, Colo.—James Mackay has joined the staff of Merrill Lynch, Pierce, Fenner & Smith Incorporated, 621 17th Street. He was formerly with Kirchner & Co.

# SEC Urges Extension Of Disclosure to OTC Firms

**SEC's Special Study of Securities Markets, submitted to Congress, urges the extension of listed issues' disclosure requirements to the OTC firms with 300 or more stockholders. One-fourth of 1,618 OTC companies randomly sampled were found to have divulged no financial information to the owners and the remainder divulged inadequate reports. The SEC found that the lack of information put the OTC market at a disadvantage. It recommended: (1) phasing-in investor protection by degrees; (2) including banks and insurance companies among the firms covered; (3) extending insiders' short-swing trading safeguards; and (4) identifying covered companies with an identification mark such as "OTC-Listed."**

*The following is taken from the summary analysis issued by the Securities and Exchange Commission, Washington D. C., on the "Report of the Special Study of Securities Markets."*

In Chapter IX of the Report of the Special Study of Securities Markets, delivered to Congress April 3 by the Securities and Exchange Commission, the Special Study discusses the obligations of issuers of publicly held securities and recommends disclosure and wide dissemination of financial and corporate information regarding issuers of securities traded Over-the-Counter, as well as improved measures for protecting investors in both listed and unlisted securities.

Specifically, the Report recommends legislation extending the protections of Section 13 (financial reporting) Section 14 (proxy regulation) and Section 16 (controls on insider trading) of the Securities Exchange Act to investors in Over-the-Counter Issues (the three sections now apply to exchange-listed securities). The report states: "Disclosure is the cornerstone of federal securities regulation; it is the *sine qua non* of investment analysis and decision; it is the great safeguard that governs conduct of corporate managements in many of their activities; it is the best bulwark against reckless corporate publicity and irresponsible recommendation and sale of securities." It seems "wholly indefensible" in terms of logic and public policy, the Report adds, that most investors in Over-the-Counter securities should be afforded drastically less protection than is provided for investors in exchange listed securities. It also notes that other chapters dealing with, for instance, selling and advisory practices, corporate publicity and Over-the-Counter trading demonstrate the compelling need for the application of such safeguards to securities traded Over-the-Counter.

### Inadequate Financial Disclosure

In order to evaluate the financial reporting practices of issuers of Over-the-Counter securities, the Special Study queried a random sample of 1,618 such companies. Of these, 25% sent no financial reports at all to their shareholders and such information as was supplied by the rest was found deficient in many respects.

Proxy solicitation materials were also found inadequate. 24% of the companies surveyed solicited no proxies at all during 1961 and in a large majority of the solicitations for elections of directors shareholders were not even given the names of the nominees; they were "asked blindly to vote for the present management."

Extension of controls on "insider trading" is also needed, the Report notes, since many Over-the-Counter companies are "insider controlled" and insiders now enjoy "unparalleled opportunities" to use confidential corporate information for personal gain from short-swing trading profits in the Over-the-Counter stocks of their corporations.

The Report points out that the absence of the investor protections it recommends puts the Over-the-Counter market itself at a disadvantage. The lack of reliable financial information makes investment advice particularly difficult and costly. Increased costs, added to the want of statutory protections, lead many investors to avoid such securities. The Report states: "Adequate disclosure (would) tend to insure that sound companies will be the ones that will receive investors' funds."

### Apply to 300 Shareholders or More

In order to determine which Over-the-Counter issuers should be covered by the protections of Sections 13, 14, and 16 of the Exchange Act, the Study analysed the 1,618 Over-the-Counter companies in terms of numbers of shareholders, asset size and stock-trading interest. It was found that those in the group with 300 or more shareholders manifested marked evidence of stock turnover and broker-dealer interest as contrasted with companies with fewer shareholders. The Report rejects asset size as a criterion in selecting the companies to which statutory protections should be applied. "An investor in a small enterprise is as entitled to solicitude as one in a large, and indeed, in most instances needs it more," it declared. In summary, the Report states that "at and above the 300 shareholder level trading activity, as measured by transfers and dealer interest, becomes significant for a majority of the issuers affected."

The Report recommends a "phased program" to extend the needed protections by degrees. In order not to impose too severe an administrative burden, it suggests that in the first two years issuers with at least 750 shareholders might be covered, for the next two years issuers with at least 500 shareholders, and thereafter and permanently, an appropriate standard would be 300 shareholders.

### Would Include Bank and Insurance Companies

The Report discusses separately banks and insurance companies and concludes that they also should be included among the companies covered. Analyzing the financial reporting and proxy solicitations of banks, the Report finds that "they fell far short of the standards imposed under Sections 13, 14 and 16." 20% of the banks studied did not send any financial data at all to their shareholders and a great majority of those that did failed to include profit and loss statements. Proxy materials were also judged "inadequate." In 92% of the elections of directors examined, for instance, the names of the nominees were not given and in 97%, their backgrounds were not stated. The Report reviews current state and Federal controls over banks and, apart from recent improvements relating to national banks, finds them of "limited value to investors" and primarily designed for the protection of depositors.

Similarly, the Report urges that insurance companies also be covered, since state regulation of insurance companies is directed to the protection of the holders of insurance policies, not investors in insurance company securities. "Insurance companies . . . exhibit all of the inadequacies in reporting and proxy solicitations characteristic of the total group studied. They should not be exempted when the benefits of those sections are extended to unlisted securities."

The Report also concludes that there is "no need for a general and broad exemption from Section 16(b) (which provides for corporate recovery of short-swing trading profits of insiders) in respect of broker-dealers making markets in securities of issuers on whose boards of directors they are represented. Entirely apart from the merits of broker-dealers' services on corporate boards generally the combination of making a market in an issue . . . and representation on the board of the issuer appears to be, in most if not all circumstances, an unnecessary one; and when consideration is given to the potential conflicts of interest inherent in the combination . . . the balance clearly does not lie in favor of a general and broad exemption." To take care of unusual cases in which it might be shown that a broker is indispensable both as director and market maker, the Report recommends the use of exemptive powers of the Commission on a case by case basis.

### "OTC-LISTED" Identifying Mark

In order to distinguish those Over-the-Counter securities which will be required or might elect to comply with the disclosure and protective provisions of Sections 13, 14 and 16, the Report recommends as a "distinguishing hallmark" for quotations and other purposes the term "OTC-Listed."

Along with certain adjustments in the provisions or application of existing investor protections, the Report urges wider dissemination of officially filed data. It further suggests that the Commission and the self-regulatory agencies should "foster in various ways, wider dissemination of publicly-disclosed information and its more consistent use in selling and advisory processes." Specifically, the Special Study recommends that "filed reports of issuers could immediately be duplicated and distributed, for example, to all regional offices of the Commission and District offices of the National Association of Securities Dealers, Inc. and, upon request and at a nominal charge, to any broker-dealer or member of the public." It also urges "continuous educational measures of various kinds" regarding prospectuses and their contents.

# Dennis R. E. Inv. Trust

ALBANY, N. Y.—Dennis Real Estate Investment Trust is conducting a securities business from offices at 90 State Street.

# Three Join Francis I. duPont

Fred J. Herrmann, Kurt Werner and John A. Halmburger, who came here from Germany as youths and who have been together in the investment business in New York since the early 1930's, have become associated with Francis I. duPont & Co., members of the New York Stock Exchange, as Registered Representatives in the firm's office at One Wall Street, New York City.

Fred Herrmann

Kurt Werner

John Halmburger

The three men were for many years general partners in Kurt Werner & Co., which from a small beginning in 1931 they built up into a substantial and highly respected over-the-counter securities firm. In 1960 they merged this firm into the New York Stock Exchange member firm of H. A. Riecke & Co., Inc., all three men acquiring a stock interest in H. A. Riecke & Co.

Mr. Herrmann was Vice-President of H. A. Riecke & Co. and Manager of its New York office until that firm recently became part of the nationwide investment firm of Francis I duPont & Co.

# New Borrowings in 1963 Seen Equalling Last Year's Volume

**Bankers Trust expert projection of this year's financing requirements estimates it will reach last year's \$62½ billion and exert but a slight upward tilt on interest rates.**

The volume of aggregate new financing in the credit markets in 1962, at \$62½ billion, exceeded all previous records, and net new borrowings are likely to reach a comparable amount this year, according to the *Investment Outlook for 1963*, released April 18 by Bankers Trust Co., New York. Credit remained amply available and interest rates were relatively stable in 1962 despite the unprecedented size of the financing requirements, and the bank anticipates no major change in market conditions this year.

Roy L. Reierson

*The Investment Outlook* is a study prepared annually by Bankers Trust's Economics Department under the leadership and guidance of Dr. Roy L. Reierson, Senior Vice-President and chief economist. Methods of analysis developed over the years by Mrs. Sally S. Ronk, assistant economist on Dr. Reierson's staff, are reflected in the study.

The yield pattern in the long-term credit markets is considered likely to depend upon the intensity with which the Treasury seeks to finance its deficit through the issuance of long-term securities. In the short-term markets, it is felt that the maintenance of an adequate rate differential with foreign financial centers, especially London, will probably be of continuing interest to the monetary authorities, although this problem has recently been moderated by some easing in the short-term rates abroad.

Thus, unless Treasury borrowings at long-term become more substantial as the year wears on, it is anticipated that most interest rates in 1963 are unlikely to rise significantly, if at all, above the range of 1962. They may continue to move in a comparatively narrow range, with credit and debt management policies exercising the decisive influences.

Should a modest sag in business activity occur in the second half of the year, it would probably not materially change the magnitudes of the financial requirements projected in the study, nor their impact upon the credit markets. If the economy should gain renewed upward momentum, on the other hand, and both business and consumer spending advance strongly, the financing requirements indicated could fall short of the mark. The Bankers Trust study anticipates a sustained high level of business activity in 1963, with the gross national product rising by about 4% for the year as a whole.

# Lieberbaum Co. To Be Corp.

The partnership of Lieberbaum & Co., 50 Broadway, New York City, will be dissolved as of April 23rd and on the same date a new corporation, Lieberbaum & Co. Incorporated, members of the New York Stock Exchange will be formed.

Officers of the corporation will be Louis Lieberbaum, Chairman of the Board; Irving E. Hertz, President; Bernard Kaplan, Aaron Korman, Ronald Neumark, Henry Warner, Arnold M. Katz, Sydney Vann, Stuart M. Diamond, Lionel A. Brickman, Vice-Presidents; Sheldon Lieberbaum, Secretary; Fred Santi, Assistant Secretary; and Michael C. Lieberbaum, Treasurer.

# NEWS ABOUT BANKS AND BANKERS

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

The **Sanwa 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 Plaza. Tsuneo Inui will manage the new branch; Sadaoki Kato and Keigo Tatsumi, sub-agents will assist.

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John Reine, has been appointed to the advisory committee of the **Chase Manhattan Bank's** Grand Central branch at 422 Lexington Avenue, N. Y.

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

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**Chemical Bank New York Trust Company, New York** has promoted John H. Baile, Alexander B. Warrick and James W. Welsh, Jr., former Trust Officers in the Fiduciary Division. Mr. Baile becomes Corporate Trust Officer, Corporate Trust Department at 20 Pine Street, and Messrs. Warrick and Welsh are named Personal Trust Officers, Personal Trust Department at 100 Broadway.

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**Prescott S. Bush** resumes participation as a General Partner in **Brown Brothers Harriman & Co., New York.**

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

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Robert A. Gay has been promoted to Executive Vice-President and elected a Director of the **Emigrant Industrial Savings Bank, New York.**

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**Security National Bank of Long Island, Amityville, N. Y.,** elected George Cushman a Director.

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**THE FIRST NATIONAL CITY BANK OF NEW YORK**

| | Mar. 31, 1963 $ | Dec. 31, 1962 $ |
|---|---|---|
| Tot. resources | 10,379,597,114 | 10,280,323,775 |
| Deposits | 9,017,196,504 | 9,141,539,698 |
| Cash & due from banks | 2,446,086,857 | 2,564,266,368 |
| U.S. Govt. sec. holdings | 1,499,183,518 | 1,493,724,419 |
| Loans & discts | 5,069,379,830 | 4,960,933,305 |
| Undiv. profits | 152,540,121 | 148,474,514 |

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The **Chemical Bank New York Trust Co., New York** has elected Wandell M. Mooney, Vice-President of the **South Shore National Bank of Quincy, Mass.,** to its Lower Manhattan Advisory Board, it was announced by Chairman Harold H. Helm.

Mr. Mooney retired on March 1 as regional Vice-President-Metropolitan Division of Chemical Bank New York Trust Co. He had joined Chemical New York in 1919, rose through the ranks and was named a Vice-President in 1935 and regional Vice-President-Metropolitan Division in 1956.

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Irving A. Levine and Daniel C. Greiner have joined the **Commercial Bank of North America, New York** as Vice-Presidents, G. Russell Clark, Chairman, announced.

Mr. Levine, formerly Vice-President of **Bankers Trust Co., New York** will be located at the 1400 Broadway office in a senior management capacity.

Mr. Greiner was formerly Assistant Vice-President at **Manufacturers Hanover Trust Co., New York.**

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The **Lincoln Savings Bank Brooklyn, New York** announced the election of Preston B. O'Sullivan as Vice-President and Secretary, and Henry Boettcher as Auditor.

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Sidney B. Bowne Jr. has been elected to the Board of Trustees of its **Roosevelt Savings Bank, Brooklyn, N. Y.**

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The **Security National Bank of Long Island, Huntington, N. Y.** announced April 11, that the Bank's 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 and sale to stockholders of 141,519 additional shares of common stock.

Subject to the shareholders' approval at the Special Meeting to be held in mid-June and final approval of the Comptroller of the Currency, shareholders of Security 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, James J. Saxon, has given preliminary approval for the proposed capital increase and offering.

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

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Peter A. Van Orden, Assistant Cashier, has been named Manager at **National Bank of Westchester White Plains, New York, Briarcliff Manor Office,** scheduled to open in early June.

He was formerly with **Bank of New York.**

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**The County Trust Company, White Plains, N. Y.,** unveiled a new bank office at 285 Maple Avenue, White Plains, on April 6. The office, replaces the bank's previous quarters at 98 West Post Road.

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The consolidation of **Workingmens Co-operative Bank of Boston, Mass.** and **Codman Cooperative Bank of Dorchester, Mass.** effective with the close of business April 15, was announced. Shareholders of both banks unanimously approved the consolidation earlier in the month.

Mr. Pope will continue as President of the consolidated bank. Mr. William B. Crosby, former President of Codman, becomes a member of Workingmens' Board of Directors.

The consolidation brings Workingmens total assets to over $70,000,000.

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The **National Newark & Essex Bank, Newark, N. J.** elected James F. Crafts a Director.

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

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

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The **Mellon National Bank & Trust Co., Pittsburgh, Pa.,** elected George D. Lockhart a Director.

* * *

The Comptroller of the Currency James J. Saxon approved on April 4 the application to merge **The Fulton National Bank of Lancaster, Lancaster, Pa.,** and the **Keystone National Bank of Manheim, Manheim, Pa.,** 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.

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**The First National Bank of Allentown, Allentown, Pa.,** has named Wilber J. Slocum Assistant Cashier, as Manager of the South Mountain Branch Bank, which will be opened by late summer. His assistant will be Michael J. Holub, Jr.

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The new Richmond office of **Industrial Valley Bank, Jenkintown, Pa.** at 2522 E. Allegheny Avenue, will open April 20.

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The Comptroller of the Currency James J. Saxon on April 4 approved the application to merge the **Fulton National Bank of Lancaster, Lancaster, Pennsylvania,** and the **Keystone National Bank of Manheim, Manheim, Pennsylvania,** effective on or after April 11.

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Floyd D. Gottwald, Jr., has been elected to the Board of Directors to **The Bank of Virginia, Richmond, Va.**

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The **Bank of Virginia, Richmond, Va.,** has announced the promotion of Raymond William Bonnell of its Chester office to Assistant Vice-President, and John G. Sayers of the Petersburg office to Assistant Cashier, effective April 1, 1963.

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The Comptroller of the Currency James J. Saxon on March 28 approved the application to merge **The First National Exchange Bank of Virginia, Roanoke, Va.,** and **The First National Farmers Bank of Wytheville, Wytheville, Va.,** effective on or after March 15, 1963.

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Plans to merge The **Bank of Henrico, Richmond, Va.** with The **Bank of Virginia, Richmond, Virginia** were approved by stockholders at special meetings held April 12 by the two banks.

Merger is subject to approval by banking authorities.

The Bank of Henrico has total assets of $5,604,043, by March 18 figures. The Bank of Virginia has total assets of $176,349,856, by March 18 figures.

Stockholders of The Bank of Virginia also approved a restatement of the Bank's charter, including an increase in the number of authorized shares of stock from 460,000 shares to 750,000 shares.

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The Comptroller of the Currency James J. Saxon on April 5 approved the application to consolidate **National Bank of Commerce of Norfolk, Norfolk, Va.,** and **Peoples National Bank of Central Virginia, Charlottesville, Va.,** effective on or after April 12.

* * *

The **Chicago Title and Trust Co., Chicago, Ill.,** elected Dr. Corliss D. Anderson, Thomas G. Ayers and Arthur C. Nielsen, Jr., Directors.

They were elected to fill vacancies created by the death of Holman D. Pettibone, former President and Chairman of Chicago Title and Trust Co., and the retirement from the Board of Chester R. Davis, former Senior Vice-President, and of Forest D. Siefkin.

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The **Hartford Plaza Bank, Chicago, Ill.,** will open for business April 23, Chairman John P. Bent announced April 15.

The bank has an initial capitalization of $1,500,000. Lawrence W. Nortrup will serve as President and Chief Executive Officer. He has been most recently President of the **Bank of Park Forest, Park Forest, Ill.**

Directors of the bank are Albin E. Carlson, Nicholas Galitzine, William M. Hales, Otis L. Hubbard, Gordon H. Smith, Frank L. Stellner, Herbert R. Stratford, Paul G. Warren, and Morrison Waud.

* * *

The Comptroller of the Currency James J. Saxon 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 $600,000, and it will be operated under the title **Park National Bank of St. Louis Park.**

* * *

The Comptroller of the Currency James J. Saxon 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 J. Saxon on April 9 announced that he has given preliminary approval to organize a National Bank in Temple, Oklahoma.

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 J. Saxon March 29 announced that he has given preliminary approval to organize a National Bank in Springfield, Mo.

Initial capitalization of the new bank will amount to $420,000, and it will be operated under the title **American National Bank in Springfield.**

* * *

The Comptroller of the Currency James J. Saxon April 1 announced that he has given preliminary approval to organize a National Bank in Dexter, Mo.

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

* * *

Comptroller of the Currency James J. Saxon, March 29 announced that he has given preliminary approval to organize a National Bank in North Miami, Florida.

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

* * *

The Comptroller of the Currency James J. Saxon on 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, 1963.

* * *

The Comptroller of the Currency James J. Saxon 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 $375,000, and it will be operated under the title **Ocean National Bank of Fort Lauderdale.**

* * *

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

Initial capitalization of the new bank will amount to $800,000, and it will be operated under the title **"Guaranty National Bank of Fort Lauderdale."**

* * *

The **National Bank of Commerce, Houston, Texas,** elected James A. Byrd a Vice-President.

* * *

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

Initial capitalization of the new bank will amount to $500,000, and it will be operated under the title **"Midway National Bank of Grand Prairie."**

* * *

**The Tennessee Bank and Trust Company, Houston, Texas,** officially opened its new quarters in the Tennessee Building on April 8. The new Tennessee Building, is nearing completion on the block bounded by Milam, Lamar, Louisiana and McKinney Streets.

* * *

The Comptroller of the Currency James J. Saxon April 5 announced that he has given preliminary approval to organize a National Bank in Carrollton, Tex.

Initial capitalization of the new bank will amount to $375,000, and it will be operated under the title **"First National Bank of Carrollton."**

* * *

The Comptroller of the Currency James J. Saxon April 11 announced that he has given preliminary approval to organize a National Bank in Breckenridge, Texas.

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

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The Comptroller of the Currency James J. Saxon April 9 announced that he has given preliminary approval to organize a National Bank in Kress, Texas.

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

* * *

The Comptroller of the Currency James J. Saxon April 1 announced that he has given preliminary approval to organize a National Bank in Absarokee, Montana.

Initial capitalization of the new bank will amount to $200,000, and it will be operated under the title

**Montana National Bank of Absarokee.**

* * *

Directors of **Crocker-Anglo National Bank, San Francisco, Calif.** and **Citizens National Bank, Los Angeles, Calif.**, have approved and executed a definitive merger agreement and have set the dates for meetings of the shareholders of the two institutions when the agreement will be submitted to them for their vote.

Citizens National shareholders will meet on June 18 at Citizens' headquarters in Los Angeles, and Crocker-Anglo shareholders will meet on June 20 at that bank's administrative headquarters in San Francisco.

Approval of the merger by James J. Saxon, Comptroller of the Currency, is also necessary before the union can take place.

Approval in principle of the merger plan was voted by Crocker-Anglo directors on Feb. 8 and by Citizens National directors on Feb. 19.

The merger would be accomplished by an exchange of stock. Each outstanding share of Crocker-Anglo stock would constitute one share of the stock of the merged institution, while shareholders of Citizens National would receive one and nine-tenths shares of stock of the consolidated bank for each share of Citizens stock then held.

The combined institution would have capital stock consisting of 9,407,120 shares, having a par value of $10 each, of which 6,599,395 shares, or 70.15% of the outstanding stock, would be allocable to shareholders of Crocker-Anglo.

The assets of the combined bank would approximate $3,200,000,000.

The two banks would be combined as **Crocker-Citizens National Bank** under Crocker-Anglo's charter.

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**The Bank of California, Los Angeles, Calif.** elected Francis M. Smith Vice-President and Trust Officer of the Southern California headquarters.

* * *

**The San Fernando Valley Bank, Los Angeles, Calif.** will move its head office to a new building on Van Nuys Blvd., in Sherman Oaks. In addition, the Bank will open a new branch office in Woodland Hills.

* * *

**The Bank of Nova Scotia, Toronto, Ont.**, announces the appointment of R. M. MacIntosh as an Assistant General Manager.

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

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**The Royal Bank of Canada, Montreal, Canada** April 15 announced the closing of its branch at Montevideo, Uruguay, effective April 30. At that date, all pending matters are being entrusted to the **Bank of London** and **South America Limited.**

In making the announcement R. W. Shannon, associate General Manager (International Division) of the Royal Bank, said that this does not indicate a contraction of the Bank's international chain of branches, since it is currently planning to open additional branches in Colombia; Venezuela; Dominican Republic; Puerto Rico; Jamaica; Trinidad; British Honduras, and the West Indies.

"The decision to discontinue the bank's operations in Uruguay has been taken with considerable reluctance, said Mr. Shannon. "We have had a branch there since 1919 but due to a combination of circumstances, it is now impractical for us to continue to operate this single unit."

* * *

The **Bank of Nova Scotia, Toronto, Ont.**, has just opened its third Trinidad branch.

The new Caribbean Scotiabranch will be under the management of Mr. David T. Matthews.

He will be succeeded there by Mr. Peter Parrott formerly an accountant at one of the bank's branches in Ottawa.

* * *

The **Bank of Nova Scotia Trust Co. (Bahamas) Ltd.**, announced the election of Major Sir Berkeley Ormerod to the Company's Board of Directors and subsequent appointment as a Deputy Chairman of the Bank.

F. William Nicks, the Bank's Chairman, revealed that Sir 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.**

# General Securities Company

General Securities Company, Inc., 101 West 57th Street, New York City, has announced that as of April 12, 1963, the firm has discontinued its activity as broker-dealer in securities, and has commenced an investment banking and underwriting business abroad.

# Statisticians to Hear Business Forecasters

The business outlook and forecasting techniques will be dual themes of the Fifth Annual Forecasting Conference to be held Friday, 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. Jaffe, President of the New York Area Chapter of the American Statistical Association.

A distinguished group of experts will make forecasts and discuss analytical methods in four Conference sessions. The Short-Term Economic Outlook will be discussed by Douglas Greenwald of the McGraw-Hill Publishing Company and William H. Shaw of E. I. du Pont de Nemours & Company. Speakers at the Sales Forecasting Session will be Robert R. Thek of the Riegel Paper Company and Alvin C. Gross, Pittsburgh Plate Glass Company. Long-Term Forecasting will be the subject of Morris Cohen of "Fortune" Magazine and Lee J. Carey, Continental Can Company, Inc. The speakers on Stock Market Forecasting will be A. Hamilton Bolton of Bolton, Tremblay & Company; Kenneth Ward, Hayden, Stone & Company, and Herman Liss, Scudder, Stevens & Clark.

The luncheon session will be chaired by Martin Gainsbrugh of the National Industrial Conference Board. Paul Hoffman, Managing Director of Special Funds, United Nations, will speak on "Economic Growth Abroad."

Reservations for sessions and luncheon are limited and should preferably be made before the scheduled date of the session by contacting Margaret K. Matulis, McGraw-Hill Publishing Company, 330 W. 42nd Street, New York 36, New York.

# Businessman's BOOKSHELF

**American Way in Taxation:** Internal Revenue 1862-1963 — The full story of the United States' unique system of tax collection from colonial days on; the story of conflicting tax philosophies and legal and legislative battles; with a description of the operations of each branch of the Internal Revenue Service—Prentice-Hall Inc., Englewood Cliffs, N. J. (cloth), $6.95.

**Apportionment and Representative Government** — Alfred de Grazia—American Enterprise Institute, 1012 14th Street, N. W., Washington, D. C. (paper), $2.

**Automation:** The Impact of Technological Change—Yale Brozeni—American Enterprise Institute, 1012 14th Street, N. W., Washington 5, D. C. (paper), $1.

**Automation in Banking**—Robert S. Aldom, Alan B. Purcy, Robert T. Schneider, and Harry E. Whittingham, Jr.— Rutgers University Press, 30 College Avenue, New Brunswick, N. J. (Cloth), $4.50.

**Automobile Facts and Figures**—1963 Edition—Automobile Manufacturers Association, Inc., 366 Madison Avenue, New York, N. Y. (paper).

**Coming World Transformation**—Ferdinand Lundberg—An analysis of the main changes in the world to come in the next 150 years, forecast within the framework of prognostics, an emerging discipline founded on an evidential non-ideological, non-programatic basis — Doubleday & Company, Inc., 575 Madison Avenue, New York 22, N. Y.

**Directory of Busines and Financial Services**—Sixth Edition—Edited by Mary A. McNierney—A selective listing of newsletters, bulletins, reports, and other published services covering the fields of business, economics, and finance; lists about 1,050 services issued by 500 publishers—Special Libraries Association, 31 East 10th Street, New York 3, N. Y. (cloth), $6.50.

**Dynamic Thinking:** A New Shortcut to Personal Success—Robert J. O'Reilly — A technique for stepping up the power of your thinking, crystallizing thoughts and aims and translating them into positive action which will develop the strong mental attitudes necessary for the realization of success — Prentice-Hall, Inc., Englewood Cliffs, N. J. (cloth), $4.95.

**Economic Problems of Portuguese Africa**—Dr. Ralph von Gersdorff — Study — E. & W. Gieseking, Bielefeld - Bethel, Deckertstrasse 2-10, West Germany — Text in German (paper), 25 DM.

**Emerging Concepts in Marketing**—Edited by William S. Decker—American Marketing Association, 27 East Monroe Street, Chicago 3, Ill., $6.

**Epic of Steel** — Douglas Alan Fisher—The story of the past, present, and future of steel, tracing the uses of iron from antiquity to the atomic age—Harper & Row, Publishers, Incorporated, 49 East 33rd Street, New York 16, N. Y. (cloth), $6.75.

**Federal Tax Treatment of State and Local Securities**—David J. Ott and Allan H. Meltzer—The Brookings Institution, 1775 Massachusetts Avenue, N. W., Washington 6, D. C. (paper), $2.

**Fees and Taxes Charged Insurance Companies**—Summary of the requirements of New York State statutes relating to fees and taxes upon corporations doing insurance business in New York—Library, New York State Insurance Department, 123 William Street, New York 38, N. Y., $1.

**Good English With Ease**—A Modern Method for Correcting Errors for students and business personnel desiring to "brush up" on the use of the English language—includes section of grammar, usage, spelling, punctuation, etc.—Arco Publishing Company, Inc., 480 Lexington Avenue, New York 17, New York (paper) $1.50.

**History and Powers of the House Committee on Rules** — American Enterprise Institute, 1012 Fourteenth Street, N. W., Washington 5, D. C. (paper), $1.00. (quantity prices on request).

**How to Run a Small Business**—J. K. Lasser—Third Edition of a practical guide for the small businessman containing a wealth of varied pointers, rules and methods on how to start a business and keep it going and growing—McGraw-Hill Book Company, 330 West 42nd Street, New York 36, N. Y. (cloth) $7.95.

**How to Read and Understand Financial and Business News**—9th revised edition — Doubleday & Company Incorporated, 575 Madison Avenue, New York 22, N. Y. (paper) $1.95.

**International Finance** — Theory-Practice - Institutions — Max J. Wasserman, Charles W. Hultman and Laszlo Szoldos—Simmons-Boardman Publishing Corp., 30 Church Street, New York 7, N. Y. (cloth), $10.

**Japan in the Free World Economy**—Committee for Economic Development, 711 Fifth Avenue, New York 11, N. Y. (paper), $1.50.

**Legislative Director of New York State**—Savings Banks Association of New York State, 200 Park Avenue, New York 17, N. Y. (paper).

**Manual for Firms** designed to assist firms in complying with the rules governing competition in the Common Market—European Community Information Service, 235 Southern Building, Washington 5, D. C., 80¢ (available in French only).

**Processing Change Orders and Disputes on Federal Construction Contracts** — Revised edition including procedures required by major Federal contracting agencies—Associated General Contractors of America, Inc., 1957 E Street, N. W., Washington 6, D. C., $1 per copy (quantity prices on request).

**Profitable Use of Credit in Selling and Collecting** — Allyn M. Schiffer — A comprehensive volume of practical methods of credit and collection covering credit sales at all levels including state-by-state charts of creditors' rights and examples of factoring agreements, credit insurance contracts, etc.—Fairchild Publications, 7 East 12th Street, New York 3, N. Y. (cloth), $12.

**Puerto Rico—Report on Finances and Economy**—Department of the Treasury, Commonwealth of Puerto Rico, San Juan, Puerto Rico (paper).

**Quotations on Money and Thrift**—Compiled by Dorcas E. Campbell and Helen White—Savings Specialties Company, 53 West Jackson Boulevard, Chicago 4, Ill., 75 cents.

**Reducing Tax Rates for Production and Growth**—A program for prompt, substantial, and permanent reduction of Federal Tax Rates — Committee for Economic Development, 711 Fifth Avenue, New York 22, N. Y. (paper), $1.

**Regulation 9:** Fiduciary Powers of National Banks and Collective Investment Funds—Revised—Comptroller of the Currency, U. S. Treasury, Washington 25, D. C. (paper).

**Salesman's Rainbow of Success**—Hugh S. Bell—a tested system for developing seven unbeatable qualities which will blueprint a method for developing highly productive sales techniques which have been used successfully in sales training for 30 years—Prentice-Hall, Inc., Englewood Cliffs, N. J. (cloth), price $5.95.

**Securities Market and How It Works**—Birl E. Shultz — Revised edition edited by Albert P. Squier—a completely revised edition on the operating procedure of the New York Stock Exchange, surveying the fundamental and technical aspects of the securities business for those engaged in it and for other preparing for a career in the market—Harper & Row, Publishers, Incorporated, 49 East 33rd Street, New York 16, N. Y. (cloth), $9.

**Security Analysis:** Principles and Technique — Benjamin Graham, David L. Dodd, and Sidney Cottle—Fourth edition of a comprehensive text on fundamentals, completely revised and including changes in the sections dealing with common stocks — McGraw-Hill Book Company Inc., 330 West 42nd Street, New York 36, N. Y. (cloth), $9.95.

**Statistical Abstract of the United States, 1962** — Summary of statistics on the industrial, social, political and economic organization of the United States—U. S. Department of Commerce 1015 Chestnut Street, Philadelphia 7, Pa. (cloth), $3.50.

**Success System That Never Fails**—W. Clement Stone—A formula for success with charts to check your interests, talents and desires for a self analysis that will lead to success—Prentice-Hall, Inc., Englewood Cliffs, N. J. (cloth), $5.95.

**Tax Guide to Your Travel and Entertainment Deductions**—Record Keeping Rules for 1963—Simon and Schuster, 630 Fifth Avenue, New York 20, N. Y. (paper), $1.

**Theory and Management of Systems**—Richard A. Johnson, Fremont E. Kast, and James E. Rosenzweig—McGraw-Hill Book Company Inc., 330 West 42nd Street, New York 36, N. Y. (cloth), $8.50.

**Urban Travel: Analysis of Urban Travel Demands**—Walter Y. Oi and Paul W. Shuldiner; **Stochastic Choice of Mode in Urban Travel**—Study in Binary Choice—Stanley Leon Warner—Both published by Northwestern University Press, Northwestern University, Chicago, Ill. (in cloth).

**U. S. Trade Expansion Act of 1962:** How will it Affect Canadian-American Trade? — Canadian American Committee, National Planning Association, 1606 New Hampshire Ave., N. W., Washington 9, D. C. (paper), $2.

**Value of Prime Contracts Awarded by Federal Agencies in Areas of Substantial Unemployment** — January-March, 1962—U. S. Department of Commerce, Washington 25, D. C., (paper), 25¢.

# Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

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

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

**Airway Hotels, Inc.**
April 1, 1963 filed 200,000 common. **Price**—$5. **Business**—Company owns and operates a chain of motor hotels, apartment buildings and a shopping center. **Proceeds**—For loan repayment, expansion 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 1978, 240,000 common, and 10-year warrants to purchase an additional 180,000 common. The securities will be offered in 600 units each consisting of one $1,000 debenture, 400 common, and 300 warrants. Registration also covers an additional 92,500 outstanding common. **Price** — By amendment. **Business** — Company supplies electricity and telephone service to the Alaskan communities of Craig, Skagway, and Tok, and supplies electricity to Seldovia. **Proceeds**—For debt repayment, construction and working capital. **Address**—Fifth Ave., Skagway, Alaska. **Underwriter**—Jay W. Kaufman & Co., New York.

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

**All-State Properties, Inc.**
April 24, 1962 filed $5,000,000 of conv. subord. debentures due 1977. **Price**—At par. **Business**—Company and subsidiaries conduct a general real estate business with emphasis on land development and home construction in Fla., Md., N. Y., and Ky. **Proceeds**—For repayment of debt. **Office**—230 Park Ave., N. Y. **Underwriters**—To be named.

**Amerel Mining Co. Ltd.**
July 31, 1961 filed 400,000 common shares. **Price**—50¢. **Business**—The company is engaged in exploration, development and mining. **Proceeds**—For diamond drilling, construction, exploration and general corporate expenses. **Office**—80 Richmond St., W., Toronto. **Underwriter**—E. A. Manning, Ltd., Toronto.

● **American Annuity Life Insurance Co.**
March 29, 1963 filed 154,000 common, of which 125,000 are to be offered by company and 29,000 by certain stockholders. **Price**—By amendment (max. $7). **Business**—Writing of ordinary life insurance. **Proceeds**—For investment. **Address**—807 American Bank & Trust Bldg., Lansing, Mich. **Underwriter**—First of Michigan Corp., Detroit.



**American Mortgage Insurance Co.**
Jan. 10, 1963 filed 31,070 common to be offered for subscription by stockholders on the basis of one share for each five shares held. **Price**—$18. **Business**—A mortgage insurance company. **Proceeds** — For investments. **Office**—300 St. Salisbury St., Raleigh, N. C. **Underwriter**—None.

**American Pacific Fund, Inc.**
July 9, 1962 filed 94,500 common. **Price**—Net asset value. **Business**—An open-end management company specializing in life, health, casualty and accident insurance. **Proceeds**—For investment. **Office**—1523 Kalakaua Ave., Honolulu. **Underwriter**—American Pacific Management Corp. (same address).

**Ampeg Co., Inc.**
Oct. 29, 1962 ("Reg. A") $294,000 7% conv. subord. debentures due 1972 and 29,400 common to be offered in units of one $1,000 debenture and 100 shares. **Price**—$1,020 per unit. **Business**—Manufacture of amplifiers and accessory equipment for musical instruments. **Proceeds**—For inventory, equipment, debt repayment and new products. **Office**—1570 W. Blancke, Linden, N. J. **Underwriter**—John R. Boland & Co., Inc., New York. **Offering**—Indefinite.

● **Arkansas Louisiana Gas Co.**
March 25, 1963 filed $45,000,000 of first mortgage bonds due 1983. **Price**—By amendment. **Proceeds**—For construction, loan repayment and investment in subsidiaries. **Office**—Slattery Bldg., Shreveport, La. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y. **Offering**—Imminent.

**Associated Mortgage Co., Inc. (5/6-10)**
Dec. 21, 1962 filed 135,205 common, of which 100,000 are to be offered by company and 35,205 by stockholders. **Price**—By amendment (max. $10). **Business**—Originating, marketing and servicing of first mortgages and loans on real estate. **Proceeds**—For loan repayment, and working capital. **Office**—1120 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—Shields & Co., Inc., New York.

**Atlas Management Co.**
March 28, 1963 filed $1,500,000 of 6% conv. subord. debentures due 1978. **Price**—At par. **Business**—A holding company for two insurance subsidiaries. **Proceeds**—For loan repayment, investment, and advances to subsidiaries. **Office**—112 California Ave., Reno, Nev. **Underwriter**—None.

**Automatic Merchandising, Inc.**
May 24, 1962 filed 225,000 common, of which 125,000 are to be offered by company and 100,000 by stockholders **Price**—By amendment (max. $6). **Business**—Company operates, owns, services and leases coin-operated automatic vending machines. **Proceeds**—For debt repayment, inventories, equipment and working capital. **Office**—217 N. Willow Ave., Tampa. **Underwriter**—A. C. Allyn & Co., Chicago. **Offering**—Indefinite.

**Bank "Adanim" Mortgages & Loans, Ltd.**
April 9, 1963 filed 84,303 of 8% cumulative preference dividend participating shares. **Price** — $3.33 per share. **Business** — A mortgage loan company. **Proceeds** — To grant loans to immigrants and other persons in need of housing in Israel. **Office**—108 Achad Haam St., Tel Aviv, Israel. **Underwriter**—Sakier & Co., Inc., N. Y.

**Berns Air King Corp. (5/6-10)**
March 29, 1963 filed 100,000 class A common. **Price**—By amendment (max. $7.50). **Business**—Manufacture of ventilating range hoods, kitchen fans, dehumidifiers, and related products. **Proceeds**—For debt repayment, and working capital. **Office**—3050 North Rockwell St., Chicago. **Underwriters**—McCormick & Co., and H. M. Byllesby & Co., Chicago.

**Bonanza Gold, Inc.**
March 4, 1963 ("Reg. A") 750,000 common. **Price**—20 cents. **Business**—Exploration and development of gold placer claims in Alaska. **Proceeds**—For general corporate purposes. **Office**—E. 15 Walton Ave., Spokane. **Underwriter**—Duval Securities, Spokane.

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

● **Bush Hog, (4/30)**
March 19, 1963 filed $1,000,000 of 6½% convertible subordinated debentures due 1973, to be sold by the company; and 200,000 common to be sold by stockholders. The offering will be made in units of one $10 debenture and two common shares. **Price**—$28 per unit. **Business**—Manufacture of farm machinery. **Proceeds**—For debt repayment, inventory, and working capital. **Address**—P. O. Box 1039 Selma, Ala. **Underwriter**—Courts & Co., Atlanta, Ga.

● **Cabot Corp. (4/22-26)**
March 11, 1963 filed 295,140 common. **Price**—By amendment (max. $42). **Business**—Production of carbon black, natural gas, condensate, crude oil and oil field pump equipment. Company also operates a natural gas utility in West Virginia, and manufactures various materials for use in the rubber, paint, ceramic, and plastic industries. **Proceeds**—For selling stockholders. **Office**—125 High St., Boston. **Underwriters** — Carl M. Loeb, Rhoades & Co., and White, Weld & Co., Inc., New York.

**Canaveral Hills Enterprises, Inc. (5/6-10)**
May 10, 1962 filed 100,000 common. **Price**—$5. **Business**—Company was formed to own and operate a country club and golf course, swimming pool and cabana club, near Cape Canaveral, Fla., and develop real estate, erect homes, apartment houses, motels, etc. **Proceeds**—For debt repayment and expansion. **Office**—309 Ainsley Bldg., Miami, Fla. **Underwriter**—Willis E. Burnside & Co., Inc., New York.

**Cash-O-Matic Coupon Corp.**
Feb. 15, 1963 ("Reg. A") 800 units, each consisting of 100 common shares and 10 stock purchase warrants. **Price**—$250 per unit. **Business**—Merchandising of coupons by vending machines in supermarkets. **Proceeds**—For equipment, debt repayment and other corporate purposes. **Office**—682 Main St., Stamford, Conn. **Underwriter**—Reese, Scheftel & Co., Inc., New York.

**Castle Hospitality Services, Inc.**
Dec. 14, 1962 filed $500,000 of 8% debentures due 1969. **Price**—At par ($1,000). **Business**—Company plans to offer management and consultant services to motels and furnish them with equipment. **Proceeds**—For general corporate purposes. **Office**—1068 S. Ocean Blvd., Pompano Beach, Fla. **Underwriter**—None.

**Cedar Lake Public Service Corp.**
March 20, 1962 filed 9,964 common. **Price**—$100. **Business**—Company plans to qualify as a public utility and furnish water and sewage disposal services in and around Cedar Lake, Inc. **Proceeds**—To construct a sewage disposal system. **Address**—R.R. N. 3, Box 28, Cedar Lake, Ind. **Underwriter**—None.

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

**Charter Oak Life Insurance Co.**
March 29, 1963 filed 500,000 class A common. **Price**—$2. **Business**—A legal reserve insurance company. **Proceeds**—For investment, and expansion. **Office** — 411 North Central Ave., Phoenix. **Underwriter**—None.

● **Chemair Electronics Corp. (4/29-5/3)**
Dec. 28, 1962 filed $150,000 of 6% subordinated income debentures due 1973 and 30,000 common shares to be offered in units consisting of one $10 debenture and two common. **Price**—$12 per unit. **Business**—Production and sale of chemicals designed to control odors, bacterial growth and air pollutants; and development, production and sale of an electronic vaporizing unit for dispensing such chemicals. **Proceeds**—For debt repayment, equipment, sales promotion and working capital. **Office**—221 N. La Salle St., Chicago. **Underwriter**—Price Investing Co., New York.

**Chesapeake Fund, Inc.**
March 5, 1963 filed 100,000 common. **Price** — Net asset value. **Business** — A closed-end investment company. **Proceeds**—For investment. **Office** — 156 South St., Annapolis, Md. **Underwriter**—None.

**Chestnut Hill Industries, Inc.**
Nov. 29, 1961 filed 300,000 class A common, of which 225,000 are to be offered by the company and 75,000 by stockholders. **Price**—$5. **Business**—Design and manufacture of women's, misses' and junior sportswear, coordinates, and dresses. **Proceeds**—For debt repayment, equipment and working capital. **Office**—2025 McKinley St., Hollywood, Fla. **Underwriter**—Clayton Securities Corp., Boston, Mass. **Offering**—Indefinite.

**Citadel Life Insurance Co. of New York**
March 26, 1963 filed 40,000 capital shares to be offered for subscription by stockholders on the basis of two new shares for each three held. **Price**—By amendment (max. $26). **Business**—Writing of life, accident, health and disability insurance, and annuities. **Proceeds**—For expansion. **Office**—444 Madison Ave., N. Y. **Underwriter**—Alex. Brown & Sons, Baltimore.

**Colorado Imperial Mining Co.**
Sept. 20, 1962 filed 200,000 common. **Price**—$1. **Business**—General mining. **Proceeds**—For exploration and operating expenses. **Office**—Creede, Colo. **Underwriter**—None.

**Commercial Life Insurance Co. of Missouri**
Nov. 26, 1962 ("Reg. A") 46,000 common to be offered for subscription by stockholders on the basis of one share for each 3.36 common shares held. **Price**—At-the-market. **Business**—Sale of health, accident, life and hospital insurance. **Proceeds**—For working capital. **Office**—3570 Lindell Blvd., St. Louis. **Underwriter**—Edward D. Jones & Co., St. Louis. **Offering**—Indefinite.

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

● **Consolidated Leasing Corp. of America (5/13-17)**
April 11, 1963 refiled $2,500,000 of 6½% debentures due 1978 (with warrants); also 75,000 units, each consisting of two shares of 7% convertible preferred and one share of common. **Price**—By amendment. **Business**—Leasing of cars, trucks and equipment. **Proceeds**—For debt repay-

ment, and other corporate purposes. **Office**—1012 Baltimore Ave., Kansas City, Mo. **Underwriters**—A. C. Allyn & Co., Chicago and Walston & Co., New York.

**Consolidated Natural Gas Co. (4/23)**
March 26, 1963 filed $35,000,000 of debentures due April 1, 1988. **Business**—A holding company for six subsidiaries engaged in all phases of the natural gas business. **Proceeds**—For loan repayment, and construction. **Office**—30 Rockefeller Plaza, New York. **Underwriters**—(Competitive.) Probable bidders: White, Weld & Co.-Paine, Webber, Jackson & Curtis (jointly); Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; First Boston Corp. **Bids**—April 23 (11:30 a.m. EST) at above address. **Information Meeting**—April 18 (10:30 a.m. EST) at the Bankers Club, 120 Broadway, New York.

**Consolidated Oil & Gas, Inc.**
Feb. 28, 1963, filed $2,482,500 of 6% sinking fund debentures due 1975 (with warrants) to be offered for subscription by common stockholders on the basis of $500 of debentures for each 500 shares held of record March 31. **Price**—At par. **Business**—Company is engaged in the acquisition of oil and gas leaseholds. **Proceeds**—For note repayment and working capital. **Address** — 4150 East Mexico Ave., Denver. **Underwriter**—None.

**Consolidated Resources Corp.**
March 29, 1963 filed 79,700 common. **Price**—$6. **Business**—An insurance holding company. **Proceeds**—For investment. **Office**—420 Madison Ave., New York. **Underwriter**—None.

**Consolidated Vending Corp.**
April 2, 1962 filed 70,000 common. **Price**—$5.75. **Business**—Operation of vending machines. **Proceeds**—For debt repayment, working capital and other corporate purposes. **Office**—129 S. State St., Dover, Del. **Underwriter**—Dana Securities Co., Inc., N. Y. **Note**—This registration will be withdrawn.

● **Consultant's Mutual Investments, Inc. (4/29-5/3)**
Dec. 21, 1962 filed 500,000 common. **Price**—$10. (For an initial period the fund will also offer its shares in exchange for acceptable securities on the basis of one share for each $10 market value of securities). **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—211 S. Broad St., Philadelphia. **Underwriter**—Gerstley, Sunstein & Co., Philadelphia.

**Cosmodyne Corp. (5/6-10)**
April 1, 1963 filed 150,000 common. **Price**—By amendment (max. $18). **Business**—Design, development and manufacture of equipment used for pumping, storing and transporting super cold liquids. **Proceeds**—For loan repayment, and working capital. **Office**—3232 W. El Segundo Blvd., Hawthorne, Calif. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

● **Cotton States Life Insurance Co. (4/29)**
Feb. 11 1963 ("Reg. A") 30,000 capital shares. **Price**—$9.70. **Business**—Writing of life, health and accident insurance in Alabama and Georgia. **Proceeds**—For working capital. **Office**—901-22 Ave., Tuscaloosa, Ala. **Underwriter**—First Aalbama Securities, Inc., Montgomery, Ala.

● **Crowell-Collier Publishing Co.**
March 11, 1963 filed $5,500,000 convertible subordinated debentures due 1983, to be offered for subscription by common stockholders on the basis of $100 of debentures for each 60 shares held of record April 18, with rights to expire May 3. **Price** — At par. **Business** — Publication of various types of educational texts and related materials, and the operation of a home study school and radio broadcasting facilities. **Proceeds** — For working capital and loan repayment. **Office**—640 Fifth Ave., N. Y. **Underwriter**—Carl M. Loeb, Rhoades & Co., N. Y.

● **Danac Real Estate Investment Corp. (4/29)**
Feb. 1, 1963 filed 150,000 common. **Price**—$10. **Business**—Real estate development and ownership. Company plans to deal primarily in commercial, light industrial and apartment properties. **Proceeds**—For debt repayment, and other corporate purposes. **Office**—1710 Chapman Ave., Rockville, Md. **Underwriter** — Ferris & Co., Washington, D. C.

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

**Deuterium Corp.**
Sept. 28, 1962 filed 120,000 common with attached warrants to purchase an additional 120,000 shares to be offered for subscription by holders of its stock and deben-

*Continued on page 36*

# NEW ISSUE CALENDAR

**April 22 (Monday)**
Cabot Corp. — Common
(Carl M. Loeb, Rhoades & Co., and White, Weld & Co., Inc.) 295,140 shares
Lenox, Inc. — Common
(Hemphill, Noyes & Co.) 172,500 shares
Manchester Insurance Management & Investment Corp. — Common
(Troster, Singer & Co.) $955,293
Mil National Corp. — Common
(Herbert Young & Co., Inc.) $376,000
Norfolk & Western Ry. — Equip. Trust Ctfs.
(Bids 12 noon EST) $4,410,000

**April 23 (Tuesday)**
Consolidated Natural Gas Co. — Debentures
(Bids 11:30 a.m. EST) $35,000,000
Highland Development Corp. — Common
(Hyder & Co.) $195,000
Mack Shirt Corp. — Common
(W. E. Hutton & Co.) 102,060 shares
Tennessee Gas Transmission Co. — Preferred
(Stone & Webster Securities Corp. and White, Weld & Co.) 200,000 shares
Transport Motor Express, Inc. — Common
(A. C. Allyn & Co.) 150,000 shares
Tri-Continental Corp. — Preferred
(Eastman Dillon, Union Securities Corp.) Max. of 240,000 shares
Tyson's Foods, Inc. — Common
(Rauscher, Pierce & Co., Inc.) 100,000 shares

**April 24 (Wednesday)**
Globe Industries, Inc. — Common
(McDonald & Co.) 127,500 shares
Mitsui & Co., Ltd. — ADS
(Smith, Barney & Co., Inc. and Nomura Securities Co., Ltd.) 125,000 shares
Mitsui & Co., Ltd. — Debentures
(Smith, Barney & Co., Inc. and Nomura Securities Co. Ltd.) $10,000,000
Norway (Kingdom of) — Bonds
(Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co., Inc.; Lazard Freres & Co.; Smith, Barney & Co., Inc.) $25,000,000
Tampa Electric Co. — Bonds
(Bids 11 a.m. EST) $48,000,000
Victor Comptometer Corp. — Common
(Glore, Forgan & Co.) 250,000 shares
Victor Comptometer Corp. — Debentures
(Glore, Forgan & Co.) $15,000,000

**April 25 (Thursday)**
Chicago, Rock Island & Pacific Railroad — Equip. Trust Ctfs.
(Bids 12 noon CST) $2,625,000
General Life Insurance Corp. of Wisconsin — Common
(Offering to stockholders—underwritten by Piper, Jaffray & Hopwood) 311,625 shares
Kentucky Central Life Insurance Co. — Common
(Stifel, Nicolaus & Co., Inc.) 500,000 shares

**April 29 (Monday)**
Chemair Electronics Corp. — Units
(Price Investing Co.) $180,000
Consultant's Mutual Investments, Inc. — Common
(Gerstley, Sunstein & Co.) $5,000,000
Cotton States Life Insurance Co. — Capital Stock
(First Alabama Securities, Inc.) $291,000
Danac Real Estate Investment Corp. — Common
(Ferris & Co.) $1,500,000
Freoplex, Inc. — Debentures
(Alessandrini & Co., Inc.) $200,000
Home Entertainment Co. of America — Common
(Bernard M. Kahn & Co., Inc.) $3,000,000
Laboratory Procedures Inc. — Common
(Charles Plohn & Co. and B. W. Pizzini & Co.) $225,000
Liberty Fabrics of New York, Inc. — Common
(Offering to stockholders—underwritten by Blair & Co., Inc.) 108,700 shares
Mortgage Guaranty Insurance Co. — Common
(Hornblower & Weeks and Robert W. Baird & Co., Inc.) 200,000 shares
Roberts Co. — Common
(Reynolds & Co., Inc. and Lester, Ryons & Co.) 130,000 shares

**April 30 (Tuesday)**
Bush Hog, Inc. — Units
(Courts & Co.) $2,800,000
Holly Sugar Corp. — Debentures
(Eastman Dillon, Union Securities & Co.) $10,000,000
Missouri Fidelity Life Insurance Co. — Common
(A. C. Allyn & Co.) 300,000 shares

**May 1 (Wednesday)**
Diversified Collateral Corp. — Common
(No underwriting) 77,050 shares
Exchange Fund of Boston, Inc. — Common
(Vance, Sanders & Co., Inc.) 1,100,000 shares
Household Finance Corp. — Common
(Lee Higginson Corp.; White, Weld & Co.; and William Blair & Co.) 175,000 shares
Japan (Government of) — Bonds
(First Boston Corp.) $25,000,000
Portland General Electric Co. — Common
(Blyth & Co., Inc.) 725,302 shares

**May 2 (Thursday)**
Natural Gas & Oil Producing Co. — Common
(Peter Morgan & Co.) $900,000

**May 6 (Monday)**
Associated Mortgage Co., Inc. — Common
(Shields & Co., Inc.) 135,205 shares
Berns Air King Corp. — Common
(McCormick & Co. and H. M. Byllesby & Co.) 100,000 shares
Canaveral Hills Enterprises, Inc. — Common
(Willis E. Burnside & Co., Inc.) $500,000
Cosmodyne Corp. — Common
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 150,000 shares
General Automotive Parts Corp. — Common
(Hornblower & Weeks) 200,000 shares
Lunar Films, Inc. — Common
(Ingram, Lambert & Stephen, Inc.) $718,750
Manhattan Life Insurance Co. — Gtee. Stock
(Kidder, Peabody & Co., Inc.) 50,000 shares
Maradel Products, Inc. — Common
(Hornblower & Weeks) 150,000 shares
National Fidelity Life Insurance Co. — Common
(E. F. Hutton & Co., Inc.) 72,455 shares
Pall Corp. — Class A
(Offering to stockholders—underwritten by L. F. Rothschild & Co.) 61,584 shares
Southeastern Mortgage Investors Tr. — Ben. Int.
(Fleetwood Securities Corp. of America) $11,000,000
Sternco Industries, Inc. — Class A
(Oppenheimer & Co.) 25,000 shares
Sternco Industries, Inc. — Debentures
(Oppenheimer & Co.) $400,000
Tourist Industry Development Corp., Ltd. — Debs.
(American-Israel Basic Economy Corp.) $5,000,000
Upper Peninsular Power Co. — Common
(Kidder, Peabody & Co., Inc.; Stone & Webster Securities Corp.; and Paine, Webber, Jackson & Curtis) 34,000 shares
Vend-Mart Inc. — Common
(M. G. Davis & Co., Inc.) $240,000

**May 7 (Tuesday)**
American Telephone & Telegraph Co. — Debs.
(Bids to be received) $250,000,000
Gulf Oil Corp. — Capital Stock
(First Boston Corp.) 3,441,880 shares

**May 8 (Wednesday)**
Chicago Burlington & Quincy RR. — Equip. Trust Ctfs.
(Bids 12 noon CDST) $4,500,000
General Telephone Co. of California — Bonds
(Bids 11 a.m. EDST) $25,000,000
Poulsen Insurance Co. of America — Common
(A. C. Allyn & Co.) 100,000 shares

**May 9 (Thursday)**
Alabama Power Co. — Bonds
(Bids to be received) $16,000,000
Alabama Power Co. — Preferred
(Bids to be received) $5,000,000

**May 13 (Monday)**
Consolidated Leasing Corp. of America — Debens.
(A. C. Allyn & Co., and Walston & Co.) $2,500,000
Consolidated Leasing Corp. of America — Units
(A. C. Allyn & Co., and Walston & Co.) 75,000 units
Halo Lighting, Inc. — Common
(A. G. Becker & Co., Inc.) 150,000 shares
Nuveen Tax-Exempt Bond Fund, Series 4 — Units
(John Nuveen & Co.) $15,000,000
Peterson, Howell & Heather, Inc. — Common
(Alex. Brown & Sons) 33,383 shares

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

**May 15 (Wednesday)**
Chicago Union Station Co. — Bonds
(Bids to be received) $49,000,000

**May 20 (Monday)**
Optech, Inc. — Common
(Stone, Ackerman & Co., Inc. and Heritage Equity Corp.) $420,000
Orr (J. Herbert) Enterprises, Inc. — Common
(First Alabama Securities, Inc.) $1,050,000

**May 21 (Tuesday)**
Central Illinois Public Service Co. — Bonds
(Bids to be received) $10,000,000
Great Northern Ry. — Equip. Trust Ctfs.
(Bids 12 noon EDST) $6,600,000

**May 22 (Wednesday)**
Interstate Power Co. — Bonds
(Bids 11 a.m. EDST) $6,000,000
Interstate Power Co. — Common
(Offering to stockholders—bids 11:30 a.m. EDST) 154,914 shares
Southern California Edison Co. — Bonds
(Bids to be received) $60,000,000

**May 27 (Monday)**
Life Assurance Co. of Pennsylvania — Capital Stock
(Auchincloss, Parker & Redpath and Arthurs, Lestrange & Co.) 100,000 shares
United Camera Exchange, Inc. — Common
(Ingram, Lambert & Stephen, Inc.) $300,000

**May 30 (Thursday)**
Lord Jim's Service Systems, Inc. — Common
(Keon & Co.) $100,000

**June 6 (Thursday)**
Columbia Gas System, Inc. — Debentures
(Bids to be received) $25,000,000

**June 11 (Tuesday)**
Indiana Bell Telephone Co., Inc. — Debentures
(Bids 11 a.m. EDST) $20,000,000

**June 12 (Wednesday)**
Pennsylvania Power Co. — Bonds
(Bids 11 a.m. EDST) $9,000,000

**June 18 (Tuesday)**
Public Service Electric & Gas Co. — Bonds
(Bids 11 a.m. EDST) $40,000,000

**June 24 (Monday)**
Norfolk & Western Ry. — Equip. Trust Ctfs.
(Bids 12 noon EDST) $4,300,000

**July 10 (Wednesday)**
Northern Illinois Gas Co. — Bonds
(Bids to be received) $20,000,000

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

**November 7 (Thursday)**
Georgia Power Co. — Bonds
(Bids to be received) $30,000,000
Georgia Power Co. — Preferred
(Bids to be received) $7,000,000

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tures in units (of one share and one warrant) on the basis of 3 units for each 5% prior preferred share held, 2 units for each 5% preferred A stock held and 40 units for each $1,200 face amount of non-interest bearing subordinated debentures held. At the same time, the company will offer the securities to the public. **Price**—To subscribers, $20; to public, $22.25. **Business**—Company plans to erect a small size production and experimental plant for the limited manufacture of deuterium and deuterium oxide, and to establish and equip a general research laboratory. **Proceeds**—For working capital, construction, equipment and other corporate purposes. **Office**—360 Lexington Ave., N. Y. **Underwriter**—None.

**Diamond Mills Corp.**
Jan. 23, 1962 filed 200,000 common, of which 120,000 are to be offered by the company and 80,000 by stockholders. **Price**—By amendment. **Business**—Manufacture of women's nylon hosiery. **Proceeds**—For debt repayment and working capital. **Office**—417 Fifth Ave., N. Y. **Underwriter**—Drexel & Co., Philadelphia. **Offering**—Indefinitely postponed.

● **Diversified Collateral Corp. (5/1)**
June 13, 1962 filed 77,050 common. **Price**—By amendment (max. $11.75). **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—8397 N. E. Second Ave., Miami, Fla. **Underwriter**—None.

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

**Dixie Lime & Stone Co.**
Sept. 27, 1962 filed 100,000 common. **Price**—By amendment (max. $6.75). **Business**—Mining and processing of crushed granite, lime rock, and agricultural limestone. **Proceeds**—For loan repayment, and working capital. **Office**—11 N. Main St., Ocala, Fla. **Underwriter**—Courts & Co., Atlanta, Ga. **Note** — This registration will be withdrawn.

**Doman Helicopters, Inc.**
April 19, 1962 filed 418,680 common to be offered for subscription by stockholders on the basis of two new shares for each three held. **Price**—By amendment (max. $1.25). **Business**—Research, development and construction of experimental helicopters. **Proceeds** — To obtain certification of models, train service personnel, repay debt, etc. **Address**—Municipal Airport, Danbury, Conn. **Underwriter**—None. **Note**—The SEC has issued a stop order suspending this registration statement.

**Donmoor-Isaacson, Inc.**
Feb. 26, 1962 filed 150,000 common, of which 50,000 are to be offered by the company and 100,000 by stockholders. **Price**—By amendment (max. $12). **Business**—Design and manufacture of boys knit shirts, sweaters, and pajamas. **Proceeds**—For working capital. **Office**—1115 Broadway, N. Y. **Underwriter**—Goodbody & Co., New York. **Offering**—Indefinitely postponed.

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

**Dynapower Systems Corp.**
Sept. 28, 1962 filed 750,000 common. **Price**—$1 **Business**—Manufacture of electro-mechanical vehicles and electronic devices for medical and marine purposes. **Proceeds**—For working capital, equipment and debt repayment. **Office**—2222 S. Centinela Ave., Los Angeles. **Underwriter**—None.

**Eagle's Nest Mountain Estates, Inc.**
April 1, 1963 filed $400,000 of 8% subordinated convertible debentures due 1983, and 400,000 common, of which 300,000 are to be offered by company and 100,000 by stockholders. The securities will be offered in units of one $100 debenture and 100 shares. The registration also covers 600,000 outstanding common. **Price** — $350 per unit. **Business**—Company owns a 781 acre tract in Haywood County, N. C., on which it plans to build houses, a motor lodge, restaurant and an amusement complex. **Proceeds** — For construction, debt repayment, working capital and other corporate purposes. **Office**—2042 South Atlantic Ave., Daytona Beach, Fla. **Underwriter**—Alpha Investment Securities, Inc., Atlanta, Ga.

**Economou (Arthur N.) & Co., Inc.**
March 18, 1963 ("Reg. A") 60,000 common. **Price**—$5. **Business**—Commodity price analysis, commodity trading account management, and commodity futures brokerage. **Proceeds**—For expansion. **Office**—902 Wells Bldg., Milwaukee. **Underwriter**—None.

**Electronic Dispenser Corp.**
Jan. 29, 1963, filed 50,000 common. **Price**—$2. **Business**—Manufacture of the SAFER Butter Chipping machine, and processing of tray-forming and chip-covering materials. **Proceeds**—For operating expenses, equipment, inventory and advertising. **Office**—118 E. 28th St., New York. **Underwriter**—L. D. Brown Co., New York.

**Enzyme Corp. of America**
Feb. 21, 1963, filed 120,000 common. **Price**—$2. **Business**—Company plans to market a new drug known as "Clinizyne" to be used for treatment of a variety of tumor related diseases. **Proceeds**—For equipment, sales promotion, research and development, and working capital. **Office**—727 Land Title Bldg., Philadelphia. **Underwriter**—Bristol Securities Inc., New York. **Offering**—Indefinite.

**Equality Plastics, Inc.**
April 4, 1963 ("Reg. A") 79,995 common. **Price**—$3.75. **Business** — Importing, manufacturing and distributing general merchandise "notions." **Proceeds**—For debt repayment, inventory and working capital. **Office**—286 Fifth Ave., New York. **Underwriter**—J. J. Krieger & Co., Inc., New York.

**Equity Funding Corp. of America**
March 29, 1962 filed 240,000 common. **Price**—By amendment (max. $6.50). **Business**—A holding company for firms selling life insurance and mutual funds. **Proceeds**—For new sales offices, advances to subsidiaries and working capital. **Office**—5150 Wilshire Blvd., Los Angeles. **Underwriter**—Wisconsin-Continental, Inc., Milwaukee.

**Exchange Fund of Boston, Inc. (5/1)**
March 27, 1963 filed 1,100,000 common to be offered in exchange for certain acceptable securities on the basis of one new share for each $27.50 market value of deposited securities, less a sales charge of from 4% down to 1½%. **Business**—A new mutual fund seeking long-term growth of capital and income. **Proceeds**—For investment. **Office**—111 Devonshire St., Boston. **Underwriter**—Vance, Sanders & Co., Inc., Boston.

**Farmers' Educational & Co-operative Union of America**
April 1, 1963 filed $5,500,000 of 5½-6% serial debentures, series E and F, due 1974-83. **Price**—At par. **Business**—A non-profit organization of farmers devoted to the economic and educational betterment of its members. **Proceeds** — For debt repayment, working capital and advances to subsidiaries. **Office**—1575 Sherman St., Denver. **Underwriter**—None.

**Fedco Corp.**
Oct. 29, 1962 filed 20,000 common, of which 17,500 are to be offered by company and 2,500 by a shareholder. **Price**—By amendment (max. $15). **Business**—Design and manufacture of tools, dies, molds, beryllium castings and the distribution of plastic, metal and glass products for home use. **Proceeds**—For a recession offer to stockholders and reduction of accounts payable. **Office**—3600 W. Pratt Ave., Chicago. **Underwriter**—None.

**Fidelity Mining Investments Ltd.**
Nov. 30, 1961 filed 800,000 common. **Price**—By amendment. **Business**—Exploration and testing of mining properties. **Proceeds**—For general corporate purposes. **Office**—62 Richmond St., Toronto. **Underwriter**—G. V. Kirby & Associates, Ltd., Toronto.

**First American Israel Mutual Fund**
Aug. 15, 1962 filed 2,750,000 shares of beneficial interest. **Price**—By amendment (max. $10). **Business**—A mutual fund which plans to invest primarily in equity type securities of Israeli companies. **Proceeds**—For investment. **Office**—141 Milk St., Boston. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston. **Offering**—Expected in May.

**Flori Investment Co.**
March 27, 1963 filed 400,000 capital shares. **Price**—$1.50. **Business**—A real estate development company. **Proceeds**—For debt repayment, construction, purchase of property, and other corporate purposes. **Office** — 700 West Campbell Ave., Phoenix. **Underwriter**—None.

**Florida Jai Alai, Inc.**
June 28, 1962 filed 300,000 common. **Price**—$5. **Business** — Operation of Jai Alai games and pari-mutuel betting. **Proceeds**—For rent, purchase of leased quarters, building improvements, working capital **Office**—Fern Park, Fla. **Underwriter**—Consolidated Securities Corp., Pompano Beach, Fla. **Offering**—Imminent.

**Forst (Alex) & Sons, Inc.**
March 23, 1962 filed 125,000 common. **Price**—By amendment (max. $15). **Business**—Wholesale distribution of toys and games. **Proceeds**—For selling stockholders. **Office**—2885 Jerome Ave., Bronx, N. Y. **Underwriter**—McDonnell & Co., New York. **Offering**—Indefinite.

● **Freeplex, Inc. (4/29-5/3)**
Jan. 2, 1963 ("Reg. A") $200,000 of 7% convertible subordinated debentures due March 1, 1975. **Price**—At par. **Business**—Operation of retail meat supermarkets. **Proceeds**—For debt repayment and working capital. **Address**—Route 18, Tices Lane, East Brunswick, N. J. **Underwriter**—Alessandrini & Co., Inc., New York.

**Garden State Small Business Investment Co.**
Oct. 27, 1961 filed 330,000 common. **Price**—$3. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—1180 Raymond Blvd., Newark, N. J. **Underwriter**—Godfrey, Hamilton, Taylor & Co., N. Y. **Offering**—Temporarily postponed.

**Geigher Pipe Supply Inc.**
Sept. 28, 1962 filed 60,000 class A common, of which 50,000 are to be offered by company and 10,000 by stockholders. **Price**—$9.50. **Business**—Sale of steel pipes, valves and fittings. **Proceeds**—For inventory. **Office**—4124 N. Broadway, St. Louis. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo. **Offering**—Indefinite.

● **General Automotive Parts Corp. (5/6-10)**
March 28, 1963 filed 200,000 common. **Price**—By amendment (max. $15). **Business**—Distribution of automotive replacement parts. **Proceeds**—For debt repayment, and other corporate purposes. **Office** — 2011 Cedar Springs Rd., Dallas. **Underwriter**—Hornblower & Weeks, New York.

**General Design Corp.**
April 25, 1962 ("Reg. A") 65,000 common. **Price**—$3 **Business**—Design and development of new products for various industries. **Proceeds**—For debt repayment equipment and working capital. **Office**—1252 W. Peachtree St., N. W., Atlanta, Ga. **Underwriter** — Robert M. Harris & Co., Inc., Philadelphia. **Note**—The SEC has issued an order temporarily suspending this issue.

● **General Life Insurance Corp. of Wisconsin (4/25)**
March 6, 1963 filed 311,625 common to be offered for subscription by stockholders on the basis of one new share for each four held of record April 10, 1963. Rights will expire May 10. **Price**—By amendment. **Business**—Writing of life and endowment policies. **Proceeds** — For general corporate purposes. **Address** — 8500 W. Capital Dr., Milwaukee. **Underwriter** — Piper, Jaffray & Hopwood, Minneapolis.

**Global Construction Devices, Inc.**
June 29, 1962 filed 100,000 common. **Price**—$10. **Business**—Manufacture, sale and lease of steel supports and beams used in construction. **Proceeds**—For debt repayment, expansion, research, and inventory. **Office**—545 Cedar Lane, Teaneck, N. J. **Underwriters**—Winslow, Cohu & Stetson and Laird, Bissell & Meeds, N. Y.

● **Globe Industries, Inc. (4/24)**
March 20, 1963 filed 127,500 common, of which 50,000 will be sold for the company, and 77,500 for stockholders. **Price**—By amendment (max. $11). **Business**—Manufacture of miniature electric motors, and related items. **Proceeds**—For a new plant, equipment, and inventories. **Office**—1784 Stanley Ave., Dayton. **Underwriter**—McDonald & Co., Cleveland.

● **Gold Leaf Pharmacal Co., Inc.**
March 13, 1962 filed 80,000 common. **Price**—$4. **Business**—Manufacture, development and sale of pharmaceutical and veterinarian products. **Proceeds**—For advertising, research, debt repayment and working capital. **Office**—36 Lawton St., New Rochelle, N. Y. **Underwriter**—Droulia & Co., N. Y. **Note**—This statement was withdrawn.

**Gotham Educational Equipment Co. Inc.**
Dec. 4, 1962 filed 75,000 common. **Price**—By amendment (max. $6). **Business**—Design, manufacture, and marketing of items used in educational institutions such as chalk boards, exhibit cases, etc. **Proceeds**—For general corporate purposes. **Office** — 91 Weyman Ave., New Rochelle, New York. **Underwriter**—To be named. **Offering**—Indefinite.

**Great Continental Real Estate Investment Trust**
Aug. 3, 1961 filed 300,000 shares of beneficial interest. **Price**—$10. **Business**—Real estate. **Proceeds**—For investment. **Office**—530 St. Paul Pl., Baltimore. **Underwriter**—To be named. **Note**—This firm formerly was known as Continental Real Estate Investment Trust.

● **Great Eastern Insurance Co.**
April 13, 1962 filed 181,600 common. **Price**—$5. **Business**—Company plans to write certain types of fire and casualty insurance. **Proceeds** — For general corporate purposes. **Office**—116 John St., New York. **Underwriters**—Emanuel, Deetjen & Co., and Zuckerman, Smith & Co., New York. **Offering**—Imminent.

**Greater Miami Industrial Park, Inc.**
Feb. 25, 1963, filed 136,094 common to be offered for subscription by stockholders on the basis of one share for each 4½ shares held. **Price**—$5.50. **Business**—Acquisition and development of real estate. **Proceeds** — For general corporate purposes. **Office**—811 duPont Plaza Center, Miami, Fla. **Underwriter**—None.

**Greater Nebraska Corp.**
Feb. 20, 1963, filed 3,000,000 common. **Price**—$2. **Business**—Company plans to operate subsidiaries in the fields of banking, insurance, finance, etc. **Proceeds**—For general corporate purposes. **Office**—1107 Federal Securities Building, Lincoln, Neb. **Underwriter**—None.

**Greenman Bros., Inc.**
April 25, 1962 filed 150,000 common, of which 50,000 are to be offered by company and 100,000 by stockholders. **Price**—By amendment (max. $7). **Business**—Wholesale and retail distribution of toys, hobby lines and sporting equipment. **Proceeds**—For debt repayment, inventory and working capital. **Office**—35 Engel St., Hicksville, N. Y. **Underwriter**—J. R. Williston & Beane, New York. **Offering**—Indefinite.

● **Greenwich Gas Co.**
March 29, 1963 filed 37,735 common, to be offered for subscription by stockholders on the basis of one new share for each 5.6 shares held. **Price**—$13.25. **Business**—Distribution of gas, and gas appliances in Greenwich. **Proceeds**—For loan repayment. **Office**—33 Greenwich Ave., Greenwich, Conn. **Underwriter**—F. L. Putnam & Co., Inc., Boston. **Offering**—Expected in mid-May.

**Hallandale Rock & Sand Co.**
March 30, 1962 filed $250,000 of 8% subordinated debentures due 1977, 200,000 common and 6-year warrants to purchase 25,000 common at $1 per share to be offered in units consisting of a $10 debenture, 8 common shares and one warrant. **Price**—$18 per unit. **Business**—Extraction, processing and sale of rock and sand. **Proceeds**—For a new plant and other corporate purposes. **Address**—Hallandale, Fla. **Underwriter**—To be named.

**Hartford Gas Co.**
April 5, 1963 filed 80,000 common to be offered for subscription by stockholders on the basis of one new share for each six common or preferred shares held. **Price**—By amendment (max. $30). **Business**—Company supplies natural and manufactured gas in Hartford County, Conn. **Proceeds**—For loan repayment, and construction. **Office**—233 Pearl St., Hartford. **Underwriter**—None.

**Heck's Discount Centers, Inc.**
June 7, 1962 filed 125,000 common. **Price**—By amendment (max. $5). **Business**—Operation of discount stores. **Proceeds**—For inventory, expansion, debt repayment and working capital. **Office**—6400 MacCorkle Ave., S. W., St. Albans, W. Va. **Underwriter**—Willard Securities, Inc., New York. **Note** — This registration will be withdrawn.

● **Highland Development Corp. (4/23)**
Feb. 23, 1963 ("Reg. A") 39,000 common. **Price**—$5. **Business**—Real estate investment in Albuquerque area. **Proceeds**—For general corporate purposes. **Office**—607 San Mateo Blvd., N. E., Albuquerque. **Underwriter**—Hyder & Co., Albuquerque.

**Hill Street Co.**
Oct. 16, 1961 filed 2,265,138 common to be offered for subscription by stockholders of Union Bank of California on a share-for-share basis. **Price**—$3. **Business**—A management investment company. **Proceeds**—For investment. **Office**—760 S. Hill St., Los Angeles. **Underwriter**—None.

**Holiday Mobile Home Resorts, Inc.**
March 27, 1963 filed $1,250,000 of 6½% conv. subord. debentures due 1978, and 75,000 common to be offered in units consisting of $50 of debentures and 3 shares. **Price**—$68 per unit. **Business**—Development and operation of mobile home resorts throughout U. S. **Proceeds**—For debt repayment, construction, and other corporate purposes. **Office** — 4344 East Indian School Rd., Phoenix. **Underwriters**—Boettcher & Co., Denver, and J. R. Williston & Beane, New York.

**Hollingsworth Solderless Terminal Co.**
Feb. 27, 1962 ("Reg. A") 75,000 common. **Price** — $4. **Business**—Manufacture, sale and development of solderless terminals and other wire terminating products. **Proceeds**—For debt repayment, equipment, advertising and working capital. **Address**—P. O. Box 430, Phoenixville, Pa. **Underwriter**—Harrison & Co., Philadelphia. **Offering**—Temporarily postponed.

**Holly Sugar Corp. (4/30)**
March 7, 1963 filed $10,000,000 convertible subordinated debentures due 1983. **Price**—At par. **Business**—Production of beet sugar and related products, and sale of livestock, beet seed, and fertilizer. **Proceeds**—For a new plant. **Address**—Holly Sugar Bldg., Colorado Springs, Colo. **Underwriter**—Eastman Dillon, Union Securities & Co., New York.

● **Home Entertainment Co. of America (4/29-5/3)**
Jan. 16, 1963 filed 300,000 common. **Price**—$10. **Business**—Company is engaged in the development and promotion of a pay television system in Santa Monica, Calif. **Proceeds**—For installation of a pay television system. **Address** — 19th and Broadway, Santa Monica, Calif. **Underwriter**—Bernard M. Kahn & Co., Inc., New York.

**Homestead Packers, Inc.**
March 13, 1963 filed 5,000 shares of 6% non-cumulative preferred stock, and 5,000 common, to be offered for sale in units of one common and one preferred share. **Price**—$150 per unit. **Business**—Company plans to construct and operate a beef and pork packing plant. **Proceeds**—For construction, equipment, and working capital. **Address**—Beatrice, Nebr. **Underwriter**—None.

**Horace Mann Life Insurance Co.**
Feb. 1, 1963 filed 200,000 common, of which 80,000 are to be offered by company and 120,000 by stockholders. **Price** — $12.50. **Business**—Writing of life, accident and health insurance. **Proceeds**—For general corporate purposes. **Office**—216 E. Monroe St., Springfield, Ill. **Underwriter**—Horace Mann Investors Inc., (same address).

**Hunsaker (S. V.) & Sons**
March 30, 1962 filed $1,300,000 of convertible subordinated debentures due 1977 and 200,000 common shares. **Price** — By amendment (max. $6 per common share). **Business**—Construction of homes and apartments on land which company has acquired in Southern Calif. **Proceeds**—For debt repayment and other corporate purposes. **Office**—15855 Edna Pl., Irwindale, Calif. **Underwriter**—To be named. **Offering**—Indefinite.

**Infotronics Corp.**
Oct. 23, 1962 filed 100,000 common. **Price**—$5. **Business**—Research, engineering, manufacturing and marketing in the field of electronic information handling and automation systems. **Proceeds**—For new products, inventory, new plant and working capital. **Office**—1401 S. Post Oak Rd., Houston. **Underwriter**—None.

● **Inter-Mountain Telephone Co.**
March 21, 1963 filed 266,000 common being offered for subscription by stockholders on the basis of one new share for each seven held of record April 12, 1963. Rights will expire May 1. **Price**—$10. **Proceeds**—For loan repayment and expansion. **Address**—Sixth & Crumley Sts., Bristol, Tenn. **Underwriter**—Courts & Co., Atlanta.

**International Systems Research Corp.**
March 30, 1962 filed 110,000 class A common and 9-month warrants to purchase 110,000 class A shares at $4 per share, to be offered in units, each consisting of one share and one warrant. **Price**—$4 per unit. **Business**—Design, development and manufacture of mechanical, electromechanical and electronic equipment for government agencies and the military. **Proceeds**—For equipment, debt repayment and working capital. **Office**—Engineer's Hill, Plainview, L. I., N. Y. **Underwriter**—Leib, Skloot & Co., Inc., Clifton, N. J. **Offering**—Indefinite.

**Interstate Equity**
March 30, 1962 filed 1,605,100 shares of beneficial interest. **Price**—(max. $10). **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—450 Seventh Ave., N. Y. **Underwriter**—Van Alstyne, Noel & Co., N. Y. **Offering**—Indefinite.

**Interstate Power Co. (5/22)**
March 21, 1963 filed 154,194 common to be offered for subscription by stockholders on the basis of one new share for each 26 held of record May 22, 1963. **Price**—By amendment (max. $24). **Proceeds**—For loan repayment and construction. **Office**—1000 Main St., Dubuque, Iowa. **Underwriters** — (Competitive.) Probable bidders: Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Ladenburg, Thalmann & Co.; White, Weld & Co. **Bids**—May 22 (11:30 a.m. EDST) at One Chase Manhattan Plaza 23rd Floor), New York. **Information Meeting**—May 13 (3 p.m. EDST) at One Chase Manhattan Plaza (28th Floor), New York.

**Interstate Power Co. (5/22)**
March 21, 1963 filed $6,000,000 of first mortgage bonds due 1993. **Proceeds**—For loan repayment and construction. **Office**—1000 Main St., Dubuque, Iowa. **Underwriters** — (Competitive.) Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; White, Weld & Co. **Bids**—May 22 (11 a.m. EDST) at One Chase Manhattan Plaza (23rd floor), New York. **Information Meeting**—May 13 (3 p.m. EDST) at One Chase Manhattan Plaza (28th floor), N. Y.

**Investors Realty Trust**
May 31, 1962 filed 200,000 shares. **Price** — $10. **Business**—A real estate investment trust. **Proceeds** — For construction and investment. **Office** — 3315 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—None.

● **Investors Trading Co.**
Jan. 17, 1963 filed 200,000 capital shares. **Price** — Net asset value (max. $5), plus 8% sales charge. **Business**—A mutual fund. **Proceeds**—For investment. **Office**—460 Denver Club Building, Denver. **Distributor**—Nemrava & Co. (same address). **Offering**—Expected in mid-May.

**Jaap Penraat Associates, Inc.**
Jan. 30, 1962 filed 100,000 common. **Price**—$3. **Business**—Industrial designing, the design of teaching machines and the production of teaching programs. **Proceeds**—For expansion, new facilities and working capital. **Office**—315 Central Park W., N. Y. **Underwriter**—R. F. Dowd & Co., Inc., New York. **Offering** — Indefinitely postponed.

**Jefferson (Thomas) Insurance Co.**
March 29, 1963 ("Reg. A") 6,840 common. **Price**—By amendment. **Business** — Writing of marine, automobile and fire insurance. **Proceeds**—For selling stockholders. **Office**—457 Starks Bldg., Louisville. **Underwriter**—Stein Bros. & Boyce, Louisville.

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

**Kentucky Central Life Insurance Co. (4/25)**
March 21, 1963 filed 500,000 class A common. **Price**—By amendment (max. $25). **Business**—Writing of life, accident, and health insurance. **Proceeds**—For investment. **Address**—Anchorage, Ky. **Underwriter**—Stifel, Nicolaus & Co., Inc., St. Louis.

**Key Training Service, Inc.**
March 26, 1963 filed 47,500 common, of which 40,000 are to be offered by company and 7,500 by a stockholder. **Price**—$6.50. **Business** — Publishing of home study courses through franchised dealers. **Proceeds**—For working capital. **Office**—407 Lincoln Rd., Miami Beach. **Underwriters** — Seymour Blauner Co., and Shelton Securities Co., 663 Fifth Ave., New York.

**Kraft (John) Sesame Corp.**
May 24, 1962 filed $225,000 of 6% conv. subord. debentures, due 1972, and 150,000 common to be offered in units consisting of a $300 debenture and 200 shares. **Price**—$900 per unit. **Business**—Processing and distribution of sesame seed. **Proceeds**—For accounts receivable, inventories, plant expansion and working capital. **Office**—2301 N. Main St., Paris, Texas. **Underwriters**—John A. Dawson & Co., and Leason & Co., Inc., Chicago.

**Kwik-Kold, Inc.**
March 29, 1962 ("Reg. A") 100,000 common of which 65,000 will be sold for company and 35,000 for stockholders. **Price** — $3. **Business** — Manufacture of certain patented cooling packages. **Proceeds**—For debt repayment and working capital. **Office**—Jennings Bldg., P. O. Box 638, Moberly, Mo. **Underwriter**—John W. Flynn & Co., Santa Barbara, Calif. **Note**—This letter will be withdrawn.

● **Laboratory Procedures Inc. (4/29-5/3)**
Feb. 26, 1963, filed 225,000 common. **Price**—$1. **Business**—Operation of six medical testing laboratories. **Proceeds**—For general corporate purposes. **Office**—3701 Stocker St., Los Angeles. **Underwriters** — Charles Plohn & Co., and B. W. Pizzini & Co., New York.

**Langsam (S. R.) & Co.**
March 29, 1963 ("Reg. A") $200,000 of 6½% subord. s. f. debentures due March 1, 1978. **Price**—$1,000. **Business**—General commercial financing, and accounts receivable factoring. **Proceeds** — For general corporate purposes. **Office**—1321 Bannock St., Denver. **Underwriter**—Bosworth, Sullivan & Co., Inc., Denver.

**Leeds Shoes, Inc.**
March 29, 1963 filed 90,000 common. **Price**—$3.50. **Business**—Company operates 25 retail shoe stores in Florida. **Proceeds**—For debt repayment, working capital, and expansion. **Office**—1310 North 22nd St., Tampa, Florida. **Underwriter**—Strathmore Securities, Inc., Pittsburgh.

**Lenox, Inc. (4/22-26)**
March 25, 1963 filed 172,500 common, of which 25,700 shares are to be offered by company and 146,800 by stockholders. **Price**—By amendment (max. $18). **Business**—Manufacture and marketing of plastic and china dinnerware and gift ware. **Proceeds** — For working capital. **Address**—Prince and Mead Streets, Trenton, N. J. **Underwriter**—Hemphill, Noyes & Co., N. Y.

● **Liberty Fabrics of New York, Inc. (4/29-5/3)**
March 28, 1963 filed 108,700 common to be offered for subscription by stockholders on a pro rata basis. **Price**—By amendment (max. $18.50). **Business** — Design and manufacture of woven and knitted laces and nettings. **Proceeds**—For a new plant, loan repayment, and working capital. **Office**—105 Madison Ave., New York. **Underwriter**—Blair & Co., Inc., New York.

**Liberty Real Estate Trust**
Feb. 25, 1963 filed 500,000 shares of beneficial interest. **Price**—By amendment (max. $10). **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—432 Commerce Exchange Bldg., Oklahoma City. **Underwriter**—None.

**Life Assurance Co. of Pennsylvania (5/27-31)**
March 28, 1963 filed 100,000 capital shares. **Price**—By amendment (max. $33). **Business**—Writing of life, accident, and health insurance. **Proceeds**—For investment, and expansion. **Office**—2204 Walnut St., Philadelphia. **Underwriters**—Auchincloss, Parker & Redpath, Philadelphia, and Arthurs, Lestrange & Co., Pittsburgh.

**Livestock Financial Corp.**
Feb. 23, 1962 filed 130,000 common. **Price**—$10. **Business**—An insurance holding company whose subsidiaries insure the lives of all types of animals. **Proceeds**—To form new subsidiaries. **Office**—26 Platt St., N. Y. **Underwriter**—Shearson, Hammill & Co., N. Y. **Offering**—Indefinite.

**Logos Options, Ltd.**
April 11, 1962 filed 250,000 capital shares. **Price** — By amendment (max. $10). **Business**—A diversified closed-end investment company. **Proceeds**—For investment. **Office**—26 Broadway, N. Y. **Underwriter**—Filor, Bullard & Smyth, N. Y. **Note**—This company formerly was named Logos Financial, Ltd. **Offering**—Indefinite.

● **Lord Jim's Service Systems, Inc. (5/30)**
Jan. 14, 1963 ("Reg. A") 100,000 common. **Price** — $1. **Business**—Operation of drive-in restaurants. **Proceeds**—For leases, equipment and working capital. **Office**—1601 Mandeville Canyon Rd., Los Angeles. **Underwriter**—Keon & Co., Los Angeles.

**Loyalty Financing Corp.**
Dec. 19, 1962 ("Reg. A") 24,000 shares of 6½% cumulative convertible preferred and 60,000 common to be offered in units consisting of 20 preferred and 50 common shares. **Price**—$250 per unit. **Business**—A business finance company. **Proceeds**—For working capital. **Office**—5 W. Main St., Freehold, N. J. **Underwriter**—Friedman & Co., Inc., New York. **Offering**—Indefinite.

● **Lunar Films, Inc. (5/6-10)**
Aug. 31, 1961 filed 125,000 common. **Price**—$5.75. **Business**—The production of television films. **Proceeds**—For filming and production and working capital. **Office**—543 Madison Ave., New York. **Underwriter** — Ingram, Lambert & Stephen, Inc., 50 Broad St., New York.

● **Mack Shirt Corp. (4/23)**
March 20, 1963 filed 102,060 class A common. **Price**—By amendment (max. $20). **Business**—Design, manufacture, sale and distribution of shirts for men and women; also women's slacks and shorts. **Proceeds**—For selling stockholders. **Office**—412 E. Sixth St., Cincinnati. **Underwriter**—W. E. Hutton & Co., Cincinnati.

**Madway Main Line Homes Inc.**
Feb. 19, 1963 filed 100,000 common. **Price**—By amendment (maximum $14). **Business**—Production, sale, erection and financing of manufactured homes. **Proceeds**—To finance future credit sales of homes. **Office**—315 E. Lancaster Ave., Wayne, Pa. **Underwriter**—Drexel & Co., Philadelphia. **Offering**—Indefinite.

**Management Investment Corp.**
Aug. 29, 1962 filed 2,000 common (with attached warrants). **Price**—$500. **Business**—Company plans to furnish equity capital to firms in the atomic, space and missile fields, and provide advisory and management counseling services on a fee basis. **Proceeds**—For repayment of loans, and general corporate purposes. **Office**—130 Fulton Federal Bldg., Atlanta. **Underwriter**—None.

● **Manchester Insurance Management & Investment Corp. (4/22-26)**
Nov. 28, 1962 filed 272,941 common. **Price**—$3.50. **Business**—Writing of casualty insurance, adjustment of claims, financing of insurance premiums, and the making of investments. **Proceeds**—For expansion, loan repayment and other corporate purposes. **Office**—9929 Manchester Rd., St. Louis. **Underwriter**—Troster, Singer & Co., N. Y.

**Manhattan Drug Co., Inc.**
March 29, 1962 filed 72,000 common, of which 58,000 are to be offered by company and 14,000 by stockholders. **Price**—$3.50. **Business**—Manufacture, packaging and sale of various proprietary drug products. **Proceeds**—For equipment, new products, debt repayment and working capital. **Office**—156 Tillary St., Brooklyn, N. Y. **Underwriter**—Dana Securities Co., Inc., N. Y. **Note**—This registration will be withdrawn.

● **Manhattan Life Insurance Co. (5/6-10)**
March 20, 1963 filed 50,000 guarantee capital shares. **Price**—By amendment (max. $135). **Business**—Writing of ordinary and group life insurance. **Proceeds**—For selling stockholders. **Office**—111 W. 57th St., New York. **Underwriter**—Kidder, Peabody & Co., Inc., New York.

**Maradel Products, Inc. (5/6-10)**
April 1, 1963 filed 150,000 common. **Price**—By amendment (max. $25). **Business**—Manufacture and sale of cosmetics, pharmaceuticals and related products. **Proceeds**—For an acquisition and working capital. **Office**—516 Ave. of the Americas, N. Y. **Underwriter**—Hornblower & Weeks, N. Y.

**Marshall Press, Inc.**
May 29, 1962 filed 60,000 common. **Price**—$3.75. **Business**—Graphic design and printing. **Proceeds**—For publishing a sales catalogue, developing a national sales

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staff and working capital. **Office**—812 Greenwich St., N. Y. **Underwriter**—To be named. **Offering**—Indefinitely postponed.

**Medic Corp.**
Feb. 28, 1963, filed 1,000,000 class B common. **Price**—$1.25. **Business**—A holding company for three life insurance firms. **Proceeds**—For loan repayment, operating expenses, and investment in other insurance concerns. **Address**—714 Medical Arts Bldg., Oklahoma City. **Underwriter**—Lincoln Securities Corp. (same address). **Offering**—Expected in May.

**Medical Industries Fund, Inc.**
Oct. 23, 1961 filed 25,000 common. **Price**—$10. **Business**—A closed-end investment company which plans to become open-end. **Proceeds** — For investment in the medical industry and capital growth situations. **Office**—677 Lafayette St., Denver. **Underwriter** — Medical Associates, Inc., Denver.

**Medical Video Corp.**
Nov. 13, 1961 filed 250,000 common. **Price** — $1. **Business** — Manufacture of medical electronic equipment. **Proceeds** — For general corporate purposes. **Office**—Studio City, Calif. **Underwriter** — Financial Equity Corp., Los Angeles.

**Meridian Fund, Inc.**
March 4, 1963 filed 500,000 capital shares. **Price**—Net asset value plus 5%. **Business**—A new mutual fund to be offered initially to members of the medical profession. **Proceeds**—For investment. **Office** — 714 Boston Bldg., Denver. **Underwriter**—Centennial Management & Research Corp., (same address).

**Met Food Corp.**
March 30, 1962 filed $1,000,000 of convertible subordinated debentures due Nov. 1, 1977. **Price** — By amendment. **Business**—Distribution of food and related products to supermarkets and other retail stores in the New York Metropolitan area. **Proceeds**—For general corporate purposes. **Office**—345 Underhill Blvd., Syosset, N. Y. **Underwriter**—Brand, Grumet & Siegel, Inc., N. Y. **Offering**—Indefinite.

**Midwest Technical Development Corp.**
Feb. 26, 1962 filed 561,500 common to be offered for subscription by stockholders on the basis of one share for each two shares held. **Price**—By amendment (max $7). **Business** — A closed-end management investment company. **Proceeds** — For general corporate purposes. **Office** — 2615 First National Bank Bldg., Minneapolis. **Underwriter**—None.

**Mil National Corp. (4/22-26)**
Jan. 28, 1963 refiled 94,000 common. **Price**—$4. **Business**—Distribution of commercial dry cleaning and laundry equipment. **Proceeds**—For general corporate purposes. **Office**—1101 East Tremont Ave., Bronx, New York. **Underwriter**—Herbert Young & Co., Inc., New York.

● **Missouri Fidelity Life 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 expansion. **Office**—2401 South Brentwood Blvd., St. Louis. **Underwriter**—A. C. Allyn & Co., Chicago.

**Mitsui & Co., Ltd. (4/24)**
Feb. 20, 1963, filed $10,000,000 of convertible sinking fund debentures due 1978, and 125,000 American Depositary Shares. **Price**—By amendment (max. for shares $20). **Business**—A general trading company dealing in a variety of industrial, agricultural and consumer goods and commodities. **Proceeds**—For general corporate purposes. **Address**—Tokyo, Japan. **Underwriters** — Smith, Barney & Co., Inc., and Nomura Securities Co., Ltd., New York.

**Mobile Home Parks Development Corp.**
Jan. 28, 1963 filed 1,250,000 common. **Price**—$2.50. **Business**—Company plans to develop mobile home parks and residential and commercial real estate. **Proceeds**—For general corporate purposes. **Office**—82 Baker St., Atlanta. **Underwriter**—Overseas Investment Service, Seville, Spain.

● **Mortgage Guaranty Insurance Corp. (4/29-5/3)**
March 11, 1963, 200,000 common. **Price**—By amendment (max. $27). **Business**—Company is engaged in the insuring of lenders from loss on residential loans. **Proceeds**—For investment. **Office**—600 Marine Plaza, Milwaukee. **Underwriters**—Hornblower & Weeks, Chicago, and Robert W. Baird & Co., Inc., Milwaukee.

**Municipal Investment Trust Fund, Series B**
April 28, 1961 filed $15,000,000 (15,000 units) of interests **Price** — To be supplied by amendment. **Business** — The fund will invest in tax-exempt bonds of states, counties municipalities and territories of the U. S. **Proceeds**—For investment **Sponsor**—Ira Haupt & Co., 111 Broadway New York. **Offering**—Indefinite.

**Music Royalty Corp.**
July 27, 1962 filed 150,000 common. **Price**—$1. **Business**—Company acts as representative of artists, musicians etc. and plans to engage in the music publishing business. **Proceeds**—For debt repayment, public relations acquisition of musical properties; and working capital **Office**—545 Fifth Ave N Y **Underwriter**—Associated Securities Co., 545 Fifth Ave., N. Y.

● **National Aviation Corp.**
March 14, 1963 filed 253,478 capital shares being offered for subscription by stockholders on the basis of one new share for each five held of record April 11, 1963. Rights will expire April 26. **Price**—$21. **Business**—A closed-end investment company specializing in aviation and aerospace stocks. **Proceeds**—For investment. **Office**—111 Broadway, New York. **Underwriter**—None.

**National Central Life Insurance Co.**
Dec. 7 filed 125,000 common. **Price** — By amendment (max. $15). **Business**—Writing of health and accident insurance. **Proceeds**—For general corporate purposes. **Address**—2632 McGee St., Kansas City, Mo. **Underwriter**—To be named.

**National Equipment & Plastics Corp.**
Sept. 28, 1961 filed 105,000 common. **Price**—$5. **Business**—Operation of a cleaning and pressing plant and affiliated stores. **Proceeds**—For debt repayment, store expansion and working capital. **Address** — Portage, Pa. **Underwriter**—Cortlandt Investing Corp., N. Y. **Note**—This registration will be withdrawn.

**National Fence Manufacturing Co., Inc.**
Nov. 29, 1962 filed 100,000 common. **Price**—$8.75. **Business** — Manufacture of galvanized chain link fence welded concrete reinforcing fabric, gates and related products. **Proceeds**—For construction of a plant in Ireland, and working capital. **Office**—4301 46th St., Bladensburg, Md. **Underwriter**—Netherlands Securities Co. Inc., New York. **Offering**— Indefinite.

**National Fidelity Life Insurance Co. (5/6)**
March 28, 1963 filed 72,455 common, of which 36,227 shares are to be offered by company and 36,228 shares by a stockholder. **Price**—By amendment (max. $35). **Business**—Writing of life, accident, and health insurance. **Proceeds**—For debt repayment, and other corporate purposes. **Office**—1002 Walnut St., Kansas City. **Underwriter**—E. F. Hutton & Co., Inc., New York.

**National Memorial Estates**
Oct. 11, 1962 filed 4,750,000 common. **Price**—$1. **Business**—Company plans to engage in cemetery development and to establish and operate a life and disability insurance concern. **Proceeds**—For general corporate purposes. **Office**—13 S. Broadway, Red Lodge, Mont. **Underwriter**—Security Brokerage Co., Billings, Mont.

**National Mortgage Corp., Inc.**
Dec. 28, 1962 refiled $8,000,000 face amount certificates (series 20) and 300,000 common shares. **Price**—For certificates, $762; for stock, $1.15. **Business**—A mortgage loan company. **Proceeds**—For general corporate purposes. **Office**—113 S. Hydraulic, Wichita, Kan. **Underwriter**—National Mortgage Agency, Inc., (same address) **Note**—This offering will be made only in the State of Kansas.

**National Security Life Insurance Co., Inc.**
Nov. 28, 1962 filed 590,075 common being offered for subscription by common stockholders of record Jan. 31, 1963 on a share-for-share basis. Rights will expire May 6. **Price**—$1.80. **Business**—Writing of participating and non-participating ordinary life insurance. **Proceeds**—To expand operations. **Office**—6225 University Ave., Madison, Wis. **Underwriter**—None.

**National Telepix, Inc.**
July 30, 1962 filed $150,000 of 6½% conv. subord. debentures due 1972. **Price**—At par. **Business**—Production of motion pictures. **Proceeds**—For production and distribution expenses and working capital. **Office**—1270 Ave. of the Americas, N. Y. **Underwriter**—None.

**National Uni-Pac, Inc.**
July 31, 1962 filed 85,000 common. **Price**—By amendment (max. $4). **Business**—Company plans to sell or lease coin operated vending machines. **Proceeds**—For debt repayment, equipment and working capital. **Office**—15 Peachtree St., Atlanta. **Underwriter**—None. **Note**—This registration will be withdrawn.

**Natural Gas & Oil Producing Co. (5/2)**
Sept. 7, 1962 filed 180,000 class A common. **Price**—$5 **Business**—Production of natural gas and oil. **Proceeds**—For drilling expenses, working capital and other corporate purposes. **Office**—Tekoil Bldg., Oklahoma City **Underwriter**—Peter Morgan & Co., N. Y.

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

**New Industry Capital Corp.**
Feb. 25, 1963, filed 30,500 common. **Price**—$10. **Business**—A small business investment company. **Proceeds**—For investment, and working capital. **Office**—1228 Wantagh Ave., Wantagh, New York. **Underwriter**—None.

**New World Fund, Inc.**
Feb. 21, 1963, filed 250,000 common. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—4680 Wilshire Blvd., Los Angeles. **Underwriter** — New World Distributing Co. (same address).

**North Central Airlines, Inc.**
March 29, 1963 filed $1,500,000 of 5½% subordinated convertible debentures due 1978, to be offered to common stockholders of record April 15, 1963, without allocation or limitation. Unsubscribed debentures will be offered for public sale. **Price**—At par. **Business**—Operation of an airline in ten mid-western states and Ontario, Canada. **Proceeds**—For aircraft modification, and working capital. **Office**—6201 Thirty-fourth Ave., South, Minneapolis. **Underwriter**—None.

**Northern States Life Insurance Corp.**
March 26, 1963 filed 280,000 common to be offered for subscription by stockholders on the basis of one new share for each 1½ held. **Price**—By amendment (max. $2.50). **Business**—Writing of general life insurance. **Proceeds**—For expansion. **Office**—1840 North Farwell Ave., Milwaukee. **Underwriter**—None.

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

● **Nuveen Tax-Exempt Bond Fund, Series 4 (5/13-17)**
Oct. 17, 1961 filed $15,000,000 of units representing fractional interests in the Fund. **Price**—By amendment. **Business**—The Fund will invest in interest-bearing obligations of states, counties, and municipalities of the U. S., and political subdivisions thereof which are believed to be exempted from Federal Income taxes. **Proceeds**—For investment. **Office**—Chicago, Ill. **Sponsor**—John Nuveen & Co., 135 So. La Salle St., Chicago.

● **Optech, Inc. (5/20-24)**
March 28, 1963 filed 140,000 common. **Price**—$3. **Business**—Research and development of materials used in the "Laser" field, and in related areas of optical electronics. **Proceeds**—For general corporate purposes. **Office**—102 Grand St., Westbury, New York. **Underwriters**—Stone, Ackerman & Co., Inc., and Heritage Equity Corp., New York.

● **Orr (J. Herbert) Enterprises, Inc. (5/20-24)**
May 1, 1962 filed 200,000 common. **Price**—$5.25. **Business**—The company and its subsidiaries manufacture and distribute cartridge type tape player recorders and programs therefor; sell at retail nationally known audio visual equipment; and manufacture men's and boy's dress trousers. **Proceeds** — For additional inventory, equipment, research, and working capital. **Address**—P. O. Box 27, Opelika, Ala. **Underwriter**—First Alabama Securities, Inc., Montgomery.

**Outlet Mining Co., Inc.**
Feb. 28, 1962 filed 900,000 common. **Price**—$1. **Business**—Mining. **Proceeds**—For equipment and working capital. **Address**—Creede, Colo. **Underwriter**—None.

**FMA Insurance Fund Inc.**
April 8, 1963 filed 200,000 common. **Price** — Net asset value plus 4%. **Business**—A new mutual fund specializing in insurance stocks. **Proceeds**—For investment. **Address** — Plankington Bldg., Milwaukee. **Underwriter**—Fund Management Inc. (same address).

● **Pall Corp. (5/6-10)**
April 4, 1963 filed 61,584 class A shares to be offered for subscription by stockholders on the basis of one new share for each nine class A and class B shares held. **Price**—By amendment (max. $34). **Business**—Company produces equipment for the dehumidification of compressed gases, control of flow and temperature, detection of gases, and the treatment and pumping of water. **Proceeds**—For loan repayment, equipment, advances to subsidiaries, and working capital. **Office**—30 Sea Cliff Ave., Glen Cove, L. I., New York. **Underwriter**—L. F. Rothschild & Co., New York.

**Pan American Beryllium Corp.**
Feb 28, 1962 filed 100,000 common. **Price**—$5. **Business**—Company plans to mine for beryl ore in Argentina. **Proceeds** — For debt repayment, equipment, and other corporate purposes. **Office**—39 Broadway, N. Y. **Underwriter**—To be named.

● **PanAm Realty & Development Corp.**
March 12, 1962 filed 400,000 class A stock. **Price**—$10. **Business**—A real estate holding and development company. **Proceeds**—For general corporate purposes. **Office**—70 N. Main St., Freeport, L. I., N. Y. **Underwriter**—To be named. **Note**—This registration was withdrawn.

**Parkway Laboratories, Inc.**
Dec. 6, 1961 filed 160,000 common. **Price**—$5. **Business**—Manufacture of drugs and pharmaceuticals. **Proceeds**—For an acquisition, research and other corporate purposes. **Office** — 2301 Pennsylvania Ave., Philadelphia. **Underwriter**—Arnold Malkan & Co., Inc., N. Y. **Note**—This registration will be withdrawn.

**Peterson, Howell & Heather, Inc. (5/13-17)**
March 26, 1963 filed 33,383 class A common. **Price**—By amendment (max. $35). **Business**—Furnishing of Automobile fleet management service to firms in the U. S. and Canada. **Proceeds**—For selling stockholders. **Office**—2521 N. Charles St., Baltimore. **Underwriter** — Alex. Brown & Sons, Baltimore.

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

**Polaris Corp.**
April 1, 1963 filed 90,122 common to be offered for subscription by common stockholders on the basis of one new share for each seven held. **Price** — By amendment (max. $17). **Business** — Company, and subsidiaries are engaged in diverse activities including advertising, building construction, TV and radio, data processing, warehousing, equipment leasing, and river terminal operations. **Proceeds**—For working capital. **Office**—111 East Wisconsin Ave., Milwaukee. **Underwriter** — The Marshall Co. (same address).

**Portland General Electric Co. (5/1)**
April 1, 1963 filed 725,302 common. **Price**—By amendment (max. $30). **Business**—An electric utility operating solely within Oregon. **Proceeds**—For loan repayment, and other corporate purposes. **Office**—621 S. W. Alder St., Portland, Ore. **Underwriter**—Blyth & Co., Inc., N. Y.

**Potomac Real Estate Investment Trust**
July 6, 1962 filed 1,000,000 shares of beneficial interest. **Price**—By amendment (max. $5). **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—880 Bonifant St., Silver Spring, Md. **Underwriter**—None.

**Poulsen Insurance Co. of America (5/8)**
March 29, 1963 filed 100,000 common. **Price**—By amendment (max. $10). **Business**—Writing of life, accident, and health insurance. **Proceeds**—For debt repayment, and other corporate purposes. **Address**—Executive Plaza, Park Ridge, Ill. **Underwriter**—A. C. Allyn & Co., Chicago.

**Powell Petroleum, Inc.**
Sept. 28, 1962 filed 100,000 common. **Price**—$5. **Proceeds**—To drill for and operate oil wells. **Office**—418 Market St., Shreveport, La. **Underwriter**—None.

**Power Cam Corp.**
Jan. 28, 1963, filed 200,000 capital shares. **Price**—$4.75. **Business**—Company plans to manufacture a new type of brake unit for heavy duty automotive vehicles. **Proceeds**—For equipment, and working capital. **Office** — 2604 Leith St., Flint, Mich. **Underwriter**—Farrell Securities Co., New York.

**Prescott-Lancaster Corp.**
March 30, 1962 filed 150,000 common. **Price**—$5. **Business**—Real estate. **Proceeds**—For purchase of mortgages, and working capital. **Office**—18 Lancaster Rd., Union, N. J. **Underwriter**—To be named.

**Princeton Research Lands, Inc.**
March 28, 1963 filed 40,000 common. **Price**—$25. **Business**—Purchase and sale of real property, chiefly unimproved land. **Proceeds**—For debt repayment, and acquisition of additional properties. **Office**—195 Nassau St., Princeton, N. J. **Underwriter**—None.

**Professional Men's Association, Inc.**
Jan. 8, 1963 filed 40,000 common. **Price**—$5. **Business**—Company specializes in financial consulting, and servicing patients' accounts of member hospitals, physicians and dentists. **Proceeds**—For debt repayment and working capital. **Address**—100 W. Tenth St., Wilmington, Del. **Underwriter**—None.

**Putnam Income Fund**
April 3, 1963 filed 2,000,000 shares of beneficial interest. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund seeking maximum income, and long term growth of principal. **Proceeds**—For investment. **Office**—60 Congress St., Boston. **Underwriter** — Putnam Fund Distributors, Inc. (same address).

**Putnam Management Co., Inc.**
Aug. 22, 1962 filed 150,000 common (non-voting). **Price**—By amendment (max. $14). **Business**—An investment adviser and distributor of mutual funds. **Proceeds**—For selling stockholders. **Office**—60 Congress St., Boston. **Underwriter**—To be named.

● **Quick-N-Clean Corp. of Minnesota, Inc.**
Oct. 1, 1962 ("Reg. A") 205,000 common. **Price**—$1.15. **Business**—Company plans to open a chain of coin operated dry cleaning stores. **Proceeds**—Advertising, expansion and working capital. **Office**—712 Fir St., Brainerd, Minn. **Underwriter**—Northwest Securities, Inc., Detroit Lakes, Minn. **Offering**—Imminent.

**Realty Equities Corp. of New York**
April 3, 1963 filed 117,853 common to be offered for subscription by common stockholders on the basis of one new share for each three held. **Price**—By amendment (max. $7). **Business** — Company and subsidiaries are engaged in the purchase and sale, development, management, and holding of real estate properties. **Proceeds**—For purchase of additional properties and working capital. **Address**—Time & Life Bldg., New York. **Underwriter**—None.

● **Recreation Industries, Inc.**
Nov. 23, 1962 ("Reg. A") 75,000 common. **Price** — $2. **Business**—Sale of travel and entertainment. **Proceeds**—For capital investment, and working capital. **Office**—411 W. 7th St., Los Angeles. **Underwriter** — Costello, Russotto & Co., Beverly Hills, Calif. **Offering**—Imminent.

**Reliance Life Insurance Co. of Illinois.**
March 29, 1963 filed 150,000 common. **Price**—By amendment (max. $4). **Business**—Writing of life insurance. **Proceeds**—For sales promotion, and investment. **Office**—15 South Northwest Highway, Park Ridge, Ill. **Underwriter**—None.

**Remitco, Inc.**
Nov. 19, 1962 filed 952,000 common. **Price**—$10. **Business**—Company is engaged in selling "puts" and "calls." **Proceeds**—For working capital. **Office**—130 N. Virginia St., Reno, Nev. **Underwriter**—None.

**Resort Corp. of Missouri**
Nov. 27, 1962 filed 125,000 class A common and three-year warrants to purchase 1,250 class A shares to be offered in units consisting of four shares and one warrant. **Price** — $32 per unit. **Business** — Company will erect and operate a luxury hotel and resort facilities, and sell 80 acres of land for home sites. **Proceeds**—For construction. **Office**—3615 Olive St., St. Louis. **Underwriter**—R. L. Warren Co., St. Louis. **Offering**—Expected in May

**Retirement Foundation, Inc.**
April 8, 1963 filed 100,000 memberships in the Foundation. **Price**—$10 per membership. **Business** — Company will operate retirement centers for the use of rent-free private homes and apartments by members upon their retirement. **Proceeds**—For working capital, construction and other corporate purposes. **Office**—235 Lockerman St., Dover, Del. **Underwriter**—John D. Ferguson, Dover, Del.

**Richard Gray & Co., Inc.**
June 21, 1962 ("Reg. A") 60,000 common. **Price**—$5. **Business** — A securities broker-dealer. **Proceeds** — For working capital and other corporate purposes. **Office**—237 W. 51st St., N. Y. **Underwriter**—Richard Gray Co., New York. **Offering**—Indefinite.

**Richmond Corp.**
Dec. 21, 1961 filed 142,858 common. **Price**—$7. **Business**—A real estate investment company. **Proceeds**—For debt repayment and general corporate purposes. **Office**—220 K St., N. W., Washington, D. C. **Underwriter**—Hirschel & Co., Silver Spring, Md. **Offering**—Indefinite. **Note**—The SEC has challenged the accuracy and adequacy of this registration statement.

● **Roberts Co. (4/29-5/3)**
March 21, 1963 filed 130,000 common, of which 70,000 will be offered by company, and 60,000 by stockholders. **Price**—By amendment (max. $11) **Business**—Manufacture of products used in the installation of wall-to-wall carpeting, specialized industrial adhesives, metal folding doors, and weatherproofing products. **Proceeds** — For loan repayment and working capital. **Office**—600 North Baldwin Park Blvd., City of Industry, Calif. **Underwriters**—Reynolds & Co., Inc., New York, and Lester, Ryons & Co., Los Angeles.

**Rona Lee Corp.**
Sept. 26, 1962 filed $250,000 of 6¾% debentures and 50,000 common. **Price**—For debentures, by amendment; for stock, $4. **Business**—Design, manufacture, and distribution of girls' blouses, sportswear, and coordinates. **Proceeds**—For debt repayment. **Office**—112 W. 34th St., New York. **Underwriter**—Reuben Rose & Co., Inc., New York. **Offering**—Expected about mid-May.

**Royaltone Photo Corp.**
Nov. 29, 1961 filed 300,000 common, of which 100,000 are to be offered by the company and 200,000 by stockholders. **Price** — By amendment. **Business** — Develops and prints color, and black and white photographic film. **Proceeds** — For equipment and working capital. **Office**—245 7th Ave., N. Y. **Underwriter** — Federman Stonehill & Co., N. Y. **Note**—This registration will be withdrawn.

**Russell Mills, Inc.**
Sept. 28, 1962 filed 312,500 common. **Price**—By amendment (max. $12). **Business**—Manufacture of athletic clothing, knitted underwear, children's sleepwear and cotton cloth. **Proceeds**—For bond retirement and plant expansion. **Address**—Alexander City, Ala. **Underwriter**—Hornblower & Weeks, N. Y. **Note** — This company formerly was called Russell Manufacturing Co. **Offering**—Indefinite.

**St. Louis Shipbuilding-Federal Barge, Inc.**
March 28, 1963 filed 150,000 common, of which 50,000 are to be offered by company and 100,000 by H. T. Pott, Chairman. **Price**—By amendment (max. $10). **Business**—Operation of a shipyard in St. Louis. Subsidiaries operate water carrier systems, a railroad, a vessel repair and barge construction yard, also dry docks and other related activities. **Proceeds**—For general corporate purposes. **Office**—611 East Marceau Street, St. Louis. **Underwriter**—Reinholdt & Gardner, St. Louis.

**Seaboard Land Co.**
July 25, 1962 filed 200,000 class A common. **Price**—By amendment (max. $2.50). **Business**—Ownership and development of real estate. **Proceeds**—For working capital. **Office**—912 Thayer Ave., Silver Spring, Md. **Underwriter** — North American Seaboard Securities Corp. (same address).

**Selective Financial Corp.**
Feb. 28, 1962 filed 500,000 common, of which 405,000 are to be offered for subscription by holders of the A, B and C stock of Selective Life Insurance Co., an affiliate, on the basis of 4 company shares for each class A or B share and two-thirds share for each class C share of Selective Life held. Remaining 94,822 and any unsubscribed shares will be offered publicly. **Price**—To public, $6; to stockholders, $5. **Business**—Company plans to engage in the consumer finance, mortgage, general finance and related businesses. **Proceeds** — For general corporate purposes. **Office**—830 N. Central Ave., Phoenix. **Underwriter**—None.

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

**Signalite Inc.**
Jan. 29, 1962 filed 126,000 common. **Price**—$4.50. **Business**—Manufacture, sale and development of glow lamps for use as indicators and circuit components. **Proceeds**—For debt repayment, equipment and working capital. **Office**—1933 Heck Ave., Neptune, N. J. **Underwriter**—Milton D. Blauner & Co., N. Y. **Offering**—Postponed.

**Southeastern Mortgage Investors Trust (5/6-10)**
Feb. 15, 1963 filed 1,100,000 shares of beneficial interest. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—500 E. Morehead St., Charlotte, N. C. **Underwriter**—Fleetwood Securities Corp. of America, N. Y.

**Sterling Copper Corp.**
Aug. 2, 1962 filed 850,000 common. **Price**—$1. **Business**—Company plans to operate a non-ferrous rod and tube mill. **Proceeds**—For plant and equipment, working capital and other corporate purposes. **Office**—300 Horn Rd., Pinconning, Mich. **Underwriter**—None.

**Sternco Industries, Inc. (5/6-10)**
March 28, 1963 filed $400,000 of 6% conv. subord. debentures due 1977, and 25,000 class A common. **Price**—For debentures, $1,000; for stock, by amendment (max. $12). **Business**—Distribution of tropical fish, goldfish, turtles, animals, and acquarium supplies. **Proceeds**—For additional equipment, inventories, and new product lines. **Office**—53 Cottage Place, Allendale, New Jersey. **Underwriter**—Oppenheimer & Co., New York.

**Stone Mountain Scenic Railroad, Inc.**
Jan. 22, 1963 filed 105,000 common to be offered for subscription by stockholders on the basis of one share for each three shares held. Unsubscribed shares will be sold to the public. **Price**—To stockholders, $5.50; to public, $6.50. **Business**—Operation of a scenic railroad. **Proceeds**—For construction, debt repayment and other corporate purposes. **Address**—Stone Mountain, Ga. **Underwriter**—None.

**Superior Benefit Life Insurance Co.**
March 27, 1963 filed 600,000 common. **Price**—$2.50. **Business**—Sale of life insurance. **Proceeds**—For general corporate purposes. **Office**—211 Anderson Bldg., Lincoln, Neb. **Underwriter**—Capital Investment Co., Lincoln, Neb.

**Sutro Mortgage Investment Trust**
Feb. 1, 1963 filed 30,000 shares of beneficial interest. **Price**—$100. **Business** — A real estate investment trust. **Proceeds**—For investment. **Office**—4900 Wilshire Blvd., Los Angeles. **Underwriter**—None.

**Tampa Electric Co. (4/24)**
March 15, 1963 filed $48,000,000 first mortgage bonds due May 1, 1993. **Proceeds**—For refunding of outstanding 5% bonds due 1990, loan repayment, and construction. **Office**—111 No. Dale Maby Hwy., Tampa, Fla. **Underwriters**—(Competitive) Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Stone & Webster Securities Corp.; Goldman, Sachs & Co. **Bids**—April 24 (11 a.m. EST) at 90 Broad St., New York. **Information Meeting** — April 19 (11 a.m. EST) same address.

**Teaching Machines, Inc.**
April 1, 1963 filed 165,000 common, of which 120,000 are to be offered by company, and 45,000 by stockholders. **Price**—By amendment (max. $9). **Business**—Company develops and sells teaching machines exclusively for Grolier Inc. **Proceeds**—For debt repayment and other corporate purposes. **Office**—221 San Pedro, N. E., Albuquerque. **Underwriter**—To be named.

● **Teaching Systems, Inc.**
June 1, 1962 ("Reg. A") 50,000 common. **Price**—$2. **Business**—Production and sale of educational audio-visual teaching aids. **Proceeds**—For equipment, promotion and advertising and working capital. **Office**—1650 Broadway, N. Y. **Underwriter**—Creative Ventures Corp., 733 Third Ave., N. Y. **Note**—This letter was withdrawn.

**Tecumseh Investment Co., Inc.**
Jan. 21, 1963 filed 48,500 common. **Price**—$100. **Business**—A holding company which plans to organize a life insurance company. **Proceeds**—For investment in U. S. Government Bonds and in new subsidiary. **Office**—801 Lafayette Life Bldg., Lafayette, Ind. **Underwriter**—Amosand Inc., (same address).

**Tennessee Gas Transmission Co. (4/23)**
March 29, 1963 filed 200,000 preferred. **Price**—By amendment (max. $102). **Business**—Transportation and distribution of natural gas for resale, principally in the eastern U. S. **Proceeds**—For loan repayment, and expansion. **Address**—Tennessee Bldg., Houston, Texas. **Underwriters**—Stone & Webster Securities Corp., and White, Weld & Co., New York.

**Ten-Tex, Inc.**
Dec. 31, 1962 ("Reg. A") 3,000 units each consisting of one 6½% 10-year debenture, 25 common shares and purchase warrants for 100 common shares to be offered for subscription by stockholders of Ten-Tex Corp., parent, of record Feb. 1, 1963 on the basis of one unit for each 150 common shares held. **Price**—$100. **Business**—Sale and lease of machinery for production of tufted textile products. **Proceeds** — For debt repayment and working capital. **Office**—3814 Tennessee Ave., Chatsworth, Ga. **Underwriter**—Irving J. Rice & Co., Inc., St. Paul. **Offering**—Indefinite.

**Texas Plastics, Inc.**
July 27, 1962 filed 313,108 common. **Price**—$3.50. **Business**—Operation of a plant producing plastic film and packaging products. **Proceeds**—For working capital. **Address**—Elsa, Texas. **Underwriter**—To be named. **Offering**—Indefinite.

**Textile Distributors, Inc.**
March 22, 1963 ("Reg. A") 60,000 class A common. **Price**—$5. **Business**—Operation of department stores. **Proceeds**—For inventory, debt repayment and expansion. **Office**—819 Broadway, Kansas City, Mo. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

**Top Dollar Stores, Inc.**
May 1, 1962 filed 200,000 common, of which 100,000 are to be offered by company and 100,000 by stockholders. **Price**—$5. **Business**—Operation of a chain of self-service retail stores selling clothing, housewares, etc. **Proceeds**—For expansion, equipment and working capital. **Office**—2220 Florida Ave., Jasper, Ala. **Underwriter**—Philips, Appel & Walden, 115 Broadway, N. Y. **Offering**—Temporarily postponed.

**Tourist Industry Development Corp., Ltd. (5/6-10)**
March 29, 1963 filed $5,000,000 of 7% senior debentures due 1983. **Price**—At par. **Business**—Financing of tourist enterprises in Israel. **Proceeds** — For general corporate purposes. **Address** — Jerusalem, Israel. **Undrewriter**—American-Israel Basic Economy Corp., New York.

**Transarizona Resources, Inc.**
May 28, 1962 filed 500,000 capital shares. **Price**—$1.50. **Business**—Exploration, development and production of

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the Lake Shore copper deposit near Casa Grande, Ariz. **Proceeds**—For equipment, exploration and working capital. **Office**—201 E. 4th St., Casa Grande, Ariz. **Underwriter**—None.

**Tri-Continental Corp.**
March 1, 1963 filed 810,740 shares of $2.50 preferred (par $50) being offered in exchange for a like number of outstanding $2.70 preferred shares (par $50) on a share-for-share basis. All $2.50 preferred shares not exchanged by April 22, will be offered publicly. **Price**—By amendment. **Business**—A closed-end investment company. **Proceeds** — To help finance the redemption of unexchanged $2.70 preferred shares. **Office**—65 Broadway, New York. **Underwriter**—Eastman Dillon, Union Securities & Co., New York. **Note**—Underwriter has agreed to purchase up to 240,000 unexchanged $2.50 preferred shares and will offer them to the public on or after April 23.

**● Tyson's Foods, Inc. (4/23)**
Dec. 26, 1962 filed 100,000 common. **Price**—By amendment (max. $12). **Business**—Company operates an integrated poultry business. **Proceeds** — For construction, equipment and working capital. **Office**—317 East Emma Ave., Springdale, Ark. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas.

**Underwriters National Assurance Co.**
Feb. 21, 1963, filed 50,000 common, of which 31,176 shares are to be offered by company and 18,824 by a selling stockholder. **Price**—$7.50. **Business** — Writing of health insurance. **Proceeds**—To increase capital and surplus and for expansion. **Office** — 1939 N. Meridian St., Indianapolis. **Underwriter** — K. J. Brown & Co., Inc., Muncie, Ind.

**Ultrasonic Laboratories, Inc.**
Nov. 29, 1962 filed 67,200 common. **Price**—$3.50. **Business**—Design, engineering and manufacture of specialized products primarily in the field of contamination control. Company also acts as sales agents and distributors of allied equipment in the fields of contamination control and ultrasonics. **Proceeds**—For debt repayment, equipment, advertising and other corporate purposes. **Office**—1695 Elizabeth Ave., Rahway, N. J. **Underwriter**—None.

**● United Camera Exchange, Inc. (5/27-31)**
Nov. 29, 1962 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Operation of retail stores selling and trading cameras, films and other photographic equipment. Company also sells radios, tape recorders, dictating and photocopying machines, and provides a film developing and printing service. **Proceeds**—For new stores and camera concessions. **Office**—25 W. 43rd St., N. Y. **Underwriter**—Ingram, Lambert & Stephen, Inc., 50 Broad St., New York.

**Universal Finance Corp.**
March 29, 1963 filed $1,026,000 of 7% junior subordinated convertible capital notes (series A) due 1978. **Price**—At par. **Business**—Company and 30 active subsidiaries are engaged in the consumer finance business. **Proceeds**—For debt repayment, and expansion. **Address** — 700 Gibraltar Bldg., Dallas. **Underwriters**—Midland Securities Co., Inc., Kansas City, and Texas National Corp., San Antonio.

**United Saran & Plastic Corp. Ltd.**
Feb. 25, 1963, filed $330,000 of 7% convertible debentures due 1975 and 16,500 shares of 8% preferred ordinary "B" shares to be offered in units consisting of two $100 debentures and 10 shares. **Price** — $305 per unit. **Business** — Manufacture of light household and office furniture. **Proceeds** — For general corporate purposes. **Address**—Rehovoth, Israel. **Underwriter**—Brager & Co., New York. **Offering**—Indefinite.

**United Variable Annuities Fund, Inc.**
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo

**Urethane of Texas, Inc.**
Feb. 14. 1962 filed 250,000 class A and 250,000 common to be offered in units of one share of each class. **Price**—$5.05 per unit. **Business**—Manufacture of urethane foams. **Proceeds**—For equipment, working capital, leasehold expenses and other corporate purposes. **Office**—2300 Republic National Bank Bldg., Dallas. **Underwriter** — First Nebraska Securities Corp., Lincoln, Neb **Offering**—Temporarily postponed.

**Valley Investors, Inc.**
Jan. 23, 1963, filed 328,858 common. **Price**—$1. **Business**—A new mutual fund. **Proceeds**—For investment. **Address**—Sidney, Montana. **Underwriter**—To be named.

**● Vend-Mart Inc. (5/6-10)**
Jan. 22, 1963 filed 60,000 common. **Price**—$4. **Business**—Operation of coin-operated automatic ice cube vending machines and clothes washing and drying machines. **Proceeds** — For debt repayment, equipment, expansion and working capital. **Office**—565 Fifth Ave., New York. **Underwriter**—M. G. Davis & Co., Inc., New York.

**● Victor Comptometer Corp. (4/24)**
March 25, 1963 filed $15,000,000 of s. f. debentures due 1988; also 250,000 common to be offered by stockholders. **Price**—By amendment (max. $12 for stock). **Business**—Manufacture of adding machines, printing calculators and other office machines; also business forms and golf products. **Proceeds**—For debt repayment, working capital and other corporate purposes. **Office**—3900 N. Rockwell St., Chicago. **Underwriter**—Glore, Forgan & Co., Chicago.

**Wade, Wenger ServiceMaster Co.**
Nov. 23, 1962 filed $250,000 of 7% conv. subord. debentures due 1973. **Price**—95% of principal amount. **Business**—Sale of franchises for on-location cleaning of carpets, furniture, floors, etc., and the manufacture and sale of cleaning equipment and materials. **Proceeds**—For debt repayment and other corporate purposes. **Office**—2117 N. Wayne, Chicago. **Underwriter**—None.

**Waterman Steamship Corp.**
Aug. 29, 1961 filed 1,743,000 common. **Price**—By amendment. **Business**—The carrying of liner-type cargoes. **Proceeds**—For the purchase of vessels, and working capital. **Office**—71 Saint Joseph St., Mobile, Ala. **Underwriter**—Shields & Co., Inc., N. Y. **Note**—This registration will be withdrawn.

**● Wavelabs, Inc.**
March 21, 1963 ("Reg. A") 100,000 capital shares. **Price**—$3. **Business**—Manufacture of airborne and shipboard vibration monitoring devices and equipment. **Proceeds**—For debt repayment, equipment, advertising, research and working capital. **Office**—4343 Twain St., San Diego. **Underwriter**—None. **Note**—This letter was withdrawn. It is expected to be refiled as a full registration in a few weeks.

**Western Futures, Inc.**
Feb. 11, 1963 ("Reg. A") 120,000 capital shares. **Price**—$2.50. **Business** — Acquisition and development of land. **Proceeds**—For general corporate purposes. **Office**—2727 N. Central Ave., Phoenix. **Underwriter** — William W. Bones Securities Co., Phoenix.

**Western Empire Real Estate Investments**
Sept. 26, 1962 filed 600,000 shares of beneficial interest **Price**—$4. **Business**—Company plans to quality as a real estate investment trust. **Proceeds**—For investment. **Office**—1755 Gilpin St., Denver, Colo. **Underwriter**—None

**Western Light & Telephone Co., Inc.**
March 12, 1963 filed 113,811 common being offered for subscription by stockholders on the basis of one new share for each 10 shares held of record April 5, with rights to expire April 23. **Price**—$32. **Business**—Operation of electric, gas, water and telephone properties in central Kansas, and telephone properties in Iowa and Missouri. **Proceeds** — For general corporate purposes. **Office**—2015 Forest Ave., Great Bend, Kan. **Underwriter**—Dean Witter & Co., Chicago.

**Western Steel, Inc.**
Jan. 17, 1963 ("Reg. A") 245,000 common. **Price** — $1. **Business**—Company plans to erect a mill to produce certain types of iron by the new "Taylor Process." **Proceeds**—For plant construction and general corporate purposes. **Address**—Suite 412-413 Hynds Bldg., Cheyenne. Wyo. **Underwriter**—C. B. Hoke Agency, Cheyenne, Wyo. **Note**—The SEC has issued an order temporarily suspending this issue.

**Western Union International, Inc.**
March 29, 1963 filed $4,000,000 of 6¼% subordinated debentures due 1983, and 400,000 common. **Price**—For debentures, at par; for stock $3.50. **Business**—Company will take over and operate Western Union Telegraph's international telegraph operations. **Proceeds**—For selling stockholder, Western Union Telegraph Co., parent. **Office**—60 Hudson St., New York. **Underwriters**—American Securities Corp., and Glore, Forgan & Co.—New York. **Offering**—Expected in late July.

**Widman (L. F.), Inc.**
Oct. 27, 1961 filed 162,000 common, of which 102,000 are to be offered by the company and 60,000 by stockholders. **Price**—$3. **Business**—Operates a chain of retail drug stores. **Proceeds**—Expansion, equipment and working capital. **Office**—738 Bellefonte Ave., Lock Haven, Pa **Underwriter**—Godfrey, Hamilton, Taylor & Co., N. Y

**Wiener Shoes Inc.**
April 2, 1962 filed 80,000 common. **Price** — By amendment (max. $11). **Business**—Operation of a chain of shoe stores. **Proceeds**—For debt repayment, expansion and working capital. **Office** — 808 Dakin St., New Orleans **Underwriter** — Howard, Weil, Labouisse, Friedrichs & Co., New Orleans. **Note**—This registration will be withdrawn.

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

**Winslow Electronics, Inc.**
Dec. 28, 1961 filed 125,000 common. **Price**—$4. **Business**—Design and manufacture of precision electrical and electronic measuring devices and test equipment **Proceeds**—For debt repayment and other corporate purposes. **Office**—1005 First Ave., Asbury Park, N. J. **Underwriter**—To be named.

**Wolf Corp.**
Jan. 26, 1962 filed $4,500,000 of 6.5% convertible subordinated debentures due 1977 (with attached warrants) to be offered for subscription by stockholders of class A stock on the basis of $500 debentures for each 100 class A shares held. **Price**—$500 per unit. **Business**—Real estate. **Proceeds**—For debt repayment and realty acquisitions. **Office**—10 East 40th St., N. Y. **Underwriter**—S. E. Securities, Inc., 10 East 40th Street, New York **Note**—This registration will be withdrawn.

**Woman's Life Insurance Co. of America, Inc.**
March 28, 1963 filed 150,000 common. **Price**—$7.50. **Business**—Company writes life insurance for women. **Proceeds**—For investment, and expansion. **Office**—7940 Wisconsin Ave., Bethesda, Maryland. **Underwriter**—None.

# Issues Filed With SEC This Week

**★ Alabama Power Co. (5/9)**
April 12, 1963 filed 50,000 shares of cum. preferred (par $100). **Proceeds**—For repayment of bank loans, and construction. **Office**—600 North 18th St., Birmingham, Ala. **Underwriters** — (Competitive). Probable bidders: First Boston Corp.; Eastman Dillon, Union Securities & Co.-Equitable Securities Co. (jointly); Blyth & Co.; Morgan Stanley & Co.; Stone & Webster Securities Corp. **Bids**—Expected May 9.

**★ Alabama Power Co. (5/9)**
April 12, 1963 filed $16,000,000 of first mortgage bonds due 1993. **Proceeds**—For repayment of bank loans, and construction. **Office**—600 North 18th St., Birmingham. Ala. **Underwriters** — (Competitive). Probable bidders: Blyth & Co., Inc.-Kidder, Peabody & Co. (jointly); Lehman Brothers; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp.-Drexel & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co. **Bids**—Expected May 9, 1963.

**★ General Telephone Co. of California (5/8)**
April 10, 1963 filed $25,000,000 of first mortgage bonds due 1993. **Proceeds**—For repayment of loans due General Telephone & Electronics Corp., parent. **Office** — 2020 Santa Monica Blvd., Santa Monica, Calif. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.-Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Paine, Webber, Jackson & Curtis-Stone & Webster Securities Corp. (jointly); White, Weld & Co.-Kidder, Peabody & Co. (jointly). **Bids**—May 8 11 a.m. EDST) at 730 Third Ave., New York. **Information Meeting**—May 6 (2 p.m. EDST) at same address.

**★ Gulf Oil Corp. (5/7)**
April 16, 1963 filed 3,441,880 capital shares. **Price**—By amendment (max. $47). **Business**—Production, purchase, transportation, refining and marketing of petroleum, and products derived therefrom, including petrochemicals. **Proceeds** — For selling stockholders. **Address** — Gulf Bldg., Pittsburgh, Pa. **Underwriter**—First Boston Corp., New York.

**★ Halo Lighting, Inc. (5/13-17)**
April 15, 1963 filed 150,000 common, of which 65,000 will be sold for the company, and 85,000 for Robert S. Fremont, President. **Price**—By amendment. **Business**—Manufacture of recessed incandescent lighting fixtures for residential, commercial and institutional buildings. **Proceeds** — For debt repayment, a new plant, and working capital. **Office**—4201 Grand Ave., Chicago. **Underwriter**—A. G. Becker & Co., Inc., Chicago.

**★ Household Finance Corp. (5/1)**
April 11, 1963 filed 175,000 common. **Price**—By amendment (max. $53). **Business**—Company is engaged in the consumer finance business. **Proceeds**—For selling stockholders. **Address**—Prudential Plaza, Chicago. **Underwriters**—Lee Higginson Corp., White, Weld & Co., New York and William Blair & Co., Chicago.

**★ Janus Fund, Inc.**
April 10, 1963 filed 500,000 capital shares. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund seeking capital appreciation. **Proceeds**—For investment. **Office**—467 Hamilton Ave., Palo Alto, Calif. **Underwriter**—Mutual Fund Distributors, Inc. (same address).

**★ Japan (Government of) (5/1)**
April 12, 1963 filed $25,000,000 of 5½% external loan sinking fund bonds due May 1, 1980. **Price**—By amendment. **Proceeds** — To be added to Japan's foreign exchange reserves. Yen equivalent to the amount of such proceeds will be advanced to Japan Development Bank, a wholly-owned Government agency, to be used to make loans to private electric power companies. **Underwriter**—First Boston Corp., New York.

**● Norway (Kingdom of) (4/24)**
April 10, 1963 filed $25,000,000 of external loan bonds due May 1, 1978. **Price**—By amendment. **Proceeds**—For the acquisition and importation of capital equipment required for the development of the Norwegian economy. **Underwriters**—Harriman Ripley & Co. Inc.; Kuhn, Loeb & Co., Inc.; Lazard Freres & Co.; Smith, Barney & Co., Inc.

**★ Pendar, Inc.**
April 3, 1963 ("Reg. A") 125,000 capital units, each consisting of one common share and one 6% subordinated interim note (60 cents face value). **Price**—$1.60 per unit. **Business**—Manufacture of various types of switches and electronic parts. **Proceeds**—For acquisition of stock of Pendar Co., Inc., notes from Washington Irrigation & Development Co., and equipment. **Address** — Coeur d'Alene, Idaho. **Underwriter**—None.

**★ Provident Stock Fund, Inc.**
April 11, 1963 filed 1,000,000 common. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—316 North Fifth St., Bismarck, N. D. **Underwriter** — Provident Management Co. (same address).

**★ Standard Beef, Inc.**
April 2, 1963 ("Reg. A") 600 class A common to be offered for subscription by stockholders on a 1-for-4 basis. **Price**—$466.68. **Business**—Meat packing. **Proceeds**—For working capital. **Office**—2500 Orleans St., Detroit. **Underwriter**—None.

★ **Stephenson Finance Co., Inc.**
April 12, 1963 filed $1,000,000 of 6% sinking fund subord. debentures due May 1, 1978. **Price**—At par and accrued interest. **Business**—A consumer finance company which is also engaged in the sale of automobile and life insurance. **Proceeds**—For debt repayment and other corporate purposes. **Office**—518 S. Irby St., Florence, S. C. **Underwriter**—Alester G. Furman Co., Inc., Greenville, South Carolina.

★ **Upper Peninsular Power Co. (5/6-10)**
April 11, 1963 filed 34,000 common. **Price**—By amendment (max. $30). **Business**—Furnishes electric power to consumers in the upper peninsula of Michigan. **Proceeds**—For redemption of 5¼% bonds and two series of preferred; loan repayment, and construction. **Office**—616 Sheldon Ave., Houghton, Mich. **Underwriters**—Kidder, Peabody & Co., Inc., Stone & Webster Securities Corp., and Paine, Webber, Jackson & Curtis, New York.

★ **Vendetti (Chester P.) Production Corp.**
April 1, 1963 ("Reg. A") 200,000 common. **Price**—$1. **Business**—Production and sale of motion pictures. **Proceeds**—For general corporate purposes. **Office** — 3502 Cherry St., Erie, Pa. **Underwriter**—None.

★ **Virginia Electric & Power Co. (5/14)**
April 12, 1963 filed $30,000,000 of first and refunding mortgage bonds due 1993. **Proceeds**—For construction. **Address**—7th & Franklin Sts., Richmond. **Underwriters** — (Competitive). Probable bidder: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; White, Weld & Co.; Eastman Dillon, Union Securities & Co.; Salomon Brothers & Hutzler. **Bids**—May 14 (11 a.m. EDST) at One Chase Manhattan Plaza, New York. **Information Meeting**—May 10 (11 a.m. EDST) at same address.

# 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 at $10 per share on the basis of one new share for each seven held of record April 5. Rights will expire May 1. Courts & Co., Atlanta, is the principal underwriter.

**Las Vegas Properties Trust**
500,000 shares of beneficial interest offered at $10 per share by Securities Co. of Nevada, Las Vegas.

**National Aviation Corp.**
253,478 shares being offered to stockholders at $21 per share on the basis of one new share for each five held of record April 11. Rights will expire April 26. No underwriting is involved.

**Northern Indiana Public Service Co.**
$30,000,000 of 4½% first mortgage bonds due 1993 offered at 102.161% and accrued interest, to yield 4.37% by First Boston Corp., New York.

**Pacific Northwest Bell Telephone Co.**
$50,000,000 of 4½% debentures due April 1, 2003 offered at 102½%, and accrued interest, to yield 4.367%, by Morgan Stanley & Co., New York.

**Reynolds & Reynolds Co.**
120,000 class A common shares offered at $26 per share through Glore, Forgan & Co., New York, and Grant-Brownell & Co., Dayton.

**Utah Power & Light Co.**
$15,000,000 of 4½% first mortgage bonds due April 1, 1993 offered at 101.375% and accrued interest, to yield 4.42%, by Salomon Brothers & Hutzler, New York.



# Prospective Offerings

**American Telephone & Telegraph Co. (5/7)**
April 9, 1963 the company announced plans to sell $250,000,000 of debentures due May 1, 1999. **Proceeds**—To refund a like amount of 5% debentures due Nov. 1, 1983. **Office**—195 Broadway, New York. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co.; First Boston Corp.-Halsey, Stuart & Co. (jointly). **Bids**—Expected May 7.

**Bethlehem Steel Co.**
Feb. 26, 1963, Arthur B. Homer, Chairman, announced that the company will embark on a $750,000,000 capital improvements program to be completed by 1965. He said that approximately two-thirds of the financing for the program will be generated internally and the balance secured externally. Mr. Homer added that this would not be required until at least 1964. **Office** — 25 Broadway, New York. **Underwriters**—To be named. The last public sale of securities in May, 1955, was handled by Kuhn, Loeb & Co., and Smith, Barney & Co., New York.

**Central Illinois Public Service Co. (5/21)**
Feb. 25, 1963 it was reported that this company plans to issue $10,000,000 of first mortgage bonds due May 1, 1993. **Proceeds**—For construction. **Office**—607 E. Adams St., Springfield, Ill. **Underwriters**—(Competitive). Probable bidders: Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Blyth & Co.-Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; First Boston Corp.; Lehman Brothers-Bear, Stearns & Co. (jointly). **Bids**—Expected May 21 at 20 No. Wacker Dr., Chicago.

**Chicago Burlington & Quincy RR (5/8)**
March 18, 1963 the company announced plans to sell $4,500,000 of equipment trust certificates in May. Two additional issues, totaling about $10,200,000, are tentatively scheduled for Aug. 1, and Oct. 1. **Office**—547 W. Jackson Blvd., Chicago. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—May 8 (12 noon CDST) at above address.

**Chicago, Rock Island & Pacific RR. (4/25)**
March 27, 1963 the company announced plans to sell $2,625,000 of equipment trust certificates. **Office**—139 W. Van Buren St., Chicago. **Underwriters**—(Competitive.) Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—April 25 (12 noon CST) at above address.

**Chicago Union Station Co. (5/15)**
March 19, 1963 it was reported that this company, owned by four major railroads, plans to sell $20,000,000 of 1-10 year serial bonds and $29,000,000 of sinking fund bonds due 1988. **Proceeds** — To repay bank loans, and refund outstanding first 3⅛% and first 2⅞% bonds maturing July 1, 1963. **Office**—210 So. Canal St., Chicago. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Kidder, Peabody & Co.; Blyth & Co. **Bids**—Expected May 15.

**Columbia Gas System, Inc. (6/6)**
March 18, 1963 the company stated that it has made tentative plans to sell $25,000,000 of 25-year debentures in June, for possible refunding operations. It has definite plans to sell $25,000,000 of debentures in October to raise money for construction. **Office**—120 E. 41st St., New York. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co.-First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Halsey, Stuart & Co. Inc.; Blyth & Co.-Lehman Brothers-Salomon Brothers & Hutzler. **Bids**—Expected June 6.

**Communications Satellite Corp.**
Feb. 20, 1963 it was reported that papers of incorporation have been filed for this company, in Washington, D. C. Company's common voting shares, without par value, will be divided into two series. Series I will be issued to the public, firms that produce space exploration equipment and other non-communications concerns. Series II will be issued to FCC-approved communications common carriers, with the provision that no more than half the company's total shares can be held by these carriers, and no individual or group may hold over 10% of the remaining 50%. **Price**—Maximum of $100 per share. **Business**—Congress has authorized the company to provide satellites and ground facilities for the international transmission of telephone, telegraph, television and other communications. **Office**—3029 Klingle Rd., N. W., Washington, D. C. **Underwriters**—To be named.

**Community Public Service Co.**
Jan. 16, 1963 it was reported that this company plans to sell $8,000,000 of first mortgage bonds in June 1963. **Office**—408 W. 7th Street, Fort Worth, Tex. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; Stone & Webster Securities Corp.

**Connecticut Light & Power Co.**
Dec. 10, 1962 it was reported that the company is considering the issuance of about $22,500,000 of bonds in 1963 or 1964. **Proceeds**—For construction. **Address**—Selden St., Berlin, Conn. **Underwriters**—To be named. The last public offering of bonds on Jan. 20, 1960 was handled by Morgan Stanley & Co.-Putnam & Co.-Chas. W. Scranton & Co.-Estabrook & Co. (jointly).

**Consolidated Edison Co. of New York, Inc.**
Feb. 26, 1963 the company stated that it will have to raise approximately $690,000,000 through the sale of securities, to fnance its five year construction program. In addition it will be required to refinance $27,561,000 of 3½% bonds maturing July 1, 1963, and $24,331,000 due July 1, 1967. **Office**—4 Irving Place, New York. **Underwriters**—To be named. The last bond issue, in December, 1962, was won at competitive bidding by Halsey, Stuart & Co. Inc. Other bidders were Morgan Stanley & Co., and First Boston Corp.

**Consumers Power Co.**
Jan. 16, 1963 it was reported that the company plans to sell $40,000,000 of bonds in the second half of 1963, or in 1964. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Shields & Co. (jointly); Harriman Ripley & Co. Inc.-First Boston Corp. (jointly); Morgan Stanley & Co.

**Eastern Freight Ways, Inc.**
Oct. 9, 1962 the ICC authorized the company to issue 100,000 common. **Price**—By amendment (min. $5). **Business**—A motor vehicle common carrier operating in nine eastern states from Vermont to Virginia. **Proceeds**—For working capital, debt repayment and advances to subsidiaries. **Office** — Moonachie Ave., Carlstadt, N. J. **Underwriter**—Allen & Co.. New York.

**Florida Power Corp.**
March 12, 1963 the company announced plans to offer stockholders, sometime in 1963, the right to subscribe for about 457,265 additional common shares on a 1-for-20 basis. **Proceeds**—For loan repayment. **Office**—101 Fifth St., South, St. Petersburg, Fla. **Underwriters**—To be named. The last rights offering in May 1959 was underwritten by Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith, Inc., New York

**Food Fair Properties, Inc.**
May 11, 1962 stockholders authorized the company to issue 756.000 shares of a new convertible preferred stock which will be offered to stockholders through subscription rights on a 1-for-10 basis. **Price**—By amendment. **Business**—Development and operation of shopping centers. **Proceeds**—To retire outstanding 6% preferred stock and purchase up to $6,000,000 convertible debentures of Major Realty Corp., an affiliate. **Office**—223 East Allegheny Ave., Philadelphia. **Underwriter**—To be named. The last rights offering in December 1957 was underwritten by Eastman Dillon, Union Securities & Co., New York. **Offering**—Indefinitely postponed.

**General Aniline & Film Corp.**
April 3, 1963 Attorney General Robert F. Kennedy announced that the Justice Department had reached an out-of-court agreement with Interhandel, a Swiss holding company, designed to settle the 20-year old dispute over control of the 540,894 class A and 2,050,000 class B shares of General Aniline seized by the U. S. Government in 1942 as a German asset. The stock represents 98% of the voting control of the company. Mr. Kennedy said that if General Aniline should be sold for $200 million, the Government would receive about $140 million and Interhandel about $60 million. The settlement terms, recently approved by Interhandel stockholders, also must be approved by the U. S. District Court at Washington, D. C. **Business**—Company is a leading domestic producer of dyestuffs, chemicals and photographic materials. **Office**—111 W. 50th St., New York. **Underwriters**—(Competitive). Probable bidders: Blyth & Co.-First Boston Corp. (jointly); Lehman Brothers-Kuhn, Loeb & Co.-Glore, Forgan & Co. (jointly); Bache & Co.

**Georgia Power Co. (11/7)**
Jan. 22, 1963 it was reported that this subsidiary of The Southern Co., plans to sell $30,000,000 of first mortgage bonds and $7,000,000 of preferred stock in November. **Proceeds**—For construction. **Office**—270 Peachtree Bldg., Atlanta. **Underwriters** — (Competitive). Probable bidders: (Bonds): Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); Blyth & Co.-Kidder, Peabody & Co.-Shields & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.; Harriman Ripley & Co.; Morgan Stanley & Co.; Lehman Brothers. (Preferred): First Boston Corp.; Lehman Brothers; Blyth & Co.; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Morgan Stanley & Co. **Bids**—Expected Nov. 7, 1963.

**Great Northern Ry. (5/21)**
March 2, 1963 it was reported that the company plans to sell $6,600,000 of equipment trust certificates. **Office**—39 Broadway, New York. **Underwriters** — (Competitive.) Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Expected May 21 (12 noon EDST) at above address.

**Gulf States Utilities Co.**
Jan. 29, 1963 the company announced plans to sell 100,000 shares of preferred stock (par $100) in the second half of 1963. **Office**—285 Liberty Ave., Beaumont, Tex. **Underwriters**—(Competitive). Probable bidders: Stone & Webster Securities Corp.; Lehman Brothers-Equitable Securities Corp. (jointly); Glore, Forgan & Co.-W. C. Langley & Co. (jointly); Lee Higginson Corp.

**Hawaiian Electric Co., Ltd.**
March 5, 1963 it was reported that this company plans to sell about $14,000,000 of first mortgage bonds in the third quarter. **Office**—900 Richards St., Honolulu. **Underwriters** — Dillon, Read & Co. Inc., New York and Dean Witter & Co., San Francisco.

**Hawaiian Telephone Co.**
March 25, 1963, the company announced plans to sell about $9,000,000 of common stock late in the third quarter. Details have not been decided upon. However, it is expected that the common will be offered on a rights basis to stockholders. **Office**—1130 Alakea St., Honolulu. **Underwriter**—Kidder, Peabody & Co., New York.

● **Hitachi, Ltd.**
April 10, 1963 it was reported that this Japanese firm plans to raise between $10-$20,000,000 in the U. S. by the sale of A. D. R's in the third quarter of 1963. **Business**—Company is Japan's largest manufacturer of electrical equipment and appliances turning out over 10,000 different products ranging from locomotives to transistor radios. **Proceeds** — For expansion. **Address** — Tokyo, Japan. **Underwriter**—Dillon, Read & Co., Inc., New York.

**Indiana Bell Telephone Co., Inc. (6/11)**
March 4, 1963 it was reported that this A. T. & T. subsidiary plans to sell $20,000,000 of debentures in June, marking its first sale of debt securities. **Office**—240 No. Meridian St., Indianapolis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; First Boston Corp.; White, Weld & Co.; Eastman Dillon, Union Securities & Co.-Kidder, Peabody & Co. (jointly); Blyth & Co.-Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc.-Salomon Brothers & Hutzler (jointly). **Bids**—Expected June 11 (11 a.m. EDST) at 195 Broadway, New York. **Information Meeting**—June 6 (2:30 p.m. EDST) at same address.

**Indiana & Michigan Electric Co. (8/6)**
March 12, 1963 it was reported that this subsidiary of American Electric Power Co., Inc., plans to sell $45,000,-

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000 of first mortgage bonds due 1993. **Office**—2101 Spy Run Ave., Fort Wayne, Ind. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.; Harriman Ripley & Co. Inc.; First Boston Corp. **Bids**—Expected Aug. 6 at American Electric Power Co., 2 Broadway, New York.

**Iowa Power & Light Co.**
Jan. 16, 1963 it was reported that the company plans to sell $10,000,000 of bonds in late 1963 or early 1964. **Office**—823 Walnut St., Des Moines. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; White, Weld & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Lehman Brothers; Blyth & Co.

**Iowa Public Service Co.**
March 12, 1963 the company announced plans to sell $14,000,000 of first mortgage bonds in September. **Address**—Orpheum-Electric Bldg., Sioux City, Iowa. **Underwriters**—(Competitive). Probable bidders: Kidder, Peabody & Co.-Blyth & Co. Inc. (jointly); Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; White, Weld & Co.; First Boston Corp.

● **Japan (Government of)**
April 16, 1963 it was reported that the Diet had approved the Government's budget for fiscal 1964, which included plans to sell $60,000,000 of external loan bonds and $20,000,000 City of Tokyo bonds in the U. S. during the fiscal year ending March 31, 1964. $25,000,000 of the external loan bonds have been registered with the SEC for sale on or about May 1, leaving a balance of $35,000,000 to be sold probably by Dec. 31, 1963. **Underwriters**— To be named. The current issue of external loan bonds will be underwritten by First Boston Corp. The last issue of Tokyo bonds in March 1927, was handled by Kuhn, Loeb & Co.

**Jersey Central Power & Light Co.**
March 12, 1963 it was reported that this subsidiary of General Public Utilities Corp., plans to sell $10,000,000 of 30-year bonds and $9,000,000 of 25-year debentures in the fall. **Address**—Madison Ave., at Punch Bowl Rd., Morristown, N. J. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Kidder Peabody & Co.; Harriman Ripley & Co.

**Louisiana Power & Light Co.**
Feb. 20, 1963 it was reported that this subsidiary of Middle South Utilities, Inc., may issue $25-$30,000,000 of bonds early in 1964. **Proceeds**—For construction. **Office**—142 Delaronde St., New Orleans. **Underwriters**—(Competitive.) Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.- Kidder, Peabody & Co.-Harriman Ripley & Co., Inc. (jointly); White, Weld & Co.-Blyth & Co., Inc.- Shields & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.-Glore, Forgan & Co. (jointly); Salomon Brothers & Hutzler-Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly).

**Massachusetts Electric Co.**
Jan. 16, 1963 it was reported that this company plans to sell $10,000,000 of bonds in the fourth quarter. **Office**—441 Stuart St., Boston. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co.; Blyth & Co.-White, Weld & Co. (jointly).

**Mexico (Government of)**
April 5, 1963 it was reported that the Mexican Congress had authorized the sale of $100,000,000 of bonds in other countries. It is expected that the majority of them would be sold in the U. S. Details as to terms, timing, etc., have not been decided upon. **Proceeds**—For economic development. **Underwriter**—Kuhn, Loeb & Co., New York.

**Michigan Wisconsin Pipe Line Co.**
March 12, 1963 the company stated that it is considering the issuance of about $25,000,000 of bonds in the third quarter, to refund a like amount of outstanding 6¼% first pipe line bonds due June 15, 1977. Action is contingent upon successful completion of its rate case now pending with the FPC. **Office**—500 Griswold St., Detroit. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co.

**Missouri Pacific RR**
March 13, 1963 it was reported that this road plans the sale of $4,500,000 of equipment trust certificates in late May or early June. This will be the second installment of a total $9,000,000 issue. **Address**—Missouri Pacific Bldg., St. Louis 3, Mo. **Underwriters**—(Competitive). Probable bidders: Salmon Brothers & Hutzler; Halsey, Stuart & Co. Inc.

**National Uni-Pac, Inc.**
March 27, 1963 it was reported that the company plans to file a registration statement covering 150,000 common. **Price**—$4. **Business**—The sale or lease of coin operated vending machines. **Proceeds** — To redeem outstanding debentures, and for other corporate purposes. **Office**—15, Peachtree St., N. W. Atlanta, Ga. **Underwriter**—To be named.

● **Nevada Power Co.**
April 16, 1963 the company announced plans to sell about $10,000,000 of first mortgage bonds in Sept. **Address**—Fourth and Stewart Avenue, Las Vegas. **Underwriters**—(Competitive): White, Weld & Co.; Eastman Dillon, Union Securities & Co.-Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.

● **Nevada Power Co.**
April 16, 1963 the company announced plans to sell about $4,000,000 of common stock in September. Transaction is subject to approval by State and Federal regulatory authorities. **Address** — Fourth and Stewart Ave., Las Vegas. **Underwriter**—White, Weld & Co., New York.

**New England Power Co.**
Jan. 16, 1963 it was reported that this utility plans to sell $10,000,000 of bonds and $10,000,000 of preferred stock in the fourth quarter. **Office**—441 Stuart St., Boston. **Underwriters** — (Competitive). Probable bidders: (Bonds) Halsey, Stuart & Co. Inc.; Lehman Brothers-Equitable Securities Corp. (jointly); Kuhn, Loeb & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co.-White, Weld & Co. (jointly); First Boston Corp. (Preferred) First Boston Corp.; Dean Witter & Co.-Smith, Barney & Co.-Wertheim & Co. (jointly); Equitable Securities Corp.-Kidder, Peabody & Co.-Lee Higginson Corp.-White, Weld & Co. (jointly); Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith, Inc.

**New York State Electric & Gas Corp.**
April 3, 1963 it was reported that the company plans to sell $20,000,000 of debt securities to finance its construction program for 1964 and 1965. **Office** — 108 East Green St., Ithaca, New York. **Underwriters** — (Competitive). Probable bidders: Kidder, Peabody & Co. - Salomon Brothers & Hutzler (jointly); First Boston Corp.-Glore, Forgan & Co. (jointly); Halsey, Stuart & Co.; Harriman Ripley & Co.; Blyth & Co.

● **Nippon Telegraph & Telephone Pubilc Corp.**
April 16, 1963 it was reported that the company plans to sell $20,000,000 of bonds in the United States in the third quarter of 1963. **Business** — Nippon Telegraph, wholly-owned by the Japanese Government, furnishes domestic telephone and telegraph services, without competition, in Japan. **Proceeds**—For expansion. **Office**—Tokyo, Japan. **Underwriters**—Dillon, Read & Co.; First Boston Corp., and Smith, Barney & Co., New York.

**Norfolk & Western Ry. (4/22)**
Feb. 13, 1963 it was reported that this road plans to sell about $4,410,000 of 1-15 year equipment trust certificates in April. **Office**—8 North Jefferson St., Roanoke, Va. **Underwriters**—(Competitive). Probable bidders: Halsey Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—April 22 (12 noon EST).

**Norfolk & Western Ry. (6/24)**
April 8, 1963 it was reported that this road plans to sell about $4,300,000 of 1-15 year equipment trust certificates in June. **Office**—8 North Jefferson St., Roanoke, Va. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—June 24 (12 noon EDST).

**Northern Illinois Gas Co. (7/10)**
April 9, 1963 the company reported that it plans to sell $20,000,000 of first mortgage bonds due 1988. **Proceeds**—For construction. **Office**—615 Eastern Ave., Bellwood, Ill. **Underwriters** — (Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.-Equitable Securities Corp.; Glore, Forgan & Co. **Bids**—Expected July 10.

**Northern Natural Gas Co.**
Jan. 16, 1963 it was reported that this company plans to sell $30,000,000 of debt securities sometime in 1963 or 1964. **Office**—2223 Dodge St., Omaha, Neb. **Underwriter**—To be named. The last sale of debentures on Nov. 16, 1960 was handled on a negotiated basis by Blyth & Co., Inc., N. Y.

**Northern States Power Co. (Minn.)**
Jan. 11, 1963, it was reported that this company plans to sell $25,000,000 of first mortgage bonds due 1993 in the last half of the year. **Proceeds** — For construction. **Office**—15 South Fifth St., Minneapolis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.-Blyth & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co.-White, Weld & Co. (jointly); Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers-Riter & Co. (jointly).

**Otter Tail Power Co.**
Jan. 16, 1963 it was reported that this company plans to sell $10,000,000 of bonds in the fourth quarter. **Office**—215 South Cascade St., Fergus Falls, Minn. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. Inc.; Glore, Forgan & Co.-Kalman & Co. (jointly); White, Weld & Co.

**Pacific Power & Light Co.**
Nov. 28, 1962 it was reported that the company plans to issue $30,000,000 of first mortgage bonds in June 1963. **Proceeds**—To repay outstanding loans. **Office**—920 S. W Sixth Ave., Portland, Ore. **Underwriters**—(Competitive) Probable bidders: Lehman Brothers-Bear, Stearns & Co.-Salomon Brothers & Hutzler (jointly); Halsey, Stuart & Co. Inc.; Blyth & Co.-White, Weld & Co. (jointly); Eastman Dillon, Union Securities & Co.-Kidder Peabody & Co. (jointly).

**Pennsylvania Power Co. (6/12)**
April 9, 1963 it was reported that this utility plans to sell $9,000,000 of first mortgage bonds due 1993. **Proceeds**—For construction. **Office**—19 E. Washington St., New Castle, Pa. **Underwriters**—(Competitive). Probable bidders: Kidder, Peabody & Co.-White, Weld & Co.-Equitable Securities Corp.-Shields & Co. (jointly); Harriman Ripley & Co.; Lehman Brothers-Eastman Dillon, Union Securities & Co.-Ladenburg, Thalmann & Co.-Salomon Brothers & Hutzler (jointly); Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Dean Witter & Co. (jointly); First Boston Corp.-Blyth & Co. (jointly). **Bids**—Expected June 12 (11 a.m. EDST) at 300 Park Ave., New York. **Information Meeting**—June 10 (3:45 p.m. EDST) at 15 William St., New York.

**Pennsylvania Power & Light Co.**
March 18, 1963 the company stated that it expects to sell $75,000,000 of bonds in the period 1963 through 1967. **Proceeds** — For construction and the retirement of $8,000,000 of maturing bonds. **Office**—9th and Hamilton Sts., Allentown, Pa. **Underwriters**—To be named. The last sale of bonds on Nov. 29, 1961 was won at competitive bidding by White, Weld & Co., and Kidder, Peabody & Co. Other bidders were Halsey, Stuart & Co. Inc.; First Boston Corp.-Drexel & Co. (jointly).

**Philadelphia Electric Co.**
March 5, 1963 the company reported that it plans to spend $478,000,000 for construction during the five-year period 1963-67. It added that about half the money required will be generated internally, and the balance obtained by bank loans to be converted into permanent financing, from time to time, through the sale of bonds and common stock. **Office**—1000 Chestnut St., Philadelphia. **Underwriters**—To be named. The last sale of bonds on Oct. 15, 1959 was handled by Morgan Stanley & Co., and Drexel & Co. Other bidders were: Halsey, Stuart & Co. Inc.; First Boston Corp.; White, Weld & Co. The last sale of common was a rights offering on June 2, 1959, underwritten by Drexel & Co., and Morgan Stanley & Co.

**Public Service Electric & Gas Co. (6/18)**
March 4, 1963 it was reported that this company plans to sell $40,000,000 of first mortgage bonds due 1993. **Proceeds** — For construction. **Office** — 80 Park Place, Newark, N. J. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; White, Weld & Co.-Blyth & Co.-Goldman, Sachs & Co.-Harriman Ripley & Co. (jointly); Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc.-Salomon Brothers & Hutzler (jointly). **Bids** — Expected June 18 (11 a.m. EDST) at above address. **Information Meeting**—June 13 (2 p.m. EDST) at One Chase Manhattan Plaza, New York.

**Sears, Roebuck & Co.**
Feb. 19, 1963, Allstate Enterprises, Inc., subsidiary, announced that it had delayed its plans to form a new mutual fund until it received clarification of an SEC ruling which "has been construed by some to mean that registered investment companies could not purchase Sears' stock or would be required to divest themselves of it, if Sears' itself owned a mutual fund." Earlier, Allstate said that the fund would be in operation late in 1963 on a "very small scale," and would be started on a state-by-state basis as approval was granted. **Office**—925 So. Homan Ave., Chicago. **Distributor**—Allstate Enterprises, Inc., Chicago.

★ **Security National Bank of Long Island**
April 16, 1963 it was reported that the bank plans to offer stockholders the right to subscribe for an additional 141,519 common shares on a 1-for-9 basis. The proposal will be voted on by stockholders in mid-June and the date of the meeting would also be the record date for the rights offering. **Address**—Huntington, N. Y. **Underwriter**—M. A. Schapiro & Co., New York.

**Southern California Edison Co. (5/22)**
March 25, 1963 the company announced plans to sell $60,000,000 of first and refunding mortgage bonds, series Q, due May 15, 1988. **Proceeds** — To refund $32,400,000 of outstanding bonds, and for construction. **Office** — 601 West Fifth St., Los Angeles. **Underwriters** — (Competitive.) Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.- Dean Witter & Co. (jointly); Blyth & Co.-Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc.-Salomon Brothers & Hutzler (jointly). **Bids**—May 22 (8:30 a.m. PDST) at above address.

**Southern Counties Gas Co. of Calif.**
Jan. 2, 1963 it was reported that this subsidiary of Pacific Lighting Corp., plans to sell $27,000,000 of first mortgage bonds in the fourth quarter. **Address**—P. O. Box 2736, Terminal Annex, Los Angeles 54, Calif. **Underwriters**—(Competitive) Probable bidders: White, Weld & Co.; Blyth & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Halsey, Stuart & Co. Inc.; First Boston Corp.

**Southern Railway Co.**
Jan. 15, 1963 stockholders authorized the company to issue $50,000,000 of general mortgage bonds. **Proceeds**—To acquire stock of Central of Georgia Ry.; retire first mortgage 3¾% bonds of Atlanta & Charlotte Air Line RR.; reimburse the treasury for capital expenditures and provide for additional capital expenditures. **Offices**—14th and Canal St., Richmond, Va., and 70 Pine St., New York. **Underwriters** — (Competitive). Probable bidders: First Boston Corp.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler (jointly); Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.-White, Weld & Co. (jointly).

**Southern Union Gas Co.**
March 27, 1963 it was reported that this utility plans to sell $5,000,000 of preferred stock and $5,000,000 of debentures in the first half of 1963 to help finance its $11,750,000 construction program. **Office**—1507 Pacific Ave., Dallas. **Underwriters**—Snow, Sweeny & Co., Inc., New York, and A. C. Allyn & Co., Chicago.

**Tennessee Valley Authority**
Oct. 3, 1962, A. J. Wagner, Chairman, stated that the Authority plans to issue $50,000,000 of short- or long-term securities in the spring of 1963. **Proceeds**—For construction. **Office**—Knoxville, Tenn. **Underwriters**—To be named. On Jan. 24, 1962 the Authority sold at competitive bidding $45,000,000 of 4½% bonds due Feb. 1, 1987. The issue was won by a group jointly managed

by Chase Manhattan Bank; Morgan Guaranty Trust Co. of New York; Chemical Bank New York Trust Co.; C. J. Devine & Co.; and the First National Bank of Chicago

**Transcontinental Gas Pipe Line Co.**

Feb. 20, 1963 it was reported that the company is considering the issuance of $30-$40,000,000 of debt securities in the third quarter. **Proceeds**—For expansion. **Office**—3100 Travis St., Houston. **Underwriters**—White, Weld & Co., and Stone & Webster Securities Corp., N. Y.

**★ Transport Motor Express, Inc. (4/23)**

On April 1, 1963, the company filed an application with the ICC for permission to sell 150,000 outstanding common shares. **Price**—By amendment. **Business**—Company is engaged in the transportation of general commodities between Chicago, Fort Wayne, Pittsburgh, and other mid-western cities. **Proceeds**—For selling stockholders. **Address**—Meyer Rd., Fort Wayne, Ind. **Underwriter**—A. C. Allyn & Co., Chicago.

**Union Electric Co.**

March 19, 1963 the company stated that it plans to issue $20,000,000 of preferred stock and $40,000,000 of bonds by the end of 1964. **Office**—315 N. 12th Blvd., St. Louis. **Underwriters**—(Competitive). Probable bidders: (Preferred): First Boston Corp.; Dillon, Read & Co., Inc.; Lehman Brothers; White, Weld & Co.; Blyth & Co., Inc. (Bonds): Halsey, Stuart & Co. Inc.; Lehman Brothers-Blyth & Co., Inc. (jointly); White, Weld & Co.-Shields & Co. (jointly); First Boston Corp.

**Union Light, Heat & Power Co.**

Feb. 18, 1963 it was reported that this subsidiary of Cincinnati Gas & Electric Co., plans to sell $6,000,000 of first mortgage bonds in 1963. **Office**—139 East Fourth St., Cincinnati. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. Inc.-First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co. (jointly); Equitable Securities Corp.; White, Weld & Co.; Kidder, Peabody & Co.

**Washington Gas Light Co.**

Au. 1, 1962 it was reported that this company plans to sell $12,000,000 of 25-year bonds, in the second quarter of 1963. **Office**—1100 H. St., N. W., Washington, D. C. **Underwriters**—(Competitive): Probable bidders: Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; Kidder, Peabody & Co.; First Boston Corp.; Halsey, Stuart & Co. Inc.

**★ Wavelabs, Inc.**

April 16, 1963 it was reported that the company had withdrawn a "Reg. A" covering 100,000 capital shares in order to prepare a full filing covering a larger number of shares. It is expected that the registration statement will be filed within a month. **Business**—Manufacture of airborne and shipboard vibration monitoring devices and equipment. **Proceeds**—For debt repayment, advertising, research and working capital. **Office** — 4343 Twain St., San Diego. **Underwriter**—To be named.

**★ Western Transmission Corp.**

April 17, 1963 it was reported that this newly-formed natural gas pipeline company plans to file a registration statement covering an undetermined number of common shares to be offered initially to stockholders of U. S. Natural Gas Corp. **Address**—9601 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—None.

**Western Union Telegraph Co.**

March 6, 1963 the company announced that it had arranged to borrow a total of $100,000,000 by sale of notes maturing serially, one-third at the end of each of the years 1964, 1965 and 1966. It plans to refinance the serial notes by issuance of long-term debt securities, but has not determined the terms or timing of the action. **Office** —60 Hudson St., New York. **Underwriters**—Kuhn, Loeb & Co., Inc., and Lehman Brothers, New York.

**Wisconsin Public Service Corp.**

March 19, 1963 it was reported that this company plans to sell $15,000,000 of bonds later this year. **Office** —1029 North Marshall St., Milwaukee. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler (jointly); First Boston Corp.; White, Weld & Co.; Kidder, Peabody & Co.

# Opportunities in Europe's Electronics Markets

*Continued from page 14*

economies, an interesting comparison can be made by showing the percentages of GNP that are represented by sales of electronic equipment. Table IV shows these percentages. Since 1950, the electronics industry has become twice as important as a percentage of GNP in the United States, four times as important in the EEC, and one and one-half times as important in the United Kingdom.

Table IV also shows that the importance of the electronics industry, as expressed as a percentage of the GNP, is expected to continue to increase more rapidly in Europe than in 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 than it is 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—leaving less than 20% for consumer products. In Europe, the situation is quite different: consumer products account for upwards of 50% of the total electronics market. Because of the low degree of saturation of this market, consumer products are expected to continue their dominance of European electronics production for some time. By 1965 they will probably still account for 40% of the total. In the EEC, the number of television sets per 1,000 population is only 20% as great as in the United States, and the saturation of the market for radios is only 25% as great as in the United States. In the United Kingdom, the saturation of the television market is 70% as great as in the United States. However, the United Kingdom market for radios has reached only 30% of the saturation in the United States.

The European consumer market is substantial 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 there may be profit opportunities in this field, they will probably be limited to established companies, since it will become increasingly difficult for a new firm to compete with established brand names.

The industrial segment of the European electronics market represents a more significant portion than its counterpart in the United States, largely because of the inclusion of telecommunication equipment in the European figures. Telecommunication equipment may represent as much as half the industrial electronics market in some countries, 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 still relatively small, 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 rapidly increasing use of data processing equipment. In addition, many modern manufacturing facilities continue to be constructed whose new facilities lend themselves to the intensive use of electronic controls and other electronic equipment and instrumentation. Since 1958, almost all new electronics operations undertaken by U. S. firms in Europe have been for industrial products.

Another reason for the projected increase in size of the European electronics market is the expected increase in expenditures in Europe for military electronics, principally those of NATO. At present, only about 10% of Europe's production of electronics is for military equipment, the principal reason being that a large part of NATO's current expenditures for electronics go to U. S. firms. It is expected that many of these expenditures will be shifted to European firms, but any projection of shifts in military expenditures are speculative, in view of the uncertain effects that the recent actions of the French Government will have on the implementation of NATO objectives. The estimates shown in Table V were made for a study completed at the Institute in 1962 and show that European military electronic expenditures are expected to reach $3 billion per year by 1967.

Although I have often referred to the European electronics market, it must be recognized that this is not a single homogeneous market such as exists in the United States. The market in the United Kingdom is distinctly separate from that in the European Economic Community. In view of recent political events it is not certain whether this situation will change within the next few years. Therefore, participation in one of these two markets will probably continue to provide only limited advantage to a U. S. company for participation in the other.

Even within the EEC there are four rather distinct markets—Benelux, France, Germany, and Italy. In some product areas it is possible to serve more than one of these countries quite effectively from a single location, but it would be erroneous to assume that one location within the EEC would be completely adequate for marketing any type of electronic equipment in any of the six Common Market countries. Evidence of this may be found in the fact that many firms already active in Europe have found it desirable to establish subsidiary organizations in several countries throughout the Continent. Admittedly, this situation developed for many companies before the organization of the EEC, and ultimately the European market may become homogeneous enough that such duplication will no longer be necessary. For the next few years, however, it is expected that the advantages of duplication will remain quite significant.

Having briefly discussed the present size and composition of the European electronics market and having reviewed some of the gross projections that have been made for it by members of the staff at the Institute, I should like to present some general comparisons of the European market to the U. S. market in terms of business practices, extent of government participation, industry structure, restrictions to international trade, and production facilities.

TABLE V

**Defense Budgets**

(Billions of Dollars)

| | 1959 | 1962 | 1967 |
|---|---|---|---|
| United States | $41.3 | $47.9 | $55 ($7 Billion Electronics) |
| EEC | 6.9 | 11.3 | 22 ($3 Billion Electronics) |
| United Kingdom | 4.3 | 4.7 | |

### Business Practices

One of the differences between the U. S. and European electronics industries is the percentage of sales handled by company salesmen. In European countries, much greater use is made of sales personnel who are directly employed by manufacturers than is the practice in the United States, where a much greater dependence is placed upon manufacturers' agents, independent distributors, and wholesalers. In Europe, there are comparatively few manufacturers' agents, and their activities are mainly concerned with imports. Contrary to the U. S. situation, European distributors and wholesalers are often owned by the manufacturing firm, and there are also fewer wholesalers and distributors than there are in the United States.

Another difference in business practices arises out of the communication problems caused by language differences. European companies make extensive use of multilingual Europeans who not only bridge the language barrier, but who are also depended upon to provide analyses of foreign market opportunities because of their extensive knowledge of the local customs and marketing practices. When these European nationals are employed by U. S. firms, it has been found that their effectiveness is greatly enhanced by having them spend some time in the United States or Canada to get a feel for the American way of thinking. Most U. S. firms have found that such multilingual capability and an undertaking of local problems and requirements is of great assistance.

In the application of engineering and technician skills, there are significant differences between U. S. and European electronics companies. The European professional engineer usually has an important position as a production supervisor. In Europe, the engineer usually has line responsibility and authority for the product being manufactured—whereas in the United States, engineering is most often a staff function. This difference makes it easier to introduce new electronic equipment into a European manufacturing process because the evaluation of it and the subsequent decision to purchase and install it can often be made directly by a technically trained professional who has line authority as well as familiarity with both the manufacturing process and the operating characteristics of electronic equipment. On the other hand, because there are fewer trained engineers in Europe than in the United States, there is not the large number of middle-management engineers and technicians that is found in the United States. As a consequence, European companies have sometimes not been as quick to apply new electronics techniques as their U. S. counterparts.

The predominant methods of financing also differ in the United States and Europe. Possibly the most significant difference is in the large number of functions performed by European commercial banks that are performed by stock exchanges and their member organizations in the United States. There is relatively less public risk capital in the EEC countries, and since banks are able to vote concentrated holdings they are able to assume an important role in a company's operations. The dominant position 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, inventors and engineers are not able to organize their own companies as easily as they have in the United States, and large numbers of small independent electronics firms are not found as extensively in Europe.

Credit regulations are somewhat more restrictive in Europe, both upon the manufacturer and upon the user of electronic products. There are fewer types of credit instruments in general use, and short-term borrowings are sometimes not as easily arranged as they are in the United States. All of this financial conservatism results in a rigid system wherein it is difficult for small electronic companies to compete effectively with the large European industrial complexes.

### Government Participation

Government participation is greater in Europe than

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# Opportunities in Europe's Electronics Markets

Continued from page 43

it is in the United States. This participation takes many forms in addition to those with which U. S. electronic firms are familiar. In the United States, about half of the industry output is purchased by the government and it is estimated that three-quarters of electronic R&D efforts are funded directly or indirectly by the government. In addition, some assistance is provided by the U. S. Government in the form of tax write-offs, particularly for R&D efforts, and in assistance to small business through such agencies as 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 most of the country's radio broadcasting and telecasting.

In France, until recently, government participation was much as it is in the United Kingdom, but because of the increasing importance of deGaulle's emphasis on a planned economy, particularly in nuclear programs, the French Government's role in the electronics industry may become much greater than in the United Kingdom.

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

In government-owned or dominated companies, profit is 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, however, such companies may be valuable partners in joint ventures because many times they have excellent physical facilities and outstanding research staffs; but it is necessary, when considering such joint ventures, to understand the interjection of nonprofit motives into the industry.

The increasing importance of international research organizations should also be pointed out. Among them are: EURATOM, The European Space Research Organization (ESRO), Organization for Economic Cooperation and Development (OECD), NATO, and UNESCO. Only a few of the international organizations spend more than symbolic amounts on contract research. Rather, they emphasize the determination of research policy and cooperation in the initiation of research projects via symposia, preliminary studies, and dissemination of scientific information. Many of the documents published by these organizations remain "restricted" for years but can be easily obtained through the U. S. delegation to each organization.

### Industry Structure

The dominating positions of large companies—such as Phillips, CSF, and Siemens-Halske—in the European electronics industry is important, The control that these large companies have over the small ones — whether by partial ownership, by trade agreement, or by other financial or political arrangement — cannot be shown in summary statistical data.

The concentration of industry control by these huge companies has several effects. Among them are: (1) the number of potential partners for U. S. electronics companies in Europe is considerably less than a casual examination of a listing of European companies might suggest, and (2) close control over dissemination of the results of many important research programs can be exercised by the industry giants — this restriction on the availability of R&D information is a real drawback to small European firms that cannot support extensive R&D programs. However, the larger European corporations are often willing to trade the results of their research with foreign firms.

### Restrictions to International Trade

Within the EEC, import-export quotas are rapidly disappearing, and encouraging progress is being made toward the reduction of tariffs between member countries. These internal tariffs have been reduced by approximately one-half since 1957, and a common external tariff, to apply to countries outside the EEC, may be realized by 1967 — some four to seven years ahead of original schedules.

The target external tariffs are still relatively high, although the EEC has indicated a willingness to lower external tariffs, provided the rest of the world, especially the United States, will offer comparable concessions. Because of internal pressures in the EEC and the United States, however, it is unlikely that either major bargaining party will be able to make significant reductions in the near future. EEC external tariffs tend to be the lowest on equipment of the most sophisticated technological content, averaging about 10% to 12% on many types of electronic equipment.

### Production Facilities

There has been much discussion of the low cost of production in Europe compared with production costs in the United States. To a large extent the lower European cost has been due to a much lower level of wages. Undoubtedly, there are also other important contributing factors, such as lower overhead costs, lower actual rates of corporate taxes, longer working hours, and, in some cases, lower fringe benefits.

All of these factors are unquestionably advantageous in reducing European production costs. But a point that is frequently ovelooked is the fact that productivity in Europe is considerably lower than in the United States. An even more disturbing factor is the slower rate at which productivity in Europe has been increasing recently, particularly in comparison with the more rapid rate of increase in wages. The net result is that, while production costs may be lower in Europe for some products at the present time, the margin is less than is often suspected and will continue to narrow unless major steps are taken soon to increase productivity in Europe. There is a definite awareness of this problem in Europe, and this awareness indicates an opportunity in the European electronics market for suppliers of automation equipment.

### Opportunities

Having discussed some of the comparisons that can be made between the U. S. and European markets, perhaps it is safe to make a few generalizations on the types of opportunities that appear to be the most attractive for a U. S. company wishing to participate in the European electronics industry — realizing, of course, that any of the generalizations might be entirely offset by the details of any individual situation.

First, in the rapidly growing European electronics market, consumer products will continue to be most important in volume and in absolute growth for several years. However, the professional segment of the market—that is, products sold for industrial and military use—will have the highest rate of growth and will probably be most attractive for U. S. electronics firms. Although the consumer market is far from saturated, the dominant role of a relatively few large companies precludes the introduction of new brand names without considerable difficulty. Furthermore, this consumer market is fiercely competitive and is the segment of the total market that accounts for the majority of European exports to the United States.

Second, an advantage that the U. S. electronics industry appears to have is a profusion of new products. In many cases the European market is not ready for some of these products, but ultimately those that are marketable in the United States should also be marketable in Europe. Since most of the European companies are relatively smaller than those in the United States, they are unable to devote the research and development efforts necessary to develop a multitude of new products of their own. Hence, they are eager to obtain new American products that they can produce under license or, even better, within the framework of a joint venture. This situation will undoubtedly provide opportunities for U. S. companies to become established in the European market. It is doubtful that U. S. electronics companies can obtain many new products from their European counterparts, but they can use their own new products as a bargaining tool in establishing a marketing position in Europe.

Third, there appear to be opportunities in Europe for U. S. firms to introduce improved production and marketing techniques. It has already been noted that productivity rates are very low and are not increasing as rapidly as wage rates. In marketing, especially, it appears that U. S. firms could enjoy a significant advantage in Europe, by introducing the scientific and aggressive marketing techniques that have been successful in the United States.

Fourth, it appears that manufacturing facilities located in Europe have a distinct advantage over U. S. manufacturers for selling in the European market and for providing service to European customers. Plant location in Europe probably will continue to offer some production cost advantages, and even a slight cost advantage — when coupled with a protective tariff and proximity to the European customer — would make it difficult for many U. S. manufactured products to compete in the European markets.

Fifth, if company acquisitions or mergers are being considered, they may require dealing either directly or indirectly with the large European companies and, in many cases, with politically oriented government interests. It is more difficult to acquire suitable small independent electronics firms in Europe than it is in the United States.

Sixth, although generally comparable standards of living, cultural levels, and types of economies exist in Europe and the United States, significant differences are found in business practices, communications, corporate structures, national customs, and personal interests. A well-thought-out program to obtain the information necessary for a thorough understanding of these differences should be undertaken prior to making any investment in Europe. Once the basic information is available, a concerted program of implementation under the leadership of a top executive from the U. S. headquarters is essential for success. Heretofore, the development of European opportunities, in many instances appears to have been left in the hands of "second echelon" personnel of U. S. electronics companies — and the results in many cases were second rate.

Seventh, it appears that the greatest advantage in European operation is an intangible one related to familiarity with the market. The differences between the various countries within the EEC have already been noted. It should be quite evident that the difference between Europe and the United States is even greater. If it is desirable to establish separate marketing organizations in each of the countries within the Common Market, it is much more necessary to set up an operation within Europe, rather than attempt to export products from the United States. It is practically essential to the manufacturer to have his product become closely associated with the country in which he is marketing it, and for him to remain in close contact with his customers so that he can respond to, and even anticipate the changes in the demands of his customers. This advantage cannot be evaluated quantitatively, but it is probably the most important of all.

*Sources of Data for the Tables:* OEEC, EEC Commission, U. S. Department of Commerce, BDSA, EIA, SRI, bulletins of La Federation Nationale des Industries Electronique, and publications of the Federation of Japan Electrical Communication Associations and the Zentralverband der Elektsatechnischen Industrie.

*An address by Mr. Randall before the Electronics Industries Association International Symposium, Washington, D. C.

# J. E. Sinclair Co. Formed

CHARLOTTE, N. C.—J. E. Sinclair & Co., Inc., has been formed with offices in the Cutter Building to engage in a general securities business. Officers are: J. E. Sinclair, President and Treasurer; W. Dunlap Covington, Vice-President and Secretary; and Ernest S. DeLaney, Jr., Assistant Secretary. Mr. Sinclair was formerly with McCarley & Co., Inc.

# Birr, Wilson Branch

BELMONT, Calif.—Birr, Wilson & Co., Inc., has opened a branch office at 1088 Alameda de Las Pulgas under the management of Herman G. Frese. Mr. Frese was formerly manager of the firm's office in San Carlos.

# Bankers Bond Co. Elects Officers

LOUISVILLE, Ky.—The Bankers Bond Co., 420 West Jefferson St., has elected J. Pat Hall Executive Vice-President. Mr. Hall was formerly an Assistant Vice-President of the firm.

Joseph McDevitt, Manager of the firm's recently opened office in Lexington, Ky., and Raymond Schmitt, previously Assistant Treasurer, were also named Vice-Presidents. Fred C. Park of Owensboro was elected Assistant Vice-President of the firm.

# Dealer-Broker Literature

Continued from page 8

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

**Olin Mathieson** — Memorandum — Sincere and Company, 208 South La Salle Street, Chicago 4, Ill.

**Pacific Southwest Airlines** — Memorandum—N. C. Roberts & Co., Home Tower Bldg., San Diego, Calif.

**Pan American World Airways**—Analysis—Stone, Ackerman & Co., Inc., 61 Broadway, New York 6, N. Y.

**Pan American World Airways**—Memorandum—Birr, Wilson & Co. Inc., 155 Sansome St., San Francisco 4, Calif. Also available are memoranda on **Time** and **Lucky Stores.**

**Parke Davis** — Memorandum — Chas. W. Scranton & Co., 209 Church St., New Haven 7, Conn. Also available are memoranda on **Sherwin Williams** and **Montana Dakota Utilities.**

**Philadelphia & Reading**—Memorandum—Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y. Also available is a memorandum on **Talon.**

**Phillips Petroleum Company** — Bulletin—Oppenheimer, Newborg & Neu, 120 Broadway, New York 5, New York.

**Quaker City Life Insurance Company**—Analysis—Suplee, Yeatman, Mosley Co., Incorporated, 1500 Walnut St., Philadelphia 2, Pa.

**Radio Corporation of America**—Review—Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 5, N. Y. Also available are reviews of **Jim Walter Corp., Honda Motor, General Telephone & Electronics Corp., Famous Artists Schools, Inc., Max Factor & Co.,** and **Pabst Brewing Co.**

**Reinsurance Investment** — Memorandum—Philips Appel & Walden, 115 Broadway, New York 6, N. Y.

**H. H. Robertson**—Memorandum—Schmidt, Roberts & Parke, 123 Broad St., Philadelphia 9, Pa.

**Silo Discount Centers Inc.**—Memorandum—Boenning & Co., Alison Building, Philadelphia 3, Pa.

**Sinclair Oil** — Memorandum — J. W. Sparks & Co., 120 Broadway, New York 5, N. Y.

**Sinclair Oil Corp.** — Analysis — Herbert E. Stern & Co., 52 Wall St., New York 5, N. Y.

**Society Corporation** — Analysis—Gerstley, Sunstein & Co., 211 South Broad Street, Philadelphia 7, Pa.

**Southern Natural Gas Co.**—1962 annual report—Southern Natural Gas Co., Dept. FC, Watts Building, Birmingham, Ala.

# Indications of Current Business Activity

**The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:**

| | | Latest Week | Previous Week | Month Ago | Year Ago |
|---|---|---|---|---|---|
| **AMERICAN IRON AND STEEL INSTITUTE:** | | | | | |
| Steel ingots and castings (net tons) | Apr. 13 | 2,464,000 | 2,413,000 | 2,225,000 | 2,224,000 |
| Index of production based on average weekly production for 1957-1959 | Apr. 13 | 132.3 | 129.5 | 119.4 | 120.5 |
| **AMERICAN PETROLEUM INSTITUTE:** | | | | | |
| Crude oil and condensate output—daily average (bbls. of 42 gallons each) | Apr. 5 | 7,483,960 | 7,477,660 | 7,459,810 | 7,360,210 |
| Crude runs to stills—daily average (bbls.) | Apr. 5 | 8,553,000 | *8,498,000 | 8,813,000 | 7,849,000 |
| Gasoline output (bbls.) | Apr. 5 | 28,775,000 | 29,434,000 | 29,447,000 | 28,383,000 |
| Kerosene output (bbls.) | Apr. 5 | 3,474,000 | 3,316,000 | 3,061,000 | 2,613,000 |
| Distillate fuel oil output (bbls.) | Apr. 5 | 13,857,000 | 14,269,000 | 15,852,000 | 12,958,000 |
| Residual fuel oil output (bbls.) | Apr. 5 | 5,687,000 | 5,794,000 | 6,470,000 | 5,347,000 |
| Stocks at refineries, bulk terminals, in transit, in pipe lines | | | | | |
| Finished gasoline (bbls.) at | Apr. 5 | 209,475,000 | *210,744,000 | 211,754,000 | 204,443,000 |
| Kerosene (bbls.) at | Apr. 5 | 23,553,000 | 22,756,000 | 22,242,000 | 23,594,000 |
| Distillate fuel oil (bbls.) at | Apr. 5 | 82,102,000 | 79,671,000 | 83,402,000 | 86,527,000 |
| Residual fuel oil (bbls.) at | Apr. 5 | 42,919,000 | 42,097,000 | 43,522,000 | 39,274,000 |
| Unfinished oils (bbls.) at | Apr. 5 | 83,330,000 | *81,345,000 | 81,660,000 | 79,393,000 |
| **ASSOCIATION OF AMERICAN RAILROADS:** | | | | | |
| Revenue freight loaded (number of cars) | Apr. 6 | 546,065 | 558,611 | 517,757 | 547,674 |
| Revenue freight received from connections (no. of cars) | Apr. 6 | 519,882 | 518,654 | 520,207 | 520,629 |
| **COAL OUTPUT (U. S. BUREAU OF MINES):** | | | | | |
| Bituminous coal and lignite (tons) | Apr. 8 | 7,760,000 | *8,805,000 | 7,385,000 | 7,168,000 |
| Pennsylvania anthracite (tons) | Apr. 8 | 308,000 | 396,000 | 363,000 | 284,000 |
| **CONSTRUCTION ADVANCE PLANNING — ENGINEERING NEWS-RECORD—NEW SERIES (000's omitted):** | | | | | |
| Total advance planning by ownership | Apr. 11 | $563,900 | $567,900 | $463,700 | $211,900 |
| Private | Apr. 11 | 345,000 | 392,900 | 258,700 | 92,800 |
| Public | Apr. 11 | 218,900 | 175,000 | 205,000 | 119,100 |
| State and Municipal | Apr. 11 | 147,400 | 174,100 | 172,300 | 117,000 |
| Federal | Apr. 11 | 71,500 | 900 | 32,700 | 2,100 |
| **DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100** | Apr. 6 | 120 | *113 | 92 | 112 |
| **EDISON ELECTRIC INSTITUTE:** | | | | | |
| Electric output (in 000 kwh.) | Apr. 13 | 16,325,000 | 16,418,000 | 16,949,000 | 15,600,000 |
| **FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.** | Apr. 11 | 274 | 360 | 348 | 377 |
| **IRON AGE COMPOSITE PRICES:** | | | | | |
| Finished steel (per lb.) | Apr. 8 | 6.196c | 6.196c | 6.196c | 6.196c |
| Pig iron (per gross ton) | Apr. 8 | $63.33 | $63.33 | $63.33 | $66.44 |
| Scrap steel (per gross ton) | Apr. 8 | $28.17 | $28.17 | $27.50 | $30.83 |
| **METAL PRICES (E. & M. J. QUOTATIONS):** | | | | | |
| Electrolytic copper— | | | | | |
| Domestic refinery at | Apr. 12 | 30.600c | 30.600c | 30.600c | 30.600c |
| Export refinery at | Apr. 12 | 28.325c | 28.425c | 28.400c | 28.525c |
| Lead (New York) at | Apr. 12 | 10.500c | 10.500c | 10.500c | 9.500c |
| Lead (St. Louis) at | Apr. 12 | 10.300c | 10.300c | 10.300c | 9.300c |
| ‡Zinc (delivered at) | Apr. 12 | 12.000c | 12.000c | 12.000c | 12.000c |
| Zinc (East St. Louis) at | Apr. 12 | 11.500c | 11.500c | 11.500c | 11.500c |
| Aluminum (primary pig, 99.5%) at | Apr. 12 | 22.500c | 22.500c | 22.500c | 24.000c |
| Straits tin (New York) at | Apr. 12 | No Quote | 111.375c | 109.375c | 122.875c |
| **MOODY'S BOND PRICES DAILY AVERAGES:** | | | | | |
| U. S. Government Bonds | Apr. 16 | 89.48 | 89.88 | 90.23 | 89.54 |
| Average corporate | Apr. 16 | 89.23 | 89.23 | 89.23 | 87.18 |
| Aaa | Apr. 16 | 92.93 | 93.08 | 93.23 | 91.19 |
| Aa | Apr. 16 | 90.91 | 91.19 | 90.91 | 88.95 |
| A | Apr. 16 | 89.37 | 89.37 | 89.51 | 86.65 |
| Baa | Apr. 16 | 83.91 | 83.91 | 83.79 | 82.15 |
| Railroad Group | Apr. 16 | 87.18 | 87.05 | 86.65 | 84.04 |
| Public Utilities Group | Apr. 16 | 90.34 | 90.48 | 90.48 | 87.9 |
| Industrials Group | Apr. 16 | 90.20 | 90.34 | 90.63 | 89.37 |
| **MOODY'S BOND YIELD DAILY AVERAGES:** | | | | | |
| U. S. Government Bonds | Apr. 16 | 3.84 | 3.78 | 3.72 | 3.72 |
| Average corporate | Apr. 16 | 4.47 | 4.47 | 4.47 | 4.62 |
| Aaa | Apr. 16 | 4.21 | 4.20 | 4.19 | 4.33 |
| Aa | Apr. 16 | 4.35 | 4.33 | 4.35 | 4.49 |
| A | Apr. 16 | 4.46 | 4.46 | 4.45 | 4.66 |
| Baa | Apr. 16 | 4.87 | 4.87 | 4.88 | 5.01 |
| Railroad Group | Apr. 16 | 4.62 | 4.63 | 4.66 | 4.86 |
| Public Utilities Group | Apr. 16 | 4.39 | 4.38 | 4.38 | 4.56 |
| Industrials Group | Apr. 16 | 4.40 | 4.39 | 4.37 | 4.40 |
| **MOODY'S COMMODITY INDEX** | Apr. 16 | 373.7 | 372.4 | 367.7 | 366.[illegible] |
| **NATIONAL PAPERBOARD ASSOCIATION:** | | | | | |
| Orders received (tons) | Apr. 6 | 383,608 | 392,020 | 383,719 | 394,471 |
| Production (tons) | Apr. 6 | 367,605 | 368,979 | 353,698 | 350,624 |
| Percentage of activity | Apr. 6 | 97 | 97 | 95 | 96 |
| Unfilled orders (tons) at end of period | Apr. 6 | 499,869 | 485,432 | 496,459 | 510,568 |
| **OIL, PAINT AND DRUG REPORTER PRICE INDEX— 1949 AVERAGE=100** | Apr. 12 | 111.70 | *111.89 | 112.89 | 110.91 |
| **ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS** | | | | | |
| Transactions of specialists in stocks in which registered— | | | | | |
| Total purchases | Mar. 22 | 2,106,720 | 2,141,540 | 2,183,200 | 2,205,530 |
| Short sales | Mar. 22 | 405,780 | 373,800 | 459,770 | 432,77 |
| Other sales | Mar. 22 | 1,715,910 | 1,741,370 | 1,563,260 | 1,747,83 |
| Total sales | Mar. 22 | 2,121,690 | 2,115,170 | 2,023,030 | 2,180,60 |
| Other transactions initiated off the floor— | | | | | |
| Total purchases | Mar. 22 | 463,110 | 479,170 | 445,500 | 215,65 |
| Short sales | Mar. 22 | 44,910 | 35,700 | 36,200 | 22,100 |
| Other sales | Mar. 22 | 441,890 | 389,870 | 367,100 | 246,010 |
| Total sales | Mar. 22 | 486,800 | 425,570 | 403,300 | 268,110 |
| Other transactions initiated on the floor— | | | | | |
| Total purchases | Mar. 22 | 850,838 | 432,858 | 800,885 | 693,122 |
| Short sales | Mar. 22 | 110,610 | 122,360 | 121,104 | 87,400 |
| Other sales | Mar. 22 | 759,987 | 821,448 | 736,340 | 866,59 |
| Total sales | Mar. 22 | 870,597 | 943,808 | 857,444 | 953,99 |
| Total round-lot transactions for account of members— | | | | | |
| Total purchases | Mar. 22 | 3,420,668 | 3,553,568 | 3,429,585 | 3,114,302 |
| Short sales | Mar. 22 | 561,300 | 531,860 | 617,074 | 542,270 |
| Other sales | Mar. 22 | 2,917,787 | 2,952,688 | 2,666,700 | 2,860,433 |
| Total sales | Mar. 22 | 3,479,087 | 3,484,548 | 3,283,774 | 3,402,703 |
| **STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION** | | | | | |
| Odd-lot sales by dealers (customers' purchases)—† | | | | | |
| Number of shares | Mar. 22 | 1,192,545 | 1,232,345 | 1,207,296 | 1,625,918 |
| Dollar value | Mar. 22 | $55,784,129 | $59,205,831 | $57,923,333 | $81,922,758 |
| Odd-lot purchases by dealers (customers' sales)— | | | | | |
| Number of orders—customers' total sales | Mar. 22 | 1,522,335 | 1,600,282 | 1,504,158 | 1,742,234 |
| Customers' short sales | Mar. 22 | 20,244 | 17,490 | 17,910 | 7,877 |
| Customers' other sales | Mar. 22 | 1,502,091 | 1,582,792 | 1,486,248 | 1,734,357 |
| Dollar value | Mar. 22 | $69,621,719 | $73,795,479 | $71,908,195 | $84,960,616 |
| Round-lot sales by dealers— | | | | | |
| Number of shares—Total sales | Mar. 22 | 605,030 | 669,300 | 597,010 | 573,180 |
| Short sales | Mar. 22 | | | | |
| Other sales | Mar. 22 | 605,030 | 669,300 | 597,010 | 573,180 |
| Round-lot purchases by dealers—Number of shares | Mar. 22 | 286,790 | 293,870 | 275,250 | 456,270 |
| **TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):** | | | | | |
| Total round-lot sales— | | | | | |
| Short sales | Mar. 22 | 858,140 | 843,070 | 863,500 | 659,980 |
| Other sales | Mar. 22 | 17,041,110 | 17,180,140 | 16,514,930 | 15,961,770 |
| Total sales | Mar. 22 | 17,899,250 | 18,023,210 | 17,378,430 | 16,621,750 |
| **WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):** | | | | | |
| Commodity Group— | | | | | |
| All commodities | Apr. 9 | 100.0 | 100.0 | 100.2 | 100.6 |
| Farm products | Apr. 9 | 95.8 | 96.0 | 96.1 | 98.0 |
| Processed foods | Apr. 9 | 99.2 | 99.1 | 99.9 | 100.3 |
| Meats | Apr. 9 | 87.8 | 88.2 | 90.4 | 94.4 |
| All commodities other than farm and foods | Apr. 9 | 100.6 | 100.6 | 100.7 | 100.9 |

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

| | Latest Month | Previous Month | Year Ago |
|---|---|---|---|
| **BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—217 CITIES**—Month of February: | | | |
| New England | $34,965,670 | $22,798,974 | $25,250,580 |
| Middle Atlantic | 77,720,911 | 120,376,073 | 47,388,410 |
| South Atlantic | 41,852,651 | 54,741,202 | 51,604,038 |
| East Central | 82,142,544 | 66,440,246 | 69,190,621 |
| South Central | 134,768,091 | 111,491,908 | 97,100,953 |
| West Central | 27,601,236 | 19,846,675 | 27,914,958 |
| Mountain | 26,761,729 | 31,833,105 | 29,629,801 |
| Pacific | 151,134,617 | 186,061,044 | 118,813,630 |
| Total United States | $576,947,449 | $613,589,227 | $466,893,891 |
| New York City | 44,373,324 | 95,009,064 | 20,670,219 |
| Total outside New York City | $532,574,125 | $518,580,163 | $446,223,672 |
| **CIVIL ENGINEERING ADVANCE PLANNING, NEW SERIES—ENGINEERING NEWS RECORD**—Month of March (000's omitted): | | | |
| Total U. S. construction | $3,250,500 | $2,074,900 | $1,160,300 |
| Private construction | 2,485,900 | 1,076,200 | 656,600 |
| Public construction | 764,600 | 998,700 | 503,700 |
| State and municipal | 693,900 | 915,300 | 478,800 |
| Federal | 70,700 | 83,400 | 24,900 |
| **COAL OUTPUT (BUREAU OF MINES)**—Month of March: | | | |
| Bituminous coal and lignite (net tons) | 33,320,000 | 33,065,000 | 36,403,000 |
| Pennsylvania anthracite (net tons) | 1,595,000 | *1,345,000 | 1,509,000 |
| **CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES**—Estimated short and intermediate term credit in millions as of February 28: | | | |
| Total consumer credit | $62,219 | *$62,710 | $56,093 |
| Instalment credit | 48,025 | *48,130 | 43,074 |
| Automobile | 19,503 | 19,426 | 17,191 |
| Other consumer credit | 12,511 | *12,719 | 11,496 |
| Repairs and modernization loans | 3,221 | 3,250 | 3,123 |
| Personal loans | 12,790 | 12,735 | 11,264 |
| Noninstalment credit | 14,194 | *14,610 | 13,019 |
| Single payment loans | 5,545 | 5,511 | 4,988 |
| Charge accounts | 4,496 | *5,058 | 4,[illegible] |
| Service credit | 4,153 | 4,041 | 3,839 |
| **COPPER INSTITUTE**—For month of March: | | | |
| Copper production in U. S. A.— | | | |
| Crude (tons of 2,000 pounds) | 121,567 | *108,363 | 124,687 |
| Refined (tons of 2,000 pounds) | 147,953 | *141,127 | 160,656 |
| Delivered to fabricators— | | | |
| In U. S. A. (tons of 2,000 pounds) | 140,193 | *124,071 | 146,419 |
| Refined copper stocks at end of period (tons of 2,000 pounds) | 107,958 | *115,790 | 76,676 |
| **COTTON SPINNING (DEPT. OF COMMERCE):** | | | |
| Spinning spindles in place on March 2 | 19,469,000 | 19,485,000 | 19,462,000 |
| Spinning spindles active on March 2 | 16,029,000 | 16,222,000 | 17,127,000 |
| Active spindle hours (000's omitted) Mar. 2 | 8,044,000 | 9,705,000 | 8,615,000 |
| Active spindle hours for spindles in place March 2 | 402.2 | 388.2 | 430.8 |
| **MOODY'S WEIGHTED AVERAGE YIELD—100 COMMON STOCKS**—Month of March: | | | |
| Industrials (125) | 3.29 | 3.42 | 3.00 |
| Railroads (25) | 4.73 | 4.82 | 4.88 |
| Utilities (not incl. Amer. Tel. & Tel.) (24) | 3.06 | 3.10 | 2.94 |
| Banks (15) | 3.19 | 3.17 | 2.97 |
| Insurance (10) | 2.45 | 2.47 | 2.10 |
| Average (200) | 3.25 | 3.36 | 3.00 |
| **NEW CAPITAL ISSUES IN GREAT BRITAIN MIDLAND BANK**—Month of March | £49,084,000 | £39,646,000 | £76,305,000 |
| **PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE — 1910-1914=100**—As of Feb. 15: | | | |
| All farm products | 242 | 244 | 243 |
| Crops | 232 | 228 | 226 |
| Commercial vegetables, fresh | 261 | 266 | 272 |
| Cotton | 251 | 254 | 246 |
| Feed, grain and hay | 161 | 157 | 152 |
| Food grains | 234 | 231 | 219 |
| Fruit | 226 | 216 | 216 |
| Oil-bearing crops | 258 | 251 | 253 |
| Potatoes | 155 | 150 | 125 |
| Tobacco | 502 | 485 | 542 |
| Livestock | 251 | 257 | 257 |
| Dairy products | 254 | 257 | 263 |
| Meat animals | 294 | 308 | 305 |
| Poultry and eggs | 157 | 152 | 154 |
| Wool | 264 | 255 | 237 |
| **RUBBER MANUFACTURING ASSOCIATION, INC.**—Month of February: | | | |
| Passenger & Motorcycle Tires (Number of)— | | | |
| Shipments | 8,113,478 | 9,975,023 | 7,955,070 |
| Production | 10,326,488 | 10,902,459 | 9,174,122 |
| Inventory | 27,524,839 | 25,171,163 | 24,263,733 |
| Tractor Implement Tires (Number of)— | | | |
| Shipments | 336,020 | 357,008 | 325,652 |
| Production | 354,833 | 311,568 | 283,493 |
| Inventory | 1,146,145 | 1,105,338 | 1,074,381 |
| Passenger, Motorcycle, Truck and Bus Inner Tubes (Number of)— | | | |
| Shipments | 3,572,285 | 5,073,988 | 3,679,439 |
| Production | 3,594,972 | 3,953,935 | 3,605,029 |
| Inventory | 8,974,217 | 8,938,090 | 8,130,697 |
| Tread Rubber (Camelback)— | | | |
| Shipments (pounds) | 33,065,000 | 39,679,000 | 34,285,000 |
| Production (pounds) | 33,108,000 | 41,719,000 | 35,540,000 |
| Inventory (pounds) | 17,554,000 | 17,263,000 | 17,599,000 |
| Truck and Bus Tires (Number of)— | | | |
| Shipments (pounds) | 1,121,971 | 1,250,182 | 1,081,074 |
| Production | 1,382,380 | 1,527,828 | 1,185,170 |
| Inventory | 4,168,086 | 3,883,081 | 3,844,903 |
| **TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.**—Month of March: | | | |
| Net sales | | | |
| Net purchases | $293,522,000 | $142,088,600 | $18,878,450 |
| **UNITED STATES GROSS DEBT DIRECT AND GUARANTEED**—(000's omitted): | | | |
| As of March 31 | $303,541,384 | $305,179,369 | $296,489,467 |
| General funds balance | 8,251,604 | 7,446,043 | 6,918,722 |
| Net debt | $295,289,780 | $297,733,326 | $289,570,745 |
| Computed annual average | 3.332% | 3.305% | 3.210% |
| **U. S. GOVT. STATUTORY DEBT LIMITATION** As of March 31 (000's omitted): | | | |
| Total face amount that may be outstanding at any time | $308,000,000 | $308,000,000 | $300,000,000 |
| Outstanding— | | | |
| Total gross public debt | 302,992,959 | 304,638,386 | 296,087,624 |
| Guaranteed obligations not owned by the Treasury | 548,424 | 540,983 | 401,843 |
| Total gross public debt & guaranteed obligations | $303,541,384 | $305,179,369 | $296,489,467 |
| Deduct—Other outstanding public debt obligations not subject to debt limitation | 369,509 | 370,321 | 435,709 |
| Grand total outstanding | $303,171,874 | $304,809,048 | $296,053,758 |
| Balance face amount of obligations issuable under above authority | 4,828,125 | 3,190,951 | 3,946,241 |

# The State of TRADE and INDUSTRY

*Continued from page 16*

if they don't protect themselves against extended deliveries, *Steel* magazine warned this week.

Eastern mills say small consumers are making no special efforts to build inventories despite warnings that automakers and appliance manufacturers plan to boost stocks. When the buildup starts in earnest in the East, it's likely cold rolled sheets — now available within six weeks—will be quoted at eight to ten weeks.

In the Midwest, extended deliveries are already prevalent. Some mills are sold out through June on long terne sheets and heavily booked for that month on cold rolled and galvanized items.

Some mills say the market is tighter than it was 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. *Steel's* estimate for last week's output, 2,450,000 ingot tons, is close to last year's high—2,454,000 tons for the week ended Feb. 17, 1962. Output will continue to rise this week, and production next week is expected to be the highest it has been since March, 1960.

The scrap market is not sharing in the uptrend. *Steel's* price composite on No. 1 heavy melting steel is unchanged for the third straight week at $28.67 a gross ton.

### Eleventh Consecutive Weekly Steel Output Rise Reaches Highest Level in Three Years

According to data compiled by the American Iron and Steel Institute, production for the week ended April 13 was 2,464,000 tons (*132.3%) as against 2,413,000 tons (*129.5%) in the week ending April 6. The week to week output increased 2.1% and it was the eleventh consecutive weekly gain which finally topped weekly output going back three years ago until April 2. It exceeded the year-ago week by 9.8%, and that of any week in 1961.

The eleventh consecutive weekly increase is attributed to an advancing current use demand for steel as well as surging hedge-buying against a possible steel strike. Not 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 for, or a concession of, higher wages, have been enhanced by President Kennedy's "Go-Ahead" on selective steel price increases which do not move overall steel costs up. Almost all steel companies including U. S. Steel, have generally raised prices on those steel items in greatestt demand.

So far this year — through April 13 — the output of ingots and castings has totaled 31,685,000 net tons which is 11% below the Jan. 1-April 13, 1962 production of 35,607,000 net tons (*127.4%).

Data for the latest week ended April 13 show production was 9.8% larger than last year's week output of 2,244,000 net tons (*120.5%).

| District— | *Index of Ingot Production for Week Ending Apr. 13 | Apr. 6 |
|---|---|---|
| North East Coast | 127 | 124 |
| Buifalo | 147 | 138 |
| Pittsburgh | 124 | 121 |
| Youngstown | 125 | 123 |
| Cleveland | 155 | 151 |
| Detroit | 167 | 163 |
| Chicago | 133 | 133 |
| Cicinnati | 132 | 130 |
| St. Louis | 122 | 117 |
| Southern | 123 | 116 |
| Western | 132 | 134 |
| Total industry | 132.3 | 129.5 |

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

### Bright Second Quarter Outlook For Non-Ferrous Metals

The second quarter outlook for nonferrous metals is bright, *Steel* reported. The auto and construction industries are taking healthy tonnages of the major metals.

Indicators: Zinc — Galvanizers are ordering significant quantities; some are booked almost to capacity. Lead — An encouraging sign is the continued high level of business reported by battery makers. Aluminum—This metal is getting its biggest boost from the transportation, construction, and container industries. Copper — March shipments were good. April and May prospects are for continued high level activity.

The next break in the business trend is going to be on the up side, and it will continue in that direction well into 1964, predicts a majority of 41 economists consulted by *Steel* in a special survey.

The majority thinks the overall stability that has characterized the nation's economy since mid-1962 will persist through the second and third quarters.

In the fourth quarter, the economists say production and gross national product will move smartly upward. The pace is expected to slacken some in the first quarter of 1964, but it is significant that the economists do not see any marked weakness at the beginning of an election year.

### Steel Today Seen Able to Exact Higher Prices

Steel price increases can hold up under current market conditions, *Iron Age* magazine said. Demand for steel is strong enough to sustain most increases made by the early price movers.

The magazine pointed out that market conditions are vastly different today than they were a year ago when attempts by the large steelmakers to raise prices were defeated.

At that time, a labor agreement had just been reached and consumers were cancelling orders hand-over-fist. Today, a major inventory buildup is under way and most of the products increased are in strong demand. And the labor situation, instead of being wrapped up, is just in the early feeling-out stage.

Further, the Administration's attitude toward prices is less intense. In spite of early cautioning remarks, President Kennedy and most of his advisors are not likely to move strongly unless the increases spread across the board.

But this is unlikely since the market, even gaining strength as it is, is still not strong enough to hold up increases in many slow products.

*Iron Age* also said that price increases will add to the probability that the United Steelworkers of America will reopen the labor contract. If the steel companies are able to make price increases stick, the Steelworkers are much more likely to hold out for increased benefits.

### Labor's Wage Boost Prospects Enhanced

Up to now, the union had been discouraged by an unrelenting, firm stand against increased employment costs by the steel companies. Union leaders had admitted privately that they had their backs to the wall in attempts to justify demands for any benefit that would add to labor costs. Now, they say price increases would "firm" the union's attitude.

An additional factor to bolster new price levels is the apparent increase in rate of steel consumption. The chew-up rate has gained on overall improvement of business conditions to the point where increases would probably stand on some products even without the present wave of inventory building.

But if a period of inventory liquidation should set in after the labor issues are cleared up (assuming no strike) it is likely that some erosion of prices would set in. But the base prices of many of the raised products could survive a down market cycle.

Mills currently are sold out through May, and a firm market is assured through June for many of the products involved in the increases. Some are already on allocation.

### April Auto Output Expected to Be Second Best in History

An increase of more than $1,000,000,000 in the gross product of the U. S. auto industry is represented in a 10.9% unit gain for car and truck production this year over last, *Ward's Automotive Reports* said.

The statistical agency said that since Jan. 1 this year a 9.5% or 195,700 unit rise in passenger car output and an 18.9%, or 67,673-unit climb in truck production from 1962 has taken place.

*Ward's* said that output of 154,368 cars and 29,104 trucks was programmed for last week ending April 13, persisting well above the 144,071 cars and 25,445 trucks made in the corresponding week a year ago.

Although passenger car output will dip 3.9% from the 1963 peak of 160,609 last week, output of cars for the entire month of April is certain to be second-best in history.

The truck industry, meanwhile, will build about 125,000 units in the month. Production of commercial vehicles over the past six months has paralleled the record era of 1950-51.

In the auto plants last week, *Ward's* said, Ford Motor Co. had scheduled the only overtime operations. It had five plants making conventional - size cars working the extra day, although four Ford plants were closed either Monday or Friday last week for production adjustments.

Of car making last week, General Motors was expected to account for 55.2%; Ford, 25.2%; Chrysler Corp., 11.8%; American Motors, 6.8%, and Studebaker Corp., 1.0%.

### Rail Freight Loadings Fall Fractionally Below Year-Ago Week

Loading of revenue freight in the week ended April 6, totaled 546,065 cars, the Association of American Railroads announced. This was a decrease of 12,546 cars or 2.2% below the preceding week due principally to the observance of the Eight-Hour-Day Holiday in the coal fields.

The loadings represented a decrease of 1,609 cars or three-tenths of 1% below the corresponding week in 1962, but 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 highway trailers or highway containers (piggyback) in the week ended March 30, 1963 (which were included in that week's over-all total). This was an increase of 2,748 cars or 20.1% above the corresponding week of 1962 and 5,323 cars or 47.8% above the 1961 week.

Cumulative piggyback loadings for the first 13 weeks of 1963 totaled 186,899 cars for an increase of 22,997 cars or 14.0% above the corresponding period of 1962, and 52,792 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 one year ago and 58 in the corresponding week in 1961.

### Truck Tonnage Dips 1% Below Year-Ago Level

Intercity truck tonnage in the week ended April 6 was 1.0% below the volume in the corresponding week of 1962, the American Trucking Associations announced. Truck tonnage was 0.6% ahead of the volume for the previous week of this year.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

The terminal survey for last week showed increased tonnage from a year ago at 15 localities, with 19 points reflecting decreases from the 1962 level. Terminals at three centers registered tonnage gains ranging from 10.3 to 18.5%, while trucking centers at two points, Memphis and Kansas City, reflected decreases of 10.1 and 10.5%, respectively.

Compared with the immediately preceding week, 19 metropolitan areas registered increased tonnage, while 15 areas reported decreases. The week-to-week marginal increase is consistent with the pattern found at this time in previous years.

### Lumber Shipments Fall Off 3.2% From 1962 Week

Lumber shipments in the United States in the week ended April 6 totaled 233,822,000 board feet compared to 241,528,000 in the year-ago week according to reports from regional associations.

Compared with 1962 levels, output declined 2.4%; new orders dropped 2.0%; and shipments fell by 3.2%.

Following are the figures in thousands of board feet for the weeks indicated:

| | Apr. 6, 1963 | Mar. 30, 1963 | Apr. 7, 1962 |
|---|---|---|---|
| Production | 227,791 | 229,034 | 233,275 |
| Shipments | 233,822 | 235,357 | 241,528 |
| New orders | 239,257 | 235,834 | 244,252 |

### Electric Output Rises to 4.6% Over Last Year's Level

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, April 13 was estimated at 16,325,000,000 kwh., according to the Edison Electric Institute. Output was 93,000,000 kwh. less than the previous week's total of 16,418,000,000 kwh., and 325,000,000 kwh. above the total output of the comparable 1962 week, or an increase over the year ago week of 4.6%.

### Sharp Drop in Failures During Easter Week

After hitting almost a 12-month record in the preceding week, commercial and industrial failures plunged to 274 in the week ended April 11 from the peak of 360, reports Dun & Bradstreet, Inc. This steep drop brought casualties to their lowest level since the initial week of 1963 and pushed them far below the 377 and 383 occurring in the comparable weeks of 1962 and 1961. 12% fewer businesses failed than in 1939 when the toll stood at 313 in the similar week.

Liabilities topping $100,000 were involved in 35 of the week's failures against 47 in the prior week and 43 last year. Among smaller casualties with losses under $100,000 there was a downturn to 239 from 313 a week earlier and 334 a year ago. For both size groups, the tolls slipped to the lowest level since the first week this year.

In all industry and trade groups except service, failures declined during the week. Retailing casualties fell to 130 from 179, manufacturing to 45 from 64, wholesaling to 27 from 38, and construction to 42 from 58. Contrasting with these dips, the toll among service concerns climbed to 30 from 21. Mortality in most types of operation ran substantially lower than a year ago. Only the manufacturing toll exceeded its comparable 1962 level, although the service toll came close to its last year's figure.

Fewer businesses succumbed in Easter week in most major geographic regions. Casualties in the Middle Atlantic States dropped to 69 from 109, in the East North Central to 53 from 64, in the South Atlantic to 41 from 55, and in the Pacific dipped to 57 from 63. Tolls held even in only three areas: the West North Central, West South Central and Mountain Regions. Fewer casualties occurred than last year in six of the nine major regions, with very steep plunges in the Middle Atlantic and East South Central States.

### Wholesale Commodity Price Index Edges Highest Since January

Sparked principally by price advances in tin and hogs, the general wholesale commodity price index continued to edge up during the past week, reaching 269.56 Monday, April 15, reported Dun & Bradstreet, Inc. This was the highest level registered since Jan. 28 and resulted not only from the considerable boosts in tin and hogs but from fractional rises in wholesale quotations for corn, lard, sugar, lambs and cotton. None of the 30 commodities included in the index declined from their week-ago levels.

The Daily Wholesale Commodity Price Index inched up to 269.56 on Monday, April 15, from 268.73 in the previous week and exceeded by a moderate margin the 267.51 chalked up on the compaarble date in March. However, it continued to fall short of last year's level of 271.76 on the similar day.

### Wholesale Food Price Index Edges Up for Second Week

Continuing to inch up from the ten-month low registered on April 2, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., advanced 0.3% to \$5.77 on April 16 from \$5.75 a week earlier. This fractional rise was not sufficient to lift the index up to its corresponding year-ago level of \$5.80 and it remained substantially below the \$6.02 chalked up on the similar day of 1961.

Eggs, lambs and bellies were priced considerably higher at wholesale markets, while lard, cocoa, potatoes and hogs moved up moderately. These gains were almost counterbalanced by lower quotations for wheat, rye, hams, sugar and cottonseed oil.

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

**Final Surge in Easter Buying**

Despite a chilly turn in the temperature, consumers rushed in the week ended Wednesday, April 10, to make last minute fashion and gift purchases for Easter. While buying lagged slightly below anticipated momentum, it continued to steam ahead of the similar calendar week a year ago, but year-to-year comparisons must be tempered by the earlier holiday date this year. Fashion accessories such as handbags, hats, gloves, and shoes steamed to the forefront, following their traditional pattern in the final pre-Easter week. Solid increases were racked up in men's and boys' clothing, marking their second strong week after a wobbly start. Confectionery and greeting card business accelerated daily. Autos held to their heady pace regardless of the fashion furore but home goods generally hit a holiday lull. Garden goods, however, claimed growing attention.

The total dollar volume of retail trade in the week ended in the recent Wednesday statement week ranged from 5 to 9% higher than last year, according to estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1962 levels by the following percentages: Pacific 0 to +4; New England and Mountain +1 to +5; East South Central +3 to +7; Middle Atlantic +4 to +8; East and West North Central +5 to +9; West South Central +8 to +12; South Atlantic +10 to +14.

**Nationwide Department Store Sales Rise 4% Above Last Year's Week**

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index reported an overall gain of 4% (adjusted) the week ended April 6, compared with the like period in 1962.

In the four-week period ended April 6, 1963, sales gained +4% over the corresponding period in 1962 for the country's leading department store centers.

According to the Federal Reserve System, department store sales in New York City for the week ended April 6, advanced +6% above the corresponding year-ago week.

The New York City 114-day-strike of major newspapers was finally ended March 30 and the papers resumed publication on April 1 with the exception of the New York *Post* which did so a month earlier. The 12 day older Cleveland, Ohio newspaper strike was settled two weeks ago. Both of those 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 District'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 "inched" to new records in both January, February and March and are optimistically expected to continue the encouraging trend.

## Now With McDonnell

BOSTON, Mass.—Hugh W. Morse has become affiliated with McDonnell & Co., Inc., 211 Congress St. He was formerly with Glore, Forgan & Co. and Lee Higginson Corp.

## Joins W. E. Hutton

MANSFIELD, Ohio — Paul D. Millenbruck has become connected with W. E. Hutton & Co., 40 West Third St. He was formerly local manager for Joseph, Mellen & Miller, Inc.

## Securities Industry Liaison Group

The Securities Industry Liaison Group formed recently at the request of Chairman William L. Cary of the Securities and Exchange Commission to consult with the Commission on legislative proposals growing out of the Commission's report on the securities markets, has released the following letter:

The Honorable William L. Cary
Chairman of the Securities and Exchange Commission
425 Second Street, N. W.
Washington 25, D. C.

Dear Chairman Cary:

We have your letter of April 3rd and following suggestions made in that letter we outline below the organization plan for our Securities Industry Liaison Group.

The members of the Securities Industry Liaison Group will be:

For the Over-the-Counter Markets Investment Banking and Other Industry Matters:

*Chairman* - Avery Rockefeller, Jr. Chairman, NASD Study Group Legislation Committee; Wallace H. Fulton, Executive - Director, NASD; Amyas Ames, President, IBA; Bayard Dominick, President, Association of Stock Exchange Firms.

**For the Stock Exchanges**

G. Keith Funston, President New York Stock Exchange; Edwin D. Etherington, President, American Stock Exchange; James R. Day, President, Mid-west Stock Exchange.

**For the Investment Companies**

The above-named officials or their directly appointed alternates will act as a liaison group to counsel with the responsible organizations and with the SEC in an endeavor to work out an approach to each of the several problems which will be acceptable to the securities industry as well as to the SEC.

The Group will act solely in a coordinating capacity and take no votes. If a common industry point of view can be developed it will be so stated; if there is a divided opinion the division will be identified.

The existence of this committee in no way will infringe on the prerogative and obligation of each organization to deal directly with the Securities and Exchange Commission in any matter. Each organization must decide for itself its views on matters affecting it and present them officially to the Securities and Exchange Commission and to the Congress.

To the extent thought necessary or advisable, special study groups will be organized by the liaison group in any of the several problem areas.

Avery Rockefeller, Jr. will serve as Chairman of those study groups concerned with NASD problems, Keith Funston as Chairman of study groups concerned with Stock Exchange problems, Amyas Ames as Chairman of study groups concerned with Investment Banking problems, and Dorsey Richardson as Chairman of study groups concerned with Investment Company problems.

We appreciate very much the interest of the Commission in an orderly approach to these matters which so affect the public interest and we look forward to co-operating with you.

Sincerely yours,

HUDSON B. LEMKAU
Vice Chairman of the Board
National Association of Securities Dealers, Inc.

G. KEITH FUNSTON
President
New York Stock Exchange

AMYAS AMES
President
Investment Bankers Association of America

## Black Adds to Staff

PORTLAND, Oreg. — Thomas P. Mandler has been added to the staff of Black & Co., Inc., American Bank Building, members of the Pacific Coast Stock Exchange.

## With Francis I. duPont

PORTLAND, Oreg. — Donald S. Johnson has become connected with Francis I. du Pont & Co., 506 Southwest Sixth Ave. Mr. Johnson, who has been in the investment business for many years, was formerly with May & Co., Inc. and Walston & Co.

## Form Sec. Income Assoc.

Security Income Associates has been formed with offices at 60 East 42nd Street, New York City, to engage in a securities business. Partners are Jack Schiff and Morris Hirsch.

## Joins Belford Staff

PORTLAND, Oreg. — Mabon A. Cornwell has joined the staff of Belford & Co., Inc., 610 Southwest Alder St. He was formerly with First Cascade Corp.

## Cirlin Associates

Frederick Cirlin Associates, Inc. has been formed with offices at 165 Broadway, New York City, to engage in a securities business. Officers are Frederic Cirlin, President; and Brian F. Barrabee, Vice-President and Secretary. Both were formerly with R. A. Martin Associates.

## Joins Bagdis & Oftring

WORCESTER, Mass.—Patrick T. Kelley is now with Bagdis & Oftring, Inc., 507 Main Street. He was formerly with Graham & King, Inc.

# WASHINGTON AND YOU

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

WASHINGTON, D. C.—From all parts of tre 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 questions. 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 if the House does not pass the tax bill by the middle of June, there is not much chance that the Senate Finance Committee could complete its hearings until late summer.**

Senator Byrd maintains that it would be a waste of time for the Senate Committee to begin hearings on the tax bill until it sees what kind of legislation the House is going to pass. All tax legislation, under the constitution, must originate in the House Ways and Means Committee.

### "Pork Barrel" Spending

Most of the House and Senate leaders believe there will be passed this session a Federal 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 substantial influence. Both Chairman Wilbur Mills of the House Ways and Means Committee, and Senator Byrd are personally opposed to reducing the Federal tax until there is a reduction in the budget.

**There has been a partial effort in Congress to reduce the spending, but the pressure from the New Frontier Administration overrode conservative Republicans and Democrats when the House overturned the House Appropriations Committee in the "pork-barrel" public works bill.**

Congress in 1962 passed a $500,000,000 public works bill labeled "accelerated public works." A similar appropriation was recommended for the coming fiscal year.

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

**One member of the House Appropriations Committee, who calls himself a conservative Democrat, said he "understands" that about 4,000 telephone calls were made from "the Washington level" back to county and local officials in all parts of the nation.**

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 maintained that if the local communities start accepting the funds for sewers, water works and other community projects, it will be only a matter of time until the Federal Government will step in and start dictating how the funds can be spent, and where they should be spent.

**Under the arrangement now in effect, when a Federal grant is made the White House is first notified, which in turn notifies Congressmen and Senators involved. It is a good political gimmick and it is paying off. It has been done in previous administrations, but it has been accelerated and refined under the New Frontier.**

Literally hundreds of such announcements of grants and loans are made monthly. Here is one example of how it is handled:

"The Community Facilities Administration has approved a $200,000 grant to Pumpkin Center as the Federal share of a $400,000 water works plant and sewage disposal plant.

"Representatives Brown and Senators Smith and Jones were advised of the grant. They have been cooperating in connection with the project."

**Representative Brown, of course represents the Congressional district in which the proposed water works plant is located, and of course Senators Smith and Jones represent the whole state. Thus the announcements that come from the offices of the Senators and Representatives are usually the first to be made of the Federal grants.**

Practically every state is receiving millions of dollars each year in Federal handouts of various kinds from Washington. House and Senate members are getting credit, at least in part, for these Federal funds that are being dispatched to the local communities, counties and states.

### Not Always Easy to Oppose Federal Handouts

It is not always easy for a Congressman to vote against a "pork barrel" appropriation like the one passed a few days ago by the House. It was brought out in debate on April 9 in the House that as of March 14 public works money from last year's $500,000,000 appropriation had been allocated in 149 Congressional Districts represented by Democrats and 99 districts represented by Republicans.

Despite the fact that the House approved the public works appropriation, Representative Clarence Cannon, Democrat of Missouri, and chairman of the House Appropriations Committee, believes that Congress is going to make some substantial reductions in the President's $98 billion budget. Mr. Cannon says the House has already chalked up nearly $500,000,000 in savings, and will cut a great deal more in the weeks and months ahead. The new fiscal year starts July 1.

**The Senate, traditionally the more liberal of the two bodies in the matter of spending money, passed two Kennedy Administration bills before the Easter holidays. They were the mass transportation bill, and the youth employment bill.**

The Senate, like it did in the 87th Congress, passed a measure that would give the President authority to place up to 65,000,000 acres of land during a 10-year period in a National Wilderness Preservation System. There is fairly strong possibility that the measure will be either amended or killed outright in the House, as it was done before.

### Transit Bill Deemed Essenial in Some Quarters

The House Banking and Currency Committee has approved a bill, similar to one approved by the Senate, that would provide Federal assistance for urban mass transit development.

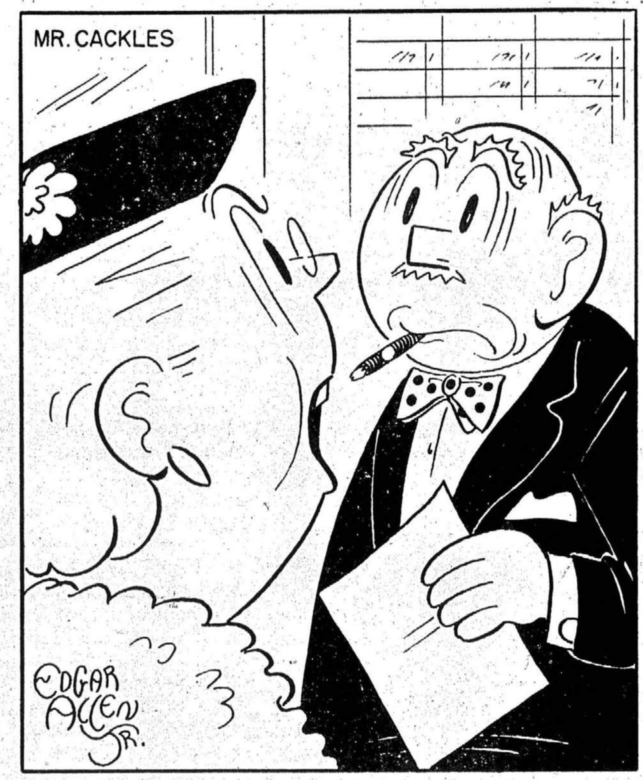
Several segments of the automobile industry and the road-building industry are opposed to the mass transit development plan. The automotive industry and the road-building people wield a great deal of influence. The Chamber of Commerce of the United States has come out against the proposal.

**Some proponents of the transit development plan maintain there will be further deterioration of many central cities in America unless rapid mass transit plans are established for moving many thousands to and from the central areas each day.**

Once the Government in Washington starts to send back Federal grants to the cities the question arises: How far will the development plan be expanded? Once started, will it ever be stopped? There are no easy answers.

There are many legislative proposals pending that affect the entire nation, but the one that is regarded as of paramount importance and one that the "average man" understands is the President's proposal that would reduce taxes. The tax reform, which Congress may not get around to this session, is another thing.

*[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]*




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

## Wm. R. Staats Co. To Admit Partner

LOS ANGELES, Calif.—On May 1st, Maurice H. Stans will become a partner in William R. Staats & Co., 640 South Spring Street, members of the New York and Pacific Coast Stock Exchanges.



# COMING EVENTS

## IN INVESTMENT FIELD

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

**April 26, 1963 (New York City)** Security Traders Association of New York Annual Dinner in the Grand Ballroom, Waldorf-Astoria Hotel.

**CHRONICLE's Special Pictorial Section May 9.**

**May 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 12-15, 1963 (Chicago, Ill.)** Financial Analysts Federation annual convention at the Palmer House.

**May 13-15, 1963 (Washington, D. C.)** National Association of Mutual Savings Banks 43rd annual conference at the Sheraton Park Hotel.

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

**May 16-17, 1963 (Nashville, Tenn.)** Nashville Association of Securities Dealers annual spring party at the Hillwood Country Club and Belle Meade Country Club, respectively.

**May 17, 1963 (Baltimore, Md.)** Baltimore Security Traders Association 28th annual spring outing at the Country Club of Maryland.