The COMMERCIAL and FINANCIAL CHRONICLE

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EDITORIAL | As We See It

"What a tangled web we weave when first we practice to deceive," exclaimed an early nineteenth century poet. Were he alive today, and a keen observer of the current scene, he might well have cried: "what a tangled web we weave when first we practice to relieve." And he would not have been referring only to the funds and the energy that we have expended in relief of foreign peoples. He would have had also in mind our determination by means of governmental action to relieve those who do not care to work very hard or very long; the aging who in some degree by government suggestion have been deprived in large part of any and all opportunity to earn their own living; the farmer who wishes to continue to stay on his farm at almost any cost and to produce for the market much more than he can sell; all those who find the houses they live in unsatisfactory; and the economy in general which often does not thrive as some would like to see it on the diet that is being fed it.

The press is and has been for a good while past filled with accounts of "problems" which are said to be facing the people and their government. Many, if not all, of these problems are real enough but apparently very few of us realize fully that they are so often of our own making. One of those sundry advisory bodies set up by the President has just brought forth a report which, according to the press, is much concerned with the aging—asserting that we are rapidly creating a large number of "second class citizens," meaning apparently that these aging individuals often find it impossible to obtain employment, and are not able to live on what unearned income they may have. The result, for one thing, is inadequate housing and various other hardships. Of course, the remedy or remedies are found (Continued on page 26)

The Desirability of Leaning Less In the Direction of Easy Credit

By Dr. Roy L. Reierson,* *Senior Vice-President and Chief Economist, Bankers Trust Company, New York City*

Well known banker-economist prods the Federal Reserve to lean less in the direction of undue credit ease in presenting a strong case for return to flexible credit policy. He warns that a fourth successive year of aggressively easy credit will not aid economic growth but can endanger our credit markets, economy's liquidity and balance of payments. Dr. Reierson foresees increased flow of funds matching increased credit demands, and believes all we need for some time to come is some modest firming of interest rates—not any drastic credit tightening—in response to improved conditions.

The American economy is once again in an expanding phase and prevailing opinion is that output is likely to continue on a rising trend throughout the balance of this year and possibly well beyond. The improvement in business sentiment has prompted a reappraisal of the prospects for the credit markets and for interest rates. The anticipation that rising business activity will be accompanied by less easy credit and by a firming of interest rates has already been reflected in a modest rise in bond yields in recent months.

Roy L. Reierson

The current expectation of a further upward movement of interest rates is not unlike the opinion that was widespread some two years ago when it became apparent that economic activity was recovering from the mild and short-lived 1960-61 business sag. Despite the rise in business activity that has taken place in the interim, however, interest rates have remained remarkably stable and some important long-term rates are, in fact, lower today than they were at the recession trough in 1961.

Demands for credit in 1963, in response to the anticipated rising levels of business activity, could show some rise above the record levels of last year. The increase in credit demands this year, however, is not expected to match the sharp rise from 1961 to 1962, and seems likely to be offset by a larger flow of funds to the savings institutions. The likely key to the movement of interest rates in 1963, therefore, would seem to lie in the volume of credit demands that can be met by the commercial banking system. This, in turn, will depend upon the course of credit policy, that is, upon the volume of reserves likely to be provided to the commercial banks by the Federal Reserve.

Federal Reserve policy has been on the side of credit ease for the past three years, including two years of expanding business in 1961 and 1962. Credit policy has contributed all it can to fostering business expansion; after two years of expansion, with many economic series at record heights, credit continues to be readily available at reasonable cost and under relatively liberal lending terms and conditions.

Continuation of an aggressively easy credit policy at a time when business is moving up, when business confidence is improving, when talk of a resurgence of inflation is in the air, and when the balance of payments position of the United States continues adverse would appear inappropriate and unwise. Some shift in credit policy in the direction of less ease is, therefore, a reasonable expectation for 1963, even though the business expansion fails to assume boom proportions. Conditions presently do not suggest the need (Continued on page 22)

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

The Security I Like Best...

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

This Week's Forum Participants and Their Selections

Allied Radio Corp. — Irving B. Harris, Resident Partner, Robert J. Levy & Co., Chicago, Ill. (Page 2)

Columbia Broadcasting System, Inc. — Alan Rosenfeld, Senior Analyst, A. M. Kidder & Co., New York City. (Page 2)

IRVING B. HARRIS

Resident Partner, Robert J. Levy & Co., Chicago, Ill.

Allied Radio Corporation

The security I like best at the moment is Allied Radio Corporation common stock. Headquartered in Chicago, Allied is the nation's largest distributor of electronic products. It also manufactures electronic kits. The electronic parts distribution industry is a billion-dollar per year business. There are over 30 publicly-owned companies in the industry, with Allied Radio twice the size of the second place company.

Investors have long been interested in the electronics industry because of its remarkable growth and future growth potential. Allied Radio has matched that growth, as has the electronics distribution industry as a whole. The percentage increase in Allied sales in each year beginning in 1957 has been: 16%, 15%, 10%, 17%, 16% and 28%, and is estimated at above 20% for the fiscal year ending Aug. 31, 1963. Only one small acquisition was made in this period.

The logic underlying the success of the electronic parts distribution industry is straight forward. There are thousands of large and small equipment manufacturers and tens of thousands of purchasers who require parts from many different parts manufacturers, but not very many parts from any one manufacturer at a given time. Therefore, it is too costly for the manufacturers to sell these small customers. But, a distributor supplying all of the user's needs can afford the sale. The user prefers to do business with the distributor because he fills all his requirements with a single order, with fast delivery from the distributor's warehouse, at a price equal to or less than the manufacturer's price for small quantities. Because of their value to both maker and user, the distributors have grown with the total industry, but without the risks inherent in individual areas of manufacturing. For instance, the recent and continuing fall in transistor prices has eroded the profits in companies like Texas Instruments, but the distributors have not been seriously hurt due to price protection agreements worked out with these manufacturers and because their business is much more broadly based.

Allied utilizes all channels of distribution. Starting with a mail-order business, it added retail stores in the early 1950's and has been emphasizing industrial sales more recently. The sales breakdown at present is roughly: (1) mail-order sales to industry and the public, 45% of sales, (2) indsutrial sales through salesmen, 33%, (3) sales through Allied's retail stores and to replacement parts stores, 22%.

Allied's strong growth has not been without problems. Earnings in the fiscal years 1961 and 1962 declined from the peak reached in fiscal 1960, but now appear to be headed upward again. Since 1960, gross margins have been stable, but heavy costs were incurred in coping with a severe shortage of space, in enlargng the management group, in training a rapidly growing work force, in starting a now successful credit sales program, several problem kits, and in greatly expanding the number of industrial sales offices and salesmen. We regard these expenses as essentially nonrecurring and, for the most part, as having established the basis for future growth in profits.

In the current year, earnings declined moderately in the six months ended Jan. 31, 1963, but we expect improvement in the latter half of the year to raise earnings for the year to around \$1.10-\$1.15 per share. This compares to \$1.08 in the 1962 fiscal year. For later fiscal years, both sales and earnings increases should continue as long as Allied's position of leadership is maintained in this growing field.

At the present price of about 15, the stock is 13 times expected earnings for fiscal 1963 and yields 2.1%. The stock trades moderately in the Over-the-Counter Market.

ALAN ROSENFELD

Senior Analyst, A. M. Kidder & Co., New York City

Columbia Broadcasting System, Inc.

Columbia Broadcasting System, operator of the nation's leading television network and an important factor in phonograph record production and radio broadcasting, seems likely to turn in another outstanding earnings performance in 1963. Results should benefit principally from highly successful television programming and a recent revision in affiliate payment schedules. With first quarter profits up more than 25%, full year earnings could rise to at least \$3.75 per share, a 15% increase over 1962's \$3.24. Dividends are currently at a \$1.40 annual rate, plus 3% in stock, and in view of the highly favorable earnings outlook and strong financial position near-term liberalization would not be surprising.

Revenue and profit progress over the longer-term should also be quite favorable. Revenues have expanded uninterruptedly for 14 years, increasing more than two and one-half fold over the past decade alone. Share earnings have trended upward at an even faster rate and except for 1960 and 1961, when results were severely penalized by losses from now completely discontinued electronics manufacturing, have shown unbroken year-to-year advances. Annual dividends were raised seven times over this same 10-year period. Though television broadcasting is apparently now past its most expansionary phase and it is unlikely that the company will be able, during the next 10 years, to duplicate the outstanding revenue and profit performance exhibited in the past decade, prospects nonetheless favor maintenance of still strong and steady growth. Television is continuing to obtain a steadily rising share of total advertising outlays, which have also demonstrated generally strong annual gains. With only a limited number of broadcasting hours available, the anticipated increase in demand by advertisers should generate a greater number of sponsored programs and eventually result in increased time charges and significantly higher profits. The development of color broadcasting is also expected to significantly aid future revenue and profit performance.

Within this favorable industry environment, CBS' position of leadership stemming from highly successful programming efforts should enable the company to continue to outperform its competitors, at least over the near- and intermediate-term. Recent ratings show that CBS Television broadcasts seven of the top 10 shows and 16 of the top 20. For the upcoming Fall season, virtually all of the network's prime hours have already been sold. Since CBS will make relatively few changes in its evening lineup, it will avoid the heavy production costs involved in bringing out new shows and profit margins, which are believed to be the best in the industry, should widen even further. Network profits should also be favorably influenced by a downward readjustment, effective Jan. 1, 1963, in payments from CBS to network affiliates. Management has indicated that had this arrangement been in effect last year, after-tax savings of about \$0.20 per share would have resulted. With television activities accounting for probably better than 75% of total company earnings, the impact of these factors on share results should be noteworthy.

Phonograph record output, sold under the Columbia and Epic labels, is the second largest contributor to corporate profits, accounting for an estimated \$0.50 per share last year. Results in early 1963 have been good and management expects this improvement to be sustained throughout the year. Current expansion moves in this area augur well for longer-term gains as well. A new manufacturing plant is being built on the West Coast, record-keeping activities of the Columbia Record Club are being consolidated and foreign volume being enlarged through entrance into new European markets. The remainder of the company's operations, the most important of which is CBS Radio, are believed relatively minor factors within the over-all revenue and earning picture.

Listed on the New York Stock Exchange, CBS shares have been outstanding market performers in recent months, rising by better than 50% since October, 1962. At their current modest price/earnings ratio of less than 15 on our estimate for 1963, compared with the multiples of around 19 now being accorded the average, and in most cases slower growing, industrial issue, further market appreciation over both the near- and longer-term appears justified. Capitalization is simple with \$53,427,200 in long-term debt preceding the 9,178,013 common shares.

(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.)

Rising Blue Chips Require Common Sense Approach

By Philip J. FitzGerald,* *Limited Partner, Dean Witter & Co., San Francisco, Calif.*

As the DJIA approaches its previous highs, is the market posture at a dangerous level or will it continue its upward course? Mr. FitzGerald is convinced that higher price level lies ahead accompanied by P/E ratios and dividend yields of previous December, 1961 peak — or a gain in the offing equivalent to that recorded between 1957-1961 peaks. The Wall Street partner is equally convinced that higher prices means less inherent equity value necessitating, therefore, extreme selectivity. Well-rounded analysis notes that, unlike 1929, the year-ago market break was merely a correction rather than a prelude to a changed market and economic direction. Pushing blue chips to higher contours are said to be shortage of high-grade equities and $20 million daily unceasing institutional funds' investment demand abetted by combination of better business, improved cash flow, and prospective corporate tax cut increasing stocks' share of after-tax earnings. Investors are advised to buy into competitively competent management, and recommended situations include oils, papers and non-ferrous metals, and machinery and machine tool stocks.

May marks the anniversary of the great "corrective break of 1962." In view of the market's technical strength, the "blue chip" stocks—as represented by the Dow-Jones Industrial Averages—stand a very good chance of not only regaining the little lost ground that remains but of running well into new high ground.

Philip J. FitzGerald

The technical strength of the bull market which began in 1949 rests upon the continuously expanding demand for high grade equities which have been bought on a long range basis by very well informed investors. This buying stems from the unprecedented rate of our saving. In the early postwar period, when it ran around the $10 billion a year level, our national saving rate was so high in relation to our prewar experience that investors would not believe it could continue. By the late 1950's, the SEC reported gross financial savings to have tripled to around a $30 billion rate, and in 1962, these savings soared to $42 billion. In 1962, personal indebtedness rose by $22.2 billion—but it should be noted that the savers and those going into debt are not the same people. This extraordinary rate of savings, which is continuing, not only—

(1) cushioned the drop of high grade equities in each of the postwar market declines, including the May crash, but has also

(2) been the mainstay of the subsequent orderly recoveries.

Investing in Equities

While most investors recognize that this rate of savings has had a most remarkable effect upon the affairs of insurance companies and savings and loan associations, its impact upon the market has been just as impressive. Just as an understanding of the remarkable record made by industry during World War II was restoring investor confidence in business leadership, investors were also coming to realize that carefully selected high grade equities provided—

(1) the best protection of the future buying power of savings against inflation; and

(2) a sure means of participating in the new economic values which were being created by research.

Another interesting postwar development has been that by far the greatest share of investment money going into equities has been channeled through institutions, which had been very minor factors in the prewar period as far as the stock market was concerned. Individuals have tended to turn their personal savings over to mutual funds. A far greater volume of savings has been developed through corporate pension and savings plans (both postwar phenomena), insurance companies, endowments, and personal trusts which each year have placed an ever-increasing share of their portfolios in equities. This has placed the postwar selection of the high grade equities in the hands of professional investors who are far better informed on economics, industrial trends, and the affairs of individual companies than were investors in the prewar period. In spite of their greater qualifications these professionals are at real pains to invest intelligently up to $20 million of new funds coming into

Continued on page 24

CONTENTS

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Articles and News

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OBSERVATIONS...

BY A. WILFRED MAY

THE LISTED AND THE UN-LISTED

THIS IS THE SEVENTH PART OF A SERIES BEARING ON THE SEC's SECURITY MARKETS' INVESTIGATION

The location on the American and junior stock exchanges of a special category of issues "admitted to unlisted trading privileges," adverted to in a communication to this column reproduced below from President Etherington of AMEX (i.e., the American Stock Exchange), has unusually important implications at this time of the Congressional-SEC look-see at the security markets.

Under the existing situation on AMEX, 183 issues (out of a numerical total of 1,019, but with a larger aggregate market value are enjoying Exchange residence although their managements are excused from (and their existing and prospective shareholders deprived of) fulfilling the financial reporting and other *corporate* provisions of the statute—those obligations being observed by the remaining 836 fully listed and registered issues on the same Exchange and all 1,565 issues so listed on the N. Y. Stock Exchange.

This anomolous situation was initiated long before the SEC's establishment with the old New York Curb's admittance of issues to its trading facilities on the application of a member in lieu of the company's management.

Too Hot-To-Handle

When the Congressional committees in the spring of 1934 were deliberating over the Wheeler Rayburn Bill which created the Securities Exchange Act that, for Constitutional and practical factors, made the Exchanges the focal point of regulation, they found this hybrid situation "too hot" for immediate handling—with mindfulness of potential inconvenience from de-listing to the shareholders. Hence, instead of taking definitive action itself, the Congress threw the problem into the lap of the SEC, with the mandate to study the problem for 18 months and report back its conclusions and recommendations by January, 1936.

This the Commission did with an amendment (No. 621, 74th Congress—s. 4023) approved May 27, 1936; providing among other things, for the continuation of unlisted trading privileges to which securities had been admitted on such exchanges prior to March, 1934. "Among other things" it included an undertaking by new issuers under the 1933 Act to file periodically the same information and reports as are required of fully registered and listed securities—this somewhat offsetting the information void in the un-listed exchange section.

In any event, there has resulted ever since the simultaneous existence of three categories of issues: (1) the issues fully registered on exchanges, that comply with both the information and trading privileges of the statute; (2) the above-described unlisted-trading group who enjoy exchange prestige and privileges without submission to the "information" obligations fulfilled by the fully registered issues; and (3) securities, in by far the greatest amount, traded over-the-counter which escape most of the regulatory provisions of the statute.

AMEX's current total of 183 issues compares with 533 at the end of 1936 and 476 in 1945. In the exodus from unlisted trading status since 1945, 64 issues became fully listed on the N. Y. Stock Exchange; 53 became involved in mergers or acquisitions; 70 left "for cause," i.e., failure to meet Exchange standards, request of the SEC, etc.; 3 departed by request of the company; 32 by reason of exchange for other securities under reorganization plans; and 14 changed to fully listed on the same Exchange. Thus, admittance to the N. Y. Stock Exchange served as by far the most effective consideration for undertaking full listing.

FROM THE AMEX PRESIDENT

In our article in this space (April 25) to which the following communication from American Stock Exchange President Etherington refers, we cited his address before the Treasurers' Club of Cleveland as allegedly defending a double-standard of regulation within his Exchange, and as condoning the ineffectiveness of the *persuasion toward* full compliance since the self-policing Levy Committee's recommendation thereof (with "or else" consideration of de-listing) in January, 1963.

"I have read your column of April 25 touching on one aspect of my remarks before the Treasurer's Club in Cleveland. In view of your long and clearly stated interest in the 'unlisted trading' matter, I was not surprised to find that you had reacted with a comment. I do feel, however, that my point, or at least my intended emphasis, may not have been sufficiently pointed.

"The SEC study—and, as we have since learned, drafts of proposed legislation — call for disclosure requirements related to all companies, regardless of the market on which they may be traded. Thus mandatory disclosure by companies admitted to unlisted trading privileges would come under this legislation. That being true, the next to last paragraph in your column may not be completely accurate. It would seem that the Special Study has made a recommendation which would specifically involve the unlisted trading segment.

The Double Standard

"I would also take mild exception to your indication that I condemned the double standard (disclosure by companies that are listed with no similar requirement for unlisted companies) insofar as it related to the over-the-counter companies, but 'defended' this double standard insofar as it relates to companies admitted to unlisted trading privileges. I think it is clear from my speech that I condemned the double standard without exception. I simply pointed out that an Exchange could not force disclosure by compelling a company to leave its marketplace.

"Disclosure can occur in only one of two ways: (1) By legislation requiring disclosure wherever the company's securities may be traded; or (2) by action taken by the company whether it is traded over-the-counted or admitted to unlisted trading privileges. That being so, in the absence of legislation, our approach is to try to persuade companies which do not now disclose, but are admitted to unlisted trading privileges, to meet the disclosure requirements and to list their securities fully.

"The part of the Levy Committee Report quoted in your column is consistent with this approach. The Committee said that the American Exchange should 'consider the withdrawal of unlisted trading privileges' of a company which has not met our standards for continued listing within one year and has not commenced the issuance of quarterly financial reports and begun soliciting proxies within two years. The Exchange was urged, in the meanwhile, to 'attempt to persuade those companies which satisfy the enumerated tests to become fully listed.' This is exactly the procedure we are using and which I described in my speech.

Advantage of an Auction Market

"I am sure you would agree that the number of companies admitted to unlisted trading privileges is relatively small compared with the vast number of companies traded over-the-counter, but not meeting disclosure requirements. Our intention is to continue to work on the problem in a prudent way and to support, as vigorously as we can, any sound legislative proposal to cure the double standard, no matter what market is affected.

"I regretted, incidentally, that you were unable to mention one key point in my talk that I believe affects the public interest: the fact that whether or not a company admitted to unlisted trading privileges meets all other requirements, transactions, quotations and volume in its securities are exposed to public view; and the markets are centralized, organized and supervised. I think we would be doing a disservice to the public if we were to deprive investors in these companies of the advantages of an auction market."

EDWIN D. ETHERINGTON
President, A. S. E.

We agree with President Etherington that the ideal remedy for ending the nonuniform compliance with disclosure and other corporate requirements would be legislation requiring conformity irrespective of where the company's securities are traded—including over - the - counter. The "unlisted trading" situation thoroughly accentuates this need. But since the 29-year delay in legislation may continue (for political or constitutional reasons), this remedial measure should be further weighed and acted on.

It continues to raise the question, as typically mentioned in Mr. Etherington's letter, as to the importance to the investor of an Exchange "residence" and, specifically, whether the Exchange trading privilege offsets deficiencies in disclosure.

Also typically asserted as a basic defense of unlisted exchange trading is that de-listing would deliver the "unfortunate" shareholders to the counter market. We do not go along with this premise. However skeptical we may be about the scattered shareholders' stake in corporate democracy, we cannot take it for granted that management can get away from responsibility for vitally disadvantaging the shareholders' through noncompliance with prescribed obligations.

And de-listing on the AMEX might be beneficial in stimulating eligible companies to fully-listed information-giving status on the New York Stock Exchange.

Teeth Needed

The negative results of the listing persuasion attempts made by AMEX officials during the past year, only one issue — General Fireproofing — having succumbed to full-listing off the N.Y.S.E. show the need for accomplishing persuasion with the help of active "teeth." (No other issue had undertaken such full-listing action since 1959.)

While it is difficult thus early to assess the full implications of Monday's decision by the Supreme Court holding the New York Stock Exchange subject to anti-trust action, it may portend the eventual need for increased and direct government regulation of the over-the-counter market. As we pointed out in last week's space, the self regulatory National Association of Securities Dealers may also be vulnerable to anti-trust action.

In any event, during the interim until uniform all-over listing, AMEX could with the cooperation of the press reinstate the erstwhile policy of identifying via asterisk in the daily tables and elsewhere the unlisted-trading-privilege issues—for the benefit of existing and prospective shareholders.

* * *

A SOPHISTICATED MARKET

The "qualitative" characterization of the stock market's large Bull rise since last year's *Break* as institutional and otherwise professional, is substantiated by "quantitative" evidence of the doings of the small investor.

This year's record of mutual fund sales and concurrent rise in redemptions importantly reflects reduction of the little fellow's market interest. Table I shows the four months, January through April, and the single April month's share sales and redemptions of all funds covered by the Investment Companies Institute.

TABLE I

Sales and Redemptions of Mutual Fund Shares

(In millions of dollars)

	Sales 1963	Sales 1962	Redemption 1963	Redemption 1962
Jan. thru Apr.	804.2	1,182.3	485.3	373.7
Month April	203.5	260.3	133.5	91.8

Reciprocally, that major haven for the savings of the small investor, the U. S. Savings Bond, has exhibited substantially rising popularity during the current period —as shown in Table II.

TABLE II

Sales and Redemptions of "E" Bonds

(In millions of dollars)

	Sales 1963	Sales 1962	Redemption 1963	Redemption 1962
Jan. thru Apr.	1,760.3	1,561.4	1,608	1,663
Month April	414	390.3	409	401

The slow-down in comparative sales gains in the month of April, 1963, and the slight increase in redemptions in that month, manifests current (and coming?) increase in the "small boy's" stock market participation.

* * *

QUOTE OF THE WEEK
A STALIN MONUMENT

"The organizers of the Common Market (European Economic Community) and EFTA (European Free Trade Association, "the Outer Seven") should erect a monument to Stalin, whose intransigeance made European economic integration possible"—

—**Reinhold Kamitz**, President Austria National Bank, at a news conference in N. Y. City, May 18.

Wade Elected Director

ELIZABETH, N. J. — Jeptha H. Wade, a partner in the Boston law firm of Choate, Hall & Stewart, has been elected a director of four mutual funds whose assets total more than one billion dollars.

Jeptha H. Wade

The funds, based in Elizabeth, N. J., are Fundamental Investors, Diversified Investment Fund, Diversified Growth Stock Fund and Westminster Fund.

Mr. Wade is a director of Cleveland Cliffs Iron Company and National Semiconductor Corp. and a trustee of a number of charitable corporations, including the Cleveland Museum of Natural History and the Boston Museum of Fine Arts.

Harris, Upham Co. To Admit Partner

Albert L. Key, member of the New York Stock Exchange on June 1 will be admitted to partnership in the Exchange member firm of Harris, Upham & Co., 120 Broadway, New York City.

H. Hentz Co. To Admit

Effective June 1, H. Hentz & Co., 72 Wall Street, New York City, members of the New York Stock Exchange, will admit Raphael Meisels to general partnership, and Mina L. Masback and Elias Lasry to limited partnership in the firm.

Sutro & Co. Adds Six to Staff

SAN FRANCISCO, Calif.—Sutro & Co., members of the New York and Pacific Coast Stock Exchanges, have recently announced the association of six new men as Registered Representatives: Walton Moore Logan and Frederick W. S. Mok in the San Francisco office, 460 Montgomery Street; John M. Thompson and Howard Toboco in the Los Angeles office, 210 West Seventh Street; and Stuart E. Sieroty and James F. Hargear in the Beverly Hills office, 9804 Wilshire Boulevard.

The firm will occupy new and enlarged buildings now under construction both in San Jose, Calif., and Fresno, Calif.

American Motors Corp.

By Dr. Ira U. Cobleigh, *Economist*

A short summary of the survival and success of company that correctly foresaw the trend to compact cars and has seen its corporate vision and vigor handsomely rewarded.

Fifty years ago brokers and investors could surely have called motor car shares "growth stocks," had the expression been current at the time. But imagine the time they would have had "picking the right ones!" In this century over 800 corporations have manufactured more than 2,000 separate makes of cars; yet today there are only 5 surviving car manufacturers. The Metz, the Moon, the Apperson, the Everett, the Dorris, the Pope-Hartford, etc., have all fallen by the wayside.

Because of the high historic mortality rate in this competitive industry, it is indeed remarkable, and a vast tribute to engineering excellence and managerial competence, that American Motors Corporation has not only survived, but prospered. In its nine years of corporate existence, American Motors has put over 2 million of its cars on the road, and in 1963, its sales will reach an all-time high.

Compact Pioneer

Real business velocity in American Motors began in 1957 when the Rambler car was daringly projected as the American answer to the upsurging import of foreign small economy cars. Elsewhere in Detroit, "compacts" were thought to be a fad that would blow over. Although only a small company, with meager resources at the time, American Motors boldly moved forward. It developed a 6 cylinder motor of outstanding performance, dependability and economy. This 6 cylinder engine has been continuously refined and its standardized construction and continued production has minimized the assortment of replacement parts dealers need carry. The Rambler "6" engine is today one of the most proven and respected power plants in the world.

In manufacture, Rambler has not only pioneered in compact functional design, but in unitized body construction; rustproofing, "deep dip" of bodies (before painting); extensive use of aluminum, coil front springs; and fiber glass roof linings, clean, attractive and sound repellent. While the compact was sought primarily for economy (and to be fashionable) a few years back, there is now a solid trend in compacts, toward larger and more adorned vehicles. For example, the Rambler American, the lowest priced American built car, is not selling this year as well as the Rambler Classic; or the de luxe Ambassador which offers an 8 cylinder engine. All along the line, buyers are buying a lot more of the "trimmings," automatic transmissions, bucket seats, etc.; and they are less insistent on short wheelbases.

Repeat Business

There is a close relationship, in the motor business, between the owner count and annual sales. With Ford and Chevrolet, annual sales have been running about 12% of cars already on the road. For Rambler, the percentage is about 20%, indicating unusual high loyalty of Rambler owners.

Rambler, which had only 1,900 dealers in 1957, now has about 3,100 and these are stronger, better capitalized, and offer far superior service accommodations than six years ago. Sales of parts and accessories are now selling at a rate 2½ times higher than in 1958. Rambler holds between 6% and 7% of the domestic market currently.

Production Facilities

Outside the United States, Rambler is also expanding its market. It now has nine Rambler assembly operations: in Canada, South Africa, Mexico, Australia, New Zealand, Argentina, Uruguay, Belgium the Philippines, and a new one ready to go in Venezuela. In Canada the results are particularly impressive. Although the new plant in Brampton, Ontario, was only opened in January, 1961, Rambler has moved from 13th, in Canadian sales, to 5th; and production there is now 144 cars a day. This output can be doubled when a new plant expansion is completed this summer.

Rambler has steadily increased its production capacity and when the 1964 models start to roll this Fall, annual production capacity will be about 700,000 units. A $42 million automotive expansion and modernization program has just been announced.

Labor problems have often troubled the motor trade (there were crippling strikes in 1959 and 1961) and American Motors has taken an unusual step to prevent their recurrence. It has a progress sharing program by which some 31,764 (out of 33,000) employees are now stockholders and thus, as investors, in line to benefit from corporate profitability. This new approach to labor relations was less than totally acclaimed in Detroit, but American Motors' management believe it to be a major step toward labor stability.

From the Investor Viewpoint

The progress and profitability at American Motors have proven both attractive and rewarding to shareholders. Stockholders, who numbered 48,000 in 1957, now total over 168,000 and during this period, the stock has risen 1,000% in market price and there was a 3-for-1 split. Between 1957 and 1963 stockholders' equity (adjusted for stock splits and extras) rose from $6.47 to $13.91 per share. Return on net worth for fiscal 1962 was 15.2%.

For fiscal 1962 (year ends Sept. 30) per share net was $1.85. We would expect some improvement this year based on operations for the first six months. In this period, dollar volume ($609.8 million) broke all previous records and net earnings were $1.19 a share against 98 cents for the similar period in fiscal 1962 Actual unit car sales in the first half of fiscal 1963, were 219,850 against 211,070 a year earlier. An indicated $1 dividend based on a current market price of 18¼ provides a yield of above 5%. There are 18,780,000 common shares outstanding with no senior securities ahead.

Enthusiasm for AMO is based on the new thinking that 7 million cars a year has now become normal and not a peak performance; on confidence in management under the leadership of Mr. Roy Abernathy, President; on engineering excellence and perceptive corporate sensitivity to shifting customer needs and tastes; on efficient and expanding production facilities; on Kelvinator quality appliances; and on the sustained and broadened customer loyalty to, and endorsement of, the Rambler Line.

In this happy year of motoring, Rambling along may well be a rewarding experience on the throughways and in the market.

Williams Named By Inv. Mgmt. Co.

ELIZABETH, N. J. — Roger J. Williams Jr., has been named economist for Investors Management Company, Westminster at Parker.

Roger J. Williams Jr.

Investors Management Company furnishes investment advisory & administrative services to Fundamental Investors, Diversified Investment Fund, Diversified Growth Stock Fund & Westminster Fund.

Mr. Williams will head the company's economic department which is responsible for furnishing data on economic developments to the investment advisory organization's officials and to the boards of directors of the four mutual funds.

Mr. Williams has been chairman of the business and economics division of the New York Area Chapter of the American Statistical Association since 1959 and has served as chairman of the organization's annual forecasting conference.

For the past year, Mr. Williams was an independent economic consultant. Prior to that he was manager of the business research division of Luria Brothers for two years and an economic analyst for Union Carbide Company for four years.

To be V.-P. of Hill Richards

BEVERLY HILLS, Calif.—Effective May 29, Robert B. Zusman will become a Vice-President of Hill Richards & Co. Incorporated, members of the New York and Pacific Coast Stock Exchanges. Mr. Zusman is resident manager of the Beverly Hills office, 9025 Wilshire Boulevard.

McKeever Joins McCarley & Co.

ASHEVILLE, N. C.—William D. McKeever, Jr., formerly connected with the trading departments of Gersten & Frenkel and Paine, Webber, Jackson & Curtis, New York, has joined McCarley & Company, Inc., 35 Page Avenue, members New York Stock Exchange, in the Trading Department.

FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

Enthusiasts of Sen. Barry Goldwater will establish a national headquarters in Washington this week and plans are in the works for a big Fourth of July rally here, something on the order of the big shindig that marked President Kennedy's inauguration. First class entertainment is promised of the spectacular variety.

Observers returning from the South say that Goldwater could carry the 11 Solid South States with the other Southern States thrown in.

Some politically astute supporters of the Arizona Senator are throwing in a word of advice on the matter of timing. They feel there should be no premature effort to make the Senator a front runner for the nomination; that if the Arizonian, who comes from a state with a small electoral vote, is to become the party standard bearer, the accomplished fact will come as the result of a great swell of sentiment at the right time. The Senator, himself, has never admitted that he is or will become a candidate for President nor in all likelihood will he before the first of next year, if then.

Nevertheless, it is going to be mighty difficult to slow down to a moderate pace the Goldwater supporters. Senator Goldwater's name, far more widely known to Republicans and Democrats than any other Republican besides Rockefeller, former Vice-President Nixon and, of course, General Eisenhower, has become a rallying cry for conservatives from New York to Florida, to Texas, and to California.

The Goldwater sentiment has long since ceased to be a passing phase. The enthusiasm for the Senator which had its start in 1960 in some of the Western and Southern states, has continued to spread. Horace Henderson, the Republican State Chairman of Virginia, insists that if Senator Goldwater were the Republican nominee he would carry all the states of the South—the old South and the border states. Furthermore, he is confident that when the Republican National Convention meets, the delegates from these states will be voting for Goldwater. He expects the Virginia delegation to stand firmly behind Goldwater.

Lee Potter, former Republican State Chairman, and now director of the Southern Division of the Republican National Committee, while declaring the Republican candidate in 1964 will win, whoever he may be, said the Senator is very popular in the South and always has been. "The Senator has done yeoman service for the party in the South," he says, "and has many friends."

Should the delegates from the 11 states of the old South vote for the nomination of the Senator, he would have a tidy bloc of 279 votes. Add to these votes those of the border states of Kentucky, Maryland, Missouri, Oklahoma and West Virginia—104 in all—and you would have 383 delegate votes. This total would be just 272 votes short of the expected 655 majority convention vote. The convention is expected to have 1,308 delegates.

Goldwater for President sentiment is by no means confined to Southern and border states. According to reports from the Middle West, the Mountain States and the West Coast, Goldwater will have real strength in those areas, not only for the nomination but for the Presidency itself. Republicans in the big states, population wise, of the East are not beyond the sphere of Goldwater enthusiasm. One thing seems certain: if the Senator is nominated he will have plenty of financial support.

Cramer Detjen & Co.

PHOENIX, Ariz.—The name of Lewis E. Offerman Co., 1807 North Central Avenue, has been changed to Cramer, Detjen & Co. Carlyle L. Detjen is President of the firm. Donald L. Cramer is Executvie Vice-President, and Mrs. Lillian C. Beasley is Secretary and Treasurer.

Mr. Detjen moved to Phoenix in 1959 from New York. His career in the securities business dates back to 1926 and most of these years were spent on Wall Street. For about 10 years prior to the war he headed his own firm, Detjen & Company, specializing in wholesaling throughout the mid-west.

Donald L. Cramer, a graduate of Arizona State University, entered the securities business in 1959 after training with a New York Stock Exchange firm in Los Angeles.

Mrs. Beasley entered the securities business at Denver, Colo., in 1958, and went to Phoenix in 1961 to continue her career in the business.

The firm specializes in Trading and Wholesale but also has an active retail department.

Tax-Exempt Bond Market

BY DONALD D. MACKEY

The state and municipal bond market has been easy during the past week and most of the bond dealers have done but little business unless they were willing to cut prices by 5 to 15 basis points. The immediate reason for the slowdown derives from the heavy inventory situation. State and municipal inventory offered in the *Blue List* had been totaling somewhat more than $500,000,000 for several weeks prior to the $122,000,000 Hanford Project financing and dealers had expressed but little apprehension about going along with this general average of inventory despite the lack of market interest in secondary offerings. The tax-exempt return from inventory items seemed more than compensatory.

However, the timing did not work out as congenially as might have been otherwise the case for, in the meantime, the market was loaded up with $122,000,000 Washington Public Power Supply System, Hanford Project, revenue bonds. Although purchased in a highly competitive atmosphere, investment interest in the issue did not immediately develop and the slow reception created a further apprehension and nervousness among brokers and dealers.

On Monday, May 20, the tax-exempt bond market was actually so beset by dealer concern that dollar market quotations faded dramatically and business was all but estopped in the recent new issue and secondary market items.

Market Gets Lift From Hanford Bond Placement

The price meetings for Tuesday's substantial total of new issues reflected this easy market situation. Bids were figured off from 10 to 15 basis points from the higher level of only a week or two back. Talk of a more active and favorable stock market touched off some substantial selling in the long-term dollar quoted issues usually carried along in volume by the stock houses during periods of relative inactivity in stocks.

However, by Tuesday mid-morning it was announced by broadtape and otherwise that a large block of Hanford bonds had been sold at some price concession and later it was reported that all the term ($62,410,000) 3¼s had been disposed of. Around $40,000,000 serial bonds now remain in account.

With this considerable pressure off the market, the day's rather substantial roster of new issue offerings attracted competitive bidding to a degree generally unanticipated. These new issues will be subsequently discussed in detail.

Yield Index Reflects Pressure on Prices

With inventories as apparently swollen as they have recently been it has followed that price cutting has been general in the slower moving offerings. *The Commercial and Financial Chronicle's* yield Index increased to a 2.963% basis from a 2.925% basis a week ago. This 0.038% increase represents a market drop of about a half point in high grade 20-year general obligation bonds.

Inventory Problem Must Be Faced Realistically

The new issue calendar has expanded some as it should by all traditions at this time of year. The scheduled and tentatively scheduled issues between now and July 1 total approximately $575,000,000. A week ago the comparable figure was about $500,000,000. This is not a heavy schedule and it is likely to become relatively no heavier but dealers must in some manner soon adjust their bidding views so as to encourage a broader distribution of these reofferings. As we go into the normally quiet summer months when prices traditionally drift off, our calendar of new issues must be better distributed if we are to escape a rather drastic price readjusting at the wrong time.

The Federal's support of the Treasury bond market has worked wonders but an overloaded state and municipal bond situation might just escape being in focus with the mirrors so far as dealer balance sheets are concerned.

It is difficult to pinpoint the extent of dealer inventories and we inevitably end up by relating it to the *Blue List* total of state and municipal bond offerings. This total has varied violently in recent memory depending on the listing of king size issues. It reached a record high of $727,000,000 with the advertising of the Hanford issue. With the placement of more than half of this $122,000,000 financing, it has been reduced to the May 22 total of $639,139,000. It should be understood that this is but a token expression of dealer state and municipal bond inventory.

"Milestone" Decision by Comptroller Saxon

An interesting new issue seems tentatively scheduled for sale on June 26. The Chicago Public Buildings Commission, recently created, will borrow funds for constructing new buildings in the Chicago Civic Center. These bonds will not be directly payable from the levy of *ad valorem* taxes but will be supported through pertinent revenues deriving through usage.

However, James Saxon, Comptroller of the Currency, has ruled that these Civic Center revenue bonds may be underwritten by commercial banks. This ruling is another milestone in overcoming the traditional interpretation as between general obligation and the so-called revenue bonds.

Recent Awards

Since last reporting, a total of $130,000,000 of various tax-exempt bonds has been sold at competitive bidding and while yield levels have been about ten basis points higher than ten days ago, competition has been very keen and close covers have been the order of the day. Retail demand has been spotty and most syndicates at this writing still have substantial balances to dispose of.

Last Thursday there was the award of $10,000,000 State of Hawaii general obligation (1966-1983) bonds to the syndicate headed jointly by *Bank of America N. T. & S. A., First National City Bank of New York, Continental Illinois National Bank and Trust Co.* and *The First Boston Corp.* at a 2.931% net interest cost. The runner-up bid, a 2.953% net interest cost, came from the Lehman Brothers account and there were six additional groups which submitted bids for this issue. The bonds were reoffered to yield from 2.00% to 3.10% and initial investor demand has been disappointing, with the present balance in syndicate totaling about $8,430,000.

Also a week ago, $5,200,000 Decatur, Alabama Industrial Development (1965-1983) Industrial revenue bonds were awarded to the group headed by *Hendrix & Mayes & Co.* through negotiation at a 3.90% net interest cost.

Other major members of this group include Sterne, Agee & Leach, Francis I. duPont & Co., Robinson-Humphrey & Company, Pierce, Carrison & Wulbern, Andresen & Co., Cumberland Securities Corp., Cherokee Securities Corp., Howard, Weil, Labouisse, Friedrichs & Co., W. L. Lyons & Co., Cody & Co. and Westheimer & Co.

Scaled to yield from 2.50% to 4.00%, this issue was one of the bright spots of the week with all but $137,000 of the bonds sold.

On Monday of this week only one general market issue was offered for public sale. The Illinois State Normal University sold $6,750,000 Residence Hall revenue (1966-2003) bonds to the syndicate headed jointly by *John Nuveen & Co.* and *White, Weld & Co.* at a net interest cost of 3.6829%. The second bid, a 3.695% net interest cost, was made by the F. S. Smithers & Co., Goodbody & Co. group.

Other members of the winning syndicate include Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith, A. C. Allyn & Co., Inc., Dean Witter & Co., B. J. Van Ingen & Co., Hornblower & Weeks, R. W. Pressprich & Co., J. C. Bradford & Co., Shearson, Hammill & Co., Wm. Blair & Co., Bacon, Whipple & Co., Reynolds & Co., Julien Collins & Co., The Illinois Co. and Ball, Burge & Kraus.

The bonds were reoffered to

Continued on page 38

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California, State	3½%	1982	3.20%	3.10%
Connecticut, State	3¾%	1981-1982	3.05%	2.90%
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	2.80%	2.65%
*Delaware, State	2.90%	1981-1982	3.10%	3.00%
New Housing Auth. (N. Y., N. Y.)	3½%	1981-1982	3.15%	3.00%
Los Angeles, California	3¾%	1981-1982	3.20%	3.10%
Baltimore, Maryland	3¼%	1981	3.10%	2.95%
Cincinnati, Ohio (U.T.)	3½%	1981	3.05%	2.90%
Philadelphia Pennsylvania	3½%	1981	3.20%	3.10%
*Chicago, Illinois	3¼%	1981	3.20%	3.05%
New York, New York	3%	1980	3.07%	3.02%

May 22, 1963 Index=2.963%

*No apparent availability.

Larger Issues Scheduled For Sale

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

May 23 (Thursday)

Brooklyn Park, Minn.	1,295,000	1965-1975	8:00 p.m.
Penfield, Perinton, Etc. Central Sch. Dist. No 1, N. Y.	1,273,000	1964-1992	11:30 a.m.
Penn. State P. S. Bldg. Authority	23,260,000	1963-2002	Noon
Yonkers, N. Y.	10,121,000	1964-1982	Noon

May 24 (Friday)

Northwest Missouri State Coll.	4,905,000	1964-2002	3:00 p.m.
Valley Center Mun. Water D. Cal.	1,250,000	1964-1992	7:30 p.m.

May 27 (Monday)

Du Page Co Comm. HSD #108, Ill.	1,600,000	1964-1978	8:00 p.m.
Florida Development Commission	2,700,000	1966-1991	2:00 p.m.
Kane, Cook & Du Page Counties Community Sch. Dist. #U46, Ill.	2,400,000	1964-1973	7:30 p.m.
Roseville, Minn.	1,250,000	1964-1984	7:00 p.m.
Tulsa County, Okla.	5,865,000	1965-1988	2:00 p.m.

May 28 (Tuesday)

Anchorage, Alaska	3,630,000	1963-1983	11:00 a.m.
Brunswick County, N. C.	1,170,000	1964-1989	11:00 a.m.
Cherry Hill Sch. Dist., Mich.	1,600,000	1964-1992	7:30 p.m.
Columbus County, N. C.	1,000,000	1964-1989	11:00 a.m.
DeKalb Co. W & S Revenue, Ga.	5,000,000	1964-1992	Noon
Denham Springs, La.	1,639,000	1964-1983	7:00 p.m.
Excelsior Union H. S. Dist., Calif.	1,532,000	1964-1988	9:00 a.m.
Gregory-Portland Ind. S. D., Tex.	2,050,000	1964-1986	7:30 p.m.
Lakeland Sch. Bldg. Corp., Inc.	1,850,000	1966-1994	3:00 p.m.
Palos Verdes Peninsula Unif. S. D., California	1,500,000	1966-1988	9:00 a.m.
Santa Ana Unif. S. D., Calif.	4,000,000	1964-1988	11:00 a.m.
Secaucus Sanitary Sewer, N. J.	2,160,000	1964-1993	7:30 p.m.
Southern Illinois University	10,500,000	1966-2003	10:00 a.m.
Springfield Pub. Bldg., Comm., Ill.	3,500,000	1964-1982	11:00 a.m.

May 29 (Wednesday)

Bellevue School District, Neb.	1,400,000	1964-1993	8:00 p.m.
Chicago Bridge, Viaduct & Municipal Building, Ill.	5,000,000	1968-1978	10:30 a.m.
Columbia, S. C.	3,252,000	1964-1992	11:00 a.m.
Dallas Indep. Sch. Dist., Texas	10,000,000	1964-1983	10:00 a.m.
Houma, La.	5,815,000	1964-1982	11:00 a.m.
Houston, Texas	6,000,000	1975-1996	10:00 a.m.
Houston, Texas	25,000,000	1964-1983	10:00 a.m.
North Dakota (State Board of Higher Education)	2,145,000	-------	11:00 a.m.

May 31 (Friday)

Univ. of Ala. Board of Trustees	4,805,000	1965-2003	Noon

June 3 (Monday)

Carlsbad Mun. Sch. Dist., N. M.	1,250,000	1964-1973	10:00 a.m.
Louisiana State Univ. & A. & M College	2,990,000	1965-2002	10:00 a.m.
Maricopa County Temple Union High Sch. Dist. No. 213, Ariz.	1,925,000	1964-1977	11:00 a.m.

June 4 (Tuesday)

Alaska State Development Corp.	9,000,000	1966-1983	2:00 p.m.
Albuquerque School District, N. M.	5,000,000	1964-1968	10:00 a.m.
Allegheny County Sani. Auth., Pa.	94,200,000	1964-1988	11:00 a.m.
Anaheim Union H. S. Dist., Calif.	3,280,000	1964-1983	11:00 a.m.
Appleton, Wis.	1,300,000	1964-1983	2:00 p.m.
Charlotte Sch. Dist., Mich.	1,225,000	1965-1979	8:00 p.m.
Clovis Unified Sch. Dist., Calif.	1,550,000	1965-1977	10:30 a.m.
DeKalb County Sch. Dist., Ga.	2,550,000	1965-1990	Noon
Dover, Del.	2,500,000	1965-1984	Noon
Harford County, Md.	6,000,000	--------	--------
Honolulu, Hawaii	16,000,000	1964-1985	9:00 a.m.
Indiana University	6,825,000	1964-2001	11:00 a.m.
Lodi Union High Sch. Dist., Calif.	1,200,000	1964-1979	1:30 p.m.
Louisiana State Bond & Building Commission	15,000,000	1964-1983	11:00 a.m.
Ohio State Underground Parking Commission	6,600,000	1963-2003	11:00 a.m.
St. Tammany Parish Parish-Wide School District, La.	1,950,000	1966-1993	10:00 a.m.
Salina & Clay Cent. SD #1, N. Y.	1,500,000	1963-1987	2:00 p.m.
Springfield, Mass.	2,300,000	1964-1993	10:30 a.m.
University of Delaware	2,480,000	1965-2002	11:00 a.m.
University of Kentucky	7,500,000	1965-1988	11:00 a.m.
Westmoreland County, Pa.	2,875,000	1964-1991	1:00 p.m.
Will Co Public Bldg. Comm., Ill.	2,500,000	1965-1982	11:00 a.m.

June 5 (Wednesday)

Erie, Pa.	2,150,000	1964-1993	10:00 a.m.
Hudson City Sch. Dist., N. Y.	1,345,000	1963-1982	Noon
Robbinsdale Ind. SD #281, Minn.	1,400,000	1964-1991	4:00 p.m.

June 6 (Thursday)

East Hartford, Conn.	3,800,000	1964-1983	Noon
Sacramento Mun. Util. Dist., Calif.	10,000,000	1966-1983	11:00 a.m.

June 10 (Monday)

Fort Bend Indep. Sch. Dist., Tex.	2,750,000	1964-1985	7:30 p.m.
Montgomery Co. S. Bldg. Rev., Ky.	1,200,000	1964-1983	1:00 p.m.
Sparks, Nev.	2,000,000	1965-1991	7:30 p.m.

Federal Chartering of Mutual Banks Inevitable!

*By Hon. Abraham J. Multer.**
Representative, U. S. Congress (D.—N.Y.)

Chairman of Bank Supervisor and Insurance Subcommittee of the House Committee on Banking and Currency, now holding hearings on two of his bills to establish a Federal banking commission and to merge the F. D. I. C. and F. S. & L. I. C., predicts Congress would be receptive to Federal chartering of mutual savings banks — providing the thrift institutions "work together vigorously in seeking this beneficial legislation." Representative Multer refers to widespread support for such a step, discusses broad advantages which would accrue to the nation from such action, criticizes the American Bankers Association for their inconsistent stand, denies this would create a third banking system, and chides the thrift institutions — particularly the S & L Associations — for not recognizing and pressing for a Federal Savings Bank System. Representative Multer anticipates hearings will be held during the current 88th Congress and is convinced that the thrift institutions' case will stand up against withering oppositionary crossfire.

The outlook for Federal Charter Legislation for mutual savings banks is excellent. Indeed, I would say eventual enactment is inevitable because it is sound, forward-looking legislation that will benefit the nation and particularly communities now without savings banks.


Abraham J. Multer

If my judgment on the outlook proves wrong, it will only be because the two industries most directly concerned — mutual savings banks and saving and loans—fail to work together vigorously in seeking this beneficial legislation. What is needed—and needed now—is the kind of united, effective thrift industry action that was brought to bear in the recent tax controversy. This first united action was, in a manner of speaking, in a negative cause—to prevent enactment or minimize the prospect of harmful legislation. The opportunity has now come for joint action in a positive cause —to achieve enactment of progressive legislation that will weld savings and loans and savings banks together in a strong, unified, thrift industry.

Broad Benefits

There is no need for me to reiterate the broad benefits the nation will derive from nationwide dual savings bank system. The increased flow of more evenly distributed savings and mortgage funds, the reduced costs of credit to mortgage borrowers, the strengthening of the dual banking system, the broadened flexibility of investment powers of thrift institutions — these advantages have been indicated on several occasions by private industry, research and academic groups as well as by public bodies. They underline the endorsement given to federal charters by the Commission on Money and Credit, by the Federal housing agencies, by the nation's homebuilders, by the President's Committee on Financial Institutions.

All of these endorsements have been well publicized. One endorsement added recently, however, by a widely respected Federal housing official may have escaped attention. I refer to the recent speech by J. Stanley Baughman, President of the Federal National Mortgage Association, in which he said:

"In my opinion, the home financing picture would be greatly improved if a dual chartering system, similar to the commercial bank and savings and loan association setup, were to be established for mutual savings banks. The effect of such action would be an expansion of the mutual savings banking industry, an increase in the allocation of investment funds for housing, and the creation of more dynamic competitive conditions."

Awaits Thrift Institutions Ananimity

Thus, there is widespread, objective support for Federal charter legislation because of its recognized national economic benefits. Lacking only is convincing evidence that the thrift industry solidly supports this legislation. Given such support, one can be sure that the Congress will act promptly. My only wonder is why there is any hesitation at all on the part of either savings banks or savings and loans to embrace the Federal charter idea. I am convinced that the future of both institutions is tied directly to this proposal.

For savings banking, Federal chartering is the only practical means of implementing the long standing objective of nationwide extension.

Efforts to achieve this objective through the state legislative route have been frustrated by the opposition of locally entrenched competitors. It took two years to establish one savings bank in Alaska where the need for additional savings facilities clearly existed, as witness the phenomenal growth of the Alaska Mutual Savings Bank in little over a year.

The advantages of the dual banking system, long available to commercial banks and savings and loans, will become available to savings banks through Federal chartering. This does not mean that state chartered savings banks will rush to obtain Federal charters. It does mean that all savings banks will benefit from the system of checks and balances between Federal and state supervisory authorities. The Competitive disadvantages under which many savings banks operate because of outmoded state laws would be erased.

Finds A. B. A. Inconsistent

Strangely enough, the Executive Vice-President of the American Bankers Association, who opposes federal charters for savings banks, summarized well the basic advantages of the dual banking system:

"... The ability of banks to shift from one system to the other has certain very definite advantages. Supervisory procedures can become oppressive and harmful to the point where banks cannot adequately meet the needs of their communities. By maintaining a choice of systems, dual banking ... assures that such oppressive supervisory procedures cannot long continue."

One wonders, parenthetically, how Dr. Walker can be so inconsistent as, on the one hand, to advocate strongly the basic advantages of the dual banking system and, on the other hand, to advocate just as strongly the denial of this system to savings banks.

Not the least of the advantages of Federal charters for savings banking, is that it would make possible much broader representation of the association's causes in the Congress. To be perfectly blunt about it, savings bankers are more effective in Congress with 100 Senators worrying about savings banks in 50 states than with 36 Senators from the 18 states in which savings banks are now operating. And after the May 13th speech of the Association's President John Kress, to the Association indicating the increasing influence of Washington in savings bank affairs, one should have no doubt about the importance of more effective representation in the Nation's capital.

Shift in Home Loan Bank Board's Views

As for the savings and loan business, most of its leaders have now come to realize the advantages—yes, even the necessity—of broadening their loan and investment powers. It was only recently, however, that the conviction ran strong in savings and loan circles that continued specialization in home mortgage finance was the key to further sound growth. And the Federal Home Loan Bank Board under the previous administration opposed Federal charters for mutual savings banks on the main ground that the conversion of savings and loans with broadened powers would result in a reduced flow of home mortgage funds.

All of this is now changed since the demand for home mortgage credit has declined relative to saving flows. It is broadly recognized both by the current Federal Home Loan Bank Board and industry leaders that a financial business rapidly approaching $100 billion in assets requires investment flexibility and diversification if it is to operate soundly in our dynamic economy. This idea was well expressed in the recently issued report of the President's Committee on Financial Institutions, as follows:

"By inhibiting adequate diversification of loans among industries and sectors of the economy, specialization could make financial institutions more vulnerable to insolvency arising from adversity in the particular industries or sectors in which their lending is perforce concentrated. A related danger is that a restricted choice of lending power may induce institutions to reach out for unduly risky loans of the permitted type in an effort to invest funds fully when credit demands in the specialized area are declining."

With all of this I agree, and submit that the most logical route to accomplish broadened investment objectives is through merging the savings and loan and savings bank industries. This would represent the modern magna carta that savings and loans have been requesting. Such a merger, through the Federal charter bill, is the next logical step in the evolutionary development of the thrift system.

And several astute savings and loan men have recognized it as such a step. Witness the recent statement of that prominent savings and loan leader and student e. Mr A. D. Theobald, President of The First Federal Savings and Loan Association of Peoria, Illinois:

"So, it seems to me that ... we have ... a great opportunity, for modernization, for renewed development, for redirection in expanded service under the federal savings bank law as we in the savings and loan business had under the federal savings and loan law 31 years ago.

"... The strength of my con-

Continued on page 14

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Active Canadian Traders—Data on 50 active mining, petroleum and industrial issues—Canadian Forecaster, 238 Adelaide Street, West, Toronto, Ont., Canada.

Banks and Trust Companies of the United States — Comparative figures for first quarter—New York Hanseatic Corporation, 60 Broad Street, New York 4, N. Y.

Bond Market—Discussion of outlook for second half of 1963—Salomon Brothers & Hutzler, 60 Wall Street, New York 5, N. Y.

Canada—Study—Calvin Bullock Ltd., 1 Wall Street, New York 5, New York.

Canada and Canadian Provinces—Supplement to 1962 Funded Debt Book, containing new issues dated up to Jan. 31, 1963—Investment Dealers Association of Canada, 55 Yonge Street, Toronto 1, Ont., Canada.

Canadian Banks vs. Investment & Loan Companies—Discussion—Draper Dobie and Company, 25 Adelaide Street, West, Toronto 1, Ont., Canada.

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Olin Mathieson Chemical Corp.—Analysis — Schrijver & Co., 37 Wall Street, New York 5, N. Y.

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The State of TRADE and INDUSTRY

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

According to the mid-May monthly *National Summary of Business Conditions* compiled by the Federal Reserve System's Board of Governors, "Production and employment continued to expand in April while construction activity was unchanged and retail sales declined. Commercial bank credit declined following rapid expansion earlier this year. The money supply increased, and time and savings deposits at commercial banks rose, although less rapidly than earlier. Between mid-April and mid-May bond yields changed little. Common stock prices advanced further.

Industrial Production

"Industrial production in April was 122% of the 1957-59 average, nearly two points above the March level. Production of materials rose substantially further in April and output of final products increased slightly.

"Auto assemblies remained at the high rate prevailing since mid-1962. Production of television sets and some other home goods increased, and output of apparel and consumer staples was maintained. Production of commercial machinery increased somewhat while output of other types of business equipment changed little.

"Iron and steel production rose sharply further and was more than one-fourth above the November-January level, reflecting in part a shift from liquidation to accumulation of inventories to hedge against a possible work stoppage. Output of construction materials and of parts for consumer goods and business equipment also continued to increase. Among nondurable materials, newsprint consumption rose considerably following termination of newspaper strikes in two major cities. Production of coal, crude oil, and chemicals also advanced.

Construction Activity

"Seasonally adjusted new construction put in place was unchanged in April. Private construction increased, reflecting a 4% rise in residential activity. Public construction, which was revised upward by 3½% for March, showed a decline of 6% in April.

Employment

"Seasonally adjusted employment in nonfarm establishments increased substantially further in April, reflecting mainly a sizable gain in manufacturing employment, which has now recovered all of the decline that occurred in the latter half of 1962. The average factory workweek changed about seasonally. The labor force as well as employment increased, and the seasonally adjusted unemployment rate was 5.7% in April compared with 5.6% in March.

Distribution

"Retail sales, after rising 1% through the first quarter of this year, declined 1% in April. Sales were down at department stores and most other groups of retail outlets. Dealer deliveries of new cars increased, however, and were nearly one-tenth above a year earlier and equal to the record seasonally adjusted rates of the summer of 1955. Dealers' inventories of new cars remained stable and were slightly below a year earlier.

Commodity Prices

"Prices of some steel products were increased 3½% in April, raising the price index for all steel mill products 1%. Some aluminum products also were increased. Prices of most sensitive industrial materials changed little in April and early May, however, and average prices of industrial products remained stable.

"Sugar prices rose sharply further; the domestic wholesale price was about 50% higher than last autumn. Livestock and meat prices changed little at a level about 5% below a year earlier. Production of both beef and pork remained substantially higher than in the spring of last year.

Bank Credit, Money Supply, and Reserves

"Following rapid expansion earlier this year, seasonally adjusted commercial bank credit declined $2.4 billion in April as bank holdings of U. S. Government securities and loans to security dealers declined. Other loans, on balance, increased moderately and holdings of non-government securities continued to rise rapidly. The average money supply increased $500 million from March to April after showing little net change over the previous two months, while time and savings deposits at commercial banks rose less rapidly than earlier. U. S. Government deposits declined by more than the usual amount.

"Required and total reserves of member banks increased somewhat in April. Excess reserves changed little while member bank borrowings from the Federal Reserve declined slightly. Reserves were absorbed principally through an increase of $285 million in System holdings of U. S. Government securities.

Security Markets

"Yields on state and local government bonds rose somewhat between mid-April and mid-May while yields on corporate bonds and Treasury issues changed little. The rate on three-month Treasury bills fluctuated narrowly around 2.90%.

"Common stock prices rose moderately further in active trading. In mid-May average prices were about 3% below the December 1961 peak."

Bank Clearings 1.8% Above 1962 Week's Volume

Bank clearings in the latest statement forged ahead of 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, May 18, clearings for all cities of the United States for which it is possible to obtain weekly clearings were 1.8% above those of the corresponding week last year. Our preliminary totals stand at $34,034,109,394 against $33,439,015,297 for the same week in 1962.

Our comparative summary for some of the principal money centers follows:

Week End. May 18—	1963 (000s omitted)	1962 (000s omitted)	%
New York	$19,112,706	$18,001,108	+ 6.2
Chicago	1,582,612	1,640,963	— 3.6
Philadelphia	1,280,000	1,365,000	— 6.2
Boston	923,692	942,544	— 2.0
Kansas City	583,682	594,841	— 1.9

Steel Hits Three-Year High and 56.7% Over Year-Ago Week

According to data compiled by the American Iron and Steel Institute, production for the week ended May 18 was 2,605,000 tons (*139.8%) as against 2,548,000 tons (*136.8%) in the week ending May 11. The week to week output rose 2.2% following three successive weeks of relatively level output which accompanied the optimism voiced by Mr. McDonald and steel leaders about the current labor negotiations. The week's output exceeded last year's output by 56.7% and was larger than any weekly output since March 19, 1960.

Out of the 20 weeks of this year's steel output production declined in two of those weeks, leveled out in five, and rose for 13 consecutive weeks from the week ending February 2 through April 27. During those 13 weeks output advanced 36.8% (1,863,000 to 2,548,000 net tons). Not since the fall of 1954 has the industry experienced such a long sustained sequence of consecutive weekly rises. In the autumn of 1954 beginning with Sept. 5 until Dec. 6, steel output rose 30.4% (1,502,000 to 1,958,000 net tons).

Last week's marked advance continues to reflect advancing current use demand for steel as well as nervous hedge buying against a possible steel strike. Should the current labor contract discussions end amicably, steel output will return to its normal position of derived demand reflecting changes in market consumption of steel products. A strike threat, of course, will increase the demand for steel. The last two previous strikes occured in the month of July. The last one commenced July 15, 1959 and lasted 113 weeks until Nov. 5, 1959 which was settled under the aegis of, then, Vice-President and Presidential candidate Nixon. The previous strike of 36 days took place July 1-Aug. 5, 1956. If the steel union were to strike, it must give 90 days notice. Thus, a repetition of the July pattern is now foregone. Three months should provide ample opportunity for major hedge buying.

So far this year — through May 18—the output of ingots and castings has totaled 44,451,000 net tons (*119.3%) which is 1.1% below the Jan. 1-May 19, 1962 production of 4,949,000 net tons (*120.6%).

District—	*Index of Ingot Production for Week Ending May 18	May 11
North East Coast	130	129
Buffalo	143	144
Pittsburgh	131	128
Youngstown	137	134
Cleveland	164	157
Detroit	174	154
Chicago	142	141
Cincinnati	141	140
St. Louis	132	132
Southern	140	133
Western	140	141
Total industry	139.8	136.8

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

Steel Usage in 1963 May Equal Record Set in 1955

Steel consumed in 1963 may equal the 1955 record of 77 million tons, *Steel* magazine predicted.

That can happen if automakers build more than 7.25 million cars and the economy continues its steady improvement. The construction, machinery, farm implement, and appliance industries are expected to use more steel in 1963 than they did in 1955.

The record 117 million tons of ingots produced in 1955 resulted in 84 million tons of finished steel. Seventy-seven million tons were consumed. The remainder went into inventories or was exported.

Consumption is at the highest level in about three years. First half usage of steel will exceed that of first half, 1962, and may set a record for the period.

Automakers, top consumers of steel, keep upping their output to meet demand. But the more vehicles they make, the more they fall behind.

So far this year, more than 2.9 million automobiles have been produced vs. 2.6 million a year ago. Dealer inventories (in days' supply) at the end of April were at the lowest level since 1955 (record year for passenger car output).

Truck output also is booming. It's running close to the 1951 record.

On top of providing steel for current consumption, the steel industry is filling strike hedge orders. Brighter prospects for labor peace, however, may cause some steel users to push their orders back.

Latest developments indicate steel users need not fear a strike before September at the earliest. Reason: Labor-management discussions will probably continue for at least a month. There won't be a formal reopening until mid-June at the earliest, and a strike can't be called until 90 days after notice of a reopening is given.

Steelmakers will welcome some order deferments for two reasons: (1) They will be able to pull up other orders that might otherwise have fallen behind schedule. (2) They'll be able to strengthen their bookings for July and August and thus reduce the extent and cost of operational cutbacks.

July-August Orders Leveling Off Below Peak

Although steel demand remains strong, it seems to have passed its

Contonued on page 16

Gauging Mutual Banks' Demand for Mortgages

By August M. Strung,* *Senior Vice-President, The Bowery Savings Bank, New York City*

The gap between mortgages and total assets of savings banks is found to be narrowing and may, in the not-to-distant future, limit mortgage acquisitions to run-off of existing holdings, earnings, etc. Moreover, Mr. Strung notes that the narrowing yield spread between endorsed mortgages and governments may curtail desire for FHA-VA mortgages. Nevertheless, mortgage bankers are assured that demand will continue strong for conventional mortgages in all types of loans—business and commercial properties, and office buildings backed up by good leases, and residential loans.

The extent of this paper is to represent the mutual savings banks and to attempt to evaluate their possible demand for mortgages in the current and near future market. I think it would be foolhardy to try to project our thinking at present beyond early 1964 inasmuch as changes beyond control or vision occur so rapidly. Needless to say I am flattered by this assignment and sincerely trust that in the few following remarks I will have been able properly to analyze and project the part which this rather important portion of the lending industry can be expected to play in the nationwide mortgage market.

August M. Strung

Savings Banks have throughout most of their history looked upon the mortgage market as their primary investment area. Available records will clearly show that except for war time periods and immediately thereafter, mortgage loans constituted the largest single category of assets held by mutual savings banks. Our activities have during the last decade most certainly indicated that this predilection has not diminished. While I do not like to bore anyone with statistics, it would appear that the following percentages are important with reference to my previous statement. According to statistics contained in a study by the National Association of Mutual Savings Banks for the Commission on Money and Credit, savings banks held some 36.9% of their assets in mortgages way back in the year 1900. This percentage increased to 55.4% in 1930 but diminished to 40.6% in 1940. This decline was a result of the depression, which so many of us remember, along with its accompanying foreclosures. As a result of World War II and its aftermath, this percentage shrank rather appreciably to only 24.8%. This low point occurred during the year 1945. From that point, mortgage percentages began an unprecedented rise. In 1950 there was an increase to 35.8%; in 1955 an increase to 55.1% and by 1960 mortgage holdings had increased to 65.8% of the total assets of all savings banks. This study ended in 1960. Further inquiry revealed that the rise did not stop there since we find that in 1961, the figure reached 67.5% and had reached its all time high of 69.5% at the end of the year 1962. If we reflect on these figures for just one moment, I think we will realize that in 12 short years, savings banks increased their mortgage holdings by 100% (that is when expressed in percentages to assets), or more importantly when expressed in dollars, by some 20 billion 600 odd million. From this figure, I think we must all conclude that mutual savings banks have been very important in the mortgage market and that they certainly will continue to be so, particularly over the long-term pull.

The long-term pull, however, is not the immediate topic for consideration and I would, therefore, like to address myself directly to what these institutions may be doing over the next 12 months.

Puts Mortgage Ceiling at 80% to Total Assets

In order to pinpoint this thinking, I have tried to use the most current figures and these were found in the recent Kidder Peabody Report, "An Analysis of the Capital Assets of the New York City and Westchester County Savings Banks as of Jan. 1, 1963." While I realize that this report does not cover all savings banks and covers only a relatively small geoghaphical area, it does, however, because of the total assets held by these banks, cover slightly more than 50% of the assets of all savings banks. In short, these figures deal with 21 billion of the 41 billion of total savings banks assets.

According to this report, New York City savings banks held 75.4% of their assets in mortgages, while Westchester banks held some 74.9% of their assets in mortgages. This means that banks holding 50% of the total assets of all mutual savings banks hold mortgage portfolios which constitute better than 75% of their aggregate assets. In my opinion, this percentage appears to be most significant and in all probabilities will be a major factor in any forecast of imminent mortgage demand.

Savings banks in the not-too-distant past were confronted with the problem of meeting a competitive dividend situation. The obvious method to meet this situation was through the increase of investment income. What better vehicle was there than mortgages? At that time most savings banks held about 60 to 70% of their assets in mortgages. By the simple expedient of increasing mortgages at the expense of bond portfolio liquidation, savings banks were able to meet this competition and still retain sound investment policies. This expedient, however, can go only so far.

It is my judgment that these banks (and the fact that we are banks is important) cannot go much further in the direction of bond liquidation since the question of liquidity is always with us. It must be remembered that savings banks have a depositor relationship with their customers and must at all times be prepared to meet any and all demands. Because of this liquidity problem, it is almost axiomatic that a maximum mortgage limitation must be imposed. Our proximity to this limitation, therefore, appears to be the crux of any forecast.

My guess is that the average savings bank will have a self-imposed limitation in the neighborhood of 80% of mortgages to total assets. If this is so, then the heretofore mentioned figure of 75% in mortgages looms most important, since it drastically limits consideration of a portfolio increase. It must also be remembered that the 75% figure was as of Jan. 1, 1963 and represented only then-held mortgages, giving no consideration to mortgages since delivered or to commitments outstanding. If I am any judge of what has been going on during the first three months of this year, banks have been most active in securing other deliveries and/or commitments so as to bring them within striking distance of their new mortgage goals. Recently published figures indicate that New York State savings banks closed 1 billion 100 million of mortgage loans during the first quarter of 1963, which is almost 4% of the aggregate assets of New York State savings banks. The publication went on to state that 330 million of this occurred during March. During this same month, assets increased by 222 million. It is obvious from these figures that further approaches are being made toward that possible or probable mortgage limitation. In short, I believe that the gap is narrowing and that in the not-too-distant future the part played by savings banks in the mortgage field will be limited to the reinvestment of the run-off of their then existing portfolios, earnings, retention of dviidends and the ever capricious deposit behavior. In passing, we might also note that portfolio run-offs are decreasing percentage-wise as long-term, slowly amortizing 203s, 207s, 213s and 220s are added to portfolios.

Narrowing Yield Spread

Now let me add another consideration affecting mortgage purchases which is wholly aside from percentage limitations. Investors must certainly take into account the differential in income afforded through the several available investment areas. If we look at today's Government market, we will see yields slightly above the 4% figure. Let us, however, for discussion purposes, use a flat 4% figure. Mortgages, and I am referring to those which most mortgage bankers are primarily interested in, namely, 203s and VAs, are offering only a 5.06 yield and in some instances yields as low as 5%. Using these figures we find spreads of only 100 to 106 basis points.

This spread, in my opinion, is extremely thin and would indicate that this is not the time to be buying insured or guaranteed mortgages. We, in our bank, keep our own series of spreads, and this certainly indicates a narrowing to the point where this type of mortgage is becoming unattractive. Actually, if one could operate in a vacuum, a halt in mortgage purchases would have occurred some months ago. As a matter of fact, I am sorry I reviewed this series since it clearly shows that we should have been far more active back in 1960 when spreads averaged far and above a 100 point spread.

It is, of course, obvious that this narrowing of spreads is a result of large amounts of funds (increased deposits plus bond liquidations) seeking a limited number of mortgages. In other words, we have had an imbalance and what has been happening has been a natural phenomenon.

Practically every magazine and newspaper item devoted to real estate and mortgages emblazons the tremendous problems of investors. (As a matter of fact I'm beginning to feel sorry for myself.)

Exercising Greater Discrimination

Analysis, however, does not indicate that this problem may be so great for savings banks. I believe that they have, through their recent activities and heavy deliveries, placed themselves in a position where greater discrimination may now be exercised in mortgage lending.

I am not so foolhardy as to suggest that savings banks will not be active in mortgage lending, because I am sure they will be, but I raise the question as to the degree and as to the areas of their activity.

I believe that these banks are now in a position where they can use greater discernment in the placing of their funds so as to derive greater yields. This choice, of course, lies with the conventional mortgage. Because their analysis and making is more time-consuming than is the purchase of blocks of insured loans it was necessary to delay or curtail their consideration. But now that the road appears fairly clear, this area will no duobt receive greater attention. Herein lies a tip to any broker or contractor who originates conventional loans in New York or contiguous states and who has not approached New York savings banks. I am sure that you will be pleasantly surprised at the kind of reception accorded you.

To those interested in conventional financing, I might mention that our industry is generally interested in all types of loans. Business properties, commercial properties, office buildings and residential loans are most welcome, particularly when the non-residential loans are backed up by good leases. Of course the welcome increases as the interest rates go up.

To those who might be timid about approaching savings banks with large loans, let me assure you that they, too, will be considered. Recent permission to participate in loans has given savings banks a position competitive with insurance companies, pension funds and others who heretofore had this area unto themselves. We at the Bowery have recently headed up several participations and found partners without great difficulty.

I think that I have about covered my subject without gonig into great detail but before concluding, I would like to summarize by saying that I believe:

(1) that savings banks in general have more or less completed their conversion from bonds into mortgages just as they did (except to a lesser percentage degree) directly after World War II.

(2) that recent deliveries and outstanding commitments will curtail to a degree their nationwide interest in FHA and VA mortgages.

(3) that conventional mortgages because of higher yields will play a greater part in portfolio planning and thus reduce funds flowing to FHAs and Vas.

*An address by Mr. Strung before the Eastern Mortgage Conference, Mortgage Bankers Association of America, New York City, May 7, 1963.

New Municipal Sales at Peak

WASHINGTON, D. C.—New municipal bond sales were at a peak level of $2,716 million for the first quarter of 1963, according to a quarterly review of the municipal bond market in the latest issue of the IBA Statistical Bulletin, May, 1963, published by the Research Department, Investment Bankers Association of America. The previous high was set in the first quarter of 1962 when municipal bond sales showed a revised total of $2,698 million.

Sales of general obligation municipal bonds totaled $1,622 million, or 60% of first quarter sales, while $956 million in revenue issues were sold, representing 35% of the total. The remaining 5% consisted of New Housing Authority issues. Revenue bonds continue to represent a larger proportion of total municipal bond sales, at the expense of general obligation bond issues.

New York was far in the lead with total state and local municipal bond sales of $456 million during the first quarter. Illinois was second with sales of $242 million, Tennessee was third with $222 million and California ranked fourth with sales of $157 million. Pennsylvania, New Jersey, Texas and Louisiana each had total municipal bond sales in excess of $100 million.

Elected Director

James M. Nicely, Vice-President and Treasurer of the Ford Foundation, has been elected a director of The United States and Foreign Securities Corporation, a closed-end investment company. Mr. Nicely was formerly a Senior Vice-President of the First National City Bank.

Current News in the Field

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

NEW FIRMS

BATON ROUGE, La.—**Cutner & Associates Investment Company,** 1718 Wooddale Boulevard. James D. Cutner is proprietor.

BISMARCK, N. Dak.—**Provident Management Company,** Provident Life Building. Officers are Henry A. Jones, President; Robert W. Edick and John A. Zuger, Vice-Presidents; Herman J. Bischof, Treasurer; and Robert L. Miller, Secretary.

BOSTON, Mass.—**Pioneer Investment Planners of Boston,** 122 Bowdoin Street. Robert Katz, formerly with Security Planners Associates, is proprietor.

BRONX, N. Y.—**Norbert Associates, Inc.,** 414 East Tremont Avenue. Officers are Herbert M. Franklyn, President; David S. Silver, Vice-President; and J. L. Sheff, Secretary and Treasurer.

CHICO, Calif.—**Warren, Lester and Company,** 9 Mione Way. Charles L. Warren, the proprietor, was formerly with Beckman & Co., Inc. and Richard A. Harrison, Inc.

FAIRFIELD, Conn.—**Ferguson & Co., Inc.,** 400 Post Road. Officers are Walton Ferguson, President and Treasurer; and N. P. Ferguson, Secretary. Mr. Ferguson was formerly with Cyrus J. Lawrence & Sons and Harris & Partners Inc.

FITCHBURG, Mass.—**Louis G. Aubuchon & Co.,** 91 Fairmount Street. Louis G. Aubuchon, the proprietor, was formerly with Harding Tulloch & Co., Townsend, Dabney & Tyson, and Hanrahan & Co.

GRAND FORKS, N. Dak.—**Mid-Continental Securities Corporation,** 27½ South Third Street. Officers are Wesley L. Sando, President; Frank I. Schmidt, Vice-President; Donald M. Mercy, Secretary and Treasurer; and Douglas L. Dunahay, Assistant Secretary and Assistant Treasurer.

GRAND JUNCTION, Colo—**Willard Pease & Company,** 2457 Durham Street. Partners are Willard H. Pease and Harry N. Royster.

HONOLULU, Hawaii—**Funds, Incorporated,** 721 Bishop Street. Officers are John A. Eagle, President and John B. Pritchard, Vice-President. Mr. Eagle was formerly with W. R. Bleecher & Co. Mr. Pritchard was with Eastman Dillon, Union Securities & Co., and Walston & Co., Inc.

MELBOURNE, Fla.—**Meldrum Associates,** 1187 Prince Avenue. Andrew Meldrum is sole proprietor. He was formerly with First Investors Corp.

MIAMI, Fla.—**Hamilton Investment Service,** 21021 Northeast 24th Court. Jacob Blen, sole proprietor, was formerly with J. B. Coburn & Associates.

NEW YORK CITY—**Trew & Co.,** 52 Wall Street. Partners are Bartus Trew and C. W. Trew.

NEW YORK, N Y.—**Pension Securities Fund, Inc.,** 20 Broad Street.

NEW YORK CITY—**Hecht, Weingarten & Co., Inc.,** 125 Maiden Lane. Officers are Martin S. Hecht, President, and Robert I. Weingarten, Secretary and Treasurer. Both were formerly with Leib, Skloot & Co. Prior thereto Mr. Weingarten was with Flomenhaft, Seidler & Co.

NEW YORK CITY—**Axler-Sheils & Co. Incorporated,** 551 Fifth Avenue. Officers are Joseph Axler, President and Treasurer, and Charles Sheils, Vice-President.

NEW YORK CITY—**Contes & Company,** 82 Beaver Street, a partnership. Constantine Contes and Michael Contes, formerly officers of Contes Securities Corporation, are partners.

NEW YORK CITY—**Oil Securities Corp.,** 40 Exchange Place. Officers are Sherry Bergier, President and Treasurer, and Isidore Cohen, Secretary.

PHILADELPHIA, Pa. — **Quaker Drilling Ventures,** Girard Trust Building. Partners are John J. Speese and Frank M. Tait.

PHILADELPHIA, Pa.—**Stotter & Co.,** 1400 Chestnut Street. Arthur Stotter is sole proprietor. He was formerly with Albert Teller & Co., Inc.

SAUGERTIES, N. Y.—**William H. Trumpbour, Jr.,** Route No. 1, P. O. Box 299. Mr. Trumpbour was formerly with Morgan Davis & Co. and Wood, Walker & Co.

WANTAGH, N. Y. — **Comfort Planning Co.,** 1240 Rose Lane. Joseph Comforto is sole proprietor.

WILMINGTON, Del. — **United Investors,** 2400 West Eric Drive, Maplecrest. Partners are Richard R. Leon, Jr., general partner, and James F. Collins, limited partner. Mr. Leon was formerly with Waddell & Reed, Inc.

NEW BRANCHES

BALTIMORE, Md. — **Winslow, Cohu & Stetson, Incorporated,** Mercantile Trust Building, 100 East Baltimore Street. Ira Peregoff is resident manager.

BOSTON, Mass. — **Fleetwood Securities Corporation of America,** 1 State Street

EL DORADO, Ark.—**A. G. Edwards & Sons,** First National Bank Building. R. Yost McKinney will direct the operation of the new branch.

KANSAS CITY, Mo.—**The Dreyfus Corporation,** Board of Trade Building. Philip R. Carter is manager.

GARY, Ind.—**Straus, Blosser & McDowell,** 570 Brodaway. Howard S. Gross is Manager. Mr. Gross was formerly Local Manager for Walston & Co., Inc.

LAS VEGAS, Nev.—**Costello, Russotto & Co.,** 120 South Third Street. Donald B. Clark is Manager.

LOS ANGELES, Calif.—**Garvin Bantel & Co.,** 550 South Flower Street. James V. LaRocca is Manager.

MADISON, Wis.—**Splaine & Frederick, Inc.,** Hilldale State Bank Building. Howard Hershleder is Resident Manager.

VISALIA, Calif. — **Beckman & Co., Inc.,** 1830 South Mooney Ave., Burt N. Kirk is resident manager.

PERSONNEL

BOSTON, Mass — William F. Spence Jr. has become associated with **Townsend, Dabney & Tyson,** 30 State St., members of the New York and Boston Exchanges. Mr. Spence was formerly with R. W. Pressprich & Co.

CHARLOTTE, N. C.—Duane L. McBride has become added to the staff of **Hornblower & Weeks,** Johnston Building.

CLEVELAND, Ohio — Helen Miller has become affiliated with **Hartzmark & Co., Inc.,** East Ohio Building, members of the New York Stock Exchange.

MADISON, Wis.—Charles R. Dale has become connected with **Loewi & Co., Incorporated,** 119 Monona Avenue. He was formerly with Walston & Co., Inc., and prior thereto was Madison manager for Cruttenden, Podesta & Co.

MILWAUKEE, Wis.—Valentine E. Persik has become associated with **Splaine & Frederick Inc.,** 800 North Marshall Street. He was formerly with The Milwaukee Company.

NEW YORK CITY—Samuel Beren has become associated with **Francis I. du Pont & Co.,** members of the New York Stock Exchange, at its head office, One Wall Street.

Mr. Beren was previously associated with H. A. Riecke & Co., which recently became part of Francis I. du Pont & Co.

OMAHA, Neb. — Theodore T. Thull has joined the staff of **Smith, Polian & Company,** Omaha National Bank Building, members of the Midwest Stock Exchange.

RALEIGH, N. C.—Robert F. Long has joined the staff of **First Securities Corporation** of Durham.

PHILADELPHIA, Pa. — **Montgomery, Scott & Co.,** 123 South Broad St., members of the New York Stock Exchange and other leading exchanges, announce that Russell A. Harris, Wilbur E. Rank and Edward L. Roderick are now associated with their Philadelphia office as registered representatives.

SPRINGFIELD, Mass—Robert E. Gaboury has become connected with **Stuart, Hughes & Co., Inc.,** 1431 Main St. He was formerly with J. Clayton Flax & Co.

TOLEDO, Ohio—Lester C. Hiob has become associated with **Hallmark Securities Co.** of Columbus, Mr. Hiob was formerly Toledo manager for Gallagher-Roach & Co., Inc.

TOLEDO, Ohio—Bertha D. Johnson is now affiliated with **J. N. Russell & Co., Inc.** Miss Johnson was formerly with Eastman Dillon, Union Securities & Co. and Collin, Norton & Co.

WILMINGTON, Ohio — Frank J. Casey has become associated with **Bernard and Company,** of Columbus, Ohio. He was formerly local manager for First Columbus Corp. and prior thereto was with Westheimer and Company.

Prospects for a Unified National Thrift Industry

By John W. Kress, Retiring President, National Association of Mutual Savings Banks and President, The Howard Savings Institution, Newark, N. J.*

Valedictory address foresees possible unified national thrift industry combining the best aspects of savings banks and S & L Associations. Also, warns commercial banks pressing for taxes going beyond last year's new Federal tax provisions for thrift institutions that, if they succeed in obtaining what they euphemistically call "tax-equality," savings banks will be forced to operate in every way as do commercial banks. Mr. Kress predicts savings banks' deposits will approach $4 billion this year — exceeding 1962's peak of $3.1 billion, and explains why predictors miscalculated savings banks' much faster rate of savings growth than that of S & L Associations and commercial banks.

Like it or not, this is the age of "Big Government." Today we make casual use of words and phrases which had no meaning a few short years ago. For example, we say that ours is a "mixed economy." We occupy part of the "private sector" of that economy. It is our duty to protect, preserve, and if possible expand that sector — to make our industry strong, dynamic, and effective in the public interest. This is the way in which we help to strengthen the principle of individual enterprise, freedom of economic choice, and freedom as we know it in the world today. We need to keep reminding ourselves of this obligation.

John W. Kress

Let us then take stock of the position of our industry in the competitive economy of today. Our recent record is an impressive one. We will get its full measure when our latest Annual Report is analyzed and summarized by our able Executive Vice-President, Dr. Grover Ensley.

Meanwhile here are a few highlights attesting to the vitality which the mutual savings banks have shown since the year of the "Magic Fives," in 1959. Getting up off the floor from that catastrophe, we began to make our way back to recovery in 1961. Then came the Federal Reserve Board's amendment to Regulation Q, permitting the commercial banks to pay higher rates on time and savings deposits. For a time it seemed that our recovery would be shortlived indeed.

Savings Banks Increased Competitiveness

But here is where the experts were caught with their predictions down. From May, 1962, gains in savings bank deposits set new monthly highs for the balance of the year. For all of 1962 we registered an unprecedented total increase of $3.1 billion. This was 58% greater than our gain in 1961. By contrast, the savings and loan associations posted a 9% rise in savings growth; the commercial banks only a 5% improvement in savings deposit increases, along with a more substantial rise in other time deposit gains; and the credit unions actually sustained a decline in the volume of savings inflow.

Another index of competitive vigor is operating efficiency. The operating expense of the mutual savings banks as a ratio of assets has been relatively low and stable. In 1961 it was 0.67% compared with 1.20% for savings and loan associations and 2.10% for commercial banks. Still another indication is growth in total operating units. It is true that the total number of savings banks has declined slightly in recent years and now stands at 512. However, the number of savings bank branches has increased from 383 five years ago to 587 today.

It is noteworthy, too, that our ability to attract deposits has exceeded our opportunities for investment in local mortgage areas. This, however, has not deterred our growth. Instead we have become a significant factor in the national mortgage market. In fact, savings banks now hold $8.5 billion in mortgage loans involving 750,000 families in non-savings bank states.

All in all, our industry has given a good account of itself in the competitive picture today. On the basis of our gains so far this year, I foresee another record increase in savings banks deposits for 1963. It could approach $4 billion, but whether it does or not, it seems clear that 1963 will be a significantly better year than 1962. The final results, of course, will be affected by the public's pattern of spending and saving from now to the end of the year.

With so many favorable factors before us, we might almost be tempted to call a sort of industry-wide holiday for celebration and self-congratulation—or at least Thanksgiving. But we know better than to drink too deeply of the heady wine of success. We dare not pause for more than a moment of relaxation—until such time, perhaps, as the commercial banks abandon their effort to saddle us with excessive taxation and join us in support of legislation for Federal chartering of mutual savings banks.

Four Goals

The price of competitive progress must forever be an unending drive to improve, to innovate, to expand. That is why, all during this year, I have gone from state to state urging attention to what I call the "four guideposts to growth" for savings banking. I realize that this tireless campaign may have made me seem something like a perpetually galloping Paul Revere who never quite reins in his horse. But I ask for patience while I again define, briefly and for the last time, the four guideposts along the way to new horizons for our industry:

(1) Intensified and unrelenting efforts to increase branch banking

(2) Accelerated programs of executive selection, training and development

(3) Extension of savings bank services, and

(4) The greatest goal on the far horizon—Federal chartering of mutual savings banks.

The first three of these lie within the range of our own initiative. It is up to us to exert imagination, ingenuity, and determination in branching, in executive development, and in the extension of services. With respect to Federal chartering, of course, there are forces at work beyond our own control which may vitally affect the outcome.

The winds of change are blowing hard over the national financial scene today. It is hard to pick up a newspaper without reading about the struggle over duality of banking systems—and over the regulatory powers governing them. And this is only part of a deep-seated, long-standing controversy over taxes and tax policy, the sale of securities, and the relative powers of the various governmental fiscal agencies.

There is no real need for us to take cards in these jurisdictional struggles. It is only necessary for us to notice the reasons for them. One reason is that the national economy is embarking on a new period of great growth, and that our private banking facilities—as presently constituted — may not prove equal to all the needs of the future. There is also the perfectly natural tendency of entrenched institutions to resist change, particularly those changes which sharpen competition. Yet change will come. In a dynamic economy it is inevitable. There are years of decision ahead for the whole national banking structure.

It is in the light of this fact that we need to take a new, hard look at the future of the mutual savings banks.

Ours is a 150-year-old industry with a proud record of successful public service. Let us go back to first principles for a moment. Let us examine our own origins and determine wherein we resemble and wherein we differ from other banking systems.

Mutual savings banks are thrift institutions. Consider, first, the very meaning of the word "thrift." It derives from "thrive," which has connoted growth, health, and self-betterment in the minds of millions of people for generations. The primary definition of "thrift" in most dictionaries will resemble this one (taken from *Webster's New International*): "A thriving condition; prosperity, good fortune." Or take (from the same source) this definition of "thrifty" which is: "Thriving by industry and frugality; increasing in wealth."

The mutual savings banks were founded by people who sought, in a spirit of confidence and cooperation, to better the condition of small wage-earners—not in the hope of commercial gain for themselves. The mutual savings banks have always been quasi-public institutions with a special mission to perform by encouraging the independence and self-reliance of the individual. Congress has twice recognized the quasi-public character of the savings banks in its approach to tax legislation, most recently in 1962. The concept also rests on decisions of the United States Supreme Court, which have stood for decades. And the law rests on historical fact.

We have faithfully kept safe the savings of the people, in good times and bad, and we have helped them to prosper. We have maintained and increased the flow of private funds needed to meet the nation's housing needs. We have the reserves, the asset structure, the experience, and above all, the public confidence which characterize an established, effective, and thoroughly valid banking system. And we stand at the threshold of a period of national economic growth when the need for our type of service will exceed anything that has heretofore been visualized.

Yet we are hemmed in by the banking laws of 18 states, fettered by antiquated restrictions within those states, and forbidden to move beyond their borders. How, then, do we grow? How do we move toward the fulfillment of our larger destiny? This is our dilemma.

Reproves Commercial Banks' Solution

Now the solution offered by the commercial banks is akin to that offered by the spider to the fly—or by the wolf to Little Red Riding Hood. Commercial banks oppose Federal chartering of mutual savings banks. They favor governmental action to place us and other thrift institutions on a basis of "tax equality"—as they call it. They have said that they will press relentlessly toward this goal until it is achieved. With the adoption of new Federal tax provisions for thrift institutions only last year, the tax issue would seem to be resolved for the time being. However, we have to consider what our course of action would be if we were to find ourselves saddled by a crushing new tax burden.

We must be absolutely realistic in our appraisal of this possibility. Speaking realistically, I feel bound to say that if thrift institutions are forced to pay increasingly oppressive taxes under the guise of "tax equality" with commercial banks, then they will have to operate on the same basis as commercial banks, with the same powers, the same privileges, the same restrictions and the same functions. To put it as starkly as possible, thrift institutions will simply become commercial banks. I have been a savings banker all my life, deeply steeped in its traditions and deeply happy in following a calling of which I have always been proud. But, given the condition of oppressive taxation, I see no alternative but to assume the full array of commercial bank functions.

This eventuality, however, is far from inevitable. To me, in fact, it is not even likely. As we consider the future of our industry, we must examine some of the other forces which will be working to alter and adapt the nation's banking structure to the needs of the future in the years of decision which lie ahead.

At the center of the stage just now is the contention concerning the "duality" of banking systems, but, looking behind it I find another very fundamental question. Basically, there is a profound functional, historical, and practical difference between the commercial banks, as such, and the thrift institutions as such. And in the category of thrift institutions I include, of course, savings and loan associations.

Unified Thrift System

In general, commercial banks serve the needs of corporations and organizations while thrift institutions serve the needs of individuals and families. That is a sweeping oversimplification, I admit. But if, as I believe, there will be a continuing upsurge in the demand for thrift services in this country, that demand will be delivered at the doorsteps of the institutions best qualified to meet it. And the job is one which the commercial banks, by their very nature oriented toward the short-term credit needs of the economy, cannot be expected to do well.

As the inherent differences between the commercial banks and the thrift institutions become more apparent, so the inherent similarities of the savings banks and the savings and loan associations become more pronounced. One similarity is the growing trend toward asset compositions and investment patterns of the same nature. Since World War II, savings banks have channeled 95 cents out of every investible dollar into mortgage loans, even surpassing the savings and loan associations in this respect.

The thrift institutions have a common interest in broader and more flexible investment powers and both savings banks and savings and loan associations have stood shoulder to shoulder in their fight against excessive taxation. I believe that both share the same vision of the future national need for a thrift system which at once energizes and stabilizes the economy and acts as a natural counterpart to the commercial banking system.

For all these reasons, I foresee the possibility of the formation of a unified thrift industry in this country. It will be a development as logical and inevitable as the fusion of two rivers rising in similar headwaters and moving toward the same delta. It is not something that you or I or anyone else can consciously create or prevent—and I was glad to see that Frank B. Yeilding, President of the United States Savings and Loan League, announced his own recognition of this trend in a talk in Jacksonville, Florida, early in May, 1963.

The formation of a unified thrift industry will not be the work of a day. The process will be partly evolutionary and it may move slowly. We must not relax for one moment in our efforts to expand our present operations by every means at hand. We must continue to press, and press hard, for Federal chartering of mutual savings banks in all 50 states.

As the evolution of a unified thrift industry proceeds, there will be problems and difficulties of many sorts. But I am talking principle today, not procedure. I suggest that a good idea can always be made to work by good will and determination on both sides. It was a wise man who said that "The biggest problem on earth could have been solved when it was small." There should be no sticking over such questions as the number of swans in one flock and the geese in the other. In a proper union, the best elements of both will be combined.

As I conclude my presidency, I wish to thank the entire Association for an honor which I shall treasure all my days. I thank my fellow officers and directors and the able staff of the National Association, as well as the fine leaders of the state organizations, for helping to make this a notable year. I commend to you my very able successor, confident that he will share the spirit of cooperation and confidence which has meant so much to me.

With equal confidence I view the coming years of our work together as custodians of a public trust, as guardians of an important sector of American enterprise, and as exponents of a precious principle by which both we and the nation will thrive. In these years of decision I know we will follow the right light toward the right goal. My faith in our future was never so great.

*An address by Mr. Kress on stepping down as President of the National Association of Mutual Savings Banks at the Association's 43rd Annual Conference, Washington, D. C., May 13, 1963.

N. Y. Savs. Bank Women Elect

Savings Bank Women of New York have elected Mrs. Nancy K. Dustman of Institutional Securities Corporation, New York City, as President for the 1963-1964 season at the Annual Meeting held recently in the Hotel Roosevelt.

Mrs. Dustman, who served as Vice-President of the organization in 1962-1963, succeeds Miss Lucille E. Meredes of The Lincoln Savings Bank, Brooklyn. Mrs. Dustman is Secretary to the President of Institutional Securities Corporation, a cooperative agency of the mutual savings banks of New York State, serving them in the real estate and mortgage investment field.

Other new officers include:

First Vice - President — Mrs Marian G. Haefeli, The Prudential Savings Bank, Brooklyn;

Second Vice - President — Lilly Giaquinto, Savings Banks Trust Company, New York;

Membership Secretary — Mildred Butler, The Home Savings Bank of White Plains;

Recording Secretary—Edna M. Murray, Hamburg Savings Bank, Brooklyn;

Treasurer—Mrs. Alyce D. Gibson, The Brooklyn Savings Bank, Brooklyn.

Elected to the Executive Committee for a two-year term were:

Margaret McBride, Emigrant Industrial Savings Bank, representing Manhattan; Mrs. Christine Kieffer, Kings Highway Savings Bank, representing Brooklyn; Ann M. Daly, The Bronx Savings Bank, representing Bronx and Westchester.

Savings Bank Women of New York has a membership of over 550 women officers and employees of savings banks and affiliated agencies in Manhattan, Kings, Queens, Bronx, Richmond, Nassau, Suffolk and Westchester Counties.

To be Officers Of Lee Higginson

On May 29, Harold C. Whitman, III will become a Vice-President of Lee Higginson Corporation, 20 Broad Street, New York City, members of the New York Stock Exchange.

On the same date, Donald C. McCotter, manager of the institutional bond department of the Chicago office, 231 South La Salle Street, will become Vice-President and Assistant Secretary.

Federal Chartering of Mutual Banks Inevitable!

Continued from page 7

viction goes to this: If the federal charter law is adopted in approximately its present form the First Federal Savings and Loan Association of Peoria will convert to a federal mutual savings bank charter . . . the benefits to the whole central Illinois area, to our members . . . are obvious . . . ."

Another distinguished member of the savings and loan community, now deceased, made the following observation not long ago when he was President of the Federal Home Loan Bank of Indianapolis:

" . . . I think the savings and loan associations might have more to gain than the mutual savings banks if they could get the mutual savings banks terminology. With the bank and deposit structure, they would . . . be in better shape to do this 1965 to 1970 home financing job than they will be under the present structure."

Criticizes S. & L. Assn's Lack Of Support

There has, unfortunately, not been as much general savings and loan support for these views as I think there should be. At the same time, opposition to Federal charters for savings banks has been expressed in terms of fears of increased competition. This position is a shortsighted one and seems to reflect a general lack of knowledge of the contents and objectives of the Federal charter bill on the part of the rank and file management.

I can only attribute this to the fact that only recently have the savings and loan trade associations informed their membership about this important legislation. I know that it is not a simple task to get all the facts before several thousand managers. Even in savings banking, a much smaller industry, there are many officers who do not yet seem to grasp the importance of Federal charters for their industry. I am convinced that when the facts are fairly and ably presented, and when savings and loan managers have time for study, opposition to this legislation will dwindle. And part of these facts is that savings and loan leaders have worked diligently with savings bankers for years to shape the current bill to meet their needs.

Let me urge, therefore, that it is the duty of savings and loan managers everywhere to study the Federal charter bill carefully. Ask questions about it. Make suggestions for its improvement. I assure everyone of his day in court on this vital issue. But for savings and loan men to oppose the bill without being intimately familiar with its contents is to be derelict in their responsibilities to their savers and borrowers, to their communities and to their industry.

The organized savings and loan leadership is now seeking broader loan and investment powers through direct changes in the savings and loan statutes. As a practical matter, it will not be easy for savings and loans to go it alone in trying to win broader and more flexible loan and investment powers. For it is highly unlikely that the Congress will easily and quickly grant new powers to the savings and loan business. The mood and thinking of the Congress was reflected in the rather narrow definition they insisted on applying to savings and loan associations in enacting last year's tax legislation. It is well known, moreover, that the key executive agencies in the financial field regard savings and loan as specialized home mortgage lenders. They are likely to insist on fairly basic changes in structure and organization before agreeing to a fundamental reorientation in purpose and function.

Quotes From President's Committee Report

In this connection, permit me to quote again from the report of the President's Committee on Financial Institutions:

"In recommending only a relatively modest deviation from the present portfolio regulations of savings and loan associations, the Committee has been influenced by its endorsement of a system of Federally chartered mutual savings banks. The existence of such a system would provide an alternative for savings and loan associations that desired to engage in more diversified lending and investing, under appropriate supervision and safeguards."

So you can see that the Committee is looking to a Federal savings bank system as a vehicle for major broadening of savings and loan powers.

If savings and loans insist on seeking their own legislation, however, and oppose Federal charters for savings banks, they may have to contend with the opposition of savings banking as well as of commercial banking in achieving their legislative goals. This kind of diverse opposition, on top of basic Congressional and executive agency doubts, will provide formidable barriers to enactment of special savings and loan legislation. Moreover, the disunity created within the thrift system will nullify the gradual achievement of closer working relationships between savings and loans and savings banks over the years which culminated in the united front presented in the recent tax fight.

In discussing the Federal charter bill, one essential point needs immediate clarification. And that relates to the allegation of some opponents that we seek to create a new financial system. This is patently untrue. The legislation merely seeks to redress the present imbalance in the financial system which finds the savings bank industry the only one denied access to dual charters. "Rusty" Crawford, President of the Bowery Savings Bank put the case succinctly when he said:

"There are national and state commercial banks, there are Federal and state savings and loans, there are Federal and state credit unions . . . mutual savings banking, alone, though it represents more than $40 billion of the deposits of Americans, does not enjoy membership in the dual banking system. We ask, for the benefit of the country as well as for mutual savings banks and their depositors, that our long exile from dual banking be ended—and that it be ended now."

Denies Third Financial System Will Result

Let the record be set straight, then. We seek only to admit savings banking into the family of dual chartered institutions. Let all this nonsense about creating a third financial system cease.

Indeed, if the ultimate objective of the Federal charter bill is achieved, rather than create a third system, we will unite two separate systems — savings and loan and savings banking — into one strong national thrift industry. The paths of these two systems have been gradually converging over the years. By taking the best aspects of each system the resulting product will be stronger than the separate parts.

The ultimate will not be attained in the financial system, however, until petty differences and jealousies within the thrift industry are set aside in the national interest. Important in this respect are the national trade associations as well as individual financial institutions. Few industries can point with such justifiable pride to their professional staffs as can the saving banks and savings and loan industries. The National Association of Mutual Savings Banks, the U. S Savings and Loan League, and the National League of Insured Savings Associations have, in the development of industry leadership programs, gained the respect and admiration of public and private groups alike. These associations should now work closely together in molding the Federal charter bill to perfection, so that the best interests of mutual savings banks and savings and loan associations will be served.

In any event, the Congress will not be impressed by arguments that smack of self-interest, no matter how well camouflaged. This is why I believe so firmly that Federal charter legislation for mutual savings banks will eventually be enacted. The only opposition I have heard so far has come from industries who fear increased competition, or from groups who fear their own personal position will be jeopardized. This kind of opposition does not impress the Congress.

At the same time, it is hardly coincidental that all public and private groups who have viewed the Federal charter idea objectively have strongly endorsed it. This kind of support does impress the Congress. When the national interest is the only issue, in other words, Federal charters pass the test handsomely.

The Time Is Now

I am convinced that the time has now come for action on the Federal charter bill. In the three years since the bill was first introduced in the Congress, it has been studied and reviewed by knowledgeable groups in and out of Washington. The next step is for the House Committee on Banking and Currency to hold hearings and focus the public spotlight on the main issues.

Hearings have been started before the subcommittee on Bank Supervision and Insurance, of which I have the privilege to be the Chairman, on two of my bills, one to establish a Federal banking commission and the other to merge into one agency the Federal Deposit Insurance Corp. and the Federal Savings and Loan Insurance Corp.

What the Congress may do with those two bills I am in no position at this time to say. It is essential, however, that we determine, if possible, the thinking of the Congress with reference to the principles involved in those two bills before we move ahead on the Federal charter bill. If the sentiment is in support of either of those bills with the likelihood of enactment of either or both of them, then there will have to be some changes made in the Federal charter bill to meet the changes in the basic existing statutes. If it develops that there is not likely to be any immediate change in the basic statutes then of course we will move forward promptly with hearings on the Federal charter bill.

In any event, I want to assure the association that there will be hearings on the Federal charter bill during the current session of the 88th Congress. I anticipate that the various executive agencies of both the Federal and state governments will submit important testimony that will go both to the question of whether the bill should be enacted and then also, despite any opposition that they may raise to the enactment of the bill, I would hope that they would submit suggestions about the contents of the bill on the assumption that a bill will be enacted.

I trust that the various segments of the banking industry will follow the same course in presenting their testimony for and against the bill and the various provisions thereof.

Among these groups, I will expect the savings bank leadership to establish the need for a Federal Savings Bank System. This means that there must be presented a closely reasoned, fully documented brief substantiating the national economic and other public benefits expected to flow from enactment of the Federal charter bill. The arguments will have to stand up under a withering crossfire of questioning. I am sure the savings institutions will be able to meet this test because I believe the facts support them.

In addition to savings bank witnesses, we will want to hear from the savings and loan business—not only from organized trade association leadership but also from individual savings and loan representatives. I hope that after they have re-studied the bill, many savings and loan men will recognize it as the magna carta for their industry.

There is no doubt but that there are some officers and directors of savings and loan associations that may be opposed to this bill.

Judging from comments and letters which I have received I believe that an overwhelming majority of them favor this bill.

Other representatives from real estate, building and lending groups will be given an opportunity to come forth. We know that the National Association of Home Builders has already declared itself in favor of Federal charters and will likely wish to be heard. While the American Bankers Association is opposing the bill, mainly because of the fear of competition—although this is not their stated reason, of course, as usual many individual commercial bankers do not agree with the position of the Association. Those who recognize the inconsistency of acclaiming the virtues of dual banking, except for savings banks, must disavow this American Bankers Association stand. They will be more than welcome to go on the record.

Individuals and groups, from the academic world, from research organizations, and from consumer, veteran and other segments of the public are all welcome to appear and testify at the hearings. The fact is that many groups have an interest in the Federal charter bill. They all have the opportunity to be heard.

Much as I would like to see this bill enacted, I want to assure all those who are interested, that even those who are opposed to the enactment of the bill will be given the same opportunity to present their views as will be given to the supporters of the bill.

In the meantime, the educational process should continue. Let me reiterate my conviction that an open-minded, studious evaluation of the Federal savings bank idea will convert both the indifferent and the opposed to vigorous proponents for the current bill.

It has been observed that major banking legislation can only be enacted during a national emergency. This observation will soon have to be modified. No banking emergency is in sight. The Federal charter bill is major banking legislation. And it will be enacted.

*An address by Rep. Multer at the 43rd Annual Conference of the National Association of Mutual Savings Banks, Washington, D. C., May 14, 1963.

Ladas Joins Ira Haupt & Co.

SAN FRANCISCO, Calif.—George D. Ladas, formerly Vice-President of Mitchum, Jones & Templeton, Inc. has become associated with Ira Haupt & Co., as Resident Manager of their San Francisco office, 315 Montgomery Street.

British Socialist Leader's I. M. F. Paper Money Plan

By Paul Einzig

Dr. Einzig censures latest proposal to increase international liquidity advanced by Harold Wilson who heads the British Labor Party. The economist comments on the current confusion between price level and the monetary supply of gold in pointing out: one, it is because prices are more than three times their pre-war level that we do not have enough gold and, two, the remedy is to cease inflating the price level — which Mr. Wilson's latest contribution would not help bring about. The writer challenges Mr. Wilson to couple to his plan a pledge to eliminate restrictive trade union practices and unofficial strikes, and accept principle of wage policy and industrial discipline.

LONDON, Eng. — We have now yet another plan to increase international liquidity. It has been put forward by the new Leader of the Socialist Opposition, Mr. Harold Wilson who may stand a good chance of becoming the British Prime Minister after the next election. On the occasion of his recent visit to the United States, Mr. Wilson talked sense on international monetary matters when he declared that it would be "idiotic" to devalue sterling or to adopt a floating exchange rate. He certainly achieved a reputation for financial statesmanship by coming down so emphatically against the wildcat schemes which some of his supporters had been advocating with much vigour. It was partly thanks to his rejection of these schemes that the sterling scare subsided last month.

But now Mr. Wilson has come out with a scheme under which it would be possible to pursue international inflation with impunity, and under which any Government which proceeds faster than the rest on the path of inflation would be assured that its currency would be supported to the utmost limit against the consequences of its policies, no matter how unsound.

Mr. Wilson wants to authorize the International Monetary Fund to issue credit certificates which would be accepted, by common agreement, as being equivalent to gold. Such certificates must be issued in sufficient volume to "stifle any possible attack on an important currency." All Governments this side of the Iron Curtain are to be given the green light to proceed with their expansionary projects and forget that there is such a thing as a balance of payments. If in consequence of the result in domestic inflation a country is unable to export to cover its imports the I. M. F. would produce bits of paper which would be accepted by the exporting countries instead of gold or hard reserve currencies.

It does not seem to occur to Mr. Wilson that the reason why exporting countries today are prepared to accept dollars or sterling is because it seems to be a reasonable assumption that sooner or later the United States and Britain will be able to export in excess of their imports and redeem the claims by supplying goods. Meanwhile the two Governments have to pursue policies which inspire confidence in the dollar and in sterling. But the I. M. F.'s credit certificates would not be the liability of any particular Government and the I. M. F. itself could not export to redeem them eventually. Most Governments would claim the largest possible amount of such certificates in order to be able to inflate to their hearts desire. There would be no inducement for pursuing policies aiming at an export surplus. On the contrary, the thing would be to import more, and export prices would be raised by competitive demand.

Blames Liquidation Price Level And Not the Gold Supply

Now all these disadvantages of an international credit inflation could be greatly mitigated through a realisation of the cause of the inadequacy of international liquidity before trying to remedy it. If prices were at their 1939 level the existing supplies of gold would be ample to cover all reasonable requirements, in spite of the expansion in the volume of production and foreign trade. It is because prices are more than three times their pre-war level that we have not enough gold. And the remedy is not to accelerate the pace of the price increase but to check it before embarking on any scheme of increasing our liquid resources.

When in 18th Century France John Law experimented with paper currency his scheme was doomed to failure by the greed and extravagance of the despotic Regent who misused the scheme for financing inflationary Government expenditure. If Mr. Wilson's scheme were adopted in existing circumstances history would repeat itself, only the despotism of the Royal Court has been replaced by the despotism of the trade unions whose greed and extravagance would doom the I.M.F. paper money as effectively as John Law's paper money was doomed some 240 years ago.

Challenges Wilson's I. M. F. Paper-Plan

Now if Mr. Wilson connected his scheme with the acceptance of the principle of a wage policy, termination of restrictive practices and unofficial strikes, and a restoration of industrial discipline, it might solve the problem of expansion without inflation. But what he wants—at any rate we have to assume it that he does in the absence of any evidence to the contrary — is that leap-frogging wage demands should continue, that the increase scarcity value of labor resulting from stepped-up inflation should be exploited by labor to the full extent, and that nothing whatsoever should be done to ensure the best utilisation of manpower by doing away with feather-bedding and other wasteful practices.

If only it were possible to make mankind happy and prosperous with a stroke of the pen authorizing the I. M. F. to issue paper money it would be a very simple matter. It would be much more difficult and incidentally, much less popular among Mr. Wilson's political supporters to tackle the real causes of the trouble. There would be no abnormal unemployment were it not for the narrowing of profit margins as a result of wage inflation and the various practices holding down the output. If only that problem were solved it might be reasonably safe to increase international liquidity without running undue risk.

Assoc. Investment Debentures Sold

Public offering of $50,000,000 Associates Investment Co. (South Bend, Ind.) 4⅜% debentures due May 1, 1984, is being made by an underwriting group managed by Lehman Brothers and Salomon Brothers & Hutzler, New York. The debentures are priced at 99% plus accrued interest, to yield 4.45%.

Associates is the fourth largest sales finance company in the United States. It is engaged primarily in time sales financing of consumer and industrial products, in wholesale financing, in making personal installment loans and in industrial and commercial financing and in providing the insurance incident to such financing.

Net proceeds from the offering will be added to general funds of the company and initially applied to reduction of short-term notes due within one year.

The debentures are not redeemable before May 1, 1971 except under certain conditions relating to the volume of the company's receivables. On and after May 1, 1971, they will be optionally redeemable at prices ranging from 101.75% to 100%, plus accrued interest.

Total income of Associates Investment in 1962 on a consolidated basis amounted to $159,595,000 and net income to $16,511,000.

Application will be made to list the debentures on the New York Stock Exchange.

Palmer Promoted By Chase Inter.

Walter de Kay Palmer has been promoted to investment officer of The Chase International Investment Corporation, a wholly owned subsidiary of the Chase Manhattan Bank.

Mr. Palmer joined the corporation in 1962. Since 1955 he had been associated with the American Overseas Finance Company. From 1953 to 1955, he was with the Chase Manhattan Bank.

The State of TRADE and INDUSTRY

Continued from page 9

peak. Some mills say their orders have leveled off while others see signs of a decline.

Mills are taking orders mainly for July and August. Customers are not buying heavily for those months because their consumption will be off seasonally. Automakers will be down for model changeovers. Other plants will be closed for vacations.

Look for ingot production this week to be slightly higher than the 2,570,000 net tons that *Steel* estimates the industry poured last week. Only minor changes are expected in weekly tonnages over the next few weeks.

Scrap prices are softening, now that the peak in steel demand has passed and labor peace is in sight. *Steel's* price composite on the key grade, No. 1 heavy melting, slipped 33 cents a gross ton last week to $29.17.

Steel Buying Buildup Seen Tapering Off in June

The end of June should see the end of the steel inventory buildup, *Iron Age* magazine reported. Unless there is a formal notice of reopening of the steel labor contract, most users will be content to ride on the level of their steel stocks at the end of next month.

Steel stocks by that time will be only about 1.4 million tons below the 1962 peak. The feeling among most steel users is that a reopening notice, with its 90-day cushion before a strike would be called, woud provide ample time to build up to desired levels.

This feeling is reflected in orders for July delivery now coming into steel sales offices. The pattern is irregular. But there is a definite tapering off.

The conclusion is that after the end of June, unless there is a break in the labor situation, steel users will be ordering on the basis of rate of chew-up.

If there is a break, the market will follow the path dictated by the labor situation then. If there is a 90-day notice, the buildup will be renewed with a vengeance. If there is a settlement, liquidation will set in.

It is the question of liquidation that is loaded. While the tonnage estimate is well established, just where and what tonnage is less certain.

For example, optimists believe that at current rates of consumption, excess inventory could be worked off in little more than a month. However, this assumes a continued high rate of steel use, and further that the leveling point would be much higher than last year's rock-bottom level of steel stocks.

But these assumptions are questionable. The steel industry has been burned before on post-buildup liquidations. Generally, estimates of tonnage have been low, and the liquidation has exceeded predictions.

But in the meantime, the leveling off process is already going on, although there are dissenters who do not see any change as yet. In Detroit, where automotive orders dominate, the tapering off is most noticeable.

One major automaker has knocked from 20 to 25% for July from its June order rate. But, at the same time, it is known that automakers have not been able to build up steel stocks at the predicted rate, and are weeks behind schedule in some plants.

This will account for irregularity in the automotive ordering pattern, and leads to some conflicting reports on auto steel buying. In some cases, buying through July is at current rates and mills have been told these orders will stand up, even if there is a settlement.

But even though some easing has been noted, the outlook through July, or until a settlement, remains good. The economy is moving strongly and consumption has kept the buildup far below expectations. This leads to hopes that a settlement will not be followed by a complete collapse of the market.

Car Output Rises 7.2% Over Year-Ago

Roaring toward a record model year, and toward peak output in May, the auto industry hit an unexpected snag last week when Ford Motor Co. was forced to curtail operations at several of its plants and at the same time cancel out an 11-plant assembly program scheduled last Saturday.

Ward's Automotive Reports said that the parts shortage outgrowing from a strike at Ford's Chicago stamping plant, and which threatens to halt most Ford operations this week, took an estimated 4,500 cars out of that auto maker's program last week.

As a result, the statistical agency said, industry output last week dropped appropriately to 164,188 units, or about 4% below the year's high of 170,439 cars made two week's ago. In the corresponding week last year, 153,110 cars were assembled, or a gain of 7.2% for this year's week.

Ward's said that prior to the Ford strike, the industry had geared up to overtake the all-time high of 724,892 cars made in May of record year 1955.

Last Saturday, only one auto maker, Chevrolet division of General Motors, made cars in overtime.

Chrysler Corp., American Motors and Studebaker Corp. concluded assembly operations with Friday's shifts.

Ward's noted that a Ford strike, also in a stamping plant (Cleveland), last June 7 extended for 16 days, resulted in layoffs for some 77,000 workers, ran up about $10 million in hourly payroll losses and brought about a 70,000-unit holdup in passenger car output.

Of production last week, General Motors accounted for about 55.0%; Ford Motor Co., 24.4%; Chrysler Corp., 13.3%; American Motors, 6.3%, and Studebaker Corp., 1.0%.

Rail Freight Loadings 2.5% Above Year-Ago

Loading of revenue freight in the week ended May 11 totaled 598,670 cars, the Association of American Railroads announced. This was an increase of 7,689 cars or 1.3% above the preceding week.

The loadings represented an increase of 14,723 cars or 2.5% above the corresponding week in 1962, and an increase of 47,265 cars or 8.6% above the corresponding week in 1961.

Ton-miles generated by carloadings in the week ended May 11, 1963, are estimated at approximately 12.7 billion, an increase of 7.5% over the corresponding week of 1962 and 18.4% over 1961.

There were 16,243 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended May 4, 1963 (which were included in that week's over-all total). This was an increase of 2,460 cars or 17.8% above the corresponding week of 1962 and 4,488 cars or 38.2% above the 1961 week.

Cumulative piggyback loadings for the first 18 weeks of 1963 totaled 265,109 cars for an increase of 33,208 cars or 14.3% above the corresponding period of 1962, and 73,468 cars or 38.3% 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 59 one year ago and 58 in the corresponding week in 1961.

Highway Truck Freight 1.9% Below Year-Ago

Intercity truck tonnage in the week ended May 11 was 1.9% below the volume in the corresponding week of 1962, the American Trucking Associations announced. Truck tonnage was 2.7% behind 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 12 localities, with 22 points reflecting decreases from the 1962 level. Truck terminals at three centers, Jacksonville, Dallas-Ft. Worth, and Oklahoma City, registered tonnage gains of more than 8%, while trucking centers at Kansas City and Omaha reflected decreases of 15.1 and 13.9%, respectively.

Compared with the immediately preceding week, nine metropolitan areas registered increased tonnage, while 25 areas showed decreases. The week-to-week decline is closely in line with the seasonal pattern found at this time in previous years.

Lumber Production Gains 4.3% Compared to 1962 Week

Lumber production in the United States in the week ended May 11 totaled 259,997,000 board feet compared to 248,781,000 in the year-ago week according to reports from regional associations.

Compared with 1962 levels, output increased 14.3%; new orders dropped 12.3% and shipments fell by 20.3%.

Following are the figures in thousands of board feet for the weeks indicated:

	May 11 1963	May 4 1963	May 12 1962
Shipments ___	218,312	219,178	274,093
Production ___	259,997	236,844	248,781
New orders___	232,009	221,743	264,842

Electric Output Rises to 4.9% Over Last Year's Level

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, May 18, was estimated at 16,787,000,000 kwh., according to the Edison Electric Institute. Output was 258,000,000 kwh. more than the previous week's total of 16,529,000 kwh., and 779,000,000 kwh. above the total output of the comparable 1962 week, or an increase over the year ago week or 4.9%.

Decline in Business Failures From Five-Week High

After hitting a five-week peak of 322 in the preceding week, commercial and industrial failures took a strong downturn to 268 in the week ended May 16, reported Dun & Bradstreet, Inc. Casualties dropped appreciably below a year ago when 329 occurred in the comparable week and were off 7% from their pre-war level of 289 in 1939.

Most of the week's downswing centered in failures involving liabilities under $100,000 which fell to 222 from 271 in the prior week and 287 a year earlier. On the other hand, while casualties with losses over $100,000 dipped to 46 from 51 a week ago, they remained above the 42 of this size in the similar week of 1962.

The toll among retailers sank to 119 from 165, among service businesses to 19 from 31, and among manufacturers to 48 from 55. Little change appeared in construction casualties which stood at 45 as against 48 in the preceding week, but an increase lifted the toll among wholesalers to 37 from 23. Furthermore, the wholesaling toll exceeded its year-ago level whereas all other industry and trade groups had fewer failing concerns than last year.

Geographically, business tolls declined considerably in the South Atlantic States, down to 22 from 56, in the Pacific States, off to 48 from 65, and in the West North Central States. In five regions, little change occurred and the only contrasting climb was reported in the East North Central States, up to 60 from 53. Regional trends from 1962 were mixed—five ups and four downs, with the sharpest drops from last year in the Middle Atlantic, South Atlantic and Pacific States.

Canadian failures moved up to 51 from 40 in the preceding week and 42 a year ago.

Wholesale Commodity Price Index Pushes to 15-Month Record

Continuing to climb with sizable increases in the cost of sugar, tin, silver, steers and wheat, the general wholesale commodity price level moved up to 274.40 this Monday, May 20, the highest peak since the 274.58 registered on Jan. 29, 1962, reported Dun & Bradstreet, Inc. For the second time this year, the index exceeded its comparable year-ago level—the long year-to-year downtrend in effect since last December appears to be broken.

On Monday, May 20, the Daily Wholesale Commodity Price Index stood at its 15-month record of 274.40, advancing appreciably from 272.50 in the preceding week and 269.50 in the similar day of the previous month. As well, it pushed considerably ahead of the 271.14 chalked up on the corresponding Monday of last year.

Wholesale Food Price Index Pushes Above Last Week And Year Ago

For the second consecutive week, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., continued on May 21 to edge upward by 0.5%, reaching $5.83, the highest level since February. For the first time this year, the index pushed above its 1962 level with a rise of 0.9% above the $5.78 registered on the corresponding day last year. However, it still fell short of 1961's $5.86 for the similar date.

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.

Purchases for Mother's Day End Strongly

A good but not sparkling pace characterized consumer buying in the week ended Wednesday, May 15, as Mother's Day shopping wound up at a good level. Generally warm and fair weather also helped total retail business to hold a moderate margin over last year's comparable volume, although some areas were plagued by persistent rains, by racial dissensions, by wide temperature gyrations, or by building trades strikes. Apparel and houseware gift accessories, toiletries, confectionery, and flowers were top sellers, while furniture continued to move steadily and appliances wobbled unevenly. Favorable weather gave a strong impetus to buying of menswear, sports equipment, outdoor and garden supplies. Restaurants basked in thriving Mother's Day business. Of course, interest still flourished for new cars and auto accessories.

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

Nationwide Department Store Sales Rise 5% Above Last Year's Rate

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index rose 5% (adjusted) for the week ended May 11, compared with the like period in 1962. Until last May 4 ending week's decline of 3% there had been successive weekly gains (adjusted) which were markedly above last year's comparable performance.

In the four-week period ended May 11, 1963, sales declined 2% adjusted below 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 May 11 advanced 11% adjusted over the comparable year-ago week.

So far this year (Jan. 1 to May 11) the 12 department store districts' retail dollar volume increased 3% (adjusted) over that rung up for corresponding period a year ago.

Another broader set of data indicates that sales in the May 11-ending week were not up to that turned in by the department stores. According to the Bureau of the Census, *total* retail sales were up by 3.0% from the comparable week last year. The year-to-year comparison for the four most recent weeks combined, ending May 11, did better than the department stores with a 1% gain.

BANK AND INSURANCE STOCKS

This Week — Bank Stocks

DEVELOPMENTS IN BANKING

Since the Report of the Commission on Money and Credit in 1960 there has been considerable agitation for changes in the banking industry. There are four regulatory bodies which have some jurisdiction over banking. These include: The Federal Reserve Board, the Comptroller of the Currency, the State Banking Commissioners, and the U. S. Justice Department. The latter department has only recently entered the scene in the area of bank mergers.

The report on Money and Credit has advocated trade area banking and the Comptroller of the Currency, who has jurisdiction over national banks, has advocated that these institutions be able to establish branches within a 25-mile radius of their home offices. This move by the Comptroller has prompted state legislature to action. For example, the State Superintendent of Banking in New York has introduced a bill in the State Legislature which would further ease restrictions on branching. This is the answer of a State to the Comptroller in order to permit State chartered banks to operate in competition with nationally chartered banks. The bill specifically recommends the reduction in the number of banking districts in New York from nine to three. This would permit New York City banks to extend into Suffolk County. In addition, it provides that the "home office" may be located in a community of 15,000 rather than 1,000,000.

Although this bill has been shelved another has been introduced and eventually amelioration of branching laws is expected in New York.

To date the Omnibus Banking Act has been much more restricted than originally anticipated. The Federal Reserve Board has been the vetoing party in this case, ruling against many proposed mergers and also against the formation of state-wide bank holding companies.

Authorities in Washington seem to prefer the transfer of much of the responsibility for banking on the national level to one body. The present Comptroller has pushed for this and has registered some success through the transfer of authority in the trust area from the Federal Reserve Board to the Comptroller. State chartered banks' trust operations will now be under the supervision of the Comptroller. This trend towards centralization of commercial bank regulation has much impetus due to the Federal Reserve's desire to concentrate authority. The only body to resent this concentration may be the Department of Justice which has attempted to establish the applicability of anti-trust laws to bank mergers. The Department currently challenges the merger of the Manufacturers Trust Company and the Hanover Bank. This case is currently being tried as is the case involving the proposed merger of the Philadelphia National Bank and the Girard Trust Corn Exchange Bank. The former case is being tried in a district court and the latter is to be decided by the Supreme Court. As a result the role of the Justice Department in bank mergers will soon be decided.

This whole question suggests more uniform regulation on the national level and suggests much more leniency by the states themselves. Many states now have state-wide banking whereas more have either limited branching or none at all. Of those states with limited banking, most of the important states in terms of population and resources have made endeavors to broaden these limits. This includes New York, Massachusetts, Louisiana, and Michigan. The same holds true for those states with operations under one roof. The states which have experienced recent efforts to do away with branch restriction include Illinois, Minnesota, and Texas. Eventually, as the pressures from all the sources mentioned are realized, affirmative action should follow. This means growth in the field of banking and with this growth the equity holder of bank shares gains.

Statewide Branch Banking Prevalent

Alaska	Nevada
Arizona	N. Carolina
California	Oregon
Connecticut	Rhode Island
Delaware	S. Carolina
Hawaii	Utah
Idaho	Vermont
Maryland	Washington

Limited Area Branch Banking Prevalent

Alabama	Michigan
District of Columbia	Mississippi
Georgia	New Jersey
Indiana	New Mexico
Kentucky	New York
Louisiana	Ohio
Maine	Pennsylvania
Massachusetts	Tennessee
	Virginia

Unit Banking Prevalent Throughout the State

Arkansas	Nebraska
Colorado	New Hampshire
Florida	N. Dakota
Illinois	Oklahoma
Iowa	S. Dakota
Kansas	Texas
Minnesota	W. Virginia
Missouri	Wisconsin
Montana	Wyoming

G. A. Saxton Co. Now NYSE Mem.

G. A. Saxton & Co., Inc., 52 Wall Street, New York City, has announced that it has become a member of the New York Stock Exchange. Carl Stolle, President, is the firm's Exchange member.

Carl Stolle

G. A. Saxton, founded in 1934, conducts a general investment business, mainly as dealers in public utility, industrial and natural gas and oil securities.

Associated with Mr. Stolle as allied members of the firm are: Arthur W. Bertsch, Executive Vice-President and manager of the trading department; Herbert L. Swinarton, Treasurer; Victor M. Miller, Vice-President and Secretary; Gerald C. McNamara, Vice-President; Walter R. Johnson; Frank W. Warner, and Harry R. Gumm.

Coryell to Represent Group Securities Inc.

Distributors Group, Incorporated, sponsor of the Group Securities mutual funds, has announced the appointment of Franklin M. Coryell, of Willoughby, Ohio, as wholesale representative for Ohio, Western Pennsylvania and Wheeling, West Virginia. He will be associated with Robert E. Smith, Chicago, the company's Resident Vice-President, North Central States.

Franklin M. Coryell

For the last six years, Mr. Coryell was associated with the Cleveland office of Eastman Dillon, Union Securities & Co., and was Resident Manager for the last three years. For five years prior to that, he was a Registered Representative in institutional sales for William J. Mericka & Co., Cleveland.

Waller Joins Wm. P. Harper

SEATTLE, Wash. — John Waller has become associated with Wm. P. Harper & Son & Company, 1504 Third Avenue, as Assistant Manager of the trading dept.

For the past three years Mr. Waller had been with Hinton Jones Granat Inc.

The Market . . . And You

BY WALLACE STREETE

Stocks continued their labored advance this week, rails and utilities probing new high ground for the year or longer while industrials had overhead resistance to contend with in their bid to mount to new highs.

For the industrials, the story over the past two weeks has been something of a stalemate around 10 points under the all-time high, action that is understandable after the sterling recovery drive that got underway last year.

The buying in the rally was largely concentrated in the blue chip section, with the consequent help to the industrial average. And many of the early buyers now have passed the six-month period when long-term capital gains can be established.

Sensational Sugars

Sugar shares were the current sensations as soaring prices in world markets led inevitably to rising prices for domestic refined sugar. Some of the performances were excessive, including American Crystal Sugar which had hovered in a narrow range of around half a score of points for more than four months of the year.

Then came the commotion and before it simmered down American Crystal had extended its 1963 range by some two dozen points in less than a week's time. Holly Sugar was equally spirited and came out with a handsome profit report in the midst of the flareup to add that much more fuel to the excitement.

As usual, the spirited upsurge finally brought in profit-taking that gave it a hard time and killed off the game for a bit.

Underwood was a newcomer of sorts to the activity limelight as Olivetti, the Italian combine, sought to acquire the 836,677 shares of Underwood in the hands of the public. The company earlier had acquired 67½% of the Underwood shares. The fate of the tender offer was made moot by the action of the stock. Its initial reaction was to run slightly above the $14.50 which Olivetti is offering for the shares.

Erratic Blue Chip

The erratic blue chip was du Pont where hopes of some favorable dividend action were high and unwarranted. The stock was under a bit of pressure when the regular payment was declared, but then snapped back.

A Puzzler

With several key areas of the market bumping something of a ceiling for a bit, trading interest was switching into some areas that have been neglected up to here. Union Oil was something of a puzzle since its avowed aim is to repurchase the better than 9,000,000 of its own shares that had been acquired over a period of time a couple of years back by Phillips Petroleum. That is about 15% of Union Oil's capitalization.

Phillips is in something of a bind with the shares since court action resulted in an injunction that prevents Phillips from expanding its ownership, or voting the stock, or otherwise issuing proxies to vote it. That makes it impossible for Phillips to force any merger, and ties up the Union Oil shares solely as an investment. What luck Union will have in negotiations to reacquire the shares is in the lap of the future.

On its own merits, Union Oil is a thriving oil explorer, which is attested not only by Phillips' purchase but also by Gulf Oil's 1956 purchase of convertible debentures that could have been turned into a 25% equity. However, Union Oil in 1961 paid off the $120,000,000 involved and backed up its independence by the flat statement that the company is not for sale.

Like most oil companies, Union Oil has been able to show good operating results in recent years, and indications are that good results will continue for some time to come.

In the period from 1958 to last year, the company was able to boost net income by 84% on only a 15% increase in revenues, the result of intensive attention to cost reductions. And for the first quarter of this year the pattern was still intact—net income up 37% while crude production was up only 8% and natural gas output 13%.

The indicated yield of 3.2%, plus small stock payments is about average but since the cash dividends have been increased four times since 1960, the figure is no test of the future. In a market where some of the trading favorites are admittedly high-priced, Union Oil's shares are considered reasonably priced.

Uncertain Steel Outlook

Steel issues are a question mark, particularly since the profits of the industry last year as well as this year's first quarter set some modern-day lows. With hedge buying to an unknown degree underway in the second quarter, results will look better but how valid the results will be is unknown. And the answer won't be apparent until the mid-year tussle with the steelworkers union over wages is resolved.

Students of the steel industry maintain that a good share of the recent demand is for consumption rather than for stockpiling in case there is a labor dispute. And with the companies automating and otherwise effecting important economies, there could be a turn in the fortunes of the steel industry in the cards. But it is by no means clear at the moment.

High-Yield Item

A high-yield item that seems to be stirring lately is Dresser Industries, supplier to the oil and gas industries. The company has been operating under a new management for about a year which, among other things, has resulted in aggressive expansion of its participation in foreign oil business, as well as to broaden out into new lines to lessen its dependance on the oil and gas industries.

Back in more lush days a handful of years ago, Dresser shares sold for more than twice the recent level. The stock, in fact, is one of the more neglected ones of this year, having hovered for more than four months in about a four-point range.

Dresser's diversification efforts have been aimed at expanding into the valve and fittings businesses through an acquisition, setting up a facility to produce vacuum equipment for industrial and military applications, and development of detection systems for nuclear explosions. There is still no concrete evidence that an important turn has been made in the company's earnings, but analysts are predicting that by the end of the current fiscal year the profit of Dresser will finally show the expected upturn. Meanwhile the shares have been available at a yield approaching 5%, which seems liberal for a company with a thoroughly sound financial position.

[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.]

City of Copenhagen Bonds Offered

Public offering of $15,000,000 City of Copenhagen (Kingdom of Denmark) 5⅝% sinking fund external loan bonds due May 15, 1978 is being made by an underwriting group managed by Smith, Barney & Co. Inc.; Kuhn, Loeb & Co. Inc.; Harriman Ripley & Co., Inc., and Lazard Freres & Co., New York. The bonds are priced at 98.23% plus accrued interest, to yield 5.55%.

Net proceeds will be converted into Danish kroner and applied, with other funds, to the financing of additions and improvements to the City's facilities, including public utilities.

The bonds are not redeemable prior to May 15, 1973 except through operation of the sinking fund which commences on May 15, 1969. Annual sinking fund payments will be sufficient, together with the payment of an equal installment of maturity, to retire the entire issue. The issue will be redeemable for the sinking fund at 100% plus accrued interest, and optionally on and after May 15, 1973 at prices ranging from 101% to 100%, plus accrued interest.

Principal of and interest on the bonds are payable in New York City in U. S. currency.

Application will be made to list the bonds on the New York Stock Exchange.

Chi. Analysts to Hear

CHICAGO, Ill.—Patrick E. Haggerty, President of Texas Instruments, Incorporated, will be guest speaker at the luncheon meeting of the Investment Analysts Society of Chicago to be held today, May 23, in the Illinois Room of the La Salle Hotel.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Panhandle Eastern Pipe Line Company

Panhandle Eastern Pipe Line, with annual revenues of $210 million, is one of the most important of the natural gas pipeline systems. Incorporated in 1929, Panhandle has been under the leadership of President W. G. McGuire since 1943. In addition to its 10,200 mile pipeline network extending from the Texas Panhandle field and the Rio Grande Valley to Michigan, it has proven natural gas reserves of about 14 trillion cf (one-quarter wholly-owned) and oil reserves of some 12 billion barrels. In addition to gas and oil production it has an oil refinery, a liquid products extraction plant, etc.

Panhandle owns 1,500,000 common shares of National Distillers & Chemical, a 12% interest. Jointly with National Distillers, it owns National Helium Corp. which will soon put into operation a new $29 million extraction plant in Kansas. Natural gas sales account for 93% of revenues while oil refined products, gas processing and miscellaneous contribute 7%. Of the gas revenues 9% are from direct sales to industries, 88% from wholesale utility customers, and 3% miscellaneous.

The pipeline system includes two major lines—the Panhandle Lines from the Texas and Midcontinent Fields north to the midwestern states and Michigan; and the Trunkline Transmission Lines from the Gulf Coast and offshore areas of Texas and Louisiana moving northwesterly to join the other pipeline system in Illinois. The company has pioneered in the use of underground storage facilities with large off-peak deliveries to Consumers Power during the summer for storage in depleted gas fields.

The company supplies natural gas to 12 states along its pipeline system, its principal market areas being in Missouri, Illinois, Indiana, Ohio and Michigan. Through retailing utilities it serves some 5 million customers in a population of 20 million people. Its wholesale customers include three other big gas systems, American Natural Gas, Consolidated Natural Gas and Columbia Gas. It also serves Consumers Power, one of the two largest Michigan electric-gas utilities; in Indiana, Northern Indiana Public Service; Central Indiana Gas and Indiana Gas & Water, as well as the city of Indianapolis; in Illinois, Illinois Power, Central Illinois Public Service, and Central Illinois Light; and in Missouri, Mississippi River Fuel, Missouri Power & Light and Gas Service Company.

Major industries in the company's area include the automoitve and steel plants in Michigan, Ohio and Indiana; and the glass and firebrick industries in Indiana, Illinois and Missouri, all of which are large users of gas in their processing. The area also includes a number of diversified manufacturing centers such as Peoria, Springfield, St. Louis, Ft. Wayne and Indianapolis. About 65% of the gas sold by Panhandle is sold to residential customers and 35% to industrial and commercial. At the end of 1962 the company had an estimated 3,750,000 homes using gas heat, or a saturation of about 75%. In areas completely dependent on the company for gas, which amount to some 60% of total sales, saturation is about 65%, but in some cities it is lower. For example, in Indianapolis the saturation is about 35%.

The company's largest customer, Consumers Power, still has considerable room for growth since it has 145,000 residential but non-heating gas customers, as well as many thousands of homes near their lines which do not use natural gas at all. Consumers has added 140,000 heating customers in the last three years as well as substantial industrial business.

In a recent talk before the New York Society of Security Analysts, Vice-President Keefe stated: "We are the lowest cost supplier in all of the areas we serve; this makes the rate of our distributors more than competitive with other fuels; secondly, and even more important is the fact that despite the addition of heating business, we expect to continue to operate at a high load factor with the use of underground storage and industrial sales." Estimates also indicate that the population of the states served by the company, especially Michigan and Ohio, should enjoy an above-average growth during the next decade. Thus, it appears likely that the company can continue its excellent growth record shown in the table below. Figures in the table have been restated to reflect the payment of refunds arising out of the settlement of the company's rates for 1958-62 and the reserves established for refunds during 1952-8.

Vice-President Keefe expects that 1963 will register another good gain for Panhandle, since earnings for the first quarter were $1.15 vs. 98 cents, and for the 12 months ended March, $3.88 vs. $3.23. While the first quarter represented an increase of 18%, it was somewhat disappointing. (The weather was the coldest in the company's history, but it occurred while new facilities were being installed which, if they had been completed, would have permitted the sales of even larger amounts of gas, utilizing a larger part of the company's lower cost gas supplies.) Results for calendar 1963 may, however, be affected by a decline in the interest credit.

The company has made a satisfactory settlement with the FPC of rate increases covering the years 1958-62, and has provided a reserve of $20,702,000 (taken from earned surplus) for any future refunds, rate settlements and applicable interest covering any adverse decisions on rate cases for the period 1952-58, so that the settlement of these remaining cases will not have any adverse effect on revenues or earnings.

During 1963 the stock has advanced into new high ground, with a range of about 81-68 (it closed at 78¼ on May 16). At the latter price, the stock (now paying $2.20) yields 2.8%. The price-earnings ratio based on last year's earnings is 21.

		Common Stock Record			
Year	Revenues (Mill.)	Earned per Share	% Increase	Dividends Paid	Approximate Range
1962	$210	$3.72	24%	$2.00	70-45
1961	178	3.00	30	1.85	59-39
1960	151	2.31	D11	1.80	50-40
1959	131	2.59	31	1.80	59-43
1958	116	1.98	D5	1.80	62-37
1957	112	2.09	D3	1.80	57-36
1956	105	2.15	9	1.50	53-37
1955	92	1.97	31	1.44	44-35
1954	77	1.50	3	1.25	42-34
1953	76	1.46	NC	1.25	44-34
Average			11%		

NC—Not calculated. D—Decrease.

MUTUAL FUNDS

BY JOSEPH C. POTTER

Working on the Railroads

Early this month Lucien O. Hooper, an authentic Wall Street sage, was saying "not one investor in 100 will touch a rail stock with a 10-foot pole." Not that Mr. Hooper was hostile to the carriers —far from it. While none can assess the accuracy of this Hooper rating, few will quarrel with his contention that the rails have few friends in the investment community.

Indeed, this department itself, in the interest of accuracy, might better state that the rails **had** few friends. Because, of late, the mutual funds, other portfolio people and just plain individual investors have been taking a new look—and sometimes a first look —at the group.

The late-lookers have been wincing as the list of 1963 highs has been dotted with such names as Louisville & Nashville, New York Central, Chesapeake & Ohio, Southern Pacific, Great Northern Railway and Gulf, Mobile & Ohio. Also setting new tops have been such longtime railway equippers as Pullman, General American Transportation and ACF Industries, which indicates that the carriers are not merely getting a speculative whirl but are rising on great expectations.

As for the early-lookers, who did more than just look, there is considerable glee, sometimes tempered by the realization that their purchases were on the modest side. Of course, many a fundman, with a fast-moving rail or two tucked into the portfolio, can't be wholly blamed for having made only a small-size commitment. After all, the rails have disappointed so often as to frighten off all but the hardiest buff. At least until this spring, it was not difficult to get an argument going among investment counsellors about whether the railroads were not dead. In one such altercation a young analyst was heard to say: "The only reason to buy a rail is asset value. And that's not a valid one either, because the government just won't allow them to roll up the tracks and go away."

Well, what was it that the early shoppers—generally, the veteran students of the marketplace—saw in the carriers that made them risk important investment money? For one thing, they recognized that the rails, despite their many-sided problems, were deflated to a point where they were on the bargain counter. They also recognized that the combination of accelerated depreciation and a tax-investment credit would aid many of these companies—turning to new equipment would give them competitive muscle and eventually bolster the income account. More competitive muscle was in store from government permission to curtail featherbedding and cut rates to vie with trucks and barges. Moreover, many mergers were in the works.

If the foregoing sounds a good deal like praise for the oldsters, it is not wholly unintended. It is a fact that many of the New Breed came along after many years in which the rails had fallen into universal disfavor, a situation for which the carriers must bear no little blame. The industry abounded with cry babies and crepe hangers.

Even with the new aggressive management, on such roads as Southern Railway and Chicago & North Western, the rails have a good deal of uphill trackage ahead. But the point is, that whatever the future may hold, a lot of Wall Streeters have learned, to their chagrin, that they are not dead. At least, they've been showing a good deal more life than the glamour stocks of yesteryear.

Sometime this summer the funds will be telling one and all what they were buying and selling during the second quarter of 1963. It's a good guess that the rails were in favor. After all, the portfolio people could hardly be heavy sellers of stocks in this category, since they never were important factors in investment programs.

So, while the industry of this country is quite capable of writing off the older generation, Wall Street is demonstrating anew that advancing years are not necessarily a handicap and may even be an advantage.

Anybody for textiles?

The Funds Report

Colonial Growth & Energy Shares reports that at the end of the fiscal year on March 31 net assets totaled $49,270,444. Value per share was $11.90, against $13.56 a year earlier.

In the final quarter the company purchased Industrial Life Insurance and added to holdings of Commonwealth Oil Refining, Frito-Lay, Green Shoe Manufacturing, Northern Indiana Public Service, Petrolane Gas Service, Polaroid and South Carolina Electric & Gas. At the same time it eliminated Middle South Utilities, Perkin-Elmer and Western Nuclear, and reduced commitments in Ashland Oil & Refining, Beckman Instruments, Kingwood Oil, Midwest Oil Corp. and Valley National Bank of Arizona.

* * *

Fund of America reports that during the quarter ended March 31 it made new commitments in Burlington Industries, Purolator and Southern Railway.

* * *

Insurance & Bank Stock Fund announces that at March 31 net assets totaled $2,788,791. Value per share was $6.80, compared with $6.51 three months earlier.

* * *

Investors Mutual, Inc. reports that at March 31, marking first half of the fiscal year, total net assets were $1,993,895,063, or $11.07 per share. On Sept. 30, 1962, assets totaled $1,719,389,253, equal to $9.95 per share.

* * *

B. C. Morton Organization announces that in April it posted sales of $8,450,000, up 22.9% from the preceding month.

* * *

Over - the - Counter Securities Fund reports that at March 31 assets totaled $736,808, or $5.78 per share, compared with assets of $724,971 and $5.60 a share at the end of 1962. On March 31, 1962, assets were $1,063,837, equal to $8.50 a share.

* * *

The One William Street Fund reports that at March 31 total net assets amounted to $251.4 million, compared with $247.4 million at the end of 1962 and $298.2 million on March 31, 1962. Value per share at the end of the latest period was $12.55, against $12.12 at year's end and $14.22 on March 31, 1962.

During the latest quarter the fund purchased 100,000 shares of Western Bancorporation, 2,500 shares of International Business Machines and 2,300 Merck & Co., Inc. Over the same span sales included 35,000 Allied Chemical, 35,000 Johns - Manville, 15,000 Kaiser Aluminum & Chemical, 52,020 National Gypsum and 35,000 Revere Copper & Brass.

* * *

Wellington Equity Fund announces in its semi-annual report that at April 30 value per share was $13.58, up from $11.41 on Oct. 31, 1962. It also stated that resources totaled $76.6 million, including "an unrealized profit of $7.5 million over and above the cost of the securities owned."

Bulow Exec. V.-P. Of D.M.S. Hegarty

Harry N. Bulow has been elected Executive Vice-President and a Director of D. M. S. Hegarty & Associates, Inc., 19 Rector Street, New York City, financial and investor relations counsel. At the same time Jay Carton, Senior Vice-President, was elected a Director.

Mr. Bulow was formerly Vice-President of Public Relations for The House of Seagram, Inc. In addition to his experience in charge of all phases of Seagram's corporate and financial public relations, Mr. Bulow brings a broad background in finance to his present position. He is a former associate editor and financial editor for the "Journal of Commerce." He also served as an advisor to C. J. Devine and Company in establishing their Municipal Bond Department, and was a Research Associate at several member firms of the New York Stock Exchange and at the Institute of International Financial at New York University.

Mr. Bulow has written extensively on a number of financial subjects which have been published in various financial and business publications.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Make Those Routine Calls — They Can Be Productive

Experienced security salesmen welcome the opportunity to contact customers and prospects on the most ordinary matters. You gain immediate recognition and attention when you telephone a customer and ask, "We mailed your stock the other day, I am calling to make certain you received it." Instead of a "chore", look upon every pretext to contact a client concerning payments due, deliveries, open-orders, dividend claims, etc., as another opportunity to expose yourself to business.

The Joint Account Agreement

A married couple opened a joint account by telephone. Instead of mailing the form that was required to establish proper legality, the salesman used this as an opportunity to speak with his new clients about the matter. Before he mailed it, he telephoned them and explained why it was needed. Meanwhile, he had a list of their investments before him and after clearing up the details pertaining to the joint account form, he gave them some favorable information regarding one of their stocks. As a result the client placed another order with him. If he had simply mailed the form with a written explanation, he would very likely have missed this additional business.

People always appreciate consideration from a salesman. A telephone call regarding any phase of a client's account tells him that you are thinking of him... that his business is appreciated. This builds good-will and a more friendly relationship.

Would You Like to Change That Open Order?

Sometimes you may have an open order to buy or sell a security at a limit, "Good Till Cancelled". Meanwhile the market may have changed to such an extent that there is little likelihood that it will be executed. When this happens an experienced salesman will telephone a customer and ask whether or not he desires to leave the order as is, enter it at another limit price, or possibly cancel it.

I remember an occasion when I telephoned a customer right at the opening of the market. He had forgotten about the order and told me to cancel it. However, he had just finished reading the morning paper and another firm was advertising an issue of tax exempt bonds that appealed to him. He asked me several questions about the issue and luckily I had also read the ad and was familiar with the bonds. I was able to answer several questions, we discussed the various features which appealed to him, and he gave me an order for the bonds. This is the sort of coincidental business that can also fall in your lap... just by exposing yourself to customers.

Conversation Is a Two Way Street

In addition, continue to send items that will be of interest to clients by mail. However, nothing takes the place of discussion. The sales psychology is all in your favor when you ask a simple question such as, "Did you receive your stock?" Immediately you penetrate into the preoccupied mind of the person to whom you are speaking. You are asking a question regarding a matter that is important to him. Also, you are paying him a compliment by showing consideration and interest in his account. You are making him important. This creates a favorable climate for further discussion.

Building a clientele is a day in and day out process. The salesman who uses **every** opportunity to let other people know he is thinking of them is the man they remember when they wish to invest... or who have friends seeking an investment connection.

There is another plus which works in favor of the salesman who develops conscientious work habits. As we overcome tendencies toward procrastination and laziness, the stronger we become. After a while, discouragement and obstacles diminish. Work becomes more of a satisfaction. When a salesman is busy he is not thinking of avoiding work—he enjoys it. By making personal calls, telephone calls, regularly and consistently, you will be certain to expose yourself to more people who can do business with you. There is no surer road to success.

Brodrick Joins Parker Corp.

Richard M. Brodrick has just been named wholesale representative by The Parker Corporation, 200 Berkeley Street, Boston, it was announced by Mr. J. Denny May, Executive Vice-President in charge of sales. The Parker Corporation in Boston is investment manager and distributor of Incorporated Income Fund and Incorporated Investors, the third oldest mutual fund in the nation. Mr. Brodrick will cover metropolitan New York City, including Long Island, from his headquarters at 61 Broadway.

Richard M. Brodrick

Prior to coming to The Parker Corporation, Mr. Brodrick was associated for four years with Paine, Webber, Jackson & Curtis.

Mr. Brodrick served with the U. S. Navy from 1944 to 1946. After his graduation in 1948 from Columbia College, he worked for Erwin Wasey Advertising before joining General Electric Company. During his nine years with G.E., Mr. Brodrick served as a specialist in the investor relations department, public relations division and advertising & sales promotion division.

COMMENTARY...

BY M. R. LEFKOE

The trend toward collectivism—particularly the fascist variant—in the United States today is obvious to anyone who is willing to face the facts.

As was demonstrated in this column not too long ago, the seven major government administrative agencies "have obtained such sweeping power to control the use to which private property is put, that, for all practical purposes, private property exists no longer." Moreover, examples have been given of various Supreme Court decisions which ruled that the "courts do not substitute their social and economic beliefs for the judgment of legislative bodies, who are elected to pass laws"—even if such laws are based on collectivist principles. Finally, the numerous examples of executive action which have pushed America down the road to fascism—a political-economic system where legal title to the means of production rests in private hands, but where the government exercises effective control over such property—are too well known to require a detailed discussion here: the President's arbitrary decision of steel prices, his intervention in the aerospace labor dispute, and the "take it or leave it" labor settlement offered the shipping companies by a Presidential Board.

But in almost every instance of government intervention—whether it be legal or extra-legal; whether it be from the executive branch, the legislative, or the judicial—the justification is always the same: This action is being taken in order to preserve America's free, democratic way of life. No government official has been willing to state openly that the policy he espouses is, in fact, fascistic, and then ask the American people if he still has their approval to go ahead.

If anything, most government officials spare no effort in an attempt to keep the public from knowing the implications of what they are doing — engaging in everything from concealing their actions, to evasion and equivocation, to outright lying.

Strangely enough, however, this attempt to hide the real nature of their domestic policies seems to be forgotten when government officials discuss *foreign* countries and their political systems. It is possible, therefore, to see how government officials view a free, constitutional, republican form of government by examining their statements on this issue.

Foreign Aid to Promote Socialism?

Take, for example, the issue of foreign aid, and the question of whether or not the United States should give money to countries which plan to use it to establish socialistic enterprises.

When asked if he thought the United States should give India over $500,000,000 to build a state-owned steel mill, President Kennedy replied: "Now, I think that this is a steel mill which will go up. All the evidence we have [sic] it will not go up unless the United States joins in, so I think we ought to do it—I think we ought to do it. Now the Congress may have other views, but I think it would be a great mistake not to build it. India needs the steel."

In other words, as far as the President is concerned, the fact that "India needs the steel" is sufficient reason to give her half a billion dollars—even if the steel project would enable India to pursue socialist policies and help destroy any semblance of a free economy in that country.

President Kennedy made his views on various political systems even more explicit last year when he answered a question asked by a Brazilian student who was visiting the White House. The President stated: "I think that the decision of your country as to the means of providing progress is your decision, and if by socialization you mean ownership of the means of production or of the basic industries, that is a judgment which you must make. . . . We prefer the competitive market economy here. We believe that by free competition we can satisfy the needs of our people best. Every country must make its own choice. But whatever choice Brazil makes, free choice, of course, is their decision."

"A Matter of Preference"

Thus, according to Mr. Kennedy, a country's political system is merely *a matter of preference* — and, as long as a country's form of government is freely chosen by its people, he is willing to grant it equal moral sanction with our own. The fact that individual rights are necessarily abridged under every variant of collectivism was presumably considered irrelevant, as was the fact that, in practical terms, no collectivist political-economic system can possibly be as successful as a limited, constitutional, *laissez-faire* system in meeting the "needs" of the people.

America's newly appointed ambassador to India, Chester Bowles, must be added to the long list of government officials who concur with this view. In a recent article written for the *Saturday Evening Post*, Mr. Bowles makes it very clear that his standards for granting foreign aid are almost diametrically opposed to those offered by the now-famous Clay report—for Bowles, a country is worthy of American foreign aid to the extent it commits itself to collectivism.

Some of the political-economic conditions he would like to see before a country receives U. S. foreign aid include: a wide distribution of capital savings and investment, brought about by a government which is "*courageous* enough to tax [its] own well-to-do people in proportion to their ability to pay" (a fundamental Marxian tenet); a "well-conceived and long-range economic-development plan . . . [which includes] realistic schemes to insure wider distribution of land ownership"; a government which has "provided for development of integrated rural organizations involving agriculture, education, road building, health services, extension services, cooperative marketing arrangements and readily available credit"; a government which maintains "effective control over the expenditure of foreign exchange for luxury imports. . . ."

U. S. Wouldn't Qualify for U. S. Aid

After listing many government policies which can be found *only* in a collectivist country, Mr. Bowles apologetically admits that his criteria are somewhat hypocritical: "No nation, not even our own, could satisfactorily answer *all* of these questions." Nevertheless, since he goes on to assert that "the means by which economic development can best be achieved is not a moral one but a practical one requiring a large degree of pragmatism," perhaps Mr. Bowles believes that he and his political soulmates will be able to double talk the American public into believing that government control over the economy is really the best way to strengthen *free* enterprise.

If they succeed, America will be able to set a good example for the recipients of its foreign aid — it will have fully embraced the collectivist doctrines which it now advocates for them.

Van Meter Heads Radiant Lamp

Eugene R. Van Meter, formerly Vice-President of Continental Can Company, has been elected President of Radiant Lamp Corporation, Newark, N. J., makers of incandescent and mercury vapor lamps, it was announced May 15.

Eugene R. Van Meter

Mr. Van Meter, who spent eighteen years with Continental Can, was Bureau Chief, Containers Division, War Production Board, in Washington, D. C., during the war years of 1941-44. He is also a director of Renwell Industries, electronic manufacturers at South Hadley, Mass.; Industrias Estra S. A., plastic manufacturers at Medellin, Colombia, South America; Selecto-Flash, Inc., makers of highway safety equipment at West Orange, N. J.; and United Europe Management Consultants, Inc., of Geneva, Switzerland, and Madrid, Spain.

Williams Joins Reaves, Hewitt

Reaves, Hewitt & Co., Inc., 74 Trinity Place, New York City, have announced the appointment of Thomas R. Williams as Vice-President and Director. The firm specializes in investment advisory and brokerage services for institutional clients, with major emphasis on investment research particularly in public utility securities.

Mr. Williams had 11 years experience as a public utility analyst at Kidder, Peabody & Co., the last two years as head of the public utility research department. He previously was connected with Union Securities Corporation. Mr. Williams is a member of the New York Society of Security Analysts and The Investment Association of New York.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The movements in the money markets are still within the restricted areas which appear to have been mapped out by the monetary authorities since the debt management policy of the Treasury and the credit policies of the Federal Reserve are being used with the purpose in mind of giving some aid to our balance of payments problem so that our gold holding and the dollar will be given further protection. These are very important forces in the near-term market.

The long-term bond market is recovering some of its equilibrium because it appears as though yields have reached levels which are considered to be satisfactory for purchases by those investors who are interested in making commitments in fixed income bearing issues. The supply of funds for such purchases is very ample.

Price Cuts Stimulate Sales

The long-term bond market, which is still being ruled by the large amount of funds seeking employment in fixed income bearing issues, continues to display a constructive tone even though there is evidence of some caution among the buyers of these securities. This wait and see what develops attitude on the part of buyers of new issues of bonds whether they be Governments, tax exempts, or corporate offerings has paid off for them since most of these new emissions have been overpriced and, in order to move these securities out of syndicate, the original offering price had to be reduced down to levels that were to the likings of investors. In some instances, the decline was very small as in the case of the recent issue of long Governments, the 4⅛s of 1989/1994. On the other hand, some of the price reductions from the original offering levels have been rather substantial.

Treasury 4s Being Absorbed

Because the long-term bond market is showing signs of recovering, at least in some measure from the early spring decline, this appears to be due in some degree to an enlarging interest in the 4s of 1989/1994 because of the belated realization that this is the best available credit in the fixed income bearing field. There is no question but what a Government bond which is priced to be competitive with non-Federal obligations is the most desirable type of security as far as any investor is concerned. And if the Treasury does not issue too many of these bonds for new money raising purposes, the yield on long Governments, as well as the yield of the non-federal bonds, should decrease with the passing of time, since there is a very large amount of money available for investment in these bonds.

What's Happened to Yield Spreads?

The yield spread between the various rated bonds has become so small that it appears as though it is going out of style under the prevailing systems of bond offerings. It is evident that the top rated bond in the picture is a Government bond since there is never any question about its credit or its payment at maturity date. Next in line are the higher rated non-Federal issues, such as the triple A corporates and tax-exempt bonds, followed by the AA and then the A rated ones, and so on down the list.

There have been times in the past when non-Federal bonds have sold at lower yields than have Government bonds, which was due to the fact that the Government market was being crowded with offerings of these securities, whereas the corporates or tax-exempt bonds were only coming into the market in rather small amounts and at long spaced intervals. These are the exceptions which proves the rule yet it is ridiculous to have the best credit selling at a higher yield than other obligations inferior in quality even though the supply is very large in the Government market.

Treasury Differential Absurd

In the present capital market the yield differential between a new Government offering and an A rated corporate bond is only a matter of about 30 basis points which in itself is bordering on the absurd. This is more the case when one takes into consideration that the yield differential between an AAA rated corporate bond and an AA rated bond is only 1 basis point and an A rated corporate issue is as small as 4 basis points.

Neuberger, Berman to Admit Harry Kahn

Neuberger & Berman, 120 Broadway, New York City, members of the New York Stock Exchange, on June 1 will admit Harry Kahn to partnership.

Desirability of Leaning Less In Direction of Easy Credit

Continued from page 1

for a drastic tightening of credit, but they clearly indicate the desirability of leaning less in the direction of easy credit. While the adoption of such a posture in credit policy would be expected to contribute to some firming of interest rates, the upward pressures may be expected to be fairly modest, at least for some time to come.

Current Business Prospects

An appraisal of the outlook for credit conditions and interest rates must be undertaken against the background of prospective business conditions and trends. Since the turn of the year, both the economic statistics and business sentiment have shown noticeable improvement. Judging from the rise in dollar output and production, the recent pickup in manufacturers' new orders and the behavior of various other sensitive economic series, the economy appears to have entered a renewed expansionary phase and prevailing opinion among both businessmen and economists, almost without exception, is that the current uptrend will continue at least through 1963; in fact, some observers foresee the possibility that it may carry through 1964 and even beyond.

At the moment, most business forecasts, nearly all of which are based on the expectation that no tax reduction will take effect before the beginning of 1964, call for a gross national product for 1963 as a whole in the neighborhood of $580-585 billion, with the annual rate in the final quarter of the year in the $590 billion range. Such estimates, if achieved, would represent a year-to-year gain of approximately 5%, both on the basis of the average for the year and of the fourth quarter rate. For industrial production, the anticipated increases are slightly smaller—in the neighborhood of 4% or so.

The impetus for this further economic expansion during the months ahead is expected to be provided by moderately rising consumer expenditures for goods and services, by steadily increased spending by government at all levels and by a rising trend of outlays by business on new plant and equipment, coupled with moderate additions to business inventories and a continued high level of building and construction.

Some easing later in the year in the rate of steel production, and possibly both in home building activity and in the market for new passenger cars, is generally anticipated, but these declines are not expected to be of sufficient magnitude to halt the rising trend of output. Moreover, it is widely anticipated that, despite the prospect of some continuing slack in the economy, the trend of industrial prices may be tilted slightly upward again, following several years of unusual stability.

Interest Rates in the 1961-62 Business Expansion

A cyclical upturn in business activity of the proportions envisaged for 1963 would normally be expected to be accompanied by a tightening of credit and an upward movement in the spectrum of interest rates. During the postwar period, interest rates have generally risen when business activity was rising and declined when activity was sagging. This pattern has not prevailed, however, during the business expansion that has been under way since early 1961. During the 1961-62 business expansion, some important interest rates (e.g., the discount rate, the so-called prime lending rate, and the average rate on bank loans) have remained essentially flat, while some others (e.g., mortgage and bond yields) have generally displayed a downward drift. Only among money market rates has there been any noticeable rise during the past two years and this rise was chiefly a reflection of the continuing deficit in the balance of payments and the resulting need to keep short-term rates in the American money market reasonably in line with those prevailing in financial centers abroad.

This unusual behavior of interest rates during a period of expanding business is *not* to be explained on the basis of sluggish credit demands. Measured by the net increase in outstanding credit instruments (securities, mortgages and short-term credit), total demands for funds rose about 25% in 1961 and again in 1962. As a consequence, the total expansion of credit last year established a new all-time high, more than 5% above the previous record year, 1959, when credit conditions were tight and interest rates were rising. In the long-term credit markets, the outstanding feature of 1962 was the record increase in real estate mortgage debt. The increase in long-term indebtedness of business corporations and of state and local governments was about the same in 1962 as in the preceding year.

The failure of interest rates to rise in the face of expanding business and substantially higher demands for credit in the past two years is to be explained by two developments: (1) a sharply increased flow of funds to savings institutions; and (2) an easy credit policy on the part of the Federal Reserve, which permitted a record expansion, for peacetime, in the deposits and earning assets of the commercial banks in 1961 and 1962.

In each of the past two years, practically all classes of savings institutions experienced successive increases in their flow of savings, with the deposit-type savings institutions (mutual savings banks and savings and loan associations) showing especially large gains. The inflow of funds to contractual-type savings institutions (insurance companies and pension and retirement funds) also increased, but at a more modest pace. The net additions to long-term investment holdings of savings institutions as a group were about $2 billion larger last year than in 1961. The commercial banks, however, increased their holdings of mortgages and tax-exempt securities in 1962 by some $4 billion more than in 1961.

Fed Supports Commercial Banks' Deposit-Rise

The ability of the commercial banks to make large additions to their earning assets in 1962 (as well as in 1961) was due to the policy of easy credit followed by the Federal Reserve. In 1961 and 1962, reserves were made available to the commercial banking system in amounts that permitted increases of about $16 billion in deposits in each year. In 1961, about 60% of the increase in commercial bank deposits was in time deposits, but under the stimulus of the higher rates permitted to be paid on time deposits as a result of the revision of Regulation Q, almost all of the increase in 1962—about 90%—was in the time deposit category. The necessity to cover the higher interest payments on time deposits led to record commercial bank acquisitions of real estate mortgages and of tax-exempt securities which, in turn, contributed to the downward pressures on yields in the mortgage and municipal markets.

The credit policy followed by the Federal Reserve in the 1961-1962 business expansion is in sharp contrast with that followed in the earlier postwar business cycles. Prior to 1961, the Federal Reserve had provided reserves sufficient to permit large increases in commercial bank deposits in years of economic slack, such as 1954 and 1958, but had been much less generous in providing reserves in the ensuing years of business expansion. Consequently, until recently, the biggest increases in commercial bank deposits and earning assets occurred during recession periods, and the expansion of bank credit was sharply curtailed in the subsequent period of business advance.

The continuation of easy credit policy in the recent period of business expansion is to be explained largely by conditions in the economy in 1961 and 1962. During the current business expansion, there has been continuing unutilized plant capacity and the unemployment rate has stayed high; the index of wholesale commodity prices has eased slightly instead of firming and there have been few obvious signs of speculative excesses. Even a persistently adverse balance of payments situation during this period has not prevented the Federal Reserve from following a strongly expansionary credit policy. However, the Federal Reserve and the Treasury rave been cooperating in actions designed to keep money market rates in line with rates in foreign financial markets in order to reduce the incentive to move short-term funds abroad.

Against this background of salient developments affecting the credit markets and the behavior of interest rates in the current cyclical expansion, what is the outlook for the demand for funds, for the flow of savings and for credit policy in the period ahead?

Credit Demands and the Savings Flow

Demands for credit in the months ahead can be expected to continue strong, or perhaps to show some further increase, in line with the high and rising level of general business activity. Building and construction are continuing at high levels and the increase in outstanding mortgage indebtedness may be expected to be somewhat larger than in 1962. The rise in mortgage debt is unlikely to surge as it did in 1961 and 1962, however, since housing starts are not expected to show an advance over last year and commercial and other types of nonresidential contruction will probably not show much of a rise over present levels.

The year-to-year increase in outstanding long-term corporate debt has shown no consistent uptrend for some years. Business outlays on plant and equipment appear to have resumed the advance which was interrupted last year, but the volume of funds generated from internal sources (depreciation charges and retained profits) is also rising noticeably with the result that a significantly larger volume of net corporate borrowing in the long-term market is not an immediate prospect.

Although the gross volume of new issues of tax-exempt securities is expected to show another increase this year, redemptions will likewise continue rising, so that the increase in outstanding indebtedness may be no greater than last year. The Treasury is expected to be a somewhat larger net borrower from the public than it was in 1962, perhaps by as much as $2-$3 billion.

Although there is some evidence to indicate that a number of smaller and medium size business firms are experiencing a squeeze on their liquidity, demands for short-term credit may not measure up to the record demands of 1962. For the year as a whole, the accumulation of business inventories will probably be of no more than moderate proportions, say of the order of $2-$3 billion, or about in line with the rise last year. Thus, the increase in bank loans to business may be only of about the same magnitude as in 1962. In addition, because of rising repayments, outstanding consumer credit is not likely to continue increasing at the rate of the past year, even assuming that automobile sales hold close to their current near record rate of around 7½ million units annually, including imports.

At the same time, the prospects are that the flow of funds to the savings institutions will continue to expand. In the case of the contractual-type savings institutions, the inflow of funds is in a steadily rising trend and the increase in their investment holdings this year promises to be slightly greater than in 1962. So far this year, the growth in savings and loan association shares has been maintained at the accelerated pace reached in the latter part of 1962, and the gains in deposits of mutual savings banks for the year to date are running well ahead of a year ago.

On balance, therefore, it would appear that the increased flow of funds to the savings institutions may about match the increase in credit demands in prospect. The big unknown is whether the commercial banks will continue to provide as large sums to the credit markets as in the past two years. This, of course, hinges on credit policy since the latter will determine the growth in deposits and earning assets of the commercial banks.

Prospects for Credit Policy

Prior to the experience of the past two years, the implications for credit policy of an expansion in economic activity would have been fairly readily predictable; a rise in business activity could be expected to be reflected in a shift to a less easy credit policy and to the provision of a smaller volume of reserves to the commercial banks. In light of recent events, however, the prospective course of credit policy during the coming months is less susceptible to ready determination.

There are some important differences of opinion as to what constitutes appropriate credit policy in an economy characterized by persistent unemployment and less than full utilization of available plant capacity and other resources. One school of thought holds that as long as there is any evidence of slack in the economy, credit policy should remain aggressively easy. Some adherents of this view go so far as to maintain that, despite the record peacetime increases in commercial bank deposits and earning assets during 1961 and 1962, credit policy to date has been unduly restrictive. One argument advanced in support of this point of view is the failure of the nation's money supply (narrowly defined as currency outside the banks and demand deposits) to keep pace with the growth of the economy during the course of the current business expansion and especially during 1962.

The underlying reason for the failure of demand deposits to rise significantly during the past year and more is that depositors preferred to keep the bulk of their increased bank deposits in the time rather than in the demand category. The higher rates paid on time deposits commencing in the early part of last year provided a strong incentive to build up time rather than demand deposits. The active promotion of negotiable time certificates of deposit by large commercial banks also served to induce corporate treasurers and other managers of business and investment funds to lodge their funds with the banks, instead of holding them in the form of other short-term investments, such as Treasury bills. Thus, the volume of negotiable time certificates of deposit outstanding increased from about $1 billion at the end of 1960 to over $6 billion at the end of 1962 and the total is reported to be substantially higher today. Finally, over the years, the commercial banks have been actively educating their business customers on how to make more efficient use of their working cash balances. As a consequence, even though the volume of business being transacted has been rising, there has been no commensurate increase in working balances in the form of demand deposits. This has been reflected in the steady rise in the turnover of existing deposits in the postwar period.

Demand Deposits Do Not Measure Credit Policy

The Federal Reserve can do little or nothing to influence the distribution of commercial bank deposits as between demand and time deposits. These decisions are made by the depositors based on an analysis of their prospective cash requirements and their desire to earn an interest return. Furthermore, in appraising the effectiveness of credit policy, the important point is not whether bank customers choose to hold their funds in time deposits rather than in Treasury bills, or for that matter in time rather than in demand deposits, but whether spending and investing decisions are affected by the particular form in which the funds are held. Here the answer seems clearly in the negative.

Certainly, the decisions of business managements as to whether to add to inventories or to increase spending on plant and equipment are not influenced by the fact that company funds are being held in negotiable time certificates of deposit rather than in demand deposits or in Treasury bills. Nor is their any available evidence to suggest that the decisions of investment managers are importantly influenced by the form in which their short-term funds are currently invested. Moreover, there is abundant evidence to indicate that many individuals borrow funds for various purposes at the same time that they hold savings or demand deposits, suggesting that consumer spending is not dampened because of the form in which the public maintains its bank deposits. In sum, the failure of demand deposits to expand in line with the increase in total bank deposits, or in line with the rise in the total dollar volume of economic activity, is no measure of the effectiveness of credit policy.

A far more meaningful yardstick for measuring the economic impact of credit policy is the relationship between the supply of liquid assets in the economy and the volume of business activity. The relevant liquid assets should include, in addition to demand deposits and currency, other types of assets which are ready substitutes for money, such as time and savings deposits, Treasury bills and other short-term Government securities held outside the banking system, open market paper, savings bonds and postal savings. Here the record shows that the increase in total liquid assets has fully kept pace with the rise in the gross national product. In fact, during the current business expansion, contrary to past experience, the ratio of total liquid assets to GNP did not decline but rather rose, with the result that the economy is somewhat more liquid today than it was at the low point of the 1960-61 business sag.

Still another important test of the effects of credit policy is whether credit has continued to be readily available to meet current demands at reasonable cost and on satisfactory lending terms. By this criterion, too, it cannot be effectively argued that the actions of the monetary authorities have restrained the expansion of business activity over the past two years.

Downward Pressure on Interest Rates

Without doubt there have been some would-be borrowers who for one reason or another have not been able to obtain the credit to which they felt they were entitled. However, the evidence of the past two years is that lenders have been actively seeking borrowers rather than the other way around. This is borne out by the fact that most important long-term interest rates have been under downward pressures at a time when normally it would have been reasonable to expect some firming. Further evidence of the strong pressures to find outlets for lendable funds is the apparent liberalization of lending terms and conditions in a number of important areas of the credit markets. In the mortgage market, for example, there are reports that property appraisals have become more liberal, down payments have been reduced and loan maturities extended. In consumer lending, also, there is some evidence of a lengthening of maturities.

Finally, viewed in historical perspective, interest rates currently are not at high levels and, in fact, bond yields are generally near the low end of the range of the past four years. At present, the offering yield on high-grade corporate bonds is somewhere around 4.35%; the average yield on long-term tax-exempt obligations is about 3.10%; and the average yield on long-term Treasury bonds is about 4.00%. Conventional real estate mortgage loans are currently being extended to home buyers at yields averaging 5.85%, while FHA-insured mortgages are selling in the secondary market at an estimated average yield of 5.44%, both of which yields are lower than they were as recently as six months ago. Considering the fact that the economy is operating at record levels and that credit demands are at new peaks, it is difficult to contend that prevailing levels of interest rates are not reasonable; they appear high only when measured against the levels prevailing in periods of business recession or depression and in the era of pegged interest rates.

In conclusion, whatever the reasons for the failure of the economy during the current business expansion to achieve the kind of performance many had been expecting, they are not to be found in the credit area.

The Case for a Shift in Credit Policy

In the light of this experience, it is extremely doubtful whether a fourth successive year of aggressively easy credit would entail any significant contribution to economic expansion; on the other hand, it would involve some risks which it might be unwise to assume at this juncture.

One danger of allowing credit to remain unduly easy in the period ahead would be to further increase liquidity in the economy, at a time when business confidence is improving and when talk of a resurgence of inflationary pressures is again in the air. While it is true that the keenness of competition, both domestic and foreign, may restrain a widespread and significant marking up of industrial wholesale prices, this does not rule out the real possibility that speculative excesses may develop elsewhere in the economy, for instance, in the stock market or in real estate. At the moment, the general public reportedly is not in the stock market in a substantial way, but should speculative psychology again take hold, the substantial and rising supply of funds in the hands of the public would facilitate bidding up stock prices to unrealistic and unsustainable levels.

An additional and even more disturbing outgrowth of keeping credit unduly easy in the current environment is its possible contribution to a further relaxation of lending terms and standards. To be sure, the maintenance of sound lending practices, however they may be measured or defined, is primarily the responsibility of the managements of financial institutions. Nevertheless, the monetary authorities are not completely free of responsibility. By continuing to provide large amounts of reserves to the commercial banks and thereby enabling an expansion in deposits which encourages banks to compete more actively with other investing institutions in seeking outlets for funds, credit policy could serve to accentuate, rather than to assist in arresting, what is to many a worrisome development.

Keeping credit unduly easy would also complicate the problem of maintaining American money market rates in line with those prevailing in other world financial markets. This is necessary if the movement of short-term funds out of the United States and into more remunerative employment abroad is to be removed as an aggravating factor in the American balance of payments, which has been responding all too slowly to the actions and remedies thus far adopted to hasten its improvement.

Problems of Capital-Outflow

For almost three years, the Federal Reserve has been wrestling with this problem. In implementing its continuing policy of credit ease, the Federal Reserve has reduced reserve requirements and purchased large amounts of Government obligations of longer term maturities, rather than providing reserves exclusively by purchases of Treasury bills which would have depressed money market rates more directly. The Treasury has also played a major role in the continuing effort to keep American money market rates at competitive levels by increasing the supply of Treasury bills available to the market. Obviously, the achievement of equilibrium in our international accounts cannot be accomplished by credit policy alone. More vigorous efforts are required to expand exports, to improve the competitive position of American industry, to reduce the dollar drain of our foreign military and economic programs and to increase the contribution of the European countries to the cost of maintaining the European-based American military establishment. However, the outflow of capital—direct and portfolio investment and short-term funds — poses a substantial continuing drain on the United States foreign exchange position.

Finally, the experience of the United States, as well as that of other countries, is that if liquid assets are provided to the economy in substantially greater amounts than are required to support domestic business activity, the excess will tend to spill over in the form of an outflow of funds to foreign markets. The continuing large balance of payments deficit underlines the impropriety of following policies that will add to the liquidity of the American economy in this environment.

The Federal Reserve appears to have given some recognition, in its slight move toward a less easy credit policy around the turn of the year, to the change in the business environment and prospects. On balance, however, credit policy is still one of substantial ease, with little evidence of a return to a concept of flexible credit policy.

Expects More Flexible Fed Policy

The American economy, on the record, has always been subject to cyclical fluctuations and, if credit policy is to make its maximum contribution to both economic expansion and stabilization, it must remain responsive to changing economic conditions. Delay in returning to a flexible credit policy, which is more responsive to changes in business conditions and prospects, could very well serve to aggravate current adverse trends in the credit markets, in the liquidity of the economy and in the balance of payments. This could set the stage for trouble in the future without making any worthwhile contribution to economic growth.

Thus, it should not be taken for granted that Federal Reserve policy will not react to the signs of renewed business expansion or that interest rates will remain stable or even decline in this environment. Not only would some greater flexibility in the future course of Federal Reserve policy be a healthy development for the economy under present conditions, but it would probably also represent a more realistic approach to the functions and responsibilities of the monetary authorities.

*An address by Dr. Reierson at the Annual Convention of the California Bankers Association, San Francisco, Cal., May 21, 1963.

T. Roulston Forms Own Inv. Co.

CLEVELAND, Ohio—Thomas H. Roulston has formed Roulston & Company, with offices at 1010 Euclid Avenue, to engage in the securities business. Mr. Roulston was formerly Vice-President of Gunn, Carey & Roulston, Inc. in charge of underwriting and syndicate departments.

Other officers, in addition to Mr. Roulston, who is President, are Michael A. Wipper, Vice-President, and Norman S. Jeavons, Secretary-Treasurer.

Lloyd Canady With Joe K. Matheson

RALEIGH, N. C. — Lloyd E. Canady has become associated with Joe K. Matheson of Hickory, N. C. Mr. Canady who has been in the investment business for many years was formerly an officer of J. Lee Peeler & Co., Inc. In the past he conducted his own investment business in Raleigh.

Charles A. Pope

Charles A. Pope, retired partner in the New York City municipal bond firm of Barr Brothers & Co., passed away May 18 at the age of 70.

Mr. Pope had been in the securities business for most of his life. He began with Hornblower & Weeks, then had his own securities firm and was with Barr Brothers from 1925 until he retired in 1957. Mr. Pope was an original member of the Bond Club of New York and The Municipal Bond Club of New York.

Complete Eazor Offering

Check for $1,312,500 is accepted by Thomas A. Eazor, Board Chairman of Eazor Express, Inc., Pittsburgh-based interstate trucking firm. The money represents proceeds from the first public offering of the company's stock. The offering of 125,000 shares was oversubscribed. Presenting the check is Earl K. Bassett, a senior partner of W. E. Hutton & Co., managing underwriters. Watching the transaction is Stanley G. Schade, Vice-President of the Corporate Services Department, Pittsburgh National Bank, transfer agent for the offering. Mr. Eazor, who founded the firm which now employs 690 people, remains the principal stockholder. Eazor Express serves more than 2,000 cities and towns and operates 3,983 miles of authorized routes in 11 states with connections to 34 other states and Canada.

Rising Blue Chips Require Common Sense Approach

Continued from page 3

their treasuries every day the market is open.

Limited Supply

In the face of this rising and continuous demand for high grade equities, their normal volume of supply, which could have been anticipated in earlier periods, has been considerably held down by tax considerations, since—

(1) interest charges, which are treated as expenses, make it far cheaper for a corporation to finance with debt than with stock; and

(2) the 25% capital gains tax has served to freeze most investors into equities bought prior to 1950.

The Postwar Periods

The impact which this continuous and rising demand for equities has had upon the postwar stock market is presented in the following table of the Dow-Jones Industrial Averages, which show how stock prices have gained far faster than either their earning power or dividend payments. This trend can be proved equally true of the market, whether taken at the highs or at the lows. The table considers the four periods into which the postwar market readily divides itself, which are—

(1) the period of investment doubt from 1946-49, during which the prosperity was disregarded because of the prevalent belief there would be a postwar recession of the 1920-21 variety;

(2) the Korean War from 1950-1953, during which war needs shaped our economy, but excess profit taxes froze the earning power of most companies — particularly growth companies;

(3) the capital goods boom from 1954-57, during which individuals caught up on their pent-up demands for autos and appliances, businessmen went in for record plant construction, and our expanded defense effort centered upon the airplane; and

(4) the period of rolling adjustments and profits squeeze from 1958-62, during which business has been digesting the overcapacity built up in the expansion boom of the mid-1950's, the European Common Market has stimulated investment imagination as well as world trade, defense has shifted abruptly from the airplane to missiles and military electronics, and the public went upon a speculative spree based upon a belief in the perpetual growth of companies engaged in far-out technologies, leisure, and urban real estate development.

Comparison of the Highs and Lows

The following table compares the highs and lows of the Dow-Jones Industrial Averages in each of these four periods with their earnings and dividend payments, and characterizes the stock prices based upon the historic relationship between stock prices and their earnings and dividends.

At the Highs	Price	Earnings	P/E Ratio	Dividend	Yield
1949 Bargain Prices	$200.52	$23.45	8.5	$12.79	6.4%
1953 Rewarding Prices	293.79	27.23	10.9	16.11	5.5
1957 Adequate Prices	520.77	36.08	14.5	21.61	4.1
1961 High Prices	734.91	31.91	23.0	22.61	3.1
At the Lows					
1949 Bargain Basement	$161.60	$23.54	6.9	$12.79	7.9%
1953 Bargain Prices	255.49	27.23	9.4	16.11	6.3
1957 Rewarding Prices	419.79	36.08	11.6	21.61	5.1
1962 Adequate Prices	535.76	*36.44	14.7	23.30	4.3

* Estimated.

At the 1961 highs the D. J. I. was some 3.6 times the 1949 high. At the 1962 low the D. J. I. was some 3.3 times the 1949 low. Since the earnings between 1949 and 1962 rose by only 55% and the dividends paid by 82%, the pressure of funds seeking to invest themselves is very clearly reflected in the rising prices times earnings relationships and the falling dividend yields.

Investors should recognize that the relationships between equity prices and earnings are not actually as distorted as they seem, because the quality of the reported earnings of "blue chip" equities in the 1960's is far higher than ever before since—

(1) almost no inventory markups were included in the 1962 earnings reports; and

(2) the earnings themselves came after far larger expenditures for—

(a) advertising, which is essentially an investment in future sales;

(b) research and product development, which are essentially investments in future products; and

(c) depreciation charges against the facilities, which not only have written down their value but provide for earlier replacement.

The 1958-61 Advance

The 1958-61 advance is particularly interesting, since it saw investment grade stocks move higher in the face of faltering earnings. While the Dow-Jones Industrial Averages were scoring their 200-point advance from the 1957 lows, the oils, metals, papers, and aircraft stocks in the index made very little headway. It was the brand-name consumer stocks and those with outstanding research which soared and carried the Averages with them. During this period, speculation returned to the postwar market for the first time, so the greatest market gains between 1959-61 were made by companies far less seasoned than the leaders represented in the Dow-Jones Averages. The most sensational gains were made by wholly unseasoned companies organized to exploit research or the growing market for leisure products. The stocks in these categories soared to levels that were as extravagent as or more extravagant than the levels reached by the ill-fated utility holding companies, the radios, and other mystery stocks at the height of the 1929 boom.

1962 Break

Once stock prices pass out of the realm of reason, it is only a question of time until reality will reassert itself. The unseasoned glamor stocks began to decline in 1961 based upon the fact that their actual earnings proved disappointing in relation to the glowing prospects which had been forecast at the time the issues went public. In many cases severe losses actually developed among new issues which had been so violently oversubscribed when they were originally offered. Some cases of blatant stock manipulation were traced to American Stock Exchange members, who have since been disciplined, and bad accounting practices were also cited by the SEC in the case of unseasoned companies in the unpoliced Over-the-Counter Market. When the impasse developed between the Administration and the steel companies over prices in April, it was logical for the general market to react. The scope and volume of the ensuing reaction centered upon the unseasoned issues in which the speculation had developed, and in view of the extent of the 1962 break, the blue chip equities gave a relatively good account of themselves, as can be seen by the fact that the Dow-Jones Industrial Averages fell—

(1) by around 26% in the 1962 correction, as compared to

(2) the 50% break in 1929.

Aside from the blue chips, the 1962 break was nearly as severe as it was in 1929 and just as severe in the case of the unseasoned glamor issues.

Inevitable 1962-63 Recovery

Because of the volume of sales and the violence of the fluctuations there was real concern that the effects of the 1962 break, like the 1929 break, would spread into the entire economy. In short order, it became clear that the 1962 break had been a localized correction within the investment markets.

There was so little margin money involved that the break had little effect upon the banking structure, although it did apparently start a very vigorous flow of funds out of stocks and into the savings and loan associations —particularly those in California where the interest rates had risen to 4.8% and were attracting funds from every corner of the nation.

By the time the June 30 mutual fund and insurance company statements were available, it was equally clear that while some shifting between holdings had taken place, the institutions had been buyers rather than sellers during the crash. It was further clear that the break had neither curtailed savings nor lessened the interest of individuals or institutional investors in making long range commitments in the highest grade equities. While the break did cause some slowdown in the activities of the mutual funds, no letdown was experienced by the other institutional investors. It is estimated that at no time did the flow of these funds designated for stock purchases drop below the $15 million a day level. Therefore, once the panic selling subsided, a recovery in stock prices was inevitable. It was logical for the recovery to start with the shares of electric utilities and brand-name companies serving consumers, since investors had come to recognize that those lines had scored splendid gains during the postwar period and were essentially immune to the cyclical fluctuations of general business.

In the realm of economics, businessmen did cut back on their appropriations made for new plants during the second quarter of 1962. However, when the booming auto and appliance sales made it clear that business was not in for a letdown, the trend was reversed by the fourth quarter. Since it takes more than six months before the new appropriations are translated into actual construction contracts and production orders, no appreciable letdown occurred in the industrial capital goods lines, while consumer lies actually soared in complete disregard of the market break.

By fall, institutional buying had spread into the general list of high grade equities and, by the spring of 1963, investors are looking with favor on lines whose earnings had been depressed by the overcapacity built up in the mid-1950's. Papers, oils, chemicals, and metals have seen such satisfactory gains in consumption that by 1963 their pressure of idle capacity has lessened to more normal competitive proportions, and the efficiencies inaugurated under conditions of severest competition are beginning to pay off.

From the break in May 1962 until early April 1963, the speculative public had been out of the market. Therefore, the buying which has brought about such a general recovery in the price of blue chip equities has not yet carried into the less seasoned areas of the market which had been so popular before the break.

It is interesting to note how the quality of the investment buying during the recovery has been tested by major outside developments including—

(1) the Cuban crisis in October; and

(2) the exclusion of Britain from the European Common Market in January.

If an appreciable volume of stock had rested in weak hands both developments would have set off selling waves. However, in neither instance did any material investment selling develop, and—

(1) after the dissipation of the Cuban crisis the market moved sharply higher; and

(2) despite the fundamental setbacks given by de Gaulle to both the economic and political prospects of the NATO Alliance, the market was able to resume its advance.

When the Administration accepted selected price increases for steel in April 1963, the public began to return to the market from which they had retreated after their disillusionment in May 1962.

Business Factors

May 1963 finds the stock market, as measured by the Dow-Jones Industrial Averages, on the verge of testing their 1961 highs. If they move into new high ground it will be a more balanced advance, since in 1963 the prospects of the oils and metals — which lagged from 1958-62—seem much improved.

At the year end, there was such real concern that business would face a correction in 1963 that the Administration introduced a tax cut program embellished with severe overtones of reform. As we enter the summer, the economic qualms on the domestic front have disappeared and many foresighted investors now expect—

(1) the Gross National Product to top $585 billion as compared to estimates placed below $580 billion at the 1962 year end;

(2) industrial production to score a record high in 1963;

(3) consumers' demand to broaden, since the 1962-63 boom in consumers' sales has been paralleled by an even more impressive boom in their savings;

(4) the critical unemployment totals to decline; and

(5) corporate earnings to move ahead as the funds spent for efficiencies over the past five years begin to pay off.

General Motors has endorsed this sanguine thinking re domestic affairs by declaring an unexpected midyear extra of 50 cents a share.

Insensitivity of Stocks to World Problems

While the world picture is far less clear, even professional investors are less informed and less concerned with implications of world problems. There is a tendency to dismiss these problems as chronic rather than pressing. Therefore the market tends to accept—

(1) the continuing crisis in our dollar payment gap. Some investors expect it will be alleviated by a general revaluation of gold, and others are reassured by the fact that the central banks appear willing to cooperate and assist rather than penalize either British or American governments for deliberately running internal deficits;

(2) Britain's exclusion from the Common Market as temporary;

(3) the economic setback in South America as a prelude to a more stable economic climate, since the Japanese are willing to step up their investments in that area;

(4) the problems of Africa as essentially belonging to Europe; and

(5) the danger of hostilities in Southeast Asia as controllable, since it is felt that the Soviets would lose about as much in this area as the West, if China is successful in sponsoring aggressions.

The stock market has had a very poor record in forecasting adverse foreign developments, including Munich, World War II, the fall of France, Pearl Harbor, and Korea, because American investors have never been sufficiently aware of developing foreign problems to anticipate them prior to their development into actualities.

There is even less reason to expect the 1963 stock market to be any more sensitive to developing foreign problems than the stock markets of the past, since—

(1) an increasing flow of new money seeking investment will be coinciding with better domestic earnings prospects; and

(2) the long range character of the buying can be expected to take a long range view of foreign problems, which shows that investment values have in due course prevailed over such shocking interludes as World War I and II and Korea.

Today's Market

As the Dow-Jones Industrials approach their previous highs, the public is apt to view this level as a dangerous one, while the professional investors feel that the current earnings and dividend prospects give the peak level of $734.91 far better support in 1963 than they did in 1961. In 1963 the professionals expect—

(1) the Dow-Jones Industrials earnings to run above $38 for the year 1963, and by the fourth

quarter these earnings may top $10 and be running at a $40 rate;

(2) their dividends to total above $25 and to be running above a $26 rate by the year end; and

(3) the shortage of high grade equities to become more pressing as the public returns to the stock market.

If these forecast are realized, the previous peak of $734.91 would represent a current price/earnings ratio of between 18 and 19 times rather than 23 times as it did in late 1961. The prospective dividend payments promise to supply a dividend yield of approximately 3.5% vs. the 3.1% yield as of December 1961.

If Congress does cut taxes, it is expected the corporate income tax rate will be cut from 52% to 48% and possibly 47%. The reforms seem dead and the most likely struggle will be over how the personal income tax relief should be divided as between those in the high and those in the lower income tax brackets. If the corporate income taxes are cut by only 4 percentages points to a 48% level, this cut would automatically boost the earnings of the Dow-Jones Industrial Averages by over $3, and the stimulus to business should carry the gain well above $4. Therefore, a combination of better business and tax relief might boost the earning power of the blue chip equities by as much as 20% above their 1962 levels.

Since the depreciation guidelines and the capital credits established in 1962 have increased their cash flows, most blue chip companies should be able to pass along around two-thirds of resultant increased earnings in the form of higher dividends. Therefore, the tax cut now under consideration could boost the Dow-Jones Industrial Average dividends to well above the $28 level.

How High Is Up?

As the market recovery carries prices of highest grade equities to their 1961 peak levels, we have noted—

(1) the earning and dividend prospects are much improved;

(2) the relationship between the supply of and the demand for high grade equities is stronger today than in the winter of 1961; and

(3) the ridiculous prices of the glamor stocks have been corrected and the prices of the unseasoned issues presently reflect their lack of investment status, so that ill-informed speculative positions are no longer a market liability.

Therefore, the domestic factors point to a higher level of prices and a probable return to the price/earnings relationships and dividend yields which existed at the previous peak in December 1961. If this transpires, the market may very well gain as many points between the peak in 1961 and the next top as it did between the peak in 1957 and 1961.

Common Sense

Because the market appears to be moving to price relationships that in the past have proved unrewarding, the thougtful should realize that the higher the prices go the less the inherent value of the equity, because—

(1) a cut in corporate taxes cannot be repeated indefinitely;

(2) consumer booms do not last forever;

(3) labor will continue to push for higher and higher wages;

(4) wholesale prices will not be as flexible on the upside as they were between 1954-1957, so profit margins will be more sensitive to competition; and

(5) even if the glowing prospects do materialize, the Dow-Jones Industrial Averages will be lucky to show a 20% gain in their earning power by 1964 over the $35.78 earned in 1955.

While family formations within the U. S. will expand rapidly in the late 1960's, the American economy cannot expect to be stimulated over the next decade as it has been stimulated over the past decade by—

(1) our tremendous peacetime defense spending;

(2) our expenditures by military and economic aidto the Free World; and

(3) the unprecedented spiral in spending on the part of state and local governments, now aproaching the limit which taxpayers can bear and the borrowing limits which their credit can support.

Economic Problems Abroad

Because the success of the European Common Market has so fired the imagination of American businessmen and investors, very little concern is felt over what may be a deteriorating world picture. However, those following world affairs do concern themselves with the less promising prospects that are developing.

Instead of becoming a bridge that seemed destined to expand the trade of the Free World in the way trade has expanded on the Continent of Europe, the ECM under de Gaulle's domination seems to be developing into—

(1) a trade block that will challenge our position in the export market; and

(2) a divergent military force which will leave us with the major cost of protecting both Berlin and Europe on the ground, while France seeks to develop its own "force de frappe" on a budget that seems to our military establishment to be entirely inadequate.

If these divergent trends should carry into the realm of finance, we may very shortly have to face up to some unpleasant realities. Since last fall the central banks have cooperated to offset the continuing drains against the dollar and the pound, even though the governments of both countries are following policies which are almost bound to create sizable domestic budgetary deficits. While this cooperation continues, it offsets the essential inadequacy of the gold reserves, the maldistribution of the gold reserves, and our continued balance of payments deficit. If this cooperation were to falter without the leadership of Per Jacobsson, we might be faced with a dollar drain, and to check it we might have to drastically cut our international aid to curb capital exports or America travel. Any of these alternatives would have a deflationary effect on world trade that would in due course have an influence on both American businessand domestic profits.

If a gold crisis were to force us into such deflationary moves, it would not only curtail our participation in world trade but also severely embarrass both the ECM and the underdeveloped countries. To a considerable degree the prosperity of the ECM has rested upon their sale of equipment, etc., to the underdeveloped countries on credit terms that have been very generous. Since prices of raw materials sold by the underdeveloped countries have fallen by about 10% since 1953 and the prices of the goods they buy have risen by a like amount, the credit positions of these underdeveloped countries have persistently deteriorated. To date the generosity of our international aid has provided them with the funds needed to service their debts and prevent a showdown. If we cut back on our generosity and the ECM countries do not take up the slack, it would seem that a showdown would be inevitable. Such a showdown would curtail world trade, and the strain would probably shatter the unusual cooperation we have seen between the central banks.

Political Problems Abroad

While American emotions center on Cuba, there exists a real danger that other Latin American countries may be in for comparable economic and politicial problems unless the OAS proves far more effective in alleviating their dire proverty than it has to date.

The situation in the Congo continues confused, since the U. N. will apparently run out of funds and will have to reduce materially the size of the United Nations forces which have kept some semblance of order in that country. Since a number of British colonies are scheduled to get their independence over the next 20 months, there is a continuing danger that the transfer of political power may prove as premature as it did in the Congo and the economic results about as unsatisfactory.

It is too early to say whether the brittle union of Egypt, Syria, and Iraq will actually threaten the existence of Israel and the oil rich governments of Saudi Arabia and Kuwait where our international oil companies have such major stakes.

However, as we enter the summer of 1963, Southeast Asia appears to be the most dangerous area of all. The governments we have backed in Laos and South Vietnam seem unable to get their troops to fight the guerrillas supplied by the Chinese. We are, therefore, assuming greater and greater military liabilities to keep them from collapse. China continues to apply direct pressure on India, who takes our aid but still remains neutral in attitude but essentially friendly with the U. S. S. R. Since their dispute with Pakistan over Kashmir remains unresolved, the Pakistani, who have been our SEATO allies, are deeply concerned as to whether the military strength which our help is giving India will be used against them instead of China. Since India cannot stand up to China without our help and since she refuses to deal realistically with Pakistan on Kashmir, British-American diplomacy is facing a dangerous dilemma.

To make matters even more complicated in this area, the economically incompetent government of Indonesia—well supplied with Russian military equipment—seems headed for a showdown with Malaya, which is economically very competent but militarily entirely unprepared. This showdown may determine whether the vast economic wealth of Southeast Asia will remain available to the West or fall behind the Iron or Bamboo Curtains.

World Problems and the Market

The stock market has a very poor record in forecasting foreign development, since it failed to anticipate Munich, World War II, the fall of France, Pearl Harbor, and Korea. This was due to American investors' unfamiliarity with the nature of the problems leading up to these crises. Since the major pressing problem of most institutions is to find suitable investments for their incoming funds, they are not apt to pay too much advance attention to the economic and political dangers on the international scene. In most cases, the dangers seem to professional investors to be both remote and chronic rather than of immediate and pressing concern. While the market can be expected to ignore both the economic and political world problems until they reach crisis proportions, the individual investor would be wise to follow these developments, since stocks bought at or near their all-time highs are bound to be vulnerable to developments so unfavorable that they may dictate the direction of our economy as they did in the monetary crisis of 1931 and the military crises of 1939-41 and of 1950.

Selections

In order to participate in the current improvement in domestic business, which is based upon the continuing boom in consumers' buying and the prospect of a tax cut, the best areas of values would seem to be found among—

(1) the raw material industries, which are just beginning to catch up with the capacities put in place during the middle 1950s—such as oils, papers, chemicals, and nonferrous metals;

(2) the machinery and machine tool industries, which are benefiting from the changes made last year in depreciation provisions and should be further benefited by any cut in corporate taxes that will provide corporations with more funds for cost cutting equipment; and

(3) the consumer and services lines already benefiting from the record demand of the American consumer.

In making selections in these areas, the investor would be extremely wise to be sure that the managements of the companies chosen are "competitively competent," since—

(1) business booms don't last forever;

(2) the business cycle will inevitably intensify pressures on profit margins at some point in the future; and

(3) the international outlook is such a troubled one.

An investor's best single protection is the certainty that the company he buys into has a competitively competent management. Competition cannot be overemphasized as an investment factor. Competition in the 1960s has expressed itself over a wider front than ever before. No longer is competition contained within any particular industry, but makes itself felt by—

(1) products crossing industrial lines, as both aluminum and prestressed concrete have moved into the markets previously controlled by steel;

(2) the appearance of new products which obsolete existing ones, i. e., the nickel-cadmium battery or new nylon formulas, which are having such effects upon the houseware and textile markets; and

(3) imports from foreign countries, where labor costs are so much lower, and, in the case of minerals, where the deposits are of such high grade quality.

By buying into competitively competent managements, the 1963 investor is providing himself with the best possible hedge against —

(1) the high price-times-earnings ratios which must be paid, since these are the companies which are and will continue to be the favorites of the institutional investors;

(2) the danger that some of a company's major lines will become technologically obsolete;

(3) the pressure of rising costs; and

(4) the danger of world dislocations harming American business.

*An address by Mr. FitzGerald at the Annual Convention of the Financial Analysts Federation, Chicago, Ill., May 15, 1963.

Dir. of Lehman Corp.

Charles B. Thornton, Chairman of the Board and Chief Executive Officer of Litton Industries, Inc., has been elected a director of The Lehman Corporation, it has been announced by Robt. Lehman, President.

Charles B. Thornton

Mr. Thornton is a Director of the United California Bank; Los Angeles Times Mirror Company; Union Oil Company; Western Bancorporation; and Cyprus Mines Corporation. In addition he is a member of the Board of Trustees of the University of Southern California; the Harvey Mudd College of Science and Engineering; a member of the California Institute Associates and a member of the Defense Industry Advisory Council of the Department of Defense.

During World War II, he served as a Colonel in the United States Army Air Force. Following service with the Air Force, in January 1946, he joined the Ford Motor Company as director of Planning, and in 1948 he became Vice-President and Assistant General Manager of Hughes Aircraft Company.

In late 1953 Mr. Thornton became President and Chairman of the Board of Litton Industries, Inc., and in 1961, Chairman of the Board and Chief Executive Officer of that company. Litton, with more than 43,000 employees, now has 82 engineering laboratories and manufacturing plants with more than 2,000 sales and service branches located throughout the United States and in 94 countries in the Free World.

Secondary For Alcoa

The First Boston Corp., New York, reports that a secondary offering of 250,000 common shares of Aluminum Co. of America at $62.25 per share made on the New York Stock Exchange, May 21, was all sold.

Proceeds will accrue to the selling stockholder.

Headquartered in Pittsburgh, Alcoa and its subsidiaries constitute an integrated producer and fabricator of Aluminum.

NEWS ABOUT BANKS AND BANKERS

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

Directors of the **First National City Bank, New York,** on May 21 promoted three of its employees to the rank of Vice-President. They were Leo E. Denlea, James G. Gaffney and Robert W. Feagles.

* * *

First National City Bank, New York, on May 15 opened a branch in Tarrytown, New York, at 92 N. Broadway. This is the bank's 107th branch in the metropolitan area and sixth in Westchester County.

Heading the branch is Mr. William M. Sheridan. He is assisted by Warren V. Madden, Assistant Manager.

* * *

Charles F. Scheibe, assistant controller of the **First National City Bank, New York,** died May 18 at the age 53.

Mr. Scheibe was assistant controller at the bank for nine years. He had been with First National City 37 years.

* * *

Chemical Bank New York Trust Company, New York, has elected Dr. Courtney C. Brown to its West Side Advisory Board, it was announced May 22 by Harold H. Helm, Chairman.

* * *

The election of John B. Harrison as an Assistant Treasurer of **The Marine Midland Trust Company of New York** was announced May 20. Mr. Harrison will be assigned to the International Banking Department.

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The **Empire Trust Company, New York,** elected James E. Dingman a Director.

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It was announced May 20 by Clinton L. Miller, President of **The Dime Savings Bank of Brooklyn** that Edwin M. Stanton and George M. Culver were named Assistant Secretaries while John P. Tuohy was promoted to Assistant Mortgage officer.

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The Franklin National Bank of Long Island, Mineola, N. Y. promoted James S. Boshart to the National Correspondents Banking Division and J. D. Milford to Assistant Vice-President and Manager of the Farmingdale branch.

* * *

Mrs. Margaret K. Moran, senior teller in the Mount Kisco office of The County Trust Company, White Plains, N. Y. marked her 35th anniversary with the bank last week.

Mrs. Moran entered banking in 1928 with the **Trust Company of Northern Westchester, Mount Kisco,** later the **Insurance Loan Trust Company.** This organization merged with the **Trust Company of Larchmont** in 1940, changing its name to **The Bank of Westchester.** In 1947, this bank became part of The County Trust Co.

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The **Putnam Trust Co. Greenwich, Conn.** elected Frank J. Coyle a Director.

* * *

The **Central Home Trust Company, Elizabeth, N. J.** elected Ralph Ingersoll, and Leonard Diener, Directors.

* * *

The **Provident Tradesmens Bank and Trust Company, Philadelphia, Pa.** will open a new Branch Bank at 132 Butler Avenue, Ambler, Pa. on June 1.

* * *

G. Howard Arensberg, Jr., and David J. King have joined **Western Pennsylvania National Bank, Pittsburgh, Pa.** as Assistant Controllers.

* * *

The **Warren Bank and Trust Company, Warren, Pennsylvania,** and the **Titusville Trust Company, Titusville, Pennsylvania,** merged on May 6 under the charter of Titusville Trust Company and title of **The Pennsylvania Bank and Trust Company.**

* * *

Llewellyn A. Jennings will resign on June 7 as Executive Vice-President of the **Dallas Republic National Bank, Dallas, Texas,** to become Chairman and Chief Executive Officer of the **Riggs National Bank Washington, D. C.**

* * *

Robert K. Landrum has been elected President and Chief Executive Officer of **Wood County Bank, Parkersburg, W. Va.** He succeeds Julius Stern who was elected Chairman of the Board.

For the past three years, Mr. Landrum, a native of Lexington, Kentucky, has been head of the Business Development Corporation, Louisville, Ky., owned by 167 banks, 21 insurance companies and 42 other Kentucky businesses.

Mr. Landrum started his banking career in 1949, joining the trust department of **Security Trust Company of Lexington, Ky.** In 1956 he became a Vice-President and Director.

* * *

Donald P. Welles, Executive Vice-President and Director of **Harris Trust and Savings Bank, Chicago, Ill.** completed 40 years with the bank May 14.

Mr. Welles was associated with the **Chicago Trust Company** before joining Harris Bank in 1923. He was elected Assistant Cashier in 1925, Assistant Vice-President in 1930, Vice-President in 1939, Senior Vice-President in 1956, Director in 1958 and Executive Vice-President in 1960.

* * *

The Comptroller of the Currency James J. Saxon on May 15 announced that he has given preliminary approval to organize a National Bank in Midwest City, Oklahoma.

Initial capitalization of the new bank will amount to $510,000 and it will be operated under the title **"American National Bank of Midwest City."**

* * *

The Comptroller of the Currency James J. Saxon on May 15 announced that he has given preliminary approval to organize a National Bank in Lufkin, Texas.

Initial capitalization of the new bank will amount to $320,000 and it will be operated under the title **"Citizens National Bank of Lufkin."**

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The **Arizona Bank, Phoenix, Ariz.** elected Robert E. Wilson a Vice-President.

* * *

The Comptroller of the Currency James J. Saxon on May 13 announced that he has given preliminary approval to organize a National Bank in Aurora, Colo.

Initial capitalization of the new bank will amount to $505,000, and it will be operated under the title **"Aurora National Bank."**

* * *

Elliott McAllister, Chairman of the Board of The Bank of California, N. A., San Francisco, Calif. announced the following official appointments and changes.

Harvey H. Pasic was advanced to Vice-President and Trust Officer at Tacoma office, and Henry M. Kime was appointed Assistant Vice-President attached to the Cashier's Department at Head Office.

Three Trust Officers appointed were Robert G. Funston at Head Office, and Thomas L. Channell and L. Donald Damato at Southern California Headquarters, Los Angeles.

Four new Assistant Cashiers were appointed. Gilbert B. Small, Jr., at Head Office, Robert Edward Yates at Auburn Office, Bruno P. Pardini at Berkeley, and Lloyd L. Aubert, Jr., at Southern California Headquarters.

Advanced to Assistant Auditor at Southern California Headquarters was James R. Kelley.

* * *

The Comptroller of the Currency James J. Saxon on May 16 announced that he has given preliminary approval to organize a National Bank in West Covina, California.

Initial capitalization of the new bank will amount to $1,000,000, and it will be operated under the title **"Citrus National Bank."**

Safanie, Director

Murray D. Safanie, Directing Partner of Shearson, Hammill & Co., New York City, has been elected to the board of directors of Park Electrochemical Corp.

Murray D. Safanie

Mr. Safanie, who joined the investment firm of Shearson, Hammill & Co. in 1926, is now its Directing Partner and is also Chairman of the Board of Interstate Department Stores. He is also a director of Reece Corporation, Felmont Petroleum Corporation, Pittsburgh Steel Company, and Devoe & Raynolds Co., Inc.

Early in his career, Mr. Safanie was a special auditor for the U. S. Treasury Department in determining U. S. Steel Corporation's excess profit tax liability to the Federal Government during World War I. He is a former Governor of the New York Stock Exchange.

During World War II, he served as special assistant to the Secretary of the Navy. Mr. Safanie was later decorated with the Navy's two highest civilian service medals, the Distinguished Civilian Service Medal and the Distinguished Navy Public Service Medal.

As We See It

Continued from page 1

in more governmental charity.

There is apparently no recognition in this document or elsewhere for that matter of the fact that our own efforts to relieve this, that and the other element in the population are in some measure at least responsible for this state of affairs—and certainly none that mere charity is no real solution. Now, of course, we have always had the poor with us, and we have always had the aging and the aged with us. The lot of both certainly has not always been what we should like to see it. In a degree the care of these people have in one way or another always been a charge on the output of those who are active and productive. But the situation is now worse by reason of the fact that so many of the policies and programs of government, particularly at the national level, have not only not encouraged the rank and file to provide for their own old age but have actually encouraged them not to do so.

Many, not particularly thoughtful of such matters, have been led by promises of "social security" and the like to feel much less inclined to make the sacrifices throughout their lives necessary to independent competence during the later years. The ease with which most of them could borrow money—for which the Federal Government must take at least part of the responsibility—and the evident desire of the economic managers at Washington to promote consumption expenditures by whatever means are at hand, have done nothing to promote prudent management of one's private affairs. Nor can government escape all of the responsibility for the practice of "retiring" men and women long before they have really reached the age of nonproductiveness. Then, of course, this undesired status of the aging is in some measure a part of the general unemployment situation, responsibility for which, as we have often asserted, can not be wholly escaped by government itself.

Those "Downtrodden" Wage Earners

Our efforts over a good many years to relieve the "downtrodden" wage earner are also bearing conspicuous fruit. Just now monopolistic labor is demanding lines of action from the Federal Government which are obviously fraught with serious danger, and the attitude of the public toward these organizations is such that no national government — and probably few of the larger local governments —find it easy to deny them what they demand. Not only that, but we have permitted, nay encouraged, the development of tight monopolies in the field which have regularly been able to exact wages and other concessions from employers that could hardly be conducive to economic health and real progress. It is not only in the railroad industry that "featherbedding" has grown to adult proportions, although it may have got its first solid foothold there. In any event, the whole matter is now conspicuously in the public eye in the railroad industry where other types of government regulation have placed an additional burden upon the companies.

One of the most expensive relief operations is, of course, to be found in agriculture. They have been incredibly expensive merely on the basis of the subsidies we have been paying the farmers and apparently expect to continue to pay, but likewise in other directions. Many producers which might well be supplying various types of needed goods in other lines have been held on our farms to bring us nothing of any real value. Then, of course, the price that the consumer is required to pay for farm products and the things made from them is the higher by reason of the "support" operations of the government. These and certain technological developments are more and more converting what President Hoover once called "a way of life" to a form of big business. Relief to the farmer has been and is a very expensive business.

Most Expensive of All

Probably the most expensive of all, though difficult to trace in detail, have been the programs designed to relieve us all of what is called the "sluggish" rate of economic growth. These efforts have become interwoven with other new-fangled programs and activities, and doubtless have effects not now recognized, but very few if any which one could reasonably be called good. They range the whole gamut from fiscal irresponsibility to tinkering with the financial mechanism. A great deal is being said about relief from taxation, but little that makes very much economic sense. Meanwhile, the rank and file seem to be showing a desire to have taxes come down without reference to the very serious defects of the present system or to the fact that somehow, somewhere, the government has to replace tax collections, if expenditures are to continue unabated and funds are being spent at an inexcusably rapid rate despite repeated protestations from Washington.

All this and much more which could be cited present a horribly "tangled web" to those who have the responsibility of managing enterprises. The web is particularly tangled which confronts those who must make and execute credit policies. This was always a difficult and intricate task, but now it must be undertaken under conditions which historically do not ordinarily confront central banks.

Twin City Bond Club Outing

MINNEAPOLIS - ST. PAUL, Minn.—The Twin City Bond Club will hold its 42nd annual outing at the White Bear Yacht Club, White Bear Lake, Minn. on Thursday, June 13th. A cocktail party June 12th at the Nicollet Hotel will precede the outing.

Tariff for guests is $30; for Club members, $3 for the cocktail party; $8 for non-golfing members, and $12 for golfing members.

Members of the 1963 picnic committee are:

General Chairman: Harry B. Johnson, Caldwell Phillips, Inc., St. Paul.

Registration: Brace Bennitt, Piper, Jaffray & Hopwood, Minneapolis.

Cocktail Party: Robt. A. Krysa, Paine, Webber, Jackson & Curtis, Minneapolis, and Wallace K. Fisk.

Publicity: Stanley R. Manske, Bratter & Co., Inc., St. Paul.

Transportation: Richard D. Sandahl, Kalman & Company, Inc., Minneapolis.

Entertainment: Hubert G. Ferguson, Blyth & Co., Inc., Minneapolis.

Tennis & Horseshoes: Leighton Borin, National Securities & Research Corp., Minneapolis.

Golf: William T. Price, American National Bank, St. Paul.

Bridge and Gin Rummy: Donald M. Griffiths, Piper, Jaffray & Hopwood, Minneapolis.

Boating: J. Dan McCarty.

Prizes: Robert G. Davis, Piper, Jaffray & Hopwood, Minneapolis, William E. Ritt, Merrill Lynch, Pierce, Fenner & Smith Inc., Minneapolis, and Fred E. Wobig, Merrill Lynch, Pierce, Fenner & Smith Inc., St. Paul.

Prize Solicitations: Nicholas V. Schaps J. M. Dain & Company, Inc., Minneapolis; and Walter R. Hansen, Caldwell Phillips Inc., St. Paul.

L. E. Shaughnessy, Jr., Shaughnessy & Company, Inc., St. Paul, is President of the Club.

NSTA NOTES

BOND CLUB OF DENVER

The Bond Club of Denver will hold its Annual Summer Carnival at the Rolling Hills Country Club on June 28-29. Reservations may be made with Burney Cowsert, Boettcher and Company.

BOND CLUB OF PHOENIX

The Bond Club of Phoenix has elected the following new officers for 1963-64.:

Carl T. Swanson

James F. McGinnis

Peter J. Ratigan

President: James F. McGinnis, Shearson, Hammill & Co.
Vice-President: John F. Rabe, E. F. Hutton & Company, Inc.
Secretary: Carl Swanson, First National Bank of Arizona.
Treasurer: Peter Ratigan, A. G. Edwards & Sons.

KANSAS CITY SECURITY TRADERS ASSOCIATION

The Kansas City Security Traders Association will hold its Annual Summer Party June 13 and 14. Cocktails and Calcutta will be held Thursday night, June 13 at the Hilton Inn. A Calcutta Golf Tournament followed by a dinner will be held Friday, June 14 at the Meadowbrook Country Club. Tariff for the entire party is $30 and reservations should be made with Robert L. Goss, Barret, Fitch, North & Co., Inc.

STANY GLEE CLUB

The STANY Glee Club will hold its 9th Annual Dinner and Dance at the Plaza Hotel on Friday evening, May 24.

The Singers will present "High-lights of the Song World," a special program arranged and conducted by Salvatore Rappa, Mergott, Rappa & Co., Inc., Director of the musical group.

Mr. William Sabah of Winslow, Cohu & Stetson is in charge of the arrangements for the 300 guests and their wives.

SECURITY TRADERS ASSOCIATION OF NEW YORK

The Annual Dinner of the STANY Bowling League will be held Thursday, June 6 at White's Restaurant, 344 West 57th Street, New York City.

Reservations may be made with Roswell J. Yunker, A. M. Kidder & Co., Inc., or Sylvester Bies, Edward S. Ladin Co.

To Study Equity Capital Demand

CHICAGO, Ill.—S. M. Rubel & Associates, 53 West Jackson Boulevard, is pleased to announce that the firm has been chosen to perform a basic study of supply and demand for long term equity type capital for the Small Business Administration.

This broadly based study will measure the amount of venture capital available to finance small businesses and their need for such financing. The firm will concentrate its attention on the New York area. A study of this magnitude covering all sources of venture capital including SBICs has never before been made and it is expected that very significant information will be developed regarding the character and quantity of venture capital available to small business.

The study will also measure for the first time, the specific amount of venture capital felt to be required for the small businesses served by the New York financial area.

S. M. Rubel & Associates will perform the study with the assistance of Armour Research Foundation and Dr. S. J. Flink of Rutgers University. The study could well have important ramifications for SBICs, competing sources of venture capital, and the small businesses in the area needing this type of financing.

S. M. Rubel & Associates, Chicago based financial and management consulting firm, also publishes SBIC Evaluation Service, the only continuous analysis of SBICs and their investments.

Lucas Branch Mgr. For Frost, Read

COLUMBIA, S. C.—D. Jennings Lucas is now Resident Manager for the Columbia office of Frost, Read & Simons, Inc., Barringer Building. Mr. Lucas for many years was an officer of G. H. Crawford & Co., Inc.

Reynolds & Co., Francis I. duPont & Co. Acquire Offices of A. M. Kidder & Co.

One of the most unusual acquisitions on Wall Street in many years was announced by partners and officers of three of the largest New York Stock Exchange member firms.

Under the terms of the agreement, Reynolds & Co., 120 Broadway, and Francis I. duPont & Co., One Wall Street, have agreed to acquire all 39 offices of A. M. Kidder & Co., Inc., also of One Wall Street. The announcement of the changes was made jointly May 21 by John D. Baker, Jr., senior partner of Reynolds & Co., Edmond duPont, senor partner of Francis I. duPont & Co., and C. Michael Paul, President and Board Chairman of A. M. Kidder & Co., Inc.

A. M. Kidder & Co., Inc., whose business was established in 1865, and whose name has been synonymous with outstanding service to investors for almost a century will transfer twenty-six of its offices to Reynolds & Co., and the remaining thirteen to Francis I. duPont & Co., effective June 3. Thereafter, A. M. Kidder & Co., Inc. will no longer be actively engaged in the securities business.

Richard M. Barnes, a Vice-President of A. M. Kidder & Co., and manager of the unlisted stock trading department, will with members of his staff join the New York Stock Exchange firm of Burnham and Company, 60 Broad Street, New York City.

The agreement calls for the transfer of 24 Kidder offices in Florida, plus one each in Newark and Detroit, to Reynolds & Co. Reynolds will consolidate Kidder's Newark office into the existing Reynolds office in Newark. Thirteen Kidder offices will be transferred to Francis I. duPont & Co., including those in New York, Georgia, Tennessee, New Hampshire, Connecticut, Vermont, and Canada.

Both Reynolds and Francis I. duPont offer complete investor services in listed and unlisted stocks and bonds, tax-exempt securities, commodities, mutual funds, and new and secondary issues. Both firms maintain extensive research facilities and are connected with their branches and correspondents in key cities by a direct wire system. The wide range of modern brokerage and investment services offered to its customers by A. M. Kidder & Co., Inc. over the years will not only be carried on by Reynolds and Francis I. duPont & Co., but in many cases will be extended as a result of the transfer.

It is anticipated that employees of A. M. Kidder & Co., Inc. will be absorbed into the Reynolds and Francis I. duPont organizations.

As a result of the arrangement Reynolds & Co. with headquarters at 120 Broadway, will have approximately 650 account executives. Mr. Baker pointed out that the new offices will give Reynolds greater strength in several key geographical areas. Florida, he said, represents one of the most dynamic growth areas for the investment business, and Detroit has long been looked on as a key city.

A. M. Kidder branches to be acquired by Reynolds & Co. are located in Boca Raton, Bradenton, Clearwater, Cocoa Beach, Coral Gables, De Land, Ft. Lauderdale, Hollywood, Jacksonville, Lakeland, Miami, Miami Beach, Ocala, Pompano Beach, St. Petersburg, St. Petersburg Beach, Sarasota, South Miami, Stuart, Tallahassee, Tampa, Tarpon Springs, and Winter Park, Fla; Detroit, Mich.; and Newark, N. J.

Francis I. duPont & Co. will acquire A. M. Kidder branches in One Wall Street; Atlanta, Ga.; Bridgeport, Conn.; Burlington, Rutland and St. Johnsbury, Vt.; Claremont, N. H.; Chattanooga, Tenn.; Great Neck and Roslyn, L. I.; Montreal and Toronto, Canada and Plattsburgh, N. Y.

Francis I. duPont currently operates 81 branches in the United States and abroad, including offices in Lausanne, Switzerland, and Frankfort, Germany. With the acquisition of the A. M. Kidder offices, Francis I. duPont will extend its foreign operations into Canada for the first time. It will then operate over 90 branches across the U. S. and abroad. The number of registered representatives of Francis I. duPont & Co. will be in excess of 1,000 as a result of the transaction.

Barnes to Join Burnham & Co.

Burnham and Company, 60 Broad St., New York City, members of the New York Stock Exchange, have announced that, effective June 3, they will operate a bank, insurance and high grade industrial stock department under the direction of Richard M. Barnes, formerly a Vice-President and Director of A. M. Kidder & Co., Inc.

Richard M. Barnes

The announcement was made by I. W. Burnham II, senior partner.

Mr. Barnes for many years has been Vice-President and Manager of the unlisted stock trading department of A. M. Kidder & Co., Inc. All the personnel in that department will join Burnham & Co.

Economic Education Panel to Be Held

What is expected of economic education in the schools will be the topic of a panel discussion at the annual meeting of the Board of Directors of the New York City Council on Economic Education, Monday, May 27, at 2:30 p.m. The meeting will take place in the lounge of Carnegie Endowment for International Peace, 345 East 46th Street.

Superintendent of Schools Calvin E. Gross will preside. Participants will include Morris Iushewitz, Secretary of the New York City Labor Council, AFL-CIO, and a member of the Board of Education; Dr. E. Sherman Adams, Vice-President, First National City Bank, and Dr. Arnold W. Sametz, Professor of Economics in the New York University Graduate School of Business Administration.

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 furnishes electricity and telephone service to 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. **Offering**—Indefinite.

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

All-State Properties, Inc.
April 24, 1962 filed $5,000,000 of conv. subord. debentures due 1977. **Price**—At par. **Business**—Company and subsidiaries conduct a general real estate business with emphasis on land development and home construction in Fla., Md., N. Y., and Ky. **Proceeds**—For repayment of debt. **Office**—230 Park Ave., N. Y. **Underwriters**—To be named.

Amerel Mining Co. Ltd.
July 31, 1961 filed 400,000 common shares. **Price**—50¢. **Business**—The company is engaged in exploration, development and mining. **Proceeds**—For diamond drilling, construction, exploration and general corporate expenses. **Office**—80 Richmond St., W., Toronto. **Underwriter**—E. A. Manning, Ltd., Toronto.

American 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 Biltrite Rubber Co., Inc. (5/28)**
May 1, 1963 filed $5,000,000 of convertible subordinated debentures due May 1, 1983. **Price** — By amendment. **Business** — Company produces a variety of rubber and vinyl products. **Proceeds**—For prepayment of loans. **Office**—22 Willow St., Chelsea, Mass. **Underwriter**—Goldman, Sachs & Co., New York.

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.

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.

Atlantis International Corp.
April 30, 1963 filed 100,000 common. **Price**—$4. **Business**—A real estate development company. **Proceeds**—For debt repayment, property improvement, and working capital. **Office**—700 Park Ave., Plainfield, N. J. **Underwriter**—S. Schramm & Co., Inc., New York. **Offering**—Expected in July.

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.

Automatique, Inc. (6/3-7)
April 26, 1963 filed 254,975 common, of which 185,000 are to be sold by company and 69,975 by certain stockholders. **Price**—By amendment (max. $8.25). **Business**—Company, through subsidiaries and joint ventures, is engaged in the general vending and food service business. **Proceeds** — For acquisitions, debt repayment, and other corporate purposes. **Office** — 2540 West Pennway, Kansas City, Mo. **Underwriters**—Kidder, Peabody & Co., Inc., New York, and Barret, Fitch, North & Co., Inc., Kansas City.

● **Bank "Adanim" Mortgages & Loans, Ltd. (5/27-31)**
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., New York.

● **Big G Corp. (6/3-10)**
April 17, 1963 ("Reg. A") $100,000 of 7% convertible debentures due 1968, and 25,000 common shares to be offered in units of one $100 debenture and 25 shares. **Price**—$287.50 per unit. **Business**—Operation of licensed departments in department stores, selling clothing, records, pocketbooks, sporting goods, greeting cards, etc. **Proceeds**—For inventory, expansion and debt repayment. **Office** — 550 5th Ave., New York. **Underwriter** — A. J. Davis Co., Pittsburgh.

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. **Offering**—Imminent.

Brown Engineerng Co., Inc. (5/27-31)
May 2, 1963 filed 110,000 common, of which 50,000 will be offered by company and 60,000 by stockholders. **Price**—By amendment (max. $28). **Business**—Company is engaged in engineering and manufacturing activities in support of the research and development phases of space vehicle programs. **Proceeds**—For working capital. **Office**—300 Sparkman Dr., N. W., Huntsville, Ala. **Underwriter**—Goodbody & Co., New York.

Canaveral Hills Enterprises, Inc. (6/3-7)
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.

Capital Cities Broadcasting Corp. (6/12)
May 9, 1963 filed 250,000 common. **Price**—By amendment (max. $23.37). **Business**—Company owns and operates four TV stations and six radio stations; it also owns a 40% interest in Subways Advertising Co., Inc., which sells advertising space in the New York City subways. **Proceeds**—For selling stockholders. **Office**—24 East 51st St., New York. **Underwriter**—White, Weld & Co., New York.

Career-Ways Systems, Inc.
April 18, 1963 ("Reg. A") 100,000 capital shares. **Price**—$3. **Business**—Co. plans to keep an electronic filing system of skills for employment of members. **Proceeds**—For equipment, inventory, research and working capital. **Address**—Route 206 Center, Princeton, N. J. **Underwriter**—Chase Securities Corp., N. Y.

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. **Offering**—Imminent.

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 Corp. (6/10-14)
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. **Note**—This company formerly was named Chemair Electronics Corp.

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. **Offering**—Indefinite.

● **Clark Cable Crop. (6/24-28)**
April 25, 1963 filed 121,915 common. **Price**—By amendment (max. $6). **Business** — Manufacture and development of electronic, electrical, and mechanical systems and components; also wholesale distribution of electrical components. **Proceeds** — For selling stockholders. **Office**—3184 W. 32nd St., Cleveland. **Underwriter**—Fulton, Reid & Co., Inc., Cleveland.

● **Coastal States Gas Producink Co. (6/17-21)**
May 15, 1963 filed $50,000,000 first mortgage bonds series A due 1983. **Business** — Acquisition, development and operation of gas gathering systems, and the production and sale of natural gas, crude oil and condensate. **Proceeds**—For loan repayment, and working capital. **Address**—Petroleum Tower, Corpus Christi, Tex. **Underwriters** — Kuhn, Loeb & Co., First Boston Corp., and Paine, Webber, Jackson & Curtis, New York.

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 June.

Commonwealth Telephone Co. (6/3)
May 8, 1963 filed 71,460 common to be offered for subscription by common stockholders on the basis of one new share for each 10 held of record June 3, 1963. Rights will expire June 18, 1963. **Price**—By amendment (max. $29). **Business** — An independent telephone company serving portions of eastern Pennsylvania. **Proceeds**—For

loan repayment. **Office**—100 Lake St., Dallas, Pa. **Underwriter** — Eastman Dillon, Union Securities & Co., Philadelphia and New York.

Community Health Associations, Inc.
April 12, 1963 filed 150,000 common, of which 100,000 are to be offered by company and 50,000 by Harry E. Wilson, President. **Price**—$15. **Business**—Sale of hospital and surgical insurance contracts. **Proceeds**—For investment, sales promotion, and other corporate purposes. **Office**—4000 Aurora Ave., Seattle, Wash. **Underwriter**—None.

● **Consolidated Leasing Corp. of America**
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 repayment, and other corporate purposes. **Office**—1012 Baltimore Ave., Kansas City, Mo. **Underwriters**—A. C. Allyn & Co., Chicago and Walston & Co., New York. **Offering**—Imminent.

Consolidated Oil & Gas, Inc.
Feb. 28, 1963 filed $2,432,500 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 May 8. Rights will expire about June 8. **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**—To be named. **Note**—This registration was withdrawn.

Continental Reserve Corp.
May 13, 1963 filed 45,000 class B common. **Price** — $40. **Business** — Company plans to acquire, organize, and manage life, accident and health insurance concerns. **Proceeds** — For investment in subsidiaries. **Office**—114 East 40th St., New York. **Underwriter**—None.

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

Deuterium Corp.
Sept. 28, 1962 filed 120,000 common with attached warrants to purchase an additional 120,000 shares to be offered for subscription by holders of its stock and debentures in units (of one share and one warrant) on the basis of 3 units for each 5% prior preferred share held, 2 units for each 5% preferred A stock held and 40 units for each $1,200 face amount of non-interest bearing subordinated debentures held. At the same time, the company will offer the securities to the public. **Price**—To subscribers, $20; to public, $22.25. **Business**—Company plans to erect a small size production and experimental plant for the limited manufacture of deuterium and deuterium oxide, and to establish and equip a general research laboratory. **Proceeds**—For working capital, construction, equipment and other corporate purposes **Office**—360 Lexington Ave., N. Y. **Underwriter**—None.

Diversified Collateral Corp.
June 13, 1962 filed 77,050 common. **Price**—By amendment (max. $11.75). **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—8397 N. E. Second Ave., Miami, Fla. **Underwriter**—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. **Offering**—Imminent.

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.

Continued on page 30

NEW ISSUE CALENDAR

May 23 (Thursday)
New York Central RR.__________Equip. Trust Ctfs.
(Bids 12 noon EDST) $4,275,000

May 27 (Monday)
Bank "Adanim" Mortgages & Loans, Ltd.___Pref.
(Sakier & Co., Inc.) $280,729
Brown Engineering Co., Inc.____________Common
(Goodbody & Co.) 110,000 shares
Gem International, Inc.______________Debentures
(Bosworth, Sullivan & Co., Inc.; Scherck, Richter & Co.; Dempsey-Tegeler & Co., Inc.) $3,750,000
Jefferson (Thomas) Insurance Co.______Common
(Stein Bros. & Boyce) 6,840 shares
Parkview Drugs, Inc.__________________Common
(Scherck, Richter Co.) 14,080 shares
Pictronics, Inc.______________________Common
(G. K. Shields & Co.) $300,000
Recreation Industries, Inc.____________Common
(Costello, Russotto & Co.) $150,000

May 28 (Tuesday)
American Biltrite Rubber Co., Inc.______Debens.
(Goldman, Sachs & Co.) $5,000,000
Dow Jones & Co., Inc.________________Common
(White, Weld & Co., Inc.; Goldman, Sachs & Co.; and Stone & Webster Securities Corp.) 110,000 shares
Equality Plastics, Inc.________________Common
(J. J. Krieger & Co., Inc.) $299,981
Southeastern Mortgage Investors Tr._____Ben. Int.
(Fleetwood Securities Corp. of America) $10,000,000
Underwriters National Assurance Co.____Common
(K. J. Brown & Co., Inc.) $375,000
United Servomation Corp.______________Common
(Hemphill, Noyes & Co.) 215,000 shares

June 3 (Monday)
Automatique, Inc.____________________Common
(Kidder, Peabody & Co., Inc. and Barret, Fitch, North & Co., Inc.) 254,975 shares
Big G Corp.___________________________Units
(A. J. Davis Co.) 1,000 units
Canaveral Hills Enterprises, Inc.________Common
(Willis E. Burnside & Co., Inc.) $500,000
Commonwealth Telephone Co.___________Common
(Offering to stockholders—underwritten by Eastman Dillon, Union Securities & Co.) 71,460 shares
Edgerton, Germeshausen & Grier, Inc.___Common
(Kidder, Peabody & Co., Inc.) 235,000 shares
Holiday Mobile Home Resorts, Inc._____Debentures
(Boettcher & Co. and J. R. Williston & Beane) $1,700,000
Life Assurance Co. of Pennsylvania___Capital Stock
(Auchincloss, Parker & Redpath and Arthurs, Lestrange & Co.) 100,000 shares
Maust Coal & Coke Corp.______________Common
(Eastman Dillon, Union Securities & Co.) 200,000 shares
Maust Coal & Coke Corp.____________Debentures
(Eastman Dillon, Union Securities & Co.) $5,000,000
Mil National Corp.____________________Common
(Herbert Young & Co., Inc.) $376,000
Missouri Fidelity Life Insurance Co._____Common
(A. C. Allyn & Co.) 300,000 shares
Optech, Inc.__________________________Common
(Stone, Ackerman & Co., Inc., and Heritage Equity Corp.) $420,000
Rona Lee Corp.________________________Common
(Reuben Rose & Co., Inc.) 50,000 shares
Rona Lee Corp.______________________Debentures
(Reuben Rose & Co., Inc.) $250,000
Southern Union Gas Co.______________Debentures
(A. C. Allyn & Co.) $5,000,000
Southern Union Gas Co.________________Preferred
(A. C. Allyn & Co.) 50,000 shares

June 4 (Tuesday)
Interstate Securities Co.______________Common
(Offering to stockholders—underwritten by A. G. Becker & Co., Inc.) 173,433 shares

Southern Pacific Co.____________Equip. Trust Ctfs.
(Bids 12 noon EDST) $8,100,000
Southern Railway Co.____________________Bonds
(Bids 12 noon EDST) $50,000,000

June 5 (Wednesday)
Missouri Pacific RR.___________Equip. Trust Ctfs.
(Bids 12 noon CDST) $3,540,000

June 7 (Friday)
Mountain States Telephone & Telegraph Co.__Cap.
(Offering to stockholders—no underwriting) 4,037,432 shares

June 10 (Monday)
Brentwood Financial Corp.______________Common
(Hayden, Stone & Co., Inc.) 100,000 shares
Chemair Electronics Corp.________________Units
(Price Investing Co.) $180,000
Enzyme Corp. of America_______________Common
(Bristol Securities Inc.) $240,000
Greenwich Gas Co.____________________Common
(Offering to stockholders—underwritten by F. L. Putnam & Co., Inc.) $499,988.75
Investors Trading Co._____________Capital Stock
(Nemrava & Co.) 200,000 shares
Key Training Service, Inc._______________Common
(Seymour Blauner Co. and Shelton Securities Co.) $308,750
Leeds Shoes, Inc.______________________Common
(Strathmore Securities, Inc.) $315,000
Orr (J. Herbert) Enterprises, Inc._______Common
(First Alabama Securities, Inc.) $1,050,000
Poulsen Insurance Co. of America_______Common
(A. C. Allyn & Co.) 100,000 shares
Red Kap, Inc.__________________________Common
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 240,000 shares
Safran Printing Co._____________________Common
(White, Weld & Co. and Watling, Lerchen & Co.) 225,720 shares

June 11 (Tuesday)
Indiana Bell Telephone Co., Inc.______Debentures
(Bids 11 a.m. EDST) $20,000,000
St. Louis Shipbuilding-Federal Barge, Inc.___Com.
(Reinholdt & Gardner)) 150,000 shares

June 12 (Wednesday)
Capital Cities Broadcasting Corp._________Common
(White, Weld & Co.) 250,000 shares
Lord Jim's Service Systems, Inc.________Common
(Keon & Co.) $100,000
Oslo (City of)_____________________________Bonds
(Kuhn, Loeb & Co., Inc.; Harriman Ripley & Co., Inc.; Lazard Freres & Co.; and Smith, Barney & Co. Inc.) $10,000,000
Pacific Northwest Bell Telephone Co.______Common
(Offering to stockholders of Pacific Telephone & Telegraph Co.—No underwriting) 13,013,969 shares
Pennsylvania Power Co.___________________Bonds
(Bids 11 a.m. EDST) $9,000,000

June 17 (Monday)
Coastal States Gas Producing Co.__________Bonds
(Kuhn, Loeb & Co.; First Boston Corp.; and Paine, Webber, Jackson & Curtis) $50,000,000
Livestock Financial Corp.________________Common
(Charles Plohn & Co.) $1,000,000
Pargas, Inc.___________________________Common
(Kidder, Peabody & Co., Inc.) 225,000 shares
Stephenson Finance Co., Inc.___________Debentures
(Alester G. Furman & Co., Inc.) $1,000,000
Travelers Express Co., Inc.______________Common
(Dean Witter & Co.) 267,740 shares

June 18 (Tuesday)
Acme Visible Records, Inc.______________Common
(Smith, Barney & Co., Inc.) 150,000 shares
Public Service Electric & Gas Co.__________Bonds
(Bids 11 a.m. EDST) $40,000,000

June 19 (Wednesday)
Texas & Pacific Ry.______________Equip. Trust Ctfs.
(Bids to be received) $3,000,000

June 24 (Monday)
Bard (C. R.), Inc.______________________Capital
(Kidder, Peabody & Co., Inc. and Blunt Ellis & Simmons) 204,095 shares
Clark Cable Corp.______________________Common
(Fulton, Reid & Co., Inc.) 121,915 shares
Norfolk & Western Ry.__________Equip. Trust Ctfs.
(Bids 12 noon EDST) $4,300,000
Zausner Foods Corp.____________________Common
(Reynolds & Co., Inc., Auchincloss, Parker & Redpath) 100,000 shares

June 25 (Tuesday)
Southern California Gas Co.______________Bonds
(Bids to be received) $40,000,000

June 26 (Wednesday)
Union Light, Heat & Power Co.___________Bonds
(Bids 11 a.m. EDST) $6,500,000

June 27 (Thursday)
Chicago Burlington & Quincy RR.___Equip. Tr. Ctfs.
(Bids 12 noon CDST) $5,250,000
Natural Gas & Oil Producing Co.________Common
(Peter Morgan & Co.) $900,000

July 1 (Monday)
Medic Corp.___________________________Common
(Lincoln Securities Corp.) $1,250,000

July 9 (Tuesday)
Illinois Bell Telephone Co._______________Bonds
(Bids to be received) $50,000,000

July 10 (Wednesday)
Northern Illinois Gas Co.________________Bonds
(Bids to be received) $20,000,000

July 17 (Wednesday)
Sierra Pacific Power Co._________________Common
(Offering to stockholders—no underwriting) 172,340 shares
Sierra Pacific Power Co._______________Debentures
(Bids to be received) $8,000,000

July 23 (Tuesday)
Community Public Service Co.____________Bonds
(Bids 11 a.m. EDST) $13,000,000

July 30 (Tuesday)
Pacific Power & Light Co._______________Preferred
(Bids 12 noon EDST) 100,000 shares
Pacific Power & Light Co.________________Bonds
(Bids 11 a.m. EDST) $30,000,000

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

October 1 (Tuesday)
Chicago Burlington & Quincy RR.___Equip. Tr. Ctfs.
(Bids 12 noon CDST) $5,000,000

October 3 (Thursday)
Columbia Gas System, Inc._____________Debentures
(Bids to be received) $25,000,000

October 8 (Tuesday)
Wisconsin Public Service Corp.____________Bonds
(Bids to be received) $15,000,000

November 7 (Thursday)
Georgia Power Co.________________________Bonds
(Bids to be received) $30,000,000
Georgia Power Co._____________________Preferred
(Bids to be received) $7,000,000

Continued from page 29

Dow Jones & Co., Inc. (5/28)
May 1, 1963 filed 110,000 common. **Price**—By amendment (max. $120). **Business**—Publishers of "The Wall Street Journal," "Barron's" and "The National Observer." Co. also operates the "Dow Jones News Service," and the "Canadian Dow Jones News Service." **Proceeds** — For selling stockholders. **Office**—44 Broad St., New York. **Underwriters**—White, Weld & Co., Inc.; Goldman, Sachs & Co., and Stone & Webster Securities Corp., New York.

● **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. **Note**—This registration will be withdrawn.

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.

● **Edgerton, Germeshausen & Grier, Inc. (6/3-7)**
May 2, 1963 filed 235,000 common. **Price**—By amendment (max. $18). **Business** — Company specializes in measuring, controlling and utilizing high speed electronic and nuclear phenomena. **Proceeds** — For selling stockholders. **Office**—160 Brookline Ave., Boston. **Underwriter**—Kidder, Peabody & Co., Inc., New York.

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. **Offering**—Indefinite.

Enzyme Corp. of America (6/10-14)
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.

● **Equality Plastics, Inc. (5/28)**
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. **Offering**—Indefinite.

● **Family Life Insurance Co.**
May 8, 1963 ("Reg. A") 810 $8 dividend preferred and 486 class A common. **Price** — For preferred, $130; for common, $400. **Business**—Sale of credit, life, accident and sickness insurance. **Proceeds** — For paid-in capital stock account, and working capital. **Address**—Republic Bldg., Seattle. **Underwriter** — Pacific Northwest Co., Seattle. **Offering**—Expected in mid-June.

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**—$10. **Business**—A mutual fund which plans to invest primarily in equity type securities of Israeli companies. **Proceeds**—For investment. **Office**—141 Milk St., Boston. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston. **Offering**—Expected in late June.

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**—Indefinite.

Forst (Alex) & Sons, Inc.
March 23, 1962 filed 125,000 common. **Price**—By amendment (max. $15). **Business**—Wholesale distribution of toys and games. **Proceeds**—For selling stockholders. **Office**—2885 Jerome Ave., Bronx, N. Y. **Underwriter**—Mc Donnell & Co., New York. **Offering**—Indefinite.

● **Freoplex, Inc.**
Jan. 2, 1963 ("Reg. A") $200,000 of 7% convertible subordinated debentures due March 1, 1975. **Price**—At par. **Business**—Operation of retail meat supermarkets. **Proceeds**—For debt repayment and working capital. **Address**—Route 18, Tices Lane, East Brunswick, N. J. **Underwriter**—Alessandrini & Co., Inc., New York. **Offering**—Imminent.

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

● **Gem International, Inc. (5/27-31)**
May 1, 1963 filed $3,750,000 of subordinated convertible debentures due May 1, 1979. **Price**—At par. **Business**—Company operates a chain of 32 closed-door membership department stores. **Proceeds**—For loan repayment, expansion and working capital. **Office** — 10824 Page Blvd., St. Louis, Mo. **Underwriters**—Bosworth, Sullivan & Co., Inc., Denver; Scherck, Richter Co., and Dempsey-Tegeler & Co., Inc., St. Louis.

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.

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.

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.

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. (6/10-14)**
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.

● **Hartford Gas Co.**
April 5, 1963 filed 80,000 common being offered for subscription by stockholders on the basis of one new share for each six common or preferred shares held of record May 15. Rights will expire June 17. **Price**—$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.

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. **Underwrter**—None.

Holiday Mobile Home Resorts, Inc. (6/3-7)
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.

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**
April 19, 1963 refiled $1,500,000 of 6½% convertible subordinated debentures due May 1, 1978, and 150,000 common shares to be offered in units of one $50 debenture and five shares. **Price**—$50 per unit. **Business**—Construction of homes and apartment buildings on land which the company has acquired in Southern California. **Proceeds** — For debt repayment and other corporate purposes. **Office**—15855 Edna Pl., Irwindale, Calif. **Underwriter**—Bateman, Eichler & Co., Los Angeles. **Offering**—Imminent.

Independent Shoe Discounters Association, Inc.
May 8, 1963 filed 325,000 common. **Price**—$1. **Business**—Company plans to distribute shoes and related items to franchised discount shoe stores. **Proceeds**—For working capital. **Office**—519 West California Ave., Oklahoma City. **Underwriter**—Parker, Bishop & Hart, Inc., Oklahoma City.

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.**
March 21, 1963 filed 132,294 common being offered for subscription by stockholders on the basis of one new share for each 26 held of record May 22, 1963. Rights will expire June 7. **Price**—$24.75. **Proceeds**—For loan repayment and construction. **Office**—1000 Main St., Dubuque, Iowa. **Underwriter**—White, Weld & Co., N. Y.

Interstate Securities Co. (6/4)
May 13, 1963 filed 173,433 common to be offered for subscription by common stockholders on the basis of one new share for each four held of record about June 4, with rights to expire June 26. **Price**—By amendment. **Business**—Company is engaged in consumer and commercial financing; writing credit life, health and accident insurance, and automobile physical damage insurance. **Proceeds**—For loan repayment, advances to subsidiaries, and working capital. **Office**—3430 Broadway, Kansas City, Mo. **Underwriter**—A. G. Becker & Co., Inc., Chicago.

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. (6/10-14)**
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).

Israel American Diversified Fund, Inc.
April 22, 1963 filed 550,000 common. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund specializing in Israeli and American securities. **Proceeds**—For investment. **Office**—54 Wall St., New York. **Distributor**—Israel Fund Distributors, Inc. (same address).

Jaap Penraat Associates, Inc.
Jan. 30. 1962 filed 100,000 common. **Price**—$3. **Business**—Industrial designing, the design of teaching machines and the production of teaching programs. **Proceeds**—For expansion, new facilities and working capital. **Office**—315 Central Park W., N. Y. **Underwriter**—R. F. Dowd & Co., Inc., New York. **Offering** — Indefinitely postponed.

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).

● **Jefferson (Thomas) Insurance Co. (5/27)**
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.

Key Training Service, Inc. (6/10-14)
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** — $800 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. **Underwriter**—John A. Dawson & Co., 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.

Leeds Shoes, Inc. (6/10-14)
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.

Life Assurance Co. of Pennsylvania (6/3-7)
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. (6/17-21)**
May 14, 1963 refiled 200,000 common. **Price**—$5. **Business**—An insurance holding company whose subsidiaries insure the lives of all types of animals. **Proceeds** — To form new subsidiaries. **Office**—26 Platt St., New York. **Underwriter**—Charles Plohn & Co., New York.

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. (6/12)**
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.

● **Lunar Films, Inc.**
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. **Offering**—Indefinite.

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**—Postponed.

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.

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**—To be named. **Note**—This registration will be withdrawn. The company's assets have been sold to another firm.

● **Maradel Products, Inc.**
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, New York. **Offering**—Imminent.

Marshall Press, Inc.
May 29, 1962 filed 60,000 common. **Price**—$3.75. **Business**—Graphic design and printing. **Proceeds**—For publishing a sales catalogue, developing a national sales staff and working capital. **Office**—812 Greenwich St., N. Y. **Underwriter**—To be named. **Offering**—Indefinitely postponed.

● **Maust Coal & Coke Corp. (6/3-7)**
May 14, 1963 filed $5,000,000 of convertible subordinated debentures due 1983; also 200,000 common to be sold by J. R. Maust, Chairman. **Price**—By amendment (max. for stock $17). **Business**—Mining, processing and marketing of bituminous coal. **Proceeds** — For new plants and equipment. **Office**—530 Fifth Ave., New York. **Underwriter**—Eastman Dillon, Union Securities & Co., N. Y.

● **Medic Corp. (7/1-5)**
Feb. 28, 1963, filed 1,000,000 class B common. **Price**—$1.25. **Business**—A holding company for three life insurance firms. **Proceeds**—For loan repayment, operating expenses, and investment in other insurance concerns. **Address**—714 Medical Arts Bldg., Oklahoma City. **Underwriter**—Lincoln Securities Corp. (same address).

Medical Industries Fund, Inc.
Oct. 23, 1961 filed 25,000 common. **Price**—$10. **Business**—A closed-end investment company which plans to become open-end. **Proceeds** — For investment in the medical industry and capital growth situations. **Office**—677 Lafayette St., Denver. **Underwriter** — Medical Associates, Inc., Denver.

Medical Video Corp.
Nov. 13, 1961 filed 250,000 common. **Price** — $1. **Business** — Manufacture of medical electronic equipment. **Proceeds** — For general corporate purposes. **Office**—Studio City, Calif. **Underwriter** — Financial Equity Corp., Los Angeles.

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).

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. (6/3-7)**
Jan. 28, 1963 refiled 100,000 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. (6/3-7)**
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.

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.

● **Mountain States Telephone & Telegraph Co. (6/7)**
May 3, 1963 filed 4,037,431 common to be offered for subscription by stockholders of record on June 3, 1963 on the basis of one share for each 10 shares held. Rights will expire June 28. **Price**—By amendment. **Proceeds**—To repay advances from A. T. & T., parent, and for other corporate purposes. **Office**—931 Fourteenth St., Denver. **Underwriter**—None.

Municipal Investment Trust Fund, Series B
April 28, 1961 filed $15,000,000 (15,000 units) of interests. **Price** — To be supplied by amendment. **Business** — The fund will invest in tax-exempt bonds of states, counties, municipalities and territories of the U. S. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York. **Offering**—Indefinite.

Music Royalty Corp.
July 27, 1962 filed 150,000 common. **Price**—$1. **Business**—Company acts as representative of artists, musicians, etc. and plans to engage in the music publishing business. **Proceeds**—For debt repayment, public relations, acquisition of musical properties, and working capital. **Office**—545 Fifth Ave., N. Y. **Underwriter**—Associated Securities Co., 545 Fifth Ave., N. Y.

National Central Life Insurance Co.
Dec. 7 filed 125,000 common. **Price** — By amendment (max. $15). **Business**—Writing of health and accident insurance. **Proceeds**—For general corporate purposes. **Address**—2632 McGee St., Kansas City, Mo. **Underwriter**—To be named.

National Equipment & Plastics Corp.
Sept. 28, 1961 filed 105,000 common. **Price**—$5. **Business**—Operation of a cleaning and pressing plant and affiliated stores. **Proceeds**—For debt repayment, store expansion and working capital. **Address** — Portage, Pa. **Underwriter**—Cortlandt Investing Corp., N. Y. **Note**—This registration will be withdrawn.

National Fence Manufacturing Co., Inc.
Nov. 29, 1962 filed 100,000 common. **Price**—$8.75. **Business** — Manufacture of galvanized chain link fence welded concrete reinforcing fabric, gates and related products. **Proceeds**—For construction of a plant in Ireland, and working capital. **Office**—4301 46th St., Bladensburg, Md. **Underwriter**—Netherlands Securities Co. Inc., New York. **Offering**— Indefinite.

● **National Fidelity Life Insurance Co.**
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. **Offering**—Imminent.

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 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. (6/27)
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**—50 cents. **Business**—Exploration, development and mining. **Proceeds**—General corporate purposes. **Office**—90 Industry St., Toronto, Canada. **Underwriter**—A. C. McPherson & 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.

Optech, Inc. (6/3-7)
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. (6/10-14)
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.

Continued on page 32

Continued from page 31

Ozark Air Lines, Inc.
May 3, 1963 filed $3,000,000 of conv. subord. debentures due 1978. **Price**— By amendment. **Business**—Operation of local air transportation between 54 mid-western cities. **Proceeds**—For debt repayment, equipment, property improvements and working capital. **Address**—Lambert-St. Louis Municipal Airport, St. Louis. **Underwriters**—Auchincloss, Parker & Redpath, N. Y., and Yates, Heitner & Woods, St. Louis.

PMA 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).

Pacific Northwest Bell Telephone Co. (6/12)
May 8, 1963 filed 13,013,969 common to be offered for subscription by preferred and common stockholders of Pacific Telephone & Telegraph Co., former parent, on the basis of 7 Northwest common for each 8 P. T. & T. preferred or one Northwest common for each 8 P. T. & T. common held of record June 4, 1963. Rights will expire July 3, 1963. **Price**—By amendment. **Proceeds**—For selling stockholders, P. T. & T. **Office**—1200 Third Ave., Seattle, Wash. **Underwriter**—None.

● **Pall Corp.**
April 4, 1963 filed 61,627 class A shares being offered for subscription by stockholders on the basis of one new share for each nine class A and class B shares held of record May 17. Rights will expire June 3, 1963. **Price** $30.50. **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.

Parkview Drugs, Inc. (5/27-31)
April 29, 1963 filed 14,080 common. **Price**—By amendment (max. $20). **Business**—Company is engaged in the retail drug business. **Proceeds**—For selling stockholder. **Address**—6000 Manchester Trafficway Terrace, Kansas City. **Underwriter**—Scherck, Richter Co., St. Louis.

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.

● **Pennsylvania Power Co. (6/12)**
May 13, 1963 filed $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**—June 12 (11 a.m. EDST) at 55 Wall St., (6th floor), New York. **Information Meeting**—June 10 (3:45 p.m. EDST) at 15 William St., New York.

Pension Securities Fund, Inc.
April 24, 1963 filed 500,000 common. **Price**—$100 initially; thereafter, at net asset value. **Business**—A new mutual fund designed to provide an investment program for pension trusts. **Proceeds**—For investment. **Address**—20 Broad St., New York. **Underwriter**—None. **Adviser**—Smith, Barney & Co., New York.

● **Peterson, Howell & Heather, Inc.**
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. **Offering**—Indefinite.

● **Pictronics, Inc. (5/27-31)**
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). **Offering**—Indefinite.

Potomac Real Estate Investment Trust
July 6, 1962 filed 1,000,000 shares of beneficial interest **Price**—By amendment (max. $5). **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—880 Bonifant St., Silver Spring, Md. **Underwriter**—None.

● **Poulsen Insurance Co. of America (6/10-14)**
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.

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).

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).

● **Realty Equities Corp. of New York**
April 3, 1963 filed 117,853 common being offered for subscription by common stockholders on the basis of one new share for each three held of record May 16. Rights will expire June 3. **Price**—$6.25. **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. (5/27-31)
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.

● **Red Kap, Inc. (6/10-14)**
April 23, 1963 filed 240,000 common, of which 100,000 are to be offered by company and 140,000 by stockholders. **Price**—By amendment (max. $20). **Business**—Manufacture and distribution of industrial uniforms to industrial rental laundries. **Proceeds**—For debt repayment and working capital. **Address** — Sudekum Bldg., Nashville, Tenn. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

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.

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**—Indefinite.

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.

Rona Lee Corp. (6/3-7)
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.

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.

● **Safran Printing Co. (6/10-14)**
April 29, 1963 filed 225,720 common. **Price**—By amendment (max. $18). **Business** — Company specializes in multi-color printing for publishers and commercial clients, and produces business forms for conventional use. **Proceeds**—For selling stockholders. **Office**—3939 Bellevue St., Detroit. **Underwriters**—White, Weld & Co., Inc., New York, and Watling, Lerchen & Co., Detroit.

St. Louis Shipbuilding-Federal Barge, Inc. (6/11)
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.

Sapawe Gold Mines Ltd.
April 16, 1963 filed 1,000,000 common. **Price**—By amendment (max. 30c). **Business** — Company is engaged in exploratory mining for gold. **Proceeds** — For a mill, equipment, loan repayment, and other corporate purposes. **Address**—Phoenix Bldg., Toronto, Ontario. **Underwriter**—None.

Scully Recording Instruments Corp.
Apr. 23, 1963 ("Reg. A") $240,000 of 8% subord. conv. debentures due 1973. **Price**—At par plus accrued interest. **Business**—Manufacture of a master disc recording machine. **Proceeds**—For debt repayment, sales promotion, working capital and other corporate purposes. **Office**—62 Walter St., Bridgeport, Conn. **Underwriter**—Moran & Co., Newark, N. J.

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., New York. **Note**—This registration will be withdrawn.

● **Southeastern Mortgage Investors Trust (5/28)**
Feb. 15, 1963 filed 1,000,000 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.

● **Southern Union Gas Co. (6/3-7)**
April 22, 1963 filed $5,000,000 of sinking fund debentures due 1983, also 50,000 cumulative preferred shares (par $100). **Price**—By amendment. **Business**—A public utility rendering natural gas service in Texas, New Mexico, Arizona and Colorado. **Proceeds**—For debt repayment. **Address**—Fidelity Union Tower, Dallas. **Underwriter**—A. C. Allyn & Co., Chicago.

● **Stephenson Finance Co., Inc. (6/17-21)**
April 12, 1963 filed $1,000,000 of 6% sinking fund subord. debentures due Nov. 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.

Sterling Copper Corp.
Aug. 2, 1962 filed 850,000 common. **Price—$1. Business**—Company plans to operate a non-ferrous rod and tube mill. **Proceeds**—For plant and equipment, working capital and other corporate purposes. **Office**—300 Horn Rd., Pinconning, Mich. **Underwriter**—None.

● Stone Mountain Scenic Railroad, Inc.
Jan. 22, 1963 filed 84,091 common being offered for subscription by stockholders on the basis of one share for each three shares held of record Feb. 1. Rights will expire June 25. **Price**—$5.50. **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.

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.

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).

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**—$6. **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**—Van Alstyne, Noel & Co., New York.

Tourist Industry Development Corp., Ltd.
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. **Offering**—Expected in late June.

Transarizona Resources, Inc.
May 28, 1962 filed 500,000 capital shares. **Price—$1.50. Business**—Exploration, development and production of the Lake Shore copper deposit near Casa Grande, Ariz **Proceeds**—For equipment, exploration and working capital. **Office**—201 E. 4th St., Casa Grande, Ariz. **Underwriter**—None.

Travelers Express Co., Inc. (6/17-21)
May 3, 1963 filed 267,740 common, of which 70,000 are to be offered by company and 197,740 by stockholders. **Price**—By amendment (max. $15.50). **Business**—Sale of money orders on a nation-wide basis through retail merchants. **Proceeds**—For debt repayment, and working capital. **Address**—Northwestern Bank Bldg., Minneapolis. **Underwriter**—Dean Witter & Co., Chicago.

Tri-Nite Mining Co.
April 26, 1963 filed 800,000 common. **Price**—40c. **Business**—Company plans to engage in exploratory mining for zinc ore. **Proceeds**—For advance royalties, payment of balance due on a mill, and construction. **Address**—405 Fidelity Bldg., Spokane, Wash. **Underwriter** — Mutual Funds Co., Inc., Spokane.

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.

● Underwriters National Assurance Co. (5/28)
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.

Union Light, Heat & Power Co. (6/26)
May 10, 1963 filed $6,500,000 of first mortgage bonds due 1993. **Proceeds**—For construction and other corporate purposes. **Address**—Fourth & Main Sts., 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. **Bids**—June 26 (11 a.m. EDST) at One Wall Street (47th floor), New York. **Information Meeting**—June 19 (11 a.m. EDST) at same address.

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 Servomation Corp. (5/28)
April 19, 1963 filed 215,000 common. **Price**—By amendment (max. $22). **Business**—Sale of various food and tobacco products through automatic vending machines. **Proceeds**—Foro selling stockholders. **Office**—410 Park Ave., New York. **Underwriter**—Hemphill, Noyes & Co., New York.

United Variable Annuities Fund, Inc.
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo. **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo.

Universal Finance Corp.
March 29, 1963 filed $1,026,000 of 7% junior subordinated convertible capital notes (series A) due 1978; also 12,329 common to be sold for stockholders. **Price**—For debentures, at par; for stock, by amendment. **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.

Urethane of Texas, Inc.
Feb. 14, 1962 filed 250,000 class A and 250,000 common to be offered in units of one share of each class. **Price**—$5.05 per unit. **Business**—Manufacture of urethane foams. **Proceeds**—For equipment, working capital, leasehold expenses and other corporate purposes. **Office**—2300 Republic National Bank Bldg., Dallas. **Underwriter** — First Nebraska Securities Corp., Lincoln, Neb. **Offering**—Temporarily postponed.

Valley Investors, Inc.
Jan. 23, 1963, filed 328,858 common. **Price**—$1. **Business**—A new mutual fund. **Proceeds**—For investment. **Address**—Sidney, Montana. **Underwriter**—To be named.

Vend-Mart Inc.
Jan. 22, 1963 filed 60,000 common. **Price**—$4. **Business**—Operation of coin-operated automatic ice cube vending machines and clothes washing and drying machines. **Proceeds** — For debt repayment, equipment, expansion and working capital. **Office**—565 Fifth Ave., New York. **Underwriter**—M. G. Davis & Co., Inc., New York. **Offering**—Expected in mid-June.

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.

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

★ Acme Visible Records, Inc. (6/18)
May 22, 1963 filed 150,000 common, of which 57,445 will be sold for company and 32,445 for certain stockholders. **Price**—By amendment. **Business**—Manufacure of office filing equipment, and business forms. **Proceeds**—To repurchase outstanding warrants, for construction and other corporate purposes. **Address** — Crozet, Va. **Underwriter**—Smith, Barney & Co., Inc., New York.

★ Bard (C. R.), Inc. (6/24-28)
May 21, 1963 filed 204,095 capital shares. **Price** — By amendment (max. $17). **Business**—Design, packaging and sale of hospital and surgical supplies. **Proceeds** — For selling stockholders. **Office**—731 Central Ave., Murray Hill, N. J. **Underwriters**—Kidder, Peabody & Co., Inc., New York and Blunt Ellis & Simmons, Chicago.

★ Brentwood Financial Corp. (6/10-14)
May 17, 1963 filed 100,000 common. **Price**—By amendment (max. $15). **Business**—Company owns all of the outstanding stock of Brentwood Savings & Loan Association. It also conducts an escrow business; an insurance agency, and acts as trustee under trust deed securing loans made by the association. **Proceeds** — For selling stockholders. **Office**—12001 San Vincente Blvd., Los Angeles. **Underwriter**—Hayden, Stone & Co., Inc., New York.

★ Coburn Credit Co., Inc.
May 20, 1963 filed $4,000,000 of convertible subordinated debentures due 1978 to be offered for subscription by common stockholders. **Price**—At par. **Business**—A consumer finance company. **Proceeds**—For debt repayment, working capital, acquisition of instalment contracts, and other corporate purposes. **Office**—53 N. Park Ave., Rockville Centre, N. Y. **Underwriter**—New York Hanseatic Corp., New York. **Offering**—Expected in mid-June.

★ Evans, Inc.
May 20, 1963 filed 200,000 common, of which 20,000 are to be offered by company and 180,000 by certain stockholders. **Price**—By amendment (max. $13). **Business**—Retail sale of fur apparel, cloth coats, suits, dresses and related items. **Proceeds**—For expansion and remodeling of Chicago store. **Office**—36 South State St., Chicago. **Underwriter**—Walston & Co., Inc., Chicago.

★ Homestead Gold Exploration Corp.
May 10, 1963 ("Reg. A") 300,000 common. **Price** — $1. **Business**—Exploration and development of gold mining properties near Quincy, Calif. **Proceeds** — For mining operations. **Address**—c/o Zeman & Fischer, 3460 Wilshire Blvd., Los Angeles. **Underwriter**—None.

★ Indiana Bell Telephone Co., Inc. (6/11)
May 17, 1963 filed $20,000,000 of debentures due June 1, 2003. **Proceeds** — To repay advances from parent, A. T. & T. **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**—June 11 (11 a.m. EDST) in Room 2315, 195 Broadway, New York. **Information Meeting** — June 6 (2:30 p.m. EDST) in Room 1900, 195 Broadway, New York.

★ Lightcraft-General
May 20, 1963 filed 125,000 common. **Price**—By amendment (max. $12). **Business**—Design and manufacture of incandescent lighting fixtures and lamps. **Proceeds**—For selling stockholders. **Office** — 1600 West Slauson Ave., Los Angeles. **Underwriter**—William R. Staats & Co., Los Angeles.

★ Mayfair Markets
May 10, 1963 ("Reg. A") 6,000 preferred. **Price** — $50. **Business**—Operation of a chain of supermarkets. **Proceeds**—For debt repayment. **Office**—4383 Bandini Blvd., Vernon, Calif. **Underwriter**—None.

Continued on page 34

Continued from page 33

★ Olso (City of) (6/12)
May 22, 1963 filed $10,000,000 of sinking fund external loan bonds due June 15, 1978. **Price** — By amendment. **Proceeds** — For capital expenditures. **Underwriters**—Kuhn, Loeb & Co., Inc.; Harriman Ripley & Co., Inc.; Lazard Freres & Co.; and Smith, Barney & Co., Inc., New York.

★ Pargas, Inc. (6/17-21)
May 17, 1963 filed 225,000 common, of which 125,000 are to be offered by company and 100,000 by certain stockholders. **Price**—By amendment (max. $20). **Business**—Retail and wholesale distribution of liquefied petroleum gas. **Proceeds**—For debt repayment, working capital and other corporate purposes. **Address**—P. O. Box 67, Waldorf, Md. **Underwriter**—Kidder, Peabody & Co., Inc., New York.

★ Space Plastics, Inc.
May 13, 1963 ("Reg. A") 223,850 common. **Price**—$1. **Business**—Manufacture of plastic items, such as toys, novelties, household products, etc. **Proceeds**—For equipment and other corporate purposes. **Office**—21200 N. Black Canyon Highway, Phoenix. **Underwriter**—None.

★ Theta Delta Chi Realty Co. of Ames, Iowa
May 6, 1963 ("Reg. A") $120,000 of 4½%-5% first mortgage serial bonds due March 15, 1968-86. **Price**—At par plus accrued interest. **Business**—Operation of a fraternity house. **Proceeds**—For new construction, renovation, and equipment. **Office**—217 Ash Ave., Ames, Iowa. **Underwriter**—None.

★ Wavelabs, Inc.
May 15, 1963 ("Reg. A") 87,500 capital shares. **Price**—$2. **Business**—Manufacture and sale of airborne and shipboard vibration monitoring devices and equipment. **Proceeds**—For debt repayment, equipment, advertising, research, and working capital. **Office**—4343 Twain Ave., San Diego. **Underwriter**—None.

★ Wyomont Petroleum Co.
May 10, 1963 ("Reg. A") 120,000 common. **Price**—$2.50. **Business**—Production and sale of petroleum products. **Proceeds**—For debt repayment, construction and working capital. **Address**—P. O. Box 670, Thermopolis, Wyo. **Underwriter**—Northwest Investors Service, Inc. Billings, Montana.

★ XTRA, Inc.
May 16, 1963 filed 80,000 shares of convertible preferred (par $25). **Price**—By amendment (max. $27.50). **Business**—Rental of truck trailers to railroads or others in connection with "piggyback" operations, and the leasing of transportable, reusable containers to railroads, steamship companies and others. **Proceeds**—For debt repayment, and equipment. **Office**—150 Causeway St., Boston. **Underwriter**—Putnam & Co., Hartford. **Offering**—Expected in late June.

★ Zausner Foods Corp. (6/24-28)
May 21, 1963 filed 100,000 class A common, of which 40,000 are to be offered by the company and 60,000 by stockholders. **Price**—By amendment (max. $10). **Business**—Processing, distributing and selling milk products. **Proceeds**—For general corporate purposes. **Address**—New Holland, Pa. **Underwriters**—Reynolds & Co., Inc., N. Y., and Auchincloss, Parker & Redpath, Washington, D. C.

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."

Associates Investment Co.
$50,000,000 of 4⅜% debentures due May 1, 1984 offered at 99% and accrued interest, to yield 4.45% by Lehman Brothers and Salomon Brothers & Hutzler, New York.

Central Illinois Public Service Co.
$10,000,000 of 4½% first mortgage bonds due May 1, 1993 offered at 102½% and accrued interest, to yield 4.35%, by Salomon Brothers & Hutzler, New York.

Copenhagen (City of)
$15,000,000 of 5⅜% sinking fund external loan bonds due May 15, 1978 offered at 98.23% and accrued interest, to yield 5.55%, by Smith, Barney & Co., Inc.; Kuhn, Loeb & Co., Inc.; Harriman Ripley & Co., Inc.; Lazard Freres & Co., New York.

Cosmodyne Corp.
150,000 common offered at $17 per share by Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

Danac Real Estate Investment Corp.
150,000 common offered at $10 per share by Ferris & Co., Washington, D. C.

Globe Security Systems, Inc.
200,000 common offered at $13.75 per share by Drexel & Co., Philadelphia.

Hartford Gas Co.
80,000 common being offered for subscription by stockholders at $30 per share on the basis of one new share for each six common or preferred shares held of record May 15. Rights will expire June 17. No underwriting is involved.

Interstate Power Co.
$6,000,000 of 4⅜% first mortgage bonds due 1993 offered at 99.75% and accrued interest, to yield 4.39% by Salomon Brothers & Hutzler, New York.

Interstate Power Co.
132,294 common being offered for subscription by stockholders at $24.75 per share on the basis of one new share for each 26 held of record May 22. Rights will expire June 7. White, Weld & Co., New York, is the principal underwriter.

Pall Corp.
61,627 class A common being offered for subscription by stockholders at $30.50 per share on the basis of one new share for each 9 class A or class B shares held of record May 17. Rights will expire June 3. L. F. Rothschild & Co., New York, is the principal underwriter.

Realty Equities Corp. of New York
117,853 common being offered for subscription by stockholders at $6.25 per share on the basis of one new share for each three held of record May 16. Rights will expire June 3. No underwriting is involved.

Southern California Edison Co.
$60,000,000 of 4⅜% first and refunding mortgage bonds, series Q, due May 15, 1988 offered at 100.683% and accrued interest, to yield 4.33% by First Boston Corp., New York, and Dean Witter & Co., San Francisco.

Sternco Industries, Inc.
$400,000 of 6% convertible subordinated debentures due 1977, and 25,000 class A shares offered at par and $10 respectively, by Oppenheimer & Co., New York.

Stone Mountain Scenic Railroad, Inc.
84,091 common shares being offered for subscription by stockholders at $6.50 per share on the basis of one share for each three held of record Feb. 1. Rights will expire June 25. No underwriting is involved.

Prospective Offerings

Bank of Tokyo of California (San Francisco)
May 6, 1963 it was reported that the bank is offering stockholders the right to subscribe for an additional 82,500 capital shares on the basis of one new share for each two held of record May 8. Rights will expire May 31. **Price**—$32. **Proceeds**—To increase capital and surplus. **Office**—64 Sutter St., San Francisco. **Underwriter**—None.

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.

★ Chicago Burlington & Quincy RR (6/27)
May 20, 1963 the company announced tentative plans to sell $5,250,000 of equipment trust certificates in June. **Office**—547 W. Jackson Blvd., Chicago. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Expected June 27 (12 noon CDST) at above address.

★ Chicago Burlington & Quincy RR. (10/1)
May 20, 1963 the company announced tentative plans to sell $5,000,000 of equipment trust certificates in October. **Office**—547 W. Jackson Blvd., Chicago. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids** — Expected October 1 (12 noon CDST) at above address.

★ City Gas Co. of Florida
May 20, 1963 it was reported that this company plans to file a registration statement in early June covering an undisclosed number of common shares. **Business**—Company and subsidiaries distribute natural gas and liquefied petroleum in and around Miami. **Office**—955 East 25th St., Hialeah, Fla. **Underwriter**—Kidder, Peabody & Co., New York.

Columbia Gas System, Inc. (10/3)
May 6, 1963 the company stated that it plans to sell $25,000,000 of debentures in October to raise money for construction. **Office** — 120 East 41st Street, 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 Oct. 3.

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. (7/23)
May 16, 1963 it was reported that this company plans to sell $13,000,000 of first mortgage bonds due 1993. **Office**—408 W. 7th Street, Fort Worth, Tex. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; Stone & Webster Securities Corp. **Bids** — July 23 (11 a.m. EDST) at 90 Broad St., New York. **Information Meeting** — July 18 (11 a.m.) at same address.

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).

Connecticut Yankee Atomic Power Co.
April 23, 1963 it was reported that the 12 utilities which jointly own this new firm, have petitioned the SEC for exemption from the Public Utility Holding Company Act to permit the negotiated sale of $55,000,000 of the firm's bonds. The request has been opposed by a major underwriter who wants the bonds to be sold at competitive bidding. **Business**—Company was formed in December, 1962, to own and operate a 500,000 kw. atomic power plant at Haddam Neck, Conn. **Proceeds**—For construction of the $70-$80,000,000 plant. **Office**—441 Stuart St., Boston. **Underwriters**—To be named.

● Consolidated Edison Co. of New York, Inc.
May 22, 1963 the company stated that it will have to raise approximately $800,000,000 through the sale of securities, to finance its five-year construction program. In addition, it will have to refinance $52,000,000 of maturing bonds in the period ending 1967. **Office**—4 Irving Place, New York. **Underwriters**—To be named. The last public 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.
April 24, 1963 it was reported that the company plans to sell $20,000,000 of straight debentures in the 3rd quarter of 1963. **Office**—212 W. 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., Salomon Brothers & Hutzler-Blyth & Co.-Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Duke Power Co.
April 22, 1963 it was reported that the company has tentative plans to issue $50,000,000 of first mortgage bonds in the first quarter of 1964. **Office**—30 Rockefeller Plaza, New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co.; Stone & Webster Securities Corp.

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 Alleghany Ave., Philadelphia. **Underwriter**—To be named. The last rights offering in December 1957 was underwritten by Eastman Dillon, Union Securities & Co., New York. **Offering**—Indefinitely postponed.

General Aniline & Film Corp.
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.

Gulf States Utilities Co.
Jan. 29, 1963 the company announced plans to sell 100,000 shares of preferred stock (par $100) in the second half of 1963. **Office**—285 Liberty Ave., Beaumont, Tex. **Underwriters**—(Competitive). Probable bidders: Stone & Webster Securities Corp.; Lehman Brothers-Equitable Securities Corp. (jointly); Glore, Forgan & Co.-W. C. Langley & Co. (jointly); Lee Higginson Corp.

Hartford Electric Light Co.
April 30, 1963 the company announced plans to sell $15,-$20,000,000 of securities in 1964 to help finance its $26,-000,000 construction program. **Office**—176 Cumberland Ave., Wethersfield, Conn. **Underwriters** — First Boston Corp., New York; Putnam & Co., Hartford; Chas. W. Scranton & Co., New Haven.

Hawaiian Electric Co., Ltd.
March 5, 1963 it was reported that this company plans to sell about $14,000,000 of first mortgage bonds in the third quarter. **Office**—900 Richards St., Honolulu. **Underwriters** — Dillon, Read & Co. Inc., New York and Dean Witter & Co., San Francisco.

Hawaiian Telephone Co.
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.

Illinois Bell Telephone Co. (7/9)
April 30, 1963 it was reported that the company plans to offer $50,000,000 of first mortgage bonds due 2003. **Proceeds**—To repay advances from A. T. & T., parent. **Office**—212 W. Washington St., Chicago. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co.; Glore, Forgan & Co.-Eastman Dillon, Union Securities & Co.; Morgan Stanley & Co.; Blyth & Co.-Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc.-Salomon Brothers & Hutzler. **Bids** — Expected July 9 at 195 Broadway, New York.

Indiana & Michigan Electric Co. (8/6)
March 12, 1963 it was reported that this subsidiary of American Electric Power Co., Inc., plans to sell $45,000,-000 of first mortage 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.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Blyth & Co.-Lehman Brothers-Salomon Brothers & Hutzler (jointly). **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.
May 6, 1963 it was reported that the company plans to offer $12,000,000 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.; Merrill Lynch, Pierce, Fenner & Smith Inc.

Japan (Government of)
May 1, 1963 it was reported that the Government plans to sell an additional $35,000,000 of external loan bonds in the U. S. during the fiscal year ending March 31, 1964. It is expected that the majority would be sold by Dec. 31, 1963. **Underwriter**—First Boston Corp., New York.

Japan Fund, Inc.
April 18, 1963 it was reported that directors of the Fund had authorized the officers to investigate the possibility of a rights offering of common stock to stockholders. **Business**—A closed-end diversified investment company seeking capital appreciation through investments primarily in common stocks of Japanese firms. **Office**—25 Broad St., New York. **Underwriters**—Bache & Co.; Paine, Webber, Jackson & Curtis, and The Nikko Securities Co., Ltd., New York.

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. (6/5)
May 6, 1963 it was reported that this road plans the sale of $3,540,000 of equipment trust certificates in 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: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids** —June 5 (12 noon CDST) at above address.

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 Central RR (5/23)
May 20, 1963 the company announced plans to sell $4,-275,000 of equipment trust certificates in May. **Office**—466 Lexington Ave., N. Y. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler, Halsey, Stuart & Co. Inc. **Bids**—May 23 (12 noon EDST) at above address.

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. (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.
May 16, 1963 it was reported that this company plans to sell $30,000,000 of debentures in the third quarter of 1963. **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.)
May 14, 1963 it was reported that the company plans to offer about 771,110 additional shares to stockholders on a 1-for-20 basis in 1964, to raise an estimated $25,000,000. **Office**—15 South Fifth St., Minneapolis. **Underwriter**—To be named. The last rights offering in July 1959 was underwritten by Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

Northern States Power Co. (Minn.)
May 14, 1963, it was reported that this company plans to sell $15,000,000 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. (7/30)
May 20, 1963 it was reported that the company plans to issue $30,000,000 of first mortgage bonds due 1993. **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). **Bids**—July 30 (11 a.m. EDST) at Ebasco Services, Inc., 2 Rector St., New York.

★ Pacific Power & Light Co. (7/30)
May 20, 1963 it was reported that this company plans to sell 100,000 shares of preferred (par $100). **Proceeds**—To redeem outstanding 6.16% preferred, repay bank loans and construct additional facilities. **Office**—920 S. W. Sixth Ave., Portland, Ore. **Underwriters**—(Competitive). Probable bidders: Blyth & Co., Inc.-Smith, Barney & Co.-White, Weld & Co. (jointly); Kidder, Peabody & Co.-Eastman Dillon, Union Securities & Co. (jointly). **Bids**—July 30 (12 noon EDST) at Ebasco Services, Inc., 2 Rector 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.

Potomac Edison Co.
May 14, 1963 it was reported that this subsidiary of Allegheny Power System, Inc., plans to raise $12,000,000 in 1964, but has not determined the type of security to be sold. **Office**—200 East Patrick St., Frederick, Md. **Underwriter**—To be named. The last sale of bonds on May 8, 1957 was to a group headed by W. C. Langley & Co., and First Boston Corp. Other bidders were: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; White, Weld & Co.-Shields & Co. (jointly); Lehman Brothers-Eastman Dillon, Union Securities & Co.-Harriman Ripley & Co.-Merrill Lynch, Pierce, Fenner & Smith, Inc. (jointly).

Continued on page 36

Continued from page 35

Public Service Electric & Gas Co. (6/18)
March 4, 1963 it was reported that this company plans to sell $40,000,000 of first mortgage bonds due 1993. **Proceeds** — For construction. **Office** — 80 Park Place, Newark, N. J. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; White, Weld & Co.-Blyth & Co.-Goldman, Sachs & Co.-Harriman Ripley & Co. (jointly); Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc.-Salomon Brothers & Hutzler (jointly). **Bids** — Expected June 18 (11 a.m. EDST) at above address. **Information Meeting** —June 13 (2 p.m. EDST) at One Chase Manhattan Plaza, New York.

Rochester Telephone Co.
May 7, 1963 the company announced plans to sell $16,000,000 of debentures in the first quarter of 1964, but may do so earlier if market conditions are favorable. **Proceeds** — For construction. **Office** — 10 Franklin St., Rochester, N. Y. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Eastman Dillon, Union Securities & Co.-Kidder, Peabody & Co. (jointly); Kuhn, Loeb & Co.; Halsey, Stuart & Co. Inc.

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.

Sierra Pacific Power Co. (7/17)
May 6, 1963 it was reported that this company plans to sell $8,000,000 of debentures. **Proceeds** — To refund $3,340,000 of outstanding 5⅝% debentures due July 1, 1985, and for construction. **Office**—220 South Virginia St., Reno, Nev. **Underwriters**—(Competitive). Probable bidders: Kidder, Peabody & Co.-White, Weld & Co. (jointly); Stone & Webster Securities Corp.-Dean Witter & Co. (jointly); Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Expected July 17, 1963. **Information Meeting**—July 12 at 90 Broad St., (19th floor), New York.

Sierra Pacific Power Co. (7/17)
May 6, 1963 it was reported that the company plans to offer stockholders the right to subscribe for about 172,340 additional common shares on the basis of one new share for each 10 held. **Office**—220 South Virginia St., Reno, Nev. **Underwriter**—None.

Southern California Gas Co. (6/25)
April 22, 1963 it was reported that this subsidiary of Pacific Lighting Corp., plans to sell $40,000,000 of first mortgage bonds. **Proceeds**—To refund outstanding 5⅛% bonds due July 1, 1983, and for construction. **Office**—810 South Flower St., Los Angeles. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Eastman Dillon, Union Securities & Co.; Blyth & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly). **Bids**—Expected June 25.

★ Southern California Edison Co.
May 22, 1963, following the sale of $60,000,000 of first and refunding mortgage bonds due May 15, 1988, the company stated that it will need about $66,000,000 of new money to finance its 1963-64 construction program. A spokesman said that the company is considering the sale of a minimum of $50,000,000 of debt securities in the fall. **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).

Southern Counties Gas Co. of Calif.
Jan. 2, 1963 it was reported that this subsidiary of Pacific Lighting Corp., plans to sell $27,000,000 of first mortgage bonds in the fourth quarter. **Address**—P. O. Box 2736, Terminal Annex, Los Angeles 54, Calif. **Underwriters**—(Competitive) Probable bidders: White, Weld & Co.; Blyth & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Halsey, Stuart & Co. Inc.; First Boston Corp.

Southern Pacific Co. (6/4)
April 24, 1963 it was reported that this company plans to sell $8,100,000 of equipment trust certificates. **Office** —165 Broadway, New York. **Underwriters**—(Competitive). Probable bidders: Solomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—June 4 (12 noon EDST) at above address.

• Southern Railway Co. (6/4)
May 21, 1963 the company announced plans to sell $50,000,000 of first and general mortgage bonds due June 1, 1988. **Proceeds**—To acquire stock of Central of Georgia Ry.; retire first mortgage 3¾% bonds of Atlanta & Charlotte Air Line RR.; reimburse treasury for capital expenditures and provide for capital improvements. **Offices**—14th and Canal St., Richmond, Va., and 70 Pine St., New York. **Underwriters** — (Competitive). Probable bidders: First Boston Corp.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler (jointly); Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.-White, Weld & Co. (jointly). **Bids** — June 4 (12 noon EDST) at 70 Pine St., New York. **Information Meeting**—May 27 (2:30 p.m. EDST) at One Chase Manhattan Plaza (30th floor), New York.

Sumitomo Bank of California (San Francisco)
May 15, 1963 it was reported that the bank is offering stockholders the right to subscribe for an additional 77,500 shares on the basis of one new share for each two held of record May 10. Rights will expire June 21. **Price**—$32. **Proceeds**—To increase capital and surplus. **Office**—365 California St., San Francisco. **Underwriter** —None.

• Tennessee Gas Transmission Co.
May 20, 1963 it was reported that the FPC had approved the company's program for a $56,000,000 expansion of its Texas-to-New England natural gas pipeline. Earlier, it was stated that the company plans to finance the expansion by sale of debentures by mid-summer. **Address**—Tennessee Bldg., Houston, Texas. **Underwriters**—Stone & Webster Securities Corp.; White, Weld & Co.; Halsey, Stuart & Co. Inc.

★ Texas & Pacific Ry. (6/19)
May 20, 1963 it was reported that this road plans to sell $3,000,000 of 1-15 year equipment trust certificates. **Address** — 916 Fidelity Union Tower, Dallas. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Expected June 19 at above address.

Tokyo (City of)
May 1, 1963 it was reported that the Diet had authorized the sale of $20,000,000 City of Tokyo bonds in the U. S. during the fiscal year ending March 31, 1964. **Underwriter**—To be named. The last issue of Tokyo bonds in March, 1927, was handled by Kuhn, Loeb & Co. **Offering**—Indefinite.

Transcontinental Gas Pipe Line Co.
May 6, 1963 it was reported that the company plans to issue $30,000,000 of debt securities in September. **Proceeds**—For expansion. **Office**—3100 Travis St., Houston. **Underwriters**—White, Weld & Co., and Stone & Webster Securities Corp., New York.

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.

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. (10/8)
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. **Bids**—Expected Oct. 8.

Yale Express System, Inc.
May 14, 1963, Gerald W. Eskow, President, told the annual meeting of stockholders that, "preliminary discussions have been held with investment bankers" in regard to arranging for long-term financing. **Business**—A holding company for subsidiaries engaged in motor vehicle freight transportation, nationwide freight forwarding, truck leasing, etc. **Office**—460 12th Ave., New York. **Underwriter**—To be named.

Spokesmen Urge Congress To Save SBIC Program

Imperative need to increase SBIC's maximum capitalization, borrowing ratio, and borrowing amount is voiced by four SBIC heads in support of bills introduced by Representative Patman (H. R.-799) and Senator Sparkman (S-298) at full House Banking and Currency Committee hearing.

Declaring that "unless investor appeal is restored to the Small Business Investment Company, there will be no industry," four officers of the National Association of Small Business Investment Companies (NASBIC) urged speedy passage of House Bill 799 so that American small business would have a source of capital funds.

Appearing recently before the full House Committee on Banking and Currency, the spokesmen for the small business investment companies enthusiastically endorsed the bill introduced by Representative Wright Patman (D., Texas), Chairman of the Committee, and its similar Senate Bill 298 introduced by 16 senators headed by Senator John Sparkman (D., Ala.).

The proposed legislation would increase maximum capitalization of a single small business investment company from $400,000 to $1 million on a matching basis of Federal and private funds; increase the top borrowing ratio of an SBIC from 50% of capital and surplus to 100%; and increase the amount of funds an SBIC may borrow from both private banks and the Small Business Administration from $4 million to $8 million.

The witnesses in support of the proposed legislation represented SBIC's of various sizes ranging from a minimum capitalization of $300,000 to a publicly held SBIC with assets of more than $22 million.

Imperative Need Stressed

Witnesses pointed out that the enactment of the proposed legislation is "imperative." They reported that of the nearly 700 SBIC's licensed by the Small Business Administration since the inception of the program, some 30 have ceased operations. These include some sizable ones with the result that there has been a large net decrease in the availability of funds to small businesses in need of long term capital. While private dollars committed to this program in 1962 outnumbered Government dollars by a ratio of 7 to 1, the departure of these companies has reduced the ratio of private dollars to Government dollars to approximately 5 to 1.

Enactment of the proposed legislation, they told the Committee, will in the two years following attract substantial additional private funds and will encourage the formation of more SBIC's where needed. At present there are six states without small business investment companies and many geographical areas within other states with excellent opportunities for the successful operation of such companies for the benefit of the small business community.

The four witnesses were: James W. Howard, President of NASBIC and President of Growth Capital, Inc. of Cleveland, Ohio; William E. Francis, First Vice-President of NASBIC and President of the Regional Investment Corporation of Bloomfield Hills, Mich.; Irving H. Dale, Second Vice-President of NASBIC and President of the Federated Capital Corporation of New York City; and Stewart W. DeVore, immediate Past President of NASBIC and President of the Fort Worth Capital Corporation of Fort Worth, Texas.

Winners in Art Exhibit

Irving Weinstein, Matthew Loonan Company, won first prize in the amateur division of the Wall Street Art Association's Spring Exhibit.

First prize in the professional division went to Adele Greeff of Granbery, Marache & Co.

Second prize in the amateur competition went to Dorain Wettstein, a clerk with Belgian-American Banking Corp, and third prize to Harold E. Holly, director of management training for New York Life Insurance Company.

A. Henry Hordhausen, immediate past president for four years of the Salmagundi Club, one of the world's oldest art clubs, won second prize in the professional category.

The sculpture award went to J. Custode Giantuzzi, Latin Watch Case Company.

Other awards for Honorable Mention in the amateur competition went to Raul A. Garcia, Chartered Bank; Donald J. Gormley, Executive Secretary of the Art Commission of the City of New York; Grace McAlpin, E. D. Fox & Co., and John J. McGeeny, New York Telephone Company.

Awards for Honorable Mention in professional competition went to Emily A. Cianforne, Arthur Andersen Company, and George Comptis.

The awards include a $50 first prize by Shearson Hammill & Co., an artist's easel from M. Grumbacher, Inc.; oil paint set from Winsor & Newton, Inc., and gift certificates from the Wall Street Art Association.

In addition a gift certificate will be awarded by the Cloder Corp. for the painting voted "best in show" by the public.

With F. P. Ristine & Co.

DOYLESTOWN, Pa.—**F. P. Ristine & Co.**, members of the New York Stock Exchange and other leading exchanges, have announced that Harry F. Poole is now associated with their office at 40 E. Court Street as a Registered Representative. Mr. Poole was formerly associated with Blair & Co., Incorporated.

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)	May 18	[illegible]	[illegible]	[illegible]	[illegible]
Index of production based on average weekly production for 1957-1959	May 18	139.8	136.8	135.3	89.2
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	May 10	7,484,610	7,460,360	7,460,910	7,322,110
Crude runs to stills—daily average (bbls.)	May 10	8,438,000	*8,147,000	8,553,000	7,999,000
Gasoline output (bbls.)	May 10	28,655,000	*28,555,000	29,006,000	28,419,000
Kerosene output (bbls.)	May 10	3,169,000	2,965,000	3,040,000	2,336,000
Distillate fuel oil output (bbls.)	May 10	12,888,000	12,656,000	13,957,000	12,762,000
Residual fuel oil output (bbls.)	May 10	5,148,000	4,741,000	5,915,000	5,151,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished gasoline (bbls.) at	May 10	201,263,000	202,684,000	208,404,000	196,204,000
Kerosene (bbls.) at	May 10	27,328,000	26,542,000	24,789,000	24,484,000
Distillate fuel oil (bbls.) at	May 10	89,812,000	*88,093,000	84,323,000	91,621,000
Residual fuel oil (bbls.) at	May 10	44,218,000	43,778,000	44,034,000	40,822,000
Unfinished oils (bbls.) at	May 10	87,226,000	*84,706,000	84,062,000	84,792,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	May 11	598,670	590,981	556,081	583,947
Revenue freight received from connections (no. of cars)	May 11	528,938	532,415	519,075	515,591
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	May 11	9,215,000	*8,985,000	9,000,000	8,142,000
Pennsylvania anthracite (tons)	May 11	357,000	365,000	354,000	263,000
CONSTRUCTION ADVANCE PLANNING — ENGINEERING NEWS-RECORD—NEW SERIES (000's omitted):					
Total advance planning by ownership	May 16	$321,700	$428,900	$347,900	$365,200
Private	May 16	213,200	302,000	249,600	240,800
Public	May 16	108,500	126,900	98,300	124,400
State and Municipal	May 16	96,700	117,500	93,900	104,100
Federal	May 16	11,800	9,400	4,400	20,300
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100	May 11	127	*113	121	121
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	May 18	16,787,000	16,529,000	16,191,000	16,008,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	May 16	268	322	255	329
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	May 13	6.279c	6.279c	6.196c	6.196c
Pig iron (per gross ton)	May 13	$63.33	$63.33	$63.33	$66.44
Scrap steel (per gross ton)	May 13	$28.83	$29.17	$28.17	$26.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	May 17	30.600c	30.600c	30.600c	30.600c
Export refinery at	May 17	28.425c	28.475c	28.425c	28.525c
Lead (New York) at	May 17	10.500c	10.500c	10.500c	9.500c
Lead (St. Louis) at	May 17	10.300c	10.300c	10.300c	9.300c
‡Zinc (delivered at)	May 17	12.000c	12.000c	12.000c	12.000c
Zinc (East St. Louis) at	May 17	11.500c	11.500c	11.500c	11.500c
Aluminum (primary pig, 99.5%) at	May 17	22.500c	22.500c	22.500c	24.000c
Straits tin (New York) at	May 17	117.000c	116.375c	113.750c	116.750c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	May 21	89.80	89.89	89.71	88.83
Average corporate	May 21	89.23	89.23	89.09	87.86
Aaa	May 21	92.79	92.93	92.93	92.06
Aa	May 21	90.77	90.77	90.77	90.06
A	May 21	89.37	89.37	89.37	87.45
Baa	May 21	84.17	84.04	83.79	82.52
Railroad Group	May 21	87.05	87.05	86.91	84.68
Public Utilities Group	May 21	90.34	90.34	90.34	89.09
Industrials Group	May 21	90.20	90.20	90.06	90.06
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	May 21	3.81	3.79	3.80	3.82
Average corporate	May 21	4.47	4.47	4.48	4.57
Aaa	May 21	4.22	4.21	4.21	4.27
Aa	May 21	4.36	4.36	4.36	4.41
A	May 21	4.46	4.46	4.46	4.60
Baa	May 21	4.85	4.86	4.88	4.98
Railroad Group	May 21	4.63	4.63	4.64	4.81
Public Utilities Group	May 21	4.39	4.39	4.39	4.48
Industrials Group	May 21	4.40	4.40	4.41	4.41
MOODY'S COMMODITY INDEX	May 21	389.8	383.9	372.6	367.8
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	May 11	351,076	396,753	339,686	341,919
Production (tons)	May 11	368,782	358,223	355,237	353,013
Percentage of activity	May 11	94	93	96	94
Unfilled orders (tons) at end of period	May 11	509,565	528,098	487,384	491,708
OIL, PAINT AND DRUG REPORTER PRICE INDEX— 1949 AVERAGE=100	May 17	111.98	111.96	111.88	111.98
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Apr. 26	3,207,440	3,342,140	2,440,010	2,629,470
Short sales	Apr. 26	755,760	896,670	503,770	531,470
Other sales	Apr. 26	2,496,390	2,496,410	1,895,530	2,100,150
Total sales	Apr. 26	3,252,150	3,393,080	2,399,300	2,631,620
Other transactions initiated off the floor—					
Total purchases	Apr. 26	725,050	750,460	516,190	258,910
Short sales	Apr. 26	54,900	89,300	35,910	38,700
Other sales	Apr. 26	672,750	669,720	502,960	289,150
Total sales	Apr. 26	727,650	759,020	538,870	327,850
Other transactions initiated on the floor—					
Total purchases	Apr. 26	1,245,586	1,326,672	996,551	776,299
Short sales	Apr. 26	203,300	168,820	114,870	85,660
Other sales	Apr. 26	1,274,345	1,187,220	1,005,715	896,997
Total sales	Apr. 26	1,477,645	1,356,040	1,120,585	982,657
Total round-lot transactions for account of members—					
Total purchases	Apr. 26	5,178,076	5,419,272	3,952,751	3,664,679
Short sales	Apr. 26	1,013,960	1,754,790	654,550	655,830
Other sales	Apr. 26	4,443,485	4,353,350	3,404,205	3,286,297
Total sales	Apr. 26	5,457,445	5,508,140	4,058,755	3,942,127
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	Apr. 26	1,724,007	1,840,540	1,256,625	1,786,190
Dollar value	Apr. 26	$86,070,022	$89,641,931	$59,969,352	$101,311,313
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Apr. 26	2,107,953	2,268,811	1,679,464	1,699,125
Customers' short sales	Apr. 26	15,036	12,903	12,400	23,531
Customers' other sales	Apr. 26	2,092,917	2,255,908	1,667,064	1,675,594
Dollar value	Apr. 26	$100,383,432	$104,853,701	$76,915,272	$94,719,031
Round-lot sales by dealers—					
Number of shares—Total sales	Apr. 26	807,720	868,100	708,100	506,490
Short sales	Apr. 26				
Other sales	Apr. 26	807,720	868,100	708,100	506,490
Round-lot purchases by dealers—Number of shares	Apr. 26	402,970	445,430	266,200	586,070
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	Apr. 26	1,209,510	1,384,250	881,910	849,830
Other sales	Apr. 26	25,311,980	25,475,700	19,067,640	17,385,890
Total sales	Apr. 26	26,521,690	26,859,950	19,949,550	18,035,720
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):					
Commodity Group—					
All commodities	May 14	100.0	*99.8	99.9	100.3
Farm products	May 14	94.7	*94.7	95.4	96.3
Processed foods	May 14	100.7	*99.7	99.5	99.7
Meats	May 14	89.4	*87.8	87.6	93.9
All commodities other than farm and foods	May 14	100.4	*100.5	100.5	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
AMERICAN RAILWAY CAR INSTITUTE—			
Month of April:			
Orders of new freight cars	2,573	5,808	2,445
New freight cars delivered	3,755	4,026	4,077
Backlog of cars on order and undelivered (end of month)	19,872	21,307	14,244
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of April 30:			
Imports	$522,904,000	$554,213,000	$478,502,000
Exports	750,492,000	729,694,000	825,953,000
Domestic shipments	12,327,000	8,415,000	[illegible]
Domestic warehouse credits	95,893,000	113,300,000	142,583,000
Dollar exchange	146,495,000	142,153,000	[illegible]
Based on goods stored and shipped between foreign countries	1,129,985,000	1,041,482,000	855,370,000
Total	$2,658,096,000	$2,589,257,000	$2,392,029,000
BUSINESS FAILURES—DUN & BRADSTREET INC.—Month of April:			
Manufacturing number	189	225	200
Wholesale number	150	129	145
Retail number	620	595	767
Construction number	212	221	273
Commercial service number	116	126	119
Total number	1,287	1,296	1,504
Manufacturing liabilities	$32,286,000	$34,907,000	$49,677,000
Wholesale liabilities	20,228,000	13,473,000	10,437,000
Retail liabilities	28,847,000	26,148,000	31,691,000
Construction liabilities	14,434,000	19,017,000	24,586,000
Commercial service liabilities	4,960,000	6,957,000	5,440,000
Total liabilities	$100,755,000	$100,502,000	$121,831,000
COAL EXPORTS (BUREAU OF MINES)—			
Month of February:			
U. S. exports of Pennsylvania anthracite (net tons)	265,847	184,286	108,143
To North and Central America (net tons)	61,474	53,565	45,109
To Europe (net tons)	203,369	129,888	[illegible]
To South America (net tons)	158	41	1,535
To Asia (net tons)	846	-----	-----
To Africa (net tons)	-----	792	-----
COAL OUTPUT (BUREAU OF MINES)—Month of April:			
Bituminous coal and lignite (net tons)	38,035,000	33,320,000	34,313,000
Pennsylvania anthracite (net tons)	1,474,000	1,595,000	1,254,000
CONSUMER PRICE INDEX — 1957-59=100—			
Month of March:			
All items	106.2	106.1	105.0
Food	104.6	105.0	103.2
Food at home	103.0	103.5	[illegible]
Cereal and bakery products	109.1	109.2	107.3
Meats, poultry and fish	100.7	102.1	100.6
Dairy products	103.5	103.6	105.0
Fruits and vegetables	109.6	109.4	114.4
Other food at home	96.7	97.1	96.1
Food away from home (Jan., 1958=100)	112.6	112.5	113.7
Housing	105.7	105.4	104.6
Rent	106.4	106.4	105.3
Gas and electricity	108.0	108.0	107.9
Solid fuels and fuel oil	104.8	104.8	103.6
Housefurnishings	98.6	98.3	99.5
Household operation	109.7	109.3	107.1
Apparel	103.6	103.3	102.7
Men's and boys'	103.9	103.7	102.8
Women's and girls'	101.1	100.7	100.4
Footwear	110.0	109.9	109.1
Other apparel	101.1	100.9	100.3
Transportation	107.0	106.8	105.9
Private	105.6	105.3	104.6
Public	116.4	116.3	114.9
Medical care	115.8	115.6	113.6
Personal care	107.3	107.3	105.9
Reading and recreation	110.1	110.0	109.2
Other goods and services	105.7	105.7	105.1
COPPER INSTITUTE—For month of April:			
Copper production in U. S. A.—			
Crude (tons of 2,000 pounds)	118,122	*121,716	125,492
Refined (tons of 2,000 pounds)	142,046	147,953	137,070
Delivered to fabricators—			
In U. S. A. (tons of 2,000 pounds)	132,759	*141,316	130,476
Refined copper stocks at end of period (tons of 2,000 pounds)	95,822	*106,125	65,277
INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM — 1957-59 Average=100 — Month of April:			
Seasnally adjusted	122	*121	118
Unadjusted	123	122	118
NEW CAPITAL ISSUES IN GREAT BRITAIN MIDLAND BANK—Month of April	£31,887,000	£49,084,000	£9,516,000
NEW YORK STOCK EXCHANGE—			
As of April 30 (000's omitted):			
Member firms carrying margin accounts—			
Total customers net debit balances	$4,553,000	$4,358,000	$4,115,000
Credit extended to customers	27,000	28,000	36,000
Cash on hand and in banks in U. S.	415,000	399,000	419,000
Total of customers free credit balances	1,201,000	1,175,000	1,110,000
Market value of listed shares	383,589,658	365,933,744	357,770,892
Member borrowings of U. S. Govt. issues	859,000	796,000	511,000
Member borrowings on other collateral	3,362,000	3,323,000	*3,171,000
PORTLAND CEMENT (BUREAU OF MINES)—			
Month of March:			
Production (barrels)	21,525,000	14,750,000	20,454,000
Shipments from mills (barrels)	21,296,000	14,631,000	21,077,000
Stocks at end of month (barrels)	42,328,000	*42,293,000	39,811,000
Capacity used (per cent)	54	42	54
RUBBER MANUFACTURING ASSOCIATION, INC.—Month of March:			
Passenger & Motorcycle Tires (Number of)—			
Shipments	9,868,233	8,113,478	9,562,451
Producton	11,069,301	10,326,488	9,952,445
Inventory	28,819,412	27,524,839	24,692,077
Tractor Implement Tires (Number of)—			
Shipments	411,711	366,020	408,676
Production	414,477	354,833	371,703
Inventory	1,159,826	1,146,145	1,050,862
Passenger, Motorcycle, Truck and Bus Inner Tubes (Number of)—			
Shipments	3,475,361	3,572,285	3,582,008
Production	3,656,895	3,594,972	4,009,395
Inventory	9,296,786	8,974,217	8,713,564
Tread Rubber (Camelback)—			
Shipments (pounds)	37,075,000	33,065,000	36,920,000
Production (pounds)	36,539,000	33,108,000	36,424,000
Inventory (pounds)	17,130,000	17,554,000	17,187,000
Truck and Bus Tires (Number of)—			
Shipments (pounds)	1,268,179	1,121,971	1,352,868
Production	1,471,281	1,382,380	1,325,422
Inventory	4,373,266	4,168,086	3,831,219
RYE CONDITION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—			
As of May 1	83%	86%	88%
WINTER WHEAT PRODUCTION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—As of May 1 (bushels)	884,519,000	926,944,000	816,379,000

TAX-EXEMPT BOND MARKET

Continued from page 6

yield from 2.25% in 1966 to 3.70% in 2001 and initial demand has amounted to $4,500,000. The present balance in syndicate is $160,000. The 2002 and 2003 maturities carried a 3% coupon and were sold at a 4.00% yield.

Two Infrequent State Borrowings Featured Tuesday's Business

Tuesday was a busy day with two of our States which are infrequent borrowers seeking funds. The State of Tennessee awarded $25,000,000 various purpose (1964-1983) bonds to the account headed jointly by the *First National Bank of Memphis* and *Glore, Forgan & Co.* on a net interest cost bid of 2.881%. Second best bid for the bonds offering a 2.9073% net interest cost came from the merged First National City, Chemical Bank New York Trust Co. account and there were four additional bids ranging in interest cost from 2.9077% to 2.96% made for this popular issue.

Other major members of the winning account include Drexel & Co., Salomon Brothers & Hutzler, Ladenburg, Thalmann & Co., Seattle First National Bank, United California Bank, First National Bank of Boston, Goodbody & Co., Valley National Bank of Arizona, First National Bank of Miami, Dick & Merle-Smith, National State Bank of Newark, New Jersey, Stroud & Co., New York Hanseatic Corp. and Fifth-Third Union Trust Co., Cincinnati.

Reoffered to yield from 1.60% to 3.00%, initial retail demand has been thus far disappointing, the present balance in account being about $14,000,000.

The group led jointly by *The First Boston Corp.* and *Drexel & Co.* submitted the best bid, a 2.6667% net interest cost for $21,540,000 State of Colorado Highway Fund revenue refunding (1963-1975) bonds. The runner-up bid, a 2.6793% net interest cost, came from the account managed by Smith, Barney & Co., Eastman Dillon, Union Securities & Co. and Kidder, Peabody & Co.

Other members of the winning group include Bear, Stearns & Co., Alex. Brown & Sons, Wm. Blair & Co., Boland, Saffin, Gordon & Sautter, Foster & Marshall, Tucker, Anthony & R. L. Day Co., William R. Staats & Co. and Green, Ellis & Anderson.

Scaled to yield from 1.50% to 2.75%, good bank buying was in evidence, with the present balance in group totaling $7,195,000.

Monroe, Louisiana awarded $6,000,000 Public Improvement (1966-1993) bonds to the account led by *Phelps, Fenn & Co.* at a net interest cost of 3.469%. Second best bid for the issue, offering a 3.49% net interest cost, came from the Harris Trust and Savings Bank and associates.

Associated with Phelps, Fenn & Co. as major underwriters in this issue are Paine, Webber, Jackson & Curtis, A. C. Allyn & Co., Inc., Hattier & Sanford, Barrow, Leary & Co., Bacon, Stevenson & Co., Johnston, Lemon & Co., Robinson-Humphrey Co., Northrop & White, Ronson & Co., McDougal & Condon, Inc., Steiner, Rouse & Co. and J. M. Dain & Co.

Reoffered to yield from 2.00% in 1966 to 3.60% in 1992, the present balance is $4,590,000. The 1993 maturity carried a 1% coupon and was reoffered at a 4.10% yield.

Tuesday's final sale of note involved $3,765,000 Toledo, Ohio various purpose (1965-1989) bonds which were awarded to the group headed by the *Chase Manhattan Bank* at a 2.9977% net interest cost. Second best bid for this issue, a 3.02% net interest cost, came from the Northern Trust Co. and associates and there were 14 other bids made for this loan.

Other members of the winning syndicate include Salomon Bros. & Hutzler, Trust Co. of Georgia, Commerce Trust Co., Kansas City, Newhard, Cook & Co., Parker, Eisen, Waeckerle, Adams & Purcell, Inc., Barret, Fitch, North & Co. and Reinholdt & Gardner.

Reoffered to yield from 1.85% to 3.20% for a 3% coupon, the present balance in group is $848,000.

Week's Major Award

The group led jointly by the *First National City Bank, Chemical Bank New York Trust Co.* and *The First Boston Corp.* submitted the best bid, a 3.278% net interest cost, for $30,000,000 Commonwealth of Puerto Rico, public improvement (1964 - 1988) bonds on Wednesday. This winning bid compared favorably with the runner-up bid, a 3.28% net interest cost, which came from the account managed by Chase Manhattan Bank, Morgan Guaranty Trust Co. and Ira Haupt & Co.

Other major members of the successful group are Banco Popular, Lehman Brothers, C. J. Devine & Co., Harriman Ripley & Co., Smith, Barney & Co., Mellon National Bank and Trust Co., Kuhn, Loeb & Co., Philadelphia National Bank, Mercantile Trust Co., St. Louis, Continental Illinois National Bank and Trust Co. and Carl M. Loeb, Rhoades & Co.

The securities are offered at prices to yield from 1.70% in 1964 to 3.40% in 1987 and as we go to press it is estimated that 50% of the bonds remain in group. The 1988 maturity carried a one-tenth of 1% coupon and was sold at a 4.50% yield.

Dollar Bonds Find Support

The long-term toll road, toll bridge, public utility, authority and other revenue type issues fared better in the course of the last week than might be expected, due to improved quotations as we near press time. *The Commercial and Financial Chronicle's* 23 long-term revenue bond yield Index averages out at 3.423% on May 22 as against 3.415% a week back. This would indicate that the week's net change was down only one-eighth of a point, although it was off considerably more than this had Monday's easy market been the criterion.

Most of these issues are now so well held that any market setback touches off a flurry of individual buying interest. In this category of investment, yields continue to be generous enough to attract the so-called small investor whenever a market dip appears. Even some of the trust companies are now purchasing some of the more seasoned toll road issues for trust accounts.

Record Gains Achieved By Mutual Savings Banks

WASHINGTON, D. C.—The strength of the savings banking industry as it marshalls its resources to attain geographic extension through Federal charters was highlighted May 15 by the Executive Vice-President of the National Association of Mutual Savings Banks in his annual report to the members of the Association gathered here for their 43rd Annual Conference.

Dr. Grover W. Ensley

Summarizing the printed report, Dr. Grover W. Ensley pointed to record gains achieved by the nation's 512 mutual savings banks during the past 12-month period, when the economic and financial climate, on the one hand, was especially favorable for all deposit-type institutions but, on the other hand, was intensely competitive for savings banks. In this climate, they demonstrated their ability to meet competition effectively, to utilize to the maximum their flexible investment powers, and to serve the thrift and home financing needs of their communities, Dr. Ensley asserted. This inherent strength, he said, advances the industry's case for "breaking the geographic barriers that now confine it to one-third of the nation."

Dr. Ensley referred specifically to the Federal Mutual Savings Bank bill now before Congress, which would provide for the extension of savings banks to the rest of the country through chartering by the Federal Home Loan Bank Board. Support for the legislation, Dr. Ensley reported, was broad-based and includes the 11 Federal agencies represented on President Kennedy's Committee on Financial Institutions which, in its recently-released report, supports Federal charters for savings banks.

The industry gains presented in the report include the record $3.1 billion deposit increase registered by savings banks in 1962 and the record $3.2 billion in net mortgage acquisitions for the year. Since they are limited to 18 states, their gains in dollar amounts were not so large as those of competing deposit-type institutions that are nationwide. Dr. Ensley pointed out, however, that savings banks showed the greatest relative improvement—58%—in total savings gains in 1962 over 1961.

Dr. Ensley reported that 70% of the industry's total assets—$46 billion at the end of 1962—was invested in mortgage loans. He emphasized that savings banks, while primarily oriented toward local mortgage lending, have steadily increased their lending in states that do not have savings banks. Savings banks now hold residential mortgage loans, totaling $8.5 million, in all of the 32 nonsavings bank states, including $2.2 billion in California and $1 billion in Texas.

NAMSB programs referred to by Dr. Ensley include legal and economic research to assist savings banks increase their operating efficiency and to expand their range of thrift services. He reported that the Association's modest national advertising program had been successful in interesting local groups in the possibility of establishing new savings banks. The education programs which the Association has established at Dartmouth College and Brown University were also discussed by Dr. Ensley. He reported that the industry now has a "sound basis for developing the human resources essential to any successful business."

FNMA Sale of Mortgages $273 Million Over Purchases

First quarter secondary sales of mortgages from FNMA's portfolio were the highest since 1958's second quarter, and purchases were the lowest since 1958's third quarter. The abundance of residential mortgage funds, in seeking mortgages, prefer FHA to VA endorsed loans, and among sellers mortgage companies were found to be most active.

Mortgage sales of the Federal National Mortgage Association exceeded purchases by more than a quarter-billion dollars in the first three months of this year. This was revealed in a Quarterly Report and Financial Statement of its Secondary Market Operations released recently which showed sales of mortgages for the period topped purchases by $273,057,000. The report discloses that while sales rose sharply from $26,952,000 in the last quarter of 1962 to $319,383,000 in the first quarter, purchases were cut back about 38% from $73,176,000 to $46,326,000 during the same period for a net inflow of $273,057,000.

J. S. Baughman

According to FNMA President J. Stanley Baughman, the volume of sales during the first quarter was the highest since the second quarter of 1958 when $355,459,000 in mortgages were sold, while purchases were the lowest since the third quarter of 1958 when $21,365,000 in mortgages were bought.

Fluctuations Normal in True Secondary Market

Commenting on the seesaw pattern of FNMA Secondary Market Operations in the first quarter, Mr. Baughman said: "These fluctuations are normal and merely reflect the current abundant supply of residential mortgage funds. They are evidence of the natural workings of a true and effective secondary market for mortgages. When money is tight, the action is reversed—our purchases rise as sellers seek liquidity and our sales drop commensurately.

"Thus, our first quarter spurt in sales was the result of long-term investors seeking outlets for their funds plus the fact that it is pretty well known that FNMA has a $2,500,000,000 Secondary Market Operations portfolio consisting of approximately 200,000 attractive, well - seasoned, Government-backed, residential mortgages for sale," he explained.

More FHA Than VA Mortgages Bought

The report also showed that purchases of FHA-insured mortgages were almost five times greater than those of VA-guaranteed mortgages, with 3,271 of the former worth $37,600,000 and 665 GI liens totaling $8,700,000 acquired during the quarter. Mortgages purchased during the period covered properties located in 47 states plus the District of Columbia and Puerto Rico.

An analysis of the 346 sellers that sold mortgages to FNMA during the quarter shows that mortgage companies were the most active with 263 sellers (76%), followed by 67 banks and trust companies (19.4%), 14 savings and loan associations (4%) and 2 insurance companies (0.6%).

Common Stock Subscriptions Pass $90 Million

Subscriptions to FNMA common stock passed the $90,000,000 mark with $400,000 subscribed during the quarter, bringing the cumulative total to $90,200,000. The 899,956 shares of common stock outstanding at March 31 were held by 8,922 stockholders of record. Dividends of 30 cents a share were declared each month during the quarter.

Net Earnings for Quarter Over $7 Million

The Association's net earnings under its Secondary Market Operations during the quarter ended March 31, 1963, amounted to $7,704,884, after expenses and after establishment of reserves for losses of $491,282, and provision for the payment to the U. S. Treasury of $8,346,958 as the equivalent of Federal income taxes. Earnings during the quarter amounted to $3.74 on each share of common stock and to $4.02 on each share of utilized preferred stock.

From these earnings, provision was made for the payment of $966,629 to the Secretary of the Treasury as the full amount of cumulative dividends on the preferred stock and of $808,845 for payment of dividends on the common stock, leaving $5,929,410 for transfer to general surplus.

The Association maintains regional agency offices in Philadelphia, Atlanta, Chicago, Dallas and Los Angeles in addition to a sales office and fiscal agency office in New York City.

Toronto Stock Ex. Re-elects Gardiner

TORONTO, Canada—George Ryerson Gardiner was re-elected Chairman of the Board of Governors of the Toronto Stock Exchange at its annual meeting May 9.

As Chairman, Mr. Gardiner, who is President of Gardiner, Watson Limited, Toronto, heads an 11-man board which sets the rules and regulations governing trading of listed securities and the conduct of its members and allied members. The Board is elected by the members and exercises broad policy-making and disciplinary powers.

The Toronto Stock Exchange is the nation's largest organized securities market, where nearly 100 member-brokers daily buy and sell, for thousands of people, shares in Canada's leading industrial mining and oil corporations.

Other members of the 1963 Board of Governors are: Marshal Stearns, T. A. Richardson & Co., Vice-Chairman; John S. Deacon, F. H. Deacon & Co., Ltd., Secretary; Robert N. Steiner, A. E. Ames & Co., Treasurer; Pierre H. Bond, Jackson, McFadyen & Co., Ltd., George C. Hevenor, Hevenor & Co.; J. E. Houston, Houston & Co.; C. W. McBride, Midland Co. Ltd.; E. S. Miles, Burns Bros. & Denton Ltd.; and J. P. Walwyn, Walwyn, Stodgell & Co., Ltd. The President of the TSE, Howard D. Graham, is also a member of the Board.

WASHINGTON AND YOU

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

WASHINGTON, D. C.—Little more than four years ago probably the most aristocratic and esteemed public figure of our country, Senator Harry Flood Byrd, announced that he planned to retire.

Whereupon, thousands of Americans wrote him letters, sent him telegrams and called him urging that he change his mind because he was urgently needed in the Congress of the United States. He changed his mind and was reelected.

Today there is some doubt that the 76-year-old distinguished Virginian will announce for re-election next year. As a result, many Americans from Wall Street to Wahoo, Neb., are making inquiries and appealing to him to run once again.

Many of them were the same people who several years ago urged him to reconsider, but many of them apparently are making their appeals for the first time.

Weeks ago some of Senator Byrd's friends gathered at a "black tie" dinner in the Nation's Capital to honor him. The occasion was the completion of 30 years in the Senate, and 50 years of public service, including his tenure as governor of the Old Dominion.

Senator Byrd has served in the Senate longer than any Virginian in history. Should he offer to run again, he would be a certainty to be re-elected because the overwhelming majority of the people—Democrats and Republicans alike—regard him as one of the great public figures of all times.

Thrift and Prudence

Senator Byrd is the symbol of thrift and prudence in fiscal affairs of the Federal Government. The State of Virginia for years and years, because of the influence of the senator and former governor, has operated its affairs on a pay-as-you-go basis.

Despite the great pressure that was applied on Virginia after Congress approved the 41,000-mile divided, multi-Laned Interstate Highway System, the Old Dominion refused to go out and issue many millions of dollars in bonds so the highway program might be accelerated.

Nevertheless, Virginia's division of highways is keeping pace with other states in building the interstate expressways, and doing it without additional debt on the state.

Former "New Dealer"

It seems a bit ironical that Senator Byrd came to Capitol Hill, along with the late President Franklin D. Roosevelt, as a "New Dealer."

"That is right," Senator Byrd has said. "I came to the Senate supporting the New Deal because the New Deal Administration had pledged the American people it would end waste and unnecessary spending. But the New Deal abandoned those principles not long after it was elected."

Senator Byrd quickly abandoned the New Deal, or the New Deal quit Senator Byrd, after the Roosevelt Administration refused to reduce the Federal payroll of needless political jobs, and inaugurate an era of frugality in the government.

Since breaking with the New Deal fiscal philosophy, Senator Byrd has figuratively been holding his finger in the dike of spending. The total Federal budget when he came to the Senate amounted to about what the Kennedy Administration is seeking from Congress in fiscal 1964 for foreign assistance.

Has His Critics

Some critics of the socalled Byrd organization in Virginia have said Senator Byrd has not been able to stop the ever-increasing Federal spending. On the other hand, some longtime fiscal experts contend that the National debt and all Federal spending would be far greater had not Senator Byrd been around to keep an eye on the United States Treasury, and repeatedly send up signals to the American people.

The Virginian will be in the spotlight soon on the Senate side of the Capitol as Congress will have to raise the national debt limit.

"Jeffersonian Democrat"

Recently Senator Byrd gave a "Law Day" lecture at the University of Virginia at Charlottesville. He is not a lawyer, but his father was an attorney, and a graduate of the Universtiy of Virginia, founded by Thomas Jefferson.

What kind of a Democrat is Senator Byrd? "I am a Jeffersonian Democrat," he told the audience at the Law Day lecture. "I wear that label with pride because I think it marks me as one who fights for the fundamentals on which the finest system of government in history was built. I fight for these fundamentals because I believe in them."

After pointing out that since World War II, the United States has spent more than $100 billion in foreign aid, and the value of the dollar at home has been steadily going down, he told the law school audience:

"We are being enticed into centralization by Federal paternalism, forced into centralization by Federal usurpation of power, and driven to centralization under the burden of public debt. I wish I could say this trend is abating. It is not. It is continuing with increasing boldness."

Then he took a sharp swing at the Kennedy Administration on a subject that never got much attention around the country like it perhaps deserved. He pointed out that President Kennedy sent to Congress the past year two farreaching proposals.

Under one proposal the President could spend public funds without appropriation by Congress, while the other would permit cutting of taxes by executive order. No other President in history ever asked for such sweeping powers by the Executive Department.

Turned Down Federal Subsidies

Senator Byrd probably is the biggest individual apple grower in the world. There have been all kinds of efforts made in Congress for years to get the apple growing industry subsidized or provided price supports like some other segments of our great agricultural industry. The Senator has vigorously opposed it.

Furthermore, he could have collected a total of $168,000 for soil conservation practices from the Federal Government since the practice started, but he has not collected anything. Neither has he sold any apples to the Federal Government.

Senator Byrd's greatest source of influence is his personal integrity, according to Vice-President Johnson.

He is Chairman of the Senate Finance Committee. At the testimonial dinner about as many Republican colleagues attended as Democrats. One of the speakers was Bernard Baruch, the 93-year-old adviser of all Presidents beginning with Woodrow Wilson.

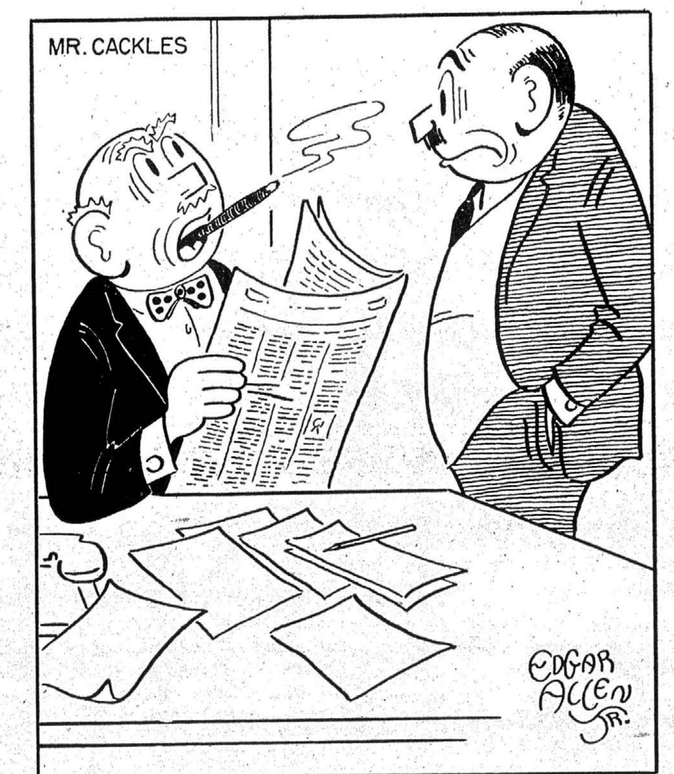
"America's Greatest Public Servant

The attractive dinner program carried personal greetings and messages from President Kennedy, and former Presidents Herbert Hoover, Harry S. Truman and Dwight D. Eisenhower.

From his home in the Waldorf-Astoria Towers in New York, former President Hoover made a statement that Americans everywhere will concur in when he told the gentleman from the Blue Ridge Mountain country:

"You have been one of America's greatest public servants."

[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.]



"Some Congressmen want to increase bank deposit insurance—a lot of good that will do ME—one minute after I make a deposit my wife makes a withdrawal!"

COMING EVENTS

IN INVESTMENT FIELD

May 23, 1963 (New York City)
Association of Customers Brokers Annual Meeting and Dinner at the Americana Hotel.

May 23, 1963 (Omaha, Neb.)
Nebraska Investment Bankers Association annual field day at the Omaha Country Club (preceded May 22nd by cocktails and a dinner.)

New York City (May 24, 1963)
Security Traders Association of New York Glee Club Ninth Annual Dinner and Dance at the Plaza Hotel.

June 6, 1963 (Boston, Mass.)
Boston Securities Traders Association 44th Annual Summer Outing at the Woodland Country Club.

June 6, 1963 (N. Y. City)
STANY Bowling League Annual Dinner at Whyte's Restaurant (344 West 57th Street).

June 7, 1963 (New York City.)
Bond Club of New York 29th Annual Field Day at Sleepy Hollow Country Club, Scarborough, N. Y.

CHRONICLE's Special Pictorial Section June 13.

June 7, 1963 (New York City.)
Municipal Bond Club of New York 30th Annual Field Day at the Westchester Country Club, Rye, N. Y.

June 13, 1963 (Minneapolis-St. Paul, Minn.)
Twin City Bond Club 42nd Annual Outing at the White Bear Yacht Club, White Bear Lake, Minn.

June 13-14, 1963 (Kansas City, Mo.)
Kansas City Security Traders Association Annual Summer Party —June 13 at Hilton Inn; June 14 at Meadowbrook County Club.

June 14, 1963 (Pittsburgh, Pa.)
Bond Club of Pittsburgh Annual Spring Outing at the Pittsburgh Field Club.

June 14, 1963 (Philadelphia, Pa.)
Philadelphia Securities Association Annual Outing at the Aronomink Golf Club, Newtown Square, Pa.

June 19-21, 1963 (Chicago, Ill.)
Investment Bankers Association Municipal Conference at the Pick-Congress Hotel.

CHRONICLE's Special Pictorial Supplement July 11, 1963.

June 20-23, 1963 (Canada)
Investment Dealers Association of Canada Annual Meeting at Jasper Park Lodge.

June 21, 1963 (New York City)
Investment Association of New York Annual Outing at Sleepy Hollow Country Club.

June 21, 1963 (Philadelphia, Pa.)
Investment Traders Association of Philadelphia annual summer outing and golf tournament at the Whitemarsh Country Club, Whitemarsh, Pa.

June 22-25, 1963 (Santa Barbara, Calif.)
California Group Investment Bankers Association 12th Annual Conference at the Santa Barbara Biltmore.